State of the Union Address (1790-2001) eBook

State of the Union Address (1790-2001) by President of the United States

The following sections of this BookRags Literature Study Guide is offprint from Gale's For Students Series: Presenting Analysis, Context, and Criticism on Commonly Studied Works: Introduction, Author Biography, Plot Summary, Characters, Themes, Style, Historical Context, Critical Overview, Criticism and Critical Essays, Media Adaptations, Topics for Further Study, Compare & Contrast, What Do I Read Next?, For Further Study, and Sources.

(c)1998-2002; (c)2002 by Gale. Gale is an imprint of The Gale Group, Inc., a division of Thomson Learning, Inc. Gale and Design and Thomson Learning are trademarks used herein under license.

The following sections, if they exist, are offprint from Beacham's Encyclopedia of Popular Fiction: "Social Concerns", "Thematic Overview", "Techniques", "Literary Precedents", "Key Questions", "Related Titles", "Adaptations", "Related Web Sites". (c)1994-2005, by Walton Beacham.

The following sections, if they exist, are offprint from Beacham's Guide to Literature for Young Adults: "About the Author", "Overview", "Setting", "Literary Qualities", "Social Sensitivity", "Topics for Discussion", "Ideas for Reports and Papers". (c)1994-2005, by Walton Beacham.

All other sections in this Literature Study Guide are owned and copyrighted by BookRags, Inc.

Contents

State of the Union Address (1790-2001) eBook....1
Contents....2
Table of Contents....127
Page 1....143
Page 2....144
Page 3....145
Page 4....147
Page 5....149
Page 6....150
Page 7....152
Page 8....153
Page 9....155
Page 10....156
Page 11....157
Page 12....158
Page 13....160
Page 14....162
Page 15....163
Page 16....164
Page 17....166
Page 18....167
Page 19....168
Page 20....169
Page 21....170
Page 22....172

Page 23.....174
Page 24.....175
Page 25.....176
Page 26.....177
Page 27.....179
Page 28.....180
Page 29.....181
Page 30.....182
Page 31.....183
Page 32.....185
Page 33.....187
Page 34.....188
Page 35.....189
Page 36.....190
Page 37.....192
Page 38.....194
Page 39.....196
Page 40.....198
Page 41.....200
Page 42.....202
Page 43.....203
Page 44.....204
Page 45.....206
Page 46.....208
Page 47.....210
Page 48.....212

Page 49.....213
Page 50.....215
Page 51.....216
Page 52.....217
Page 53.....218
Page 54.....220
Page 55.....221
Page 56.....222
Page 57.....223
Page 58.....224
Page 59.....225
Page 60.....226
Page 61.....227
Page 62.....228
Page 63.....230
Page 64.....231
Page 65.....232
Page 66.....234
Page 67.....236
Page 68.....237
Page 69.....238
Page 70.....239
Page 71.....240
Page 72.....242
Page 73.....244
Page 74.....245

Page 75.....246
Page 76.....247
Page 77.....248
Page 78.....250
Page 79.....251
Page 80.....253
Page 81.....254
Page 82.....255
Page 83.....257
Page 84.....258
Page 85.....259
Page 86.....261
Page 87.....262
Page 88.....263
Page 89.....265
Page 90.....266
Page 91.....267
Page 92.....269
Page 93.....270
Page 94.....271
Page 95.....272
Page 96.....273
Page 97.....275
Page 98.....276
Page 99.....278
Page 100.....279

Page 101.....280
Page 102.....282
Page 103.....283
Page 104.....284
Page 105.....286
Page 106.....287
Page 107.....288
Page 108.....290
Page 109.....292
Page 110.....293
Page 111.....294
Page 112.....295
Page 113.....297
Page 114.....299
Page 115.....301
Page 116.....302
Page 117.....303
Page 118.....304
Page 119.....306
Page 120.....307
Page 121.....309
Page 122.....310
Page 123.....311
Page 124.....312
Page 125.....314
Page 126.....315

Page 127.....316
Page 128.....317
Page 129.....318
Page 130.....319
Page 131.....320
Page 132.....321
Page 133.....322
Page 134.....323
Page 135.....324
Page 136.....326
Page 137.....327
Page 138.....328
Page 139.....329
Page 140.....331
Page 141.....333
Page 142.....334
Page 143.....335
Page 144.....336
Page 145.....338
Page 146.....339
Page 147.....341
Page 148.....342
Page 149.....343
Page 150.....345
Page 151.....346
Page 152.....347

Page 153.....348
Page 154.....350
Page 155.....352
Page 156.....353
Page 157.....354
Page 158.....355
Page 159.....356
Page 160.....357
Page 161.....358
Page 162.....360
Page 163.....361
Page 164.....362
Page 165.....364
Page 166.....365
Page 167.....366
Page 168.....367
Page 169.....368
Page 170.....369
Page 171.....370
Page 172.....371
Page 173.....372
Page 174.....373
Page 175.....374
Page 176.....375
Page 177.....377
Page 178.....378

Page 179.....379
Page 180.....380
Page 181.....381
Page 182.....382
Page 183.....384
Page 184.....385
Page 185.....386
Page 186.....387
Page 187.....389
Page 188.....390
Page 189.....391
Page 190.....393
Page 191.....395
Page 192.....397
Page 193.....398
Page 194.....399
Page 195.....400
Page 196.....401
Page 197.....403
Page 198.....404
Page 199.....406
Page 200.....407
Page 201.....409
Page 202.....410
Page 203.....411
Page 204.....413

Page 205.....414
Page 206.....415
Page 207.....416
Page 208.....418
Page 209.....419
Page 210.....421
Page 211.....423
Page 212.....424
Page 213.....425
Page 214.....426
Page 215.....428
Page 216.....429
Page 217.....430
Page 218.....431
Page 219.....432
Page 220.....433
Page 221.....434
Page 222.....435
Page 223.....437
Page 224.....438
Page 225.....439
Page 226.....440
Page 227.....441
Page 228.....442
Page 229.....443
Page 230.....444

Page 231.....445
Page 232.....446
Page 233.....448
Page 234.....449
Page 235.....450
Page 236.....452
Page 237.....453
Page 238.....454
Page 239.....455
Page 240.....456
Page 241.....457
Page 242.....458
Page 243.....460
Page 244.....461
Page 245.....462
Page 246.....464
Page 247.....465
Page 248.....467
Page 249.....469
Page 250.....470
Page 251.....471
Page 252.....472
Page 253.....473
Page 254.....474
Page 255.....475
Page 256.....476

Page 257.....478
Page 258.....479
Page 259.....480
Page 260.....481
Page 261.....482
Page 262.....484
Page 263.....485
Page 264.....486
Page 265.....487
Page 266.....488
Page 267.....489
Page 268.....490
Page 269.....491
Page 270.....492
Page 271.....493
Page 272.....494
Page 273.....495
Page 274.....496
Page 275.....497
Page 276.....499
Page 277.....500
Page 278.....501
Page 279.....502
Page 280.....503
Page 281.....504
Page 282.....505

Page 283.....506
Page 284.....507
Page 285.....509
Page 286.....510
Page 287.....511
Page 288.....512
Page 289.....514
Page 290.....515
Page 291.....516
Page 292.....517
Page 293.....518
Page 294.....519
Page 295.....520
Page 296.....521
Page 297.....523
Page 298.....524
Page 299.....525
Page 300.....526
Page 301.....527
Page 302.....528
Page 303.....529
Page 304.....531
Page 305.....533
Page 306.....534
Page 307.....535
Page 308.....536

Page 309.....537
Page 310.....538
Page 311.....540
Page 312.....541
Page 313.....542
Page 314.....543
Page 315.....544
Page 316.....545
Page 317.....546
Page 318.....547
Page 319.....548
Page 320.....549
Page 321.....550
Page 322.....551
Page 323.....552
Page 324.....553
Page 325.....554
Page 326.....555
Page 327.....557
Page 328.....558
Page 329.....559
Page 330.....560
Page 331.....562
Page 332.....563
Page 333.....564
Page 334.....565

Page 335.....566
Page 336.....568
Page 337.....569
Page 338.....570
Page 339.....571
Page 340.....572
Page 341.....574
Page 342.....575
Page 343.....576
Page 344.....577
Page 345.....578
Page 346.....580
Page 347.....581
Page 348.....582
Page 349.....583
Page 350.....584
Page 351.....585
Page 352.....586
Page 353.....587
Page 354.....588
Page 355.....589
Page 356.....591
Page 357.....593
Page 358.....594
Page 359.....595
Page 360.....597

Page 361.....598
Page 362.....600
Page 363.....601
Page 364.....602
Page 365.....603
Page 366.....604
Page 367.....605
Page 368.....606
Page 369.....607
Page 370.....609
Page 371.....611
Page 372.....612
Page 373.....613
Page 374.....615
Page 375.....616
Page 376.....617
Page 377.....618
Page 378.....619
Page 379.....620
Page 380.....621
Page 381.....622
Page 382.....623
Page 383.....624
Page 384.....625
Page 385.....626
Page 386.....627

Page 387.....628
Page 388.....629
Page 389.....630
Page 390.....631
Page 391.....632
Page 392.....634
Page 393.....635
Page 394.....636
Page 395.....637
Page 396.....638
Page 397.....639
Page 398.....641
Page 399.....643
Page 400.....644
Page 401.....645
Page 402.....646
Page 403.....648
Page 404.....649
Page 405.....650
Page 406.....651
Page 407.....652
Page 408.....653
Page 409.....654
Page 410.....656
Page 411.....657
Page 412.....658

Page 413.....659
Page 414.....661
Page 415.....662
Page 416.....663
Page 417.....664
Page 418.....665
Page 419.....667
Page 420.....668
Page 421.....669
Page 422.....670
Page 423.....672
Page 424.....673
Page 425.....674
Page 426.....675
Page 427.....676
Page 428.....677
Page 429.....678
Page 430.....679
Page 431.....680
Page 432.....681
Page 433.....682
Page 434.....683
Page 435.....684
Page 436.....685
Page 437.....686
Page 438.....687

Page 439.....689
Page 440.....690
Page 441.....691
Page 442.....693
Page 443.....694
Page 444.....695
Page 445.....696
Page 446.....697
Page 447.....699
Page 448.....700
Page 449.....701
Page 450.....702
Page 451.....703
Page 452.....704
Page 453.....705
Page 454.....706
Page 455.....707
Page 456.....708
Page 457.....709
Page 458.....711
Page 459.....712
Page 460.....713
Page 461.....714
Page 462.....715
Page 463.....716
Page 464.....718

Page 465.....719
Page 466.....720
Page 467.....721
Page 468.....722
Page 469.....723
Page 470.....724
Page 471.....726
Page 472.....727
Page 473.....728
Page 474.....729
Page 475.....730
Page 476.....731
Page 477.....732
Page 478.....733
Page 479.....734
Page 480.....735
Page 481.....736
Page 482.....737
Page 483.....738
Page 484.....739
Page 485.....740
Page 486.....742
Page 487.....743
Page 488.....744
Page 489.....745
Page 490.....746

Page 491.....747
Page 492.....748
Page 493.....749
Page 494.....750
Page 495.....751
Page 496.....752
Page 497.....753
Page 498.....755
Page 499.....757
Page 500.....758
Page 501.....759
Page 502.....760
Page 503.....761
Page 504.....762
Page 505.....763
Page 506.....764
Page 507.....765
Page 508.....766
Page 509.....767
Page 510.....768
Page 511.....769
Page 512.....770
Page 513.....771
Page 514.....772
Page 515.....774
Page 516.....775

Page 517.....776
Page 518.....777
Page 519.....778
Page 520.....779
Page 521.....780
Page 522.....781
Page 523.....782
Page 524.....783
Page 525.....785
Page 526.....786
Page 527.....787
Page 528.....788
Page 529.....790
Page 530.....791
Page 531.....792
Page 532.....793
Page 533.....795
Page 534.....796
Page 535.....797
Page 536.....798
Page 537.....799
Page 538.....801
Page 539.....802
Page 540.....803
Page 541.....804
Page 542.....805

Page 543.....806
Page 544.....807
Page 545.....808
Page 546.....809
Page 547.....810
Page 548.....811
Page 549.....813
Page 550.....814
Page 551.....815
Page 552.....816
Page 553.....817
Page 554.....818
Page 555.....819
Page 556.....820
Page 557.....821
Page 558.....822
Page 559.....823
Page 560.....824
Page 561.....825
Page 562.....826
Page 563.....827
Page 564.....828
Page 565.....830
Page 566.....831
Page 567.....832
Page 568.....833

Page 569.....834
Page 570.....835
Page 571.....836
Page 572.....838
Page 573.....839
Page 574.....840
Page 575.....842
Page 576.....843
Page 577.....844
Page 578.....845
Page 579.....846
Page 580.....847
Page 581.....849
Page 582.....850
Page 583.....851
Page 584.....852
Page 585.....853
Page 586.....854
Page 587.....855
Page 588.....856
Page 589.....857
Page 590.....858
Page 591.....859
Page 592.....860
Page 593.....861
Page 594.....862

Page 595.....863
Page 596.....864
Page 597.....865
Page 598.....867
Page 599.....868
Page 600.....870
Page 601.....871
Page 602.....872
Page 603.....873
Page 604.....874
Page 605.....875
Page 606.....876
Page 607.....878
Page 608.....879
Page 609.....880
Page 610.....881
Page 611.....882
Page 612.....883
Page 613.....884
Page 614.....885
Page 615.....886
Page 616.....887
Page 617.....888
Page 618.....889
Page 619.....891
Page 620.....892

Page 621.....893
Page 622.....894
Page 623.....895
Page 624.....896
Page 625.....897
Page 626.....898
Page 627.....899
Page 628.....900
Page 629.....901
Page 630.....902
Page 631.....904
Page 632.....905
Page 633.....906
Page 634.....908
Page 635.....909
Page 636.....910
Page 637.....912
Page 638.....913
Page 639.....914
Page 640.....915
Page 641.....916
Page 642.....917
Page 643.....918
Page 644.....919
Page 645.....920
Page 646.....921

Page 647.....922
Page 648.....923
Page 649.....924
Page 650.....925
Page 651.....926
Page 652.....927
Page 653.....928
Page 654.....929
Page 655.....930
Page 656.....932
Page 657.....933
Page 658.....934
Page 659.....935
Page 660.....936
Page 661.....937
Page 662.....939
Page 663.....940
Page 664.....941
Page 665.....942
Page 666.....943
Page 667.....945
Page 668.....946
Page 669.....947
Page 670.....948
Page 671.....949
Page 672.....950

Page 673.....951
Page 674.....952
Page 675.....953
Page 676.....954
Page 677.....955
Page 678.....956
Page 679.....958
Page 680.....959
Page 681.....960
Page 682.....961
Page 683.....962
Page 684.....963
Page 685.....964
Page 686.....965
Page 687.....966
Page 688.....967
Page 689.....969
Page 690.....970
Page 691.....971
Page 692.....973
Page 693.....974
Page 694.....975
Page 695.....976
Page 696.....977
Page 697.....978
Page 698.....980

Page 699.....982
Page 700.....983
Page 701.....984
Page 702.....986
Page 703.....987
Page 704.....988
Page 705.....989
Page 706.....990
Page 707.....991
Page 708.....992
Page 709.....993
Page 710.....994
Page 711.....995
Page 712.....996
Page 713.....997
Page 714.....998
Page 715.....999
Page 716.....1000
Page 717.....1001
Page 718.....1002
Page 719.....1003
Page 720.....1004
Page 721.....1006
Page 722.....1007
Page 723.....1009
Page 724.....1010

Page 725.....1011
Page 726.....1012
Page 727.....1013
Page 728.....1014
Page 729.....1015
Page 730.....1017
Page 731.....1019
Page 732.....1021
Page 733.....1022
Page 734.....1023
Page 735.....1024
Page 736.....1025
Page 737.....1026
Page 738.....1027
Page 739.....1028
Page 740.....1029
Page 741.....1031
Page 742.....1032
Page 743.....1033
Page 744.....1034
Page 745.....1036
Page 746.....1037
Page 747.....1038
Page 748.....1039
Page 749.....1041
Page 750.....1042

Page 751.....1043
Page 752.....1045
Page 753.....1046
Page 754.....1048
Page 755.....1049
Page 756.....1051
Page 757.....1052
Page 758.....1053
Page 759.....1054
Page 760.....1055
Page 761.....1056
Page 762.....1057
Page 763.....1058
Page 764.....1059
Page 765.....1060
Page 766.....1061
Page 767.....1063
Page 768.....1064
Page 769.....1065
Page 770.....1066
Page 771.....1067
Page 772.....1069
Page 773.....1071
Page 774.....1072
Page 775.....1073
Page 776.....1074

Page 777.....1075
Page 778.....1076
Page 779.....1077
Page 780.....1078
Page 781.....1079
Page 782.....1081
Page 783.....1082
Page 784.....1083
Page 785.....1085
Page 786.....1086
Page 787.....1088
Page 788.....1089
Page 789.....1090
Page 790.....1092
Page 791.....1093
Page 792.....1094
Page 793.....1095
Page 794.....1097
Page 795.....1098
Page 796.....1099
Page 797.....1100
Page 798.....1101
Page 799.....1103
Page 800.....1104
Page 801.....1106
Page 802.....1108

Page 803.....1109
Page 804.....1111
Page 805.....1112
Page 806.....1114
Page 807.....1116
Page 808.....1117
Page 809.....1119
Page 810.....1121
Page 811.....1122
Page 812.....1123
Page 813.....1124
Page 814.....1125
Page 815.....1126
Page 816.....1127
Page 817.....1128
Page 818.....1130
Page 819.....1131
Page 820.....1132
Page 821.....1133
Page 822.....1134
Page 823.....1135
Page 824.....1136
Page 825.....1138
Page 826.....1139
Page 827.....1140
Page 828.....1141

Page 829.....1143
Page 830.....1144
Page 831.....1145
Page 832.....1146
Page 833.....1147
Page 834.....1148
Page 835.....1149
Page 836.....1150
Page 837.....1151
Page 838.....1152
Page 839.....1153
Page 840.....1154
Page 841.....1155
Page 842.....1156
Page 843.....1157
Page 844.....1158
Page 845.....1159
Page 846.....1160
Page 847.....1161
Page 848.....1162
Page 849.....1163
Page 850.....1164
Page 851.....1165
Page 852.....1166
Page 853.....1167
Page 854.....1168

Page 855.....1169
Page 856.....1170
Page 857.....1171
Page 858.....1173
Page 859.....1174
Page 860.....1175
Page 861.....1176
Page 862.....1177
Page 863.....1178
Page 864.....1179
Page 865.....1180
Page 866.....1181
Page 867.....1182
Page 868.....1183
Page 869.....1184
Page 870.....1185
Page 871.....1186
Page 872.....1187
Page 873.....1188
Page 874.....1189
Page 875.....1191
Page 876.....1192
Page 877.....1193
Page 878.....1194
Page 879.....1195
Page 880.....1196

Page 881.....1198
Page 882.....1199
Page 883.....1200
Page 884.....1201
Page 885.....1202
Page 886.....1203
Page 887.....1204
Page 888.....1205
Page 889.....1206
Page 890.....1207
Page 891.....1208
Page 892.....1210
Page 893.....1211
Page 894.....1213
Page 895.....1215
Page 896.....1216
Page 897.....1217
Page 898.....1219
Page 899.....1220
Page 900.....1221
Page 901.....1222
Page 902.....1224
Page 903.....1225
Page 904.....1226
Page 905.....1227
Page 906.....1228

Page 907.....1229
Page 908.....1230
Page 909.....1231
Page 910.....1233
Page 911.....1234
Page 912.....1235
Page 913.....1237
Page 914.....1238
Page 915.....1239
Page 916.....1240
Page 917.....1241
Page 918.....1242
Page 919.....1243
Page 920.....1244
Page 921.....1245
Page 922.....1246
Page 923.....1247
Page 924.....1249
Page 925.....1250
Page 926.....1251
Page 927.....1252
Page 928.....1254
Page 929.....1256
Page 930.....1258
Page 931.....1259
Page 932.....1260

Page 933.....1261
Page 934.....1262
Page 935.....1263
Page 936.....1264
Page 937.....1266
Page 938.....1267
Page 939.....1268
Page 940.....1269
Page 941.....1270
Page 942.....1271
Page 943.....1272
Page 944.....1273
Page 945.....1274
Page 946.....1275
Page 947.....1276
Page 948.....1277
Page 949.....1279
Page 950.....1280
Page 951.....1281
Page 952.....1282
Page 953.....1283
Page 954.....1284
Page 955.....1285
Page 956.....1286
Page 957.....1288
Page 958.....1289

Page 959.....1290
Page 960.....1291
Page 961.....1292
Page 962.....1293
Page 963.....1294
Page 964.....1295
Page 965.....1296
Page 966.....1297
Page 967.....1298
Page 968.....1299
Page 969.....1300
Page 970.....1301
Page 971.....1302
Page 972.....1303
Page 973.....1304
Page 974.....1305
Page 975.....1306
Page 976.....1307
Page 977.....1308
Page 978.....1309
Page 979.....1310
Page 980.....1311
Page 981.....1312
Page 982.....1313
Page 983.....1314
Page 984.....1315

Page 985.....1316
Page 986.....1317
Page 987.....1319
Page 988.....1321
Page 989.....1322
Page 990.....1323
Page 991.....1324
Page 992.....1325
Page 993.....1326
Page 994.....1327
Page 995.....1328
Page 996.....1330
Page 997.....1331
Page 998.....1332
Page 999.....1333
Page 1000.....1334
Page 1001.....1335
Page 1002.....1336
Page 1003.....1338
Page 1004.....1339
Page 1005.....1340
Page 1006.....1341
Page 1007.....1342
Page 1008.....1343
Page 1009.....1344
Page 1010.....1345

Page 1011.....1346
Page 1012.....1347
Page 1013.....1348
Page 1014.....1349
Page 1015.....1351
Page 1016.....1352
Page 1017.....1353
Page 1018.....1355
Page 1019.....1356
Page 1020.....1357
Page 1021.....1358
Page 1022.....1359
Page 1023.....1361
Page 1024.....1362
Page 1025.....1363
Page 1026.....1365
Page 1027.....1366
Page 1028.....1368
Page 1029.....1369
Page 1030.....1370
Page 1031.....1372
Page 1032.....1374
Page 1033.....1375
Page 1034.....1376
Page 1035.....1377
Page 1036.....1378

Page 1037.....1379
Page 1038.....1380
Page 1039.....1381
Page 1040.....1382
Page 1041.....1384
Page 1042.....1385
Page 1043.....1387
Page 1044.....1388
Page 1045.....1390
Page 1046.....1392
Page 1047.....1393
Page 1048.....1394
Page 1049.....1395
Page 1050.....1396
Page 1051.....1398
Page 1052.....1399
Page 1053.....1400
Page 1054.....1401
Page 1055.....1402
Page 1056.....1403
Page 1057.....1405
Page 1058.....1407
Page 1059.....1408
Page 1060.....1410
Page 1061.....1411
Page 1062.....1413

Page 1063.....1415
Page 1064.....1416
Page 1065.....1417
Page 1066.....1418
Page 1067.....1419
Page 1068.....1420
Page 1069.....1422
Page 1070.....1423
Page 1071.....1424
Page 1072.....1425
Page 1073.....1426
Page 1074.....1427
Page 1075.....1428
Page 1076.....1429
Page 1077.....1430
Page 1078.....1431
Page 1079.....1432
Page 1080.....1433
Page 1081.....1434
Page 1082.....1435
Page 1083.....1436
Page 1084.....1437
Page 1085.....1438
Page 1086.....1439
Page 1087.....1441
Page 1088.....1442

Page 1089.....1443
Page 1090.....1444
Page 1091.....1445
Page 1092.....1446
Page 1093.....1447
Page 1094.....1448
Page 1095.....1449
Page 1096.....1450
Page 1097.....1451
Page 1098.....1452
Page 1099.....1453
Page 1100.....1454
Page 1101.....1455
Page 1102.....1456
Page 1103.....1457
Page 1104.....1458
Page 1105.....1459
Page 1106.....1460
Page 1107.....1461
Page 1108.....1462
Page 1109.....1463
Page 1110.....1464
Page 1111.....1465
Page 1112.....1466
Page 1113.....1467
Page 1114.....1468

Page 1115.....1469
Page 1116.....1470
Page 1117.....1471
Page 1118.....1472
Page 1119.....1473
Page 1120.....1474
Page 1121.....1475
Page 1122.....1476
Page 1123.....1477
Page 1124.....1478
Page 1125.....1479
Page 1126.....1480
Page 1127.....1482
Page 1128.....1483
Page 1129.....1484
Page 1130.....1485
Page 1131.....1486
Page 1132.....1487
Page 1133.....1488
Page 1134.....1489
Page 1135.....1490
Page 1136.....1492
Page 1137.....1493
Page 1138.....1494
Page 1139.....1495
Page 1140.....1496

Page 1141.....1498
Page 1142.....1499
Page 1143.....1500
Page 1144.....1501
Page 1145.....1503
Page 1146.....1504
Page 1147.....1505
Page 1148.....1506
Page 1149.....1508
Page 1150.....1509
Page 1151.....1511
Page 1152.....1512
Page 1153.....1513
Page 1154.....1514
Page 1155.....1515
Page 1156.....1516
Page 1157.....1517
Page 1158.....1518
Page 1159.....1519
Page 1160.....1521
Page 1161.....1523
Page 1162.....1524
Page 1163.....1525
Page 1164.....1526
Page 1165.....1527
Page 1166.....1528

Page 1167.....1529
Page 1168.....1530
Page 1169.....1532
Page 1170.....1533
Page 1171.....1534
Page 1172.....1536
Page 1173.....1537
Page 1174.....1538
Page 1175.....1539
Page 1176.....1540
Page 1177.....1541
Page 1178.....1543
Page 1179.....1544
Page 1180.....1545
Page 1181.....1546
Page 1182.....1548
Page 1183.....1549
Page 1184.....1550
Page 1185.....1551
Page 1186.....1552
Page 1187.....1554
Page 1188.....1555
Page 1189.....1556
Page 1190.....1557
Page 1191.....1559
Page 1192.....1561

Page 1193.....1562
Page 1194.....1564
Page 1195.....1565
Page 1196.....1566
Page 1197.....1568
Page 1198.....1569
Page 1199.....1571
Page 1200.....1573
Page 1201.....1575
Page 1202.....1576
Page 1203.....1577
Page 1204.....1578
Page 1205.....1579
Page 1206.....1581
Page 1207.....1582
Page 1208.....1583
Page 1209.....1585
Page 1210.....1586
Page 1211.....1587
Page 1212.....1589
Page 1213.....1591
Page 1214.....1592
Page 1215.....1593
Page 1216.....1595
Page 1217.....1596
Page 1218.....1597

Page 1219.....1599
Page 1220.....1601
Page 1221.....1602
Page 1222.....1603
Page 1223.....1605
Page 1224.....1606
Page 1225.....1608
Page 1226.....1610
Page 1227.....1611
Page 1228.....1613
Page 1229.....1614
Page 1230.....1616
Page 1231.....1617
Page 1232.....1618
Page 1233.....1619
Page 1234.....1620
Page 1235.....1621
Page 1236.....1622
Page 1237.....1623
Page 1238.....1625
Page 1239.....1626
Page 1240.....1628
Page 1241.....1630
Page 1242.....1631
Page 1243.....1632
Page 1244.....1633

Page 1245.....1634
Page 1246.....1635
Page 1247.....1636
Page 1248.....1637
Page 1249.....1638
Page 1250.....1639
Page 1251.....1640
Page 1252.....1642
Page 1253.....1643
Page 1254.....1644
Page 1255.....1646
Page 1256.....1647
Page 1257.....1648
Page 1258.....1649
Page 1259.....1650
Page 1260.....1652
Page 1261.....1654
Page 1262.....1656
Page 1263.....1657
Page 1264.....1658
Page 1265.....1659
Page 1266.....1661
Page 1267.....1663
Page 1268.....1665
Page 1269.....1667
Page 1270.....1668

Page 1271.....1670
Page 1272.....1671
Page 1273.....1672
Page 1274.....1673
Page 1275.....1675
Page 1276.....1676
Page 1277.....1677
Page 1278.....1678
Page 1279.....1679
Page 1280.....1680
Page 1281.....1681
Page 1282.....1682
Page 1283.....1683
Page 1284.....1684
Page 1285.....1685
Page 1286.....1686
Page 1287.....1687
Page 1288.....1688
Page 1289.....1689
Page 1290.....1690
Page 1291.....1692
Page 1292.....1694
Page 1293.....1695
Page 1294.....1696
Page 1295.....1697
Page 1296.....1698

Page 1297.....1699
Page 1298.....1700
Page 1299.....1702
Page 1300.....1703
Page 1301.....1705
Page 1302.....1706
Page 1303.....1707
Page 1304.....1708
Page 1305.....1709
Page 1306.....1710
Page 1307.....1712
Page 1308.....1714
Page 1309.....1715
Page 1310.....1716
Page 1311.....1717
Page 1312.....1719
Page 1313.....1720
Page 1314.....1721
Page 1315.....1722
Page 1316.....1723
Page 1317.....1725
Page 1318.....1727
Page 1319.....1728
Page 1320.....1730
Page 1321.....1732
Page 1322.....1734

Page 1323.....1735
Page 1324.....1736
Page 1325.....1737
Page 1326.....1738
Page 1327.....1739
Page 1328.....1740
Page 1329.....1741
Page 1330.....1742
Page 1331.....1743
Page 1332.....1744
Page 1333.....1745
Page 1334.....1746
Page 1335.....1747
Page 1336.....1748
Page 1337.....1749
Page 1338.....1750
Page 1339.....1751
Page 1340.....1753
Page 1341.....1755
Page 1342.....1757
Page 1343.....1758
Page 1344.....1759
Page 1345.....1761
Page 1346.....1763
Page 1347.....1765
Page 1348.....1766

Page 1349.....1767
Page 1350.....1768
Page 1351.....1770
Page 1352.....1771
Page 1353.....1774
Page 1354.....1776
Page 1355.....1778
Page 1356.....1780
Page 1357.....1781
Page 1358.....1783
Page 1359.....1785
Page 1360.....1787
Page 1361.....1789
Page 1362.....1790
Page 1363.....1791
Page 1364.....1793
Page 1365.....1794
Page 1366.....1795
Page 1367.....1798
Page 1368.....1800
Page 1369.....1802
Page 1370.....1803
Page 1371.....1805
Page 1372.....1807
Page 1373.....1809
Page 1374.....1811

Page 1375.....1813
Page 1376.....1815
Page 1377.....1816
Page 1378.....1818
Page 1379.....1819
Page 1380.....1821
Page 1381.....1822
Page 1382.....1824
Page 1383.....1826
Page 1384.....1828
Page 1385.....1829
Page 1386.....1831
Page 1387.....1833
Page 1388.....1834
Page 1389.....1835
Page 1390.....1836
Page 1391.....1838
Page 1392.....1840
Page 1393.....1842
Page 1394.....1843
Page 1395.....1845
Page 1396.....1847
Page 1397.....1848
Page 1398.....1849
Page 1399.....1851
Page 1400.....1853

Page 1401.....1855
Page 1402.....1857
Page 1403.....1859
Page 1404.....1860
Page 1405.....1861
Page 1406.....1863
Page 1407.....1865
Page 1408.....1867
Page 1409.....1869
Page 1410.....1870
Page 1411.....1871
Page 1412.....1872
Page 1413.....1873
Page 1414.....1874
Page 1415.....1875
Page 1416.....1876
Page 1417.....1877
Page 1418.....1878
Page 1419.....1879
Page 1420.....1880
Page 1421.....1881
Page 1422.....1883
Page 1423.....1885
Page 1424.....1886
Page 1425.....1887
Page 1426.....1889

Page 1427.....1891
Page 1428.....1893
Page 1429.....1895
Page 1430.....1897
Page 1431.....1899
Page 1432.....1900
Page 1433.....1902
Page 1434.....1903
Page 1435.....1904
Page 1436.....1906
Page 1437.....1907
Page 1438.....1908
Page 1439.....1909
Page 1440.....1910
Page 1441.....1912
Page 1442.....1913
Page 1443.....1914
Page 1444.....1915
Page 1445.....1917
Page 1446.....1919
Page 1447.....1921
Page 1448.....1923
Page 1449.....1924
Page 1450.....1925
Page 1451.....1927
Page 1452.....1928

Page 1453.....1929
Page 1454.....1931
Page 1455.....1932
Page 1456.....1933
Page 1457.....1935
Page 1458.....1937
Page 1459.....1938
Page 1460.....1939
Page 1461.....1940
Page 1462.....1941
Page 1463.....1942
Page 1464.....1943
Page 1465.....1944
Page 1466.....1945
Page 1467.....1946
Page 1468.....1948
Page 1469.....1949
Page 1470.....1950
Page 1471.....1951
Page 1472.....1952
Page 1473.....1954
Page 1474.....1955
Page 1475.....1956
Page 1476.....1957
Page 1477.....1959
Page 1478.....1961

Page 1479.....1963
Page 1480.....1965
Page 1481.....1967
Page 1482.....1969
Page 1483.....1971
Page 1484.....1972
Page 1485.....1973
Page 1486.....1975
Page 1487.....1976
Page 1488.....1977
Page 1489.....1978
Page 1490.....1980
Page 1491.....1982
Page 1492.....1984
Page 1493.....1985
Page 1494.....1987
Page 1495.....1988
Page 1496.....1989
Page 1497.....1990
Page 1498.....1992
Page 1499.....1993
Page 1500.....1994
Page 1501.....1995
Page 1502.....1996
Page 1503.....1998
Page 1504.....1999

Page 1505.....2001
Page 1506.....2002
Page 1507.....2003
Page 1508.....2004
Page 1509.....2006
Page 1510.....2007
Page 1511.....2008
Page 1512.....2010
Page 1513.....2011
Page 1514.....2012
Page 1515.....2014
Page 1516.....2015
Page 1517.....2016
Page 1518.....2018
Page 1519.....2019
Page 1520.....2020
Page 1521.....2021
Page 1522.....2022
Page 1523.....2023
Page 1524.....2025
Page 1525.....2027
Page 1526.....2028
Page 1527.....2029
Page 1528.....2030
Page 1529.....2031
Page 1530.....2032

Page 1531.....2033
Page 1532.....2034
Page 1533.....2035
Page 1534.....2036
Page 1535.....2038
Page 1536.....2039
Page 1537.....2040
Page 1538.....2041
Page 1539.....2042
Page 1540.....2044
Page 1541.....2046
Page 1542.....2047
Page 1543.....2048
Page 1544.....2049
Page 1545.....2050
Page 1546.....2051
Page 1547.....2052
Page 1548.....2053
Page 1549.....2054
Page 1550.....2056
Page 1551.....2058
Page 1552.....2059
Page 1553.....2060
Page 1554.....2061
Page 1555.....2062
Page 1556.....2063

Page 1557.....2065
Page 1558.....2067
Page 1559.....2068
Page 1560.....2069
Page 1561.....2070
Page 1562.....2071
Page 1563.....2072
Page 1564.....2073
Page 1565.....2074
Page 1566.....2075
Page 1567.....2077
Page 1568.....2078
Page 1569.....2079
Page 1570.....2080
Page 1571.....2081
Page 1572.....2083
Page 1573.....2084
Page 1574.....2085
Page 1575.....2086
Page 1576.....2087
Page 1577.....2088
Page 1578.....2089
Page 1579.....2090
Page 1580.....2091
Page 1581.....2092
Page 1582.....2093

Page 1583.....2094
Page 1584.....2095
Page 1585.....2096
Page 1586.....2098
Page 1587.....2099
Page 1588.....2100
Page 1589.....2101
Page 1590.....2102
Page 1591.....2103
Page 1592.....2104
Page 1593.....2105
Page 1594.....2106
Page 1595.....2107
Page 1596.....2109
Page 1597.....2110
Page 1598.....2111
Page 1599.....2112
Page 1600.....2114
Page 1601.....2115
Page 1602.....2116
Page 1603.....2117
Page 1604.....2118
Page 1605.....2119
Page 1606.....2120
Page 1607.....2121
Page 1608.....2122

Page 1609.....2123
Page 1610.....2124
Page 1611.....2125
Page 1612.....2126
Page 1613.....2127
Page 1614.....2128
Page 1615.....2130
Page 1616.....2131
Page 1617.....2132
Page 1618.....2133
Page 1619.....2134
Page 1620.....2135
Page 1621.....2136
Page 1622.....2138
Page 1623.....2139
Page 1624.....2140
Page 1625.....2141
Page 1626.....2142
Page 1627.....2143
Page 1628.....2144
Page 1629.....2145
Page 1630.....2146
Page 1631.....2147
Page 1632.....2149
Page 1633.....2150
Page 1634.....2151

Page 1635.....2152
Page 1636.....2153
Page 1637.....2154
Page 1638.....2155
Page 1639.....2156
Page 1640.....2157
Page 1641.....2159
Page 1642.....2160
Page 1643.....2161
Page 1644.....2162
Page 1645.....2163
Page 1646.....2164
Page 1647.....2166
Page 1648.....2167
Page 1649.....2168
Page 1650.....2169
Page 1651.....2171
Page 1652.....2172
Page 1653.....2173
Page 1654.....2174
Page 1655.....2175
Page 1656.....2177
Page 1657.....2179
Page 1658.....2180
Page 1659.....2182
Page 1660.....2184

Page 1661.....2185
Page 1662.....2186
Page 1663.....2187
Page 1664.....2189
Page 1665.....2191
Page 1666.....2193
Page 1667.....2194
Page 1668.....2196
Page 1669.....2197
Page 1670.....2199
Page 1671.....2200
Page 1672.....2201
Page 1673.....2202
Page 1674.....2204
Page 1675.....2206
Page 1676.....2207
Page 1677.....2208
Page 1678.....2209
Page 1679.....2211
Page 1680.....2212
Page 1681.....2213
Page 1682.....2214
Page 1683.....2215
Page 1684.....2216
Page 1685.....2218
Page 1686.....2219

Page 1687.....2220
Page 1688.....2221
Page 1689.....2223
Page 1690.....2224
Page 1691.....2226
Page 1692.....2227
Page 1693.....2228
Page 1694.....2230
Page 1695.....2231
Page 1696.....2233
Page 1697.....2235
Page 1698.....2237
Page 1699.....2239
Page 1700.....2240
Page 1701.....2241
Page 1702.....2243
Page 1703.....2245
Page 1704.....2247
Page 1705.....2249
Page 1706.....2251
Page 1707.....2252
Page 1708.....2253
Page 1709.....2255
Page 1710.....2256
Page 1711.....2257
Page 1712.....2258

Page 1713.....2259
Page 1714.....2260
Page 1715.....2261
Page 1716.....2262
Page 1717.....2263
Page 1718.....2264
Page 1719.....2265
Page 1720.....2267
Page 1721.....2268
Page 1722.....2270
Page 1723.....2272
Page 1724.....2274
Page 1725.....2276
Page 1726.....2277
Page 1727.....2278
Page 1728.....2280
Page 1729.....2281
Page 1730.....2282
Page 1731.....2283
Page 1732.....2284
Page 1733.....2285
Page 1734.....2286
Page 1735.....2287
Page 1736.....2288
Page 1737.....2289
Page 1738.....2290

Page 1739.....2291
Page 1740.....2292
Page 1741.....2294
Page 1742.....2295
Page 1743.....2296
Page 1744.....2297
Page 1745.....2298
Page 1746.....2299
Page 1747.....2300
Page 1748.....2301
Page 1749.....2302
Page 1750.....2303
Page 1751.....2304
Page 1752.....2305
Page 1753.....2306
Page 1754.....2307
Page 1755.....2308
Page 1756.....2310
Page 1757.....2311
Page 1758.....2312
Page 1759.....2313
Page 1760.....2314
Page 1761.....2315
Page 1762.....2316
Page 1763.....2317
Page 1764.....2318

Page 1765.....2319
Page 1766.....2320
Page 1767.....2322
Page 1768.....2323
Page 1769.....2324
Page 1770.....2325
Page 1771.....2326
Page 1772.....2328
Page 1773.....2329
Page 1774.....2330
Page 1775.....2332
Page 1776.....2334
Page 1777.....2335
Page 1778.....2337
Page 1779.....2338
Page 1780.....2340
Page 1781.....2341
Page 1782.....2342
Page 1783.....2343
Page 1784.....2344
Page 1785.....2346
Page 1786.....2347
Page 1787.....2348
Page 1788.....2349
Page 1789.....2350
Page 1790.....2351

Page 1791.....2352
Page 1792.....2353
Page 1793.....2354
Page 1794.....2355
Page 1795.....2356
Page 1796.....2357
Page 1797.....2358
Page 1798.....2359
Page 1799.....2360
Page 1800.....2361
Page 1801.....2363
Page 1802.....2364
Page 1803.....2365
Page 1804.....2366
Page 1805.....2367
Page 1806.....2368
Page 1807.....2369
Page 1808.....2370
Page 1809.....2371
Page 1810.....2372
Page 1811.....2373
Page 1812.....2374
Page 1813.....2375
Page 1814.....2376
Page 1815.....2377
Page 1816.....2379

Page 1817.....2380
Page 1818.....2381
Page 1819.....2382
Page 1820.....2383
Page 1821.....2385
Page 1822.....2386
Page 1823.....2387
Page 1824.....2388
Page 1825.....2389
Page 1826.....2391
Page 1827.....2392
Page 1828.....2394
Page 1829.....2395
Page 1830.....2396
Page 1831.....2397
Page 1832.....2398
Page 1833.....2399
Page 1834.....2400
Page 1835.....2401
Page 1836.....2402
Page 1837.....2403
Page 1838.....2404
Page 1839.....2405
Page 1840.....2406
Page 1841.....2408
Page 1842.....2409

Page 1843.....2410
Page 1844.....2411
Page 1845.....2412
Page 1846.....2413
Page 1847.....2414
Page 1848.....2415
Page 1849.....2416
Page 1850.....2418
Page 1851.....2419
Page 1852.....2420
Page 1853.....2421
Page 1854.....2422
Page 1855.....2423
Page 1856.....2424
Page 1857.....2425
Page 1858.....2426
Page 1859.....2427
Page 1860.....2428
Page 1861.....2429
Page 1862.....2430
Page 1863.....2431
Page 1864.....2432
Page 1865.....2433
Page 1866.....2434
Page 1867.....2435
Page 1868.....2436

Page 1869.....2437
Page 1870.....2438
Page 1871.....2439
Page 1872.....2440
Page 1873.....2441
Page 1874.....2442
Page 1875.....2443
Page 1876.....2444
Page 1877.....2445
Page 1878.....2446
Page 1879.....2448
Page 1880.....2449
Page 1881.....2450
Page 1882.....2451
Page 1883.....2452
Page 1884.....2453
Page 1885.....2454
Page 1886.....2455
Page 1887.....2456
Page 1888.....2457
Page 1889.....2458
Page 1890.....2459
Page 1891.....2460
Page 1892.....2461
Page 1893.....2462
Page 1894.....2463

Page 1895.....2464
Page 1896.....2465
Page 1897.....2466
Page 1898.....2467
Page 1899.....2469
Page 1900.....2470
Page 1901.....2471
Page 1902.....2472
Page 1903.....2473
Page 1904.....2474
Page 1905.....2475
Page 1906.....2476
Page 1907.....2477
Page 1908.....2478
Page 1909.....2479
Page 1910.....2480
Page 1911.....2481
Page 1912.....2482
Page 1913.....2483
Page 1914.....2484
Page 1915.....2485
Page 1916.....2486
Page 1917.....2487
Page 1918.....2489
Page 1919.....2490
Page 1920.....2491

Page 1921.....2492
Page 1922.....2493
Page 1923.....2494
Page 1924.....2495
Page 1925.....2496
Page 1926.....2497
Page 1927.....2498
Page 1928.....2499
Page 1929.....2500
Page 1930.....2501
Page 1931.....2502
Page 1932.....2503
Page 1933.....2504
Page 1934.....2505
Page 1935.....2507
Page 1936.....2508
Page 1937.....2509
Page 1938.....2510
Page 1939.....2511
Page 1940.....2512
Page 1941.....2513
Page 1942.....2514
Page 1943.....2515
Page 1944.....2516
Page 1945.....2518
Page 1946.....2519

Page 1947.....2520
Page 1948.....2521
Page 1949.....2522
Page 1950.....2523
Page 1951.....2525
Page 1952.....2526
Page 1953.....2527
Page 1954.....2528
Page 1955.....2529
Page 1956.....2530
Page 1957.....2531
Page 1958.....2532
Page 1959.....2533
Page 1960.....2534
Page 1961.....2535
Page 1962.....2536
Page 1963.....2537
Page 1964.....2538
Page 1965.....2539
Page 1966.....2540
Page 1967.....2541
Page 1968.....2542
Page 1969.....2543
Page 1970.....2544
Page 1971.....2545
Page 1972.....2546

Page 1973.....2547
Page 1974.....2548
Page 1975.....2549
Page 1976.....2550
Page 1977.....2551
Page 1978.....2552
Page 1979.....2553
Page 1980.....2554
Page 1981.....2556
Page 1982.....2557
Page 1983.....2558
Page 1984.....2559
Page 1985.....2560
Page 1986.....2561
Page 1987.....2562
Page 1988.....2563
Page 1989.....2564
Page 1990.....2565
Page 1991.....2566
Page 1992.....2568
Page 1993.....2569
Page 1994.....2570
Page 1995.....2571
Page 1996.....2572
Page 1997.....2574
Page 1998.....2576

Page 1999.....2578
Page 2000.....2579
Page 2001.....2580
Page 2002.....2581
Page 2003.....2582
Page 2004.....2583
Page 2005.....2584
Page 2006.....2585
Page 2007.....2586
Page 2008.....2587
Page 2009.....2588
Page 2010.....2589
Page 2011.....2590
Page 2012.....2591
Page 2013.....2592
Page 2014.....2593
Page 2015.....2594
Page 2016.....2595
Page 2017.....2596
Page 2018.....2597
Page 2019.....2598
Page 2020.....2599
Page 2021.....2600
Page 2022.....2601
Page 2023.....2602
Page 2024.....2604

Page 2025.....2606
Page 2026.....2607
Page 2027.....2608
Page 2028.....2609
Page 2029.....2611
Page 2030.....2612
Page 2031.....2614
Page 2032.....2615
Page 2033.....2617
Page 2034.....2618
Page 2035.....2619
Page 2036.....2620
Page 2037.....2622
Page 2038.....2623
Page 2039.....2624
Page 2040.....2625
Page 2041.....2627
Page 2042.....2628
Page 2043.....2629
Page 2044.....2630
Page 2045.....2631
Page 2046.....2633
Page 2047.....2635
Page 2048.....2636
Page 2049.....2637
Page 2050.....2638

Page 2051.....2640
Page 2052.....2641
Page 2053.....2642
Page 2054.....2643
Page 2055.....2645
Page 2056.....2646
Page 2057.....2647
Page 2058.....2649
Page 2059.....2650
Page 2060.....2651
Page 2061.....2652
Page 2062.....2653
Page 2063.....2655
Page 2064.....2657
Page 2065.....2659
Page 2066.....2660
Page 2067.....2662
Page 2068.....2663
Page 2069.....2665
Page 2070.....2667
Page 2071.....2668
Page 2072.....2669
Page 2073.....2670
Page 2074.....2672
Page 2075.....2673
Page 2076.....2674

Page 2077.....2675
Page 2078.....2676
Page 2079.....2678
Page 2080.....2679
Page 2081.....2680
Page 2082.....2681
Page 2083.....2682
Page 2084.....2683
Page 2085.....2684
Page 2086.....2685
Page 2087.....2687
Page 2088.....2688
Page 2089.....2690
Page 2090.....2692
Page 2091.....2694
Page 2092.....2695
Page 2093.....2696
Page 2094.....2697
Page 2095.....2698
Page 2096.....2699
Page 2097.....2701
Page 2098.....2703
Page 2099.....2705
Page 2100.....2707
Page 2101.....2708
Page 2102.....2710

Page 2103.....2711
Page 2104.....2713
Page 2105.....2715
Page 2106.....2717
Page 2107.....2718
Page 2108.....2720
Page 2109.....2721
Page 2110.....2722
Page 2111.....2723
Page 2112.....2725
Page 2113.....2727
Page 2114.....2728
Page 2115.....2730
Page 2116.....2731
Page 2117.....2732
Page 2118.....2733
Page 2119.....2734
Page 2120.....2735
Page 2121.....2736
Page 2122.....2737
Page 2123.....2739
Page 2124.....2741
Page 2125.....2742
Page 2126.....2744
Page 2127.....2746
Page 2128.....2748

Page 2129.....2750
Page 2130.....2752
Page 2131.....2753
Page 2132.....2754
Page 2133.....2755
Page 2134.....2757
Page 2135.....2758
Page 2136.....2759
Page 2137.....2760
Page 2138.....2761
Page 2139.....2763
Page 2140.....2765
Page 2141.....2767
Page 2142.....2768
Page 2143.....2770
Page 2144.....2771
Page 2145.....2772
Page 2146.....2773
Page 2147.....2774
Page 2148.....2775
Page 2149.....2776
Page 2150.....2777
Page 2151.....2778
Page 2152.....2780
Page 2153.....2782
Page 2154.....2783

Page 2155.....2785
Page 2156.....2787
Page 2157.....2788
Page 2158.....2789
Page 2159.....2791
Page 2160.....2792
Page 2161.....2793
Page 2162.....2794
Page 2163.....2795
Page 2164.....2796
Page 2165.....2797
Page 2166.....2799
Page 2167.....2800
Page 2168.....2801
Page 2169.....2803
Page 2170.....2804
Page 2171.....2805
Page 2172.....2806
Page 2173.....2807
Page 2174.....2808
Page 2175.....2810
Page 2176.....2811
Page 2177.....2813
Page 2178.....2814
Page 2179.....2816
Page 2180.....2818

Page 2181.....2819
Page 2182.....2820
Page 2183.....2821
Page 2184.....2822
Page 2185.....2823
Page 2186.....2824
Page 2187.....2826
Page 2188.....2827
Page 2189.....2828
Page 2190.....2829
Page 2191.....2830
Page 2192.....2832
Page 2193.....2833
Page 2194.....2834
Page 2195.....2835
Page 2196.....2837
Page 2197.....2838
Page 2198.....2839
Page 2199.....2840
Page 2200.....2841
Page 2201.....2842
Page 2202.....2843
Page 2203.....2844
Page 2204.....2845
Page 2205.....2846
Page 2206.....2847

Page 2207.....2848
Page 2208.....2849
Page 2209.....2850
Page 2210.....2852
Page 2211.....2854
Page 2212.....2856
Page 2213.....2858
Page 2214.....2860
Page 2215.....2861
Page 2216.....2862
Page 2217.....2863
Page 2218.....2864
Page 2219.....2866
Page 2220.....2868
Page 2221.....2869
Page 2222.....2870
Page 2223.....2871
Page 2224.....2872
Page 2225.....2873
Page 2226.....2874
Page 2227.....2875
Page 2228.....2876
Page 2229.....2877
Page 2230.....2878
Page 2231.....2879
Page 2232.....2880

Page 2233.....2881
Page 2234.....2882
Page 2235.....2883
Page 2236.....2884
Page 2237.....2886
Page 2238.....2887
Page 2239.....2888
Page 2240.....2889
Page 2241.....2890
Page 2242.....2892
Page 2243.....2893
Page 2244.....2894
Page 2245.....2895
Page 2246.....2896
Page 2247.....2898
Page 2248.....2899
Page 2249.....2900
Page 2250.....2901
Page 2251.....2902
Page 2252.....2903
Page 2253.....2905
Page 2254.....2906
Page 2255.....2907
Page 2256.....2909
Page 2257.....2910
Page 2258.....2912

Page 2259.....2913
Page 2260.....2915
Page 2261.....2916
Page 2262.....2918
Page 2263.....2920
Page 2264.....2921
Page 2265.....2922
Page 2266.....2924
Page 2267.....2925
Page 2268.....2927
Page 2269.....2928
Page 2270.....2930
Page 2271.....2932
Page 2272.....2934
Page 2273.....2935
Page 2274.....2937
Page 2275.....2939
Page 2276.....2941
Page 2277.....2942
Page 2278.....2944
Page 2279.....2946
Page 2280.....2948
Page 2281.....2949
Page 2282.....2951
Page 2283.....2953
Page 2284.....2955

Page 2285.....2956
Page 2286.....2957
Page 2287.....2958
Page 2288.....2959
Page 2289.....2960
Page 2290.....2961
Page 2291.....2963
Page 2292.....2965
Page 2293.....2967
Page 2294.....2969
Page 2295.....2970
Page 2296.....2971
Page 2297.....2972
Page 2298.....2974
Page 2299.....2976
Page 2300.....2977
Page 2301.....2978
Page 2302.....2979
Page 2303.....2980
Page 2304.....2981
Page 2305.....2983
Page 2306.....2984
Page 2307.....2985
Page 2308.....2987
Page 2309.....2988
Page 2310.....2989

Page 2311.....2990
Page 2312.....2991
Page 2313.....2992
Page 2314.....2993
Page 2315.....2995
Page 2316.....2996
Page 2317.....2997
Page 2318.....2998
Page 2319.....3000
Page 2320.....3002
Page 2321.....3004
Page 2322.....3005
Page 2323.....3006
Page 2324.....3007
Page 2325.....3008
Page 2326.....3010
Page 2327.....3011
Page 2328.....3012
Page 2329.....3014
Page 2330.....3016
Page 2331.....3018
Page 2332.....3019
Page 2333.....3021
Page 2334.....3022
Page 2335.....3023
Page 2336.....3024

Page 2337.....3025
Page 2338.....3026
Page 2339.....3027
Page 2340.....3028
Page 2341.....3030
Page 2342.....3032
Page 2343.....3034
Page 2344.....3035
Page 2345.....3036
Page 2346.....3037
Page 2347.....3039
Page 2348.....3040
Page 2349.....3042
Page 2350.....3043
Page 2351.....3044
Page 2352.....3045
Page 2353.....3046
Page 2354.....3047
Page 2355.....3048
Page 2356.....3050
Page 2357.....3052
Page 2358.....3054
Page 2359.....3056
Page 2360.....3057
Page 2361.....3059
Page 2362.....3060

Page 2363.....3062
Page 2364.....3064
Page 2365.....3065
Page 2366.....3067
Page 2367.....3068
Page 2368.....3070
Page 2369.....3072
Page 2370.....3074
Page 2371.....3076
Page 2372.....3077
Page 2373.....3078
Page 2374.....3080
Page 2375.....3082
Page 2376.....3084
Page 2377.....3086
Page 2378.....3088
Page 2379.....3089
Page 2380.....3091
Page 2381.....3093
Page 2382.....3094
Page 2383.....3096
Page 2384.....3097
Page 2385.....3098
Page 2386.....3099
Page 2387.....3101
Page 2388.....3103

Page 2389.....3105
Page 2390.....3106
Page 2391.....3107
Page 2392.....3109
Page 2393.....3110
Page 2394.....3112
Page 2395.....3114
Page 2396.....3115
Page 2397.....3117
Page 2398.....3119
Page 2399.....3120
Page 2400.....3121
Page 2401.....3123
Page 2402.....3125
Page 2403.....3127
Page 2404.....3128
Page 2405.....3129
Page 2406.....3130
Page 2407.....3131
Page 2408.....3133
Page 2409.....3135
Page 2410.....3137
Page 2411.....3139
Page 2412.....3141
Page 2413.....3143
Page 2414.....3144

Page 2415.....3146
Page 2416.....3147
Page 2417.....3149
Page 2418.....3151
Page 2419.....3153
Page 2420.....3155
Page 2421.....3157
Page 2422.....3159
Page 2423.....3161
Page 2424.....3163
Page 2425.....3165
Page 2426.....3167
Page 2427.....3169
Page 2428.....3171
Page 2429.....3172
Page 2430.....3174
Page 2431.....3176
Page 2432.....3177
Page 2433.....3179
Page 2434.....3181
Page 2435.....3183
Page 2436.....3185
Page 2437.....3187
Page 2438.....3189
Page 2439.....3191
Page 2440.....3193

Page 2441.....3195
Page 2442.....3197
Page 2443.....3199
Page 2444.....3201
Page 2445.....3203
Page 2446.....3205
Page 2447.....3207
Page 2448.....3209
Page 2449.....3211
Page 2450.....3213
Page 2451.....3215
Page 2452.....3217
Page 2453.....3219
Page 2454.....3221
Page 2455.....3223
Page 2456.....3225
Page 2457.....3227
Page 2458.....3229
Page 2459.....3231
Page 2460.....3233
Page 2461.....3235
Page 2462.....3237
Page 2463.....3239
Page 2464.....3241
Page 2465.....3242
Page 2466.....3243

Page 2467.....3245
Page 2468.....3247
Page 2469.....3248
Page 2470.....3250
Page 2471.....3251
Page 2472.....3252
Page 2473.....3253
Page 2474.....3254
Page 2475.....3256
Page 2476.....3258
Page 2477.....3260
Page 2478.....3262
Page 2479.....3263
Page 2480.....3265
Page 2481.....3267
Page 2482.....3269
Page 2483.....3271
Page 2484.....3272
Page 2485.....3273
Page 2486.....3274
Page 2487.....3276
Page 2488.....3278
Page 2489.....3280
Page 2490.....3281
Page 2491.....3283
Page 2492.....3285

Page 2493.....3287
Page 2494.....3289
Page 2495.....3291
Page 2496.....3293
Page 2497.....3295
Page 2498.....3297
Page 2499.....3299
Page 2500.....3301
Page 2501.....3303
Page 2502.....3305
Page 2503.....3307
Page 2504.....3309
Page 2505.....3311
Page 2506.....3313
Page 2507.....3315
Page 2508.....3317
Page 2509.....3319
Page 2510.....3321
Page 2511.....3323
Page 2512.....3325
Page 2513.....3327
Page 2514.....3329
Page 2515.....3331
Page 2516.....3333
Page 2517.....3335
Page 2518.....3337

Page 2519.....3339
Page 2520.....3341
Page 2521.....3343
Page 2522.....3345
Page 2523.....3347
Page 2524.....3349
Page 2525.....3351
Page 2526.....3353
Page 2527.....3355
Page 2528.....3357
Page 2529.....3359
Page 2530.....3361
Page 2531.....3363
Page 2532.....3364
Page 2533.....3366
Page 2534.....3368
Page 2535.....3370
Page 2536.....3372
Page 2537.....3374
Page 2538.....3376
Page 2539.....3378
Page 2540.....3380
Page 2541.....3382
Page 2542.....3384
Page 2543.....3386
Page 2544.....3388

Page 2545.....3389
Page 2546.....3391
Page 2547.....3393
Page 2548.....3395
Page 2549.....3397
Page 2550.....3399
Page 2551.....3401
Page 2552.....3402
Page 2553.....3404
Page 2554.....3406
Page 2555.....3408
Page 2556.....3410
Page 2557.....3413
Page 2558.....3415
Page 2559.....3417
Page 2560.....3418
Page 2561.....3420
Page 2562.....3421
Page 2563.....3423
Page 2564.....3425
Page 2565.....3427
Page 2566.....3429
Page 2567.....3431
Page 2568.....3432
Page 2569.....3434
Page 2570.....3436

Page 2571.....3438
Page 2572.....3440
Page 2573.....3441
Page 2574.....3443
Page 2575.....3444
Page 2576.....3446
Page 2577.....3448
Page 2578.....3450
Page 2579.....3452
Page 2580.....3454
Page 2581.....3455
Page 2582.....3457
Page 2583.....3459
Page 2584.....3461
Page 2585.....3463
Page 2586.....3465
Page 2587.....3467
Page 2588.....3469
Page 2589.....3471
Page 2590.....3473
Page 2591.....3475
Page 2592.....3477
Page 2593.....3479
Page 2594.....3481
Page 2595.....3483
Page 2596.....3485

Page 2597.....3487
Page 2598.....3489
Page 2599.....3491
Page 2600.....3493
Page 2601.....3495
Page 2602.....3497
Page 2603.....3499
Page 2604.....3501
Page 2605.....3503
Page 2606.....3505
Page 2607.....3507
Page 2608.....3509
Page 2609.....3511
Page 2610.....3513
Page 2611.....3515
Page 2612.....3517
Page 2613.....3519
Page 2614.....3521
Page 2615.....3522
Page 2616.....3524
Page 2617.....3526
Page 2618.....3528
Page 2619.....3530
Page 2620.....3532
Page 2621.....3534
Page 2622.....3536

Page 2623.....3538
Page 2624.....3540
Page 2625.....3542
Page 2626.....3544
Page 2627.....3546
Page 2628.....3548
Page 2629.....3550
Page 2630.....3552
Page 2631.....3554
Page 2632.....3556
Page 2633.....3558
Page 2634.....3560
Page 2635.....3561
Page 2636.....3563
Page 2637.....3565
Page 2638.....3567
Page 2639.....3569
Page 2640.....3571
Page 2641.....3573
Page 2642.....3575
Page 2643.....3577
Page 2644.....3579
Page 2645.....3581
Page 2646.....3582
Page 2647.....3583
Page 2648.....3585

Page 2649.....3587
Page 2650.....3588
Page 2651.....3590
Page 2652.....3592
Page 2653.....3594
Page 2654.....3596
Page 2655.....3598
Page 2656.....3600
Page 2657.....3602
Page 2658.....3604
Page 2659.....3606
Page 2660.....3608
Page 2661.....3610
Page 2662.....3612
Page 2663.....3614
Page 2664.....3616
Page 2665.....3618
Page 2666.....3620
Page 2667.....3622
Page 2668.....3624
Page 2669.....3626
Page 2670.....3628
Page 2671.....3630
Page 2672.....3632
Page 2673.....3634
Page 2674.....3636

Page 2675.....3637
Page 2676.....3639
Page 2677.....3641
Page 2678.....3643
Page 2679.....3645
Page 2680.....3647
Page 2681.....3649
Page 2682.....3651
Page 2683.....3653
Page 2684.....3655
Page 2685.....3656
Page 2686.....3657
Page 2687.....3659
Page 2688.....3660
Page 2689.....3662
Page 2690.....3664
Page 2691.....3665
Page 2692.....3667
Page 2693.....3669
Page 2694.....3671
Page 2695.....3673
Page 2696.....3675
Page 2697.....3677
Page 2698.....3679
Page 2699.....3680
Page 2700.....3682

Page 2701.....3684
Page 2702.....3686
Page 2703.....3688
Page 2704.....3690
Page 2705.....3691
Page 2706.....3693
Page 2707.....3694
Page 2708.....3696
Page 2709.....3698
Page 2710.....3699
Page 2711.....3700
Page 2712.....3701
Page 2713.....3703
Page 2714.....3705
Page 2715.....3707
Page 2716.....3708
Page 2717.....3710
Page 2718.....3712
Page 2719.....3714
Page 2720.....3716
Page 2721.....3718
Page 2722.....3720
Page 2723.....3722
Page 2724.....3724
Page 2725.....3726
Page 2726.....3728

Page 2727.....3730
Page 2728.....3732
Page 2729.....3734
Page 2730.....3736
Page 2731.....3738
Page 2732.....3740
Page 2733.....3742
Page 2734.....3744
Page 2735.....3746
Page 2736.....3748
Page 2737.....3750
Page 2738.....3752
Page 2739.....3754
Page 2740.....3756
Page 2741.....3758
Page 2742.....3760
Page 2743.....3762
Page 2744.....3764
Page 2745.....3765
Page 2746.....3767
Page 2747.....3769
Page 2748.....3771
Page 2749.....3773
Page 2750.....3775
Page 2751.....3777
Page 2752.....3779

Page 2753.....3781
Page 2754.....3783
Page 2755.....3785
Page 2756.....3787
Page 2757.....3789
Page 2758.....3791
Page 2759.....3793
Page 2760.....3795
Page 2761.....3797
Page 2762.....3799
Page 2763.....3801
Page 2764.....3803
Page 2765.....3805
Page 2766.....3807
Page 2767.....3809
Page 2768.....3811
Page 2769.....3813
Page 2770.....3815
Page 2771.....3817
Page 2772.....3819
Page 2773.....3820
Page 2774.....3822
Page 2775.....3824
Page 2776.....3826
Page 2777.....3828
Page 2778.....3830

Page 2779.....3832
Page 2780.....3834
Page 2781.....3836
Page 2782.....3838
Page 2783.....3840
Page 2784.....3842
Page 2785.....3844
Page 2786.....3846
Page 2787.....3848
Page 2788.....3850
Page 2789.....3851
Page 2790.....3852
Page 2791.....3854
Page 2792.....3855
Page 2793.....3857
Page 2794.....3859
Page 2795.....3861
Page 2796.....3863
Page 2797.....3865
Page 2798.....3867
Page 2799.....3869
Page 2800.....3871
Page 2801.....3873
Page 2802.....3875
Page 2803.....3877
Page 2804.....3879

Page 2805.....3881
Page 2806.....3883
Page 2807.....3885
Page 2808.....3887
Page 2809.....3889
Page 2810.....3891
Page 2811.....3893
Page 2812.....3895
Page 2813.....3897
Page 2814.....3899
Page 2815.....3901
Page 2816.....3903
Page 2817.....3905
Page 2818.....3907
Page 2819.....3909
Page 2820.....3911
Page 2821.....3913
Page 2822.....3915
Page 2823.....3917
Page 2824.....3919
Page 2825.....3921
Page 2826.....3923
Page 2827.....3925
Page 2828.....3927
Page 2829.....3929
Page 2830.....3931

Page 2831.....3933
Page 2832.....3935
Page 2833.....3937
Page 2834.....3938
Page 2835.....3940
Page 2836.....3942
Page 2837.....3944
Page 2838.....3946
Page 2839.....3948
Page 2840.....3950
Page 2841.....3952
Page 2842.....3954
Page 2843.....3956
Page 2844.....3958
Page 2845.....3960
Page 2846.....3962
Page 2847.....3964
Page 2848.....3966
Page 2849.....3968
Page 2850.....3970
Page 2851.....3972
Page 2852.....3974
Page 2853.....3976
Page 2854.....3978
Page 2855.....3980
Page 2856.....3982

Page 2857.....3984
Page 2858.....3986
Page 2859.....3988
Page 2860.....3990
Page 2861.....3992
Page 2862.....3994
Page 2863.....3996
Page 2864.....3998
Page 2865.....4000
Page 2866.....4002
Page 2867.....4004
Page 2868.....4006
Page 2869.....4008
Page 2870.....4010
Page 2871.....4012
Page 2872.....4014
Page 2873.....4016
Page 2874.....4018
Page 2875.....4020
Page 2876.....4022
Page 2877.....4024
Page 2878.....4026
Page 2879.....4028
Page 2880.....4030
Page 2881.....4032
Page 2882.....4034

Page 2883.....4036
Page 2884.....4038
Page 2885.....4040
Page 2886.....4042
Page 2887.....4044
Page 2888.....4046
Page 2889.....4048
Page 2890.....4050
Page 2891.....4052
Page 2892.....4053
Page 2893.....4055
Page 2894.....4057
Page 2895.....4059
Page 2896.....4061
Page 2897.....4063
Page 2898.....4065
Page 2899.....4067
Page 2900.....4069
Page 2901.....4071
Page 2902.....4073
Page 2903.....4075
Page 2904.....4077
Page 2905.....4079
Page 2906.....4081
Page 2907.....4082
Page 2908.....4084

Page 2909.....4086
Page 2910.....4088
Page 2911.....4090
Page 2912.....4092
Page 2913.....4094
Page 2914.....4096
Page 2915.....4098
Page 2916.....4100
Page 2917.....4102
Page 2918.....4104
Page 2919.....4106
Page 2920.....4107
Page 2921.....4108
Page 2922.....4110
Page 2923.....4111
Page 2924.....4113
Page 2925.....4115
Page 2926.....4117
Page 2927.....4119
Page 2928.....4121
Page 2929.....4123
Page 2930.....4125
Page 2931.....4127
Page 2932.....4129
Page 2933.....4131
Page 2934.....4133

Page 2935.....4135
Page 2936.....4137
Page 2937.....4139
Page 2938.....4141
Page 2939.....4142
Page 2940.....4144
Page 2941.....4146
Page 2942.....4148
Page 2943.....4150
Page 2944.....4151
Page 2945.....4153
Page 2946.....4155
Page 2947.....4157
Page 2948.....4159
Page 2949.....4161
Page 2950.....4163
Page 2951.....4165
Page 2952.....4167
Page 2953.....4169
Page 2954.....4170
Page 2955.....4172
Page 2956.....4174
Page 2957.....4175
Page 2958.....4176
Page 2959.....4178
Page 2960.....4180

Page 2961.....4182
Page 2962.....4184
Page 2963.....4185
Page 2964.....4187
Page 2965.....4188
Page 2966.....4190
Page 2967.....4192
Page 2968.....4194
Page 2969.....4196
Page 2970.....4198
Page 2971.....4200
Page 2972.....4202
Page 2973.....4204
Page 2974.....4206
Page 2975.....4207
Page 2976.....4209
Page 2977.....4210
Page 2978.....4212
Page 2979.....4214
Page 2980.....4216
Page 2981.....4218
Page 2982.....4219
Page 2983.....4220
Page 2984.....4222
Page 2985.....4224
Page 2986.....4226

Page 2987.....4228
Page 2988.....4230
Page 2989.....4232
Page 2990.....4234
Page 2991.....4236
Page 2992.....4238
Page 2993.....4240
Page 2994.....4242
Page 2995.....4244
Page 2996.....4245
Page 2997.....4247
Page 2998.....4249
Page 2999.....4251
Page 3000.....4253
Page 3001.....4255
Page 3002.....4257
Page 3003.....4259
Page 3004.....4261
Page 3005.....4263
Page 3006.....4264
Page 3007.....4265
Page 3008.....4267
Page 3009.....4269
Page 3010.....4271
Page 3011.....4273
Page 3012.....4274

Page 3013.....4275
Page 3014.....4276
Page 3015.....4278
Page 3016.....4280
Page 3017.....4281
Page 3018.....4282
Page 3019.....4284
Page 3020.....4286
Page 3021.....4288
Page 3022.....4290
Page 3023.....4291
Page 3024.....4293
Page 3025.....4294
Page 3026.....4296
Page 3027.....4298
Page 3028.....4299
Page 3029.....4301
Page 3030.....4303
Page 3031.....4304
Page 3032.....4306
Page 3033.....4308
Page 3034.....4310
Page 3035.....4312
Page 3036.....4313
Page 3037.....4314
Page 3038.....4315

Page 3039.....4317
Page 3040.....4319
Page 3041.....4321
Page 3042.....4323
Page 3043.....4325
Page 3044.....4327
Page 3045.....4329
Page 3046.....4331
Page 3047.....4333
Page 3048.....4335
Page 3049.....4337
Page 3050.....4339
Page 3051.....4341
Page 3052.....4343
Page 3053.....4345
Page 3054.....4347
Page 3055.....4349
Page 3056.....4351
Page 3057.....4353
Page 3058.....4355
Page 3059.....4356
Page 3060.....4358
Page 3061.....4360
Page 3062.....4361
Page 3063.....4362
Page 3064.....4363

Page 3065.....4364
Page 3066.....4365
Page 3067.....4366
Page 3068.....4368
Page 3069.....4369
Page 3070.....4370
Page 3071.....4371
Page 3072.....4372
Page 3073.....4373
Page 3074.....4374
Page 3075.....4375
Page 3076.....4377
Page 3077.....4378
Page 3078.....4380
Page 3079.....4381
Page 3080.....4382
Page 3081.....4383
Page 3082.....4384
Page 3083.....4385
Page 3084.....4386
Page 3085.....4388
Page 3086.....4390
Page 3087.....4392
Page 3088.....4394
Page 3089.....4396
Page 3090.....4397

Page 3091.....4399
Page 3092.....4401
Page 3093.....4403
Page 3094.....4405
Page 3095.....4407
Page 3096.....4408
Page 3097.....4410
Page 3098.....4412
Page 3099.....4414
Page 3100.....4416
Page 3101.....4418
Page 3102.....4420
Page 3103.....4421
Page 3104.....4422
Page 3105.....4423
Page 3106.....4424
Page 3107.....4426
Page 3108.....4428
Page 3109.....4430
Page 3110.....4432
Page 3111.....4434
Page 3112.....4435
Page 3113.....4436
Page 3114.....4437
Page 3115.....4439
Page 3116.....4441

Page 3117.....4442
Page 3118.....4444
Page 3119.....4446
Page 3120.....4448
Page 3121.....4449
Page 3122.....4451
Page 3123.....4453
Page 3124.....4455
Page 3125.....4457
Page 3126.....4459
Page 3127.....4461
Page 3128.....4463
Page 3129.....4465
Page 3130.....4467
Page 3131.....4469
Page 3132.....4471
Page 3133.....4473
Page 3134.....4475
Page 3135.....4477
Page 3136.....4479
Page 3137.....4481
Page 3138.....4482
Page 3139.....4483
Page 3140.....4485
Page 3141.....4487
Page 3142.....4489

Page 3143.....4491
Page 3144.....4493
Page 3145.....4495
Page 3146.....4497
Page 3147.....4499
Page 3148.....4501
Page 3149.....4503
Page 3150.....4505
Page 3151.....4507
Page 3152.....4509
Page 3153.....4511
Page 3154.....4513
Page 3155.....4515
Page 3156.....4517
Page 3157.....4519
Page 3158.....4521
Page 3159.....4523
Page 3160.....4525
Page 3161.....4527
Page 3162.....4529
Page 3163.....4531
Page 3164.....4533
Page 3165.....4535
Page 3166.....4537
Page 3167.....4539
Page 3168.....4541

Page 3169.....4543
Page 3170.....4545
Page 3171.....4547
Page 3172.....4549
Page 3173.....4551
Page 3174.....4552
Page 3175.....4554
Page 3176.....4556
Page 3177.....4558
Page 3178.....4560
Page 3179.....4562
Page 3180.....4564
Page 3181.....4566
Page 3182.....4568
Page 3183.....4570
Page 3184.....4572
Page 3185.....4574
Page 3186.....4576
Page 3187.....4578
Page 3188.....4580
Page 3189.....4582
Page 3190.....4584
Page 3191.....4586
Page 3192.....4588
Page 3193.....4590
Page 3194.....4592

Page 3195.....4594
Page 3196.....4596
Page 3197.....4598
Page 3198.....4600
Page 3199.....4601
Page 3200.....4603
Page 3201.....4605
Page 3202.....4607
Page 3203.....4609
Page 3204.....4610
Page 3205.....4612
Page 3206.....4614
Page 3207.....4616
Page 3208.....4618
Page 3209.....4620
Page 3210.....4622
Page 3211.....4624
Page 3212.....4625
Page 3213.....4627
Page 3214.....4629
Page 3215.....4631
Page 3216.....4633
Page 3217.....4635
Page 3218.....4637
Page 3219.....4638
Page 3220.....4640

Table of Contents

Table of Contents

Section	Page
Start of eBook	1
	1
GO. WASHINGTON	3
GO. WASHINGTON	8
GO. WASHINGTON	13
GO. WASHINGTON	16
GO. WASHINGTON	22
GO. WASHINGTON	26
GO. WASHINGTON	32
TH. JEFFERSON	57
TH. JEFFERSON	62
TH. JEFFERSON	66
TH. JEFFERSON	72
TH. JEFFERSON	77
TH. JEFFERSON	82
TH. JEFFERSON	88
JOHN QUINCY ADAMS	232
JOHN QUINCY ADAMS	247
JOHN QUINCY ADAMS	261
JOHN QUINCY ADAMS	275
M. VAN BUREN	488
M. VAN BUREN	514
M. VAN BUREN	532
JAMES K. POLK	630
JAMES K. POLK	666
JAMES K. POLK	698
JAMES K. POLK	740
U. S. GRANT	1160
U. S. GRANT	1177
U. S. GRANT	1190
U. S. GRANT	1219
U. S. GRANT	1261
U. S. GRANT	1274
R. B. HAYES	1307
BENJ. HARRISON	1511
BENJ. HARRISON	1565
BENJ. HARRISON	1592
DEPARTMENT OF JUSTICE	2055
EXPEDITION IN LEGAL PROCEDURE	

BUREAU OF HEALTH 2062
PART II. 2089
PART III. 2107
PART IV. 2111
REORGANIZATION OF THE STATE DEPARTMENT 2128
MERIT SYSTEM IN CONSULAR AND DIPLOMATIC CORPS 2129
STATISTICS AS TO MERIT AND NONPARTISAN CHARACTER OF APPOINTMENTS 2130
DIPLOMACY A HAND MAID OF COMMERCIAL INTERCOURSE AND PEACE 2131
SUCCESSFUL EFFORTS IN PROMOTION OF PEACE 2131
CHINA 2132
CENTRAL AMERICA NEEDS OUR HELP IN DEBT ADJUSTMENT 2133
ENFORCEMENT OF NEUTRALITY LAWS 2134
VISIT OF SECRETARY KNOX TO CENTRAL AMERICA AND THE CARIBBEAN 2135
OUR MEXICAN POLICY 2135
AGRICULTURAL CREDITS 2135
INCREASE OF FOREIGN TRADE 2136
ADVANTAGE OF MAXIMUM AND MINIMUM TARIFF PROVISION 2137
NECESSITY FOR SUPPLEMENTARY LEGISLATION 2137
BUSINESS SECURED TO OUR COUNTRY BY DIRECT OFFICIAL EFFORT 2138
SPECIAL CLAIMS ARBITRATION WITH GREAT BRITAIN 2138
FUR SEAL TREATY AND NEED FOR AMENDMENT OF OUR STATUTE 2139
FINAL SETTLEMENT OF NORTH ATLANTIC FISHERIES DISPUTE 2139
IMPERIAL VALLEY AND MEXICO 2140
CHAMIZAL DISPUTE 2140
INTERNATIONAL COMMISSION OF JURISTS 2140
EUROPE AND THE NEAR EAST 2141

SPITZBERGEN 2142
LIBERIA 2142
MOROCCO 2143
THE FAR EAST 2143
SPECIAL MISSION OF CONDOLENCE TO JAPAN 2144
SOUTH AMERICA 2145
CENTRAL AMERICA AND THE CARIBBEAN 2146
CONCLUSION 2149
BUSINESS CONDITIONS 2150
CONDITION OF THE TREASURY 2151
RECEIPTS AND EXPENDITURES 2151
OUR BANKING AND CURRENCY SYSTEM 2152
THE TARIFF 2154
BUDGET 2155
WAR DEPARTMENT 2155
ARMY REORGANIZATION 2155
THE HOME ARMY 2156
REGULAR ARMY RESERVE 2157
THE NATIONAL GUARD 2157
NATIONAL VOLUNTEERS 2158
CONSOLIDATION OF THE SUPPLY CORPS 2158
PORTO RICO 2159
PHILIPPINES 2159
REGULATION OF WATER POWER 2162
THE PANAMA CANAL 2163
PANAMA CANAL TREATY 2164
WORKMEN'S COMPENSATION ACT 2165
PROMOTION FOR COL. GOETHALS 2165
NAVY DEPARTMENT 2165
DEPARTMENT OF JUSTICE 2167
REFORM OF COURT PROCEDURE 2167
WORKMAN'S COMPENSATION ACT 2168
HEADS OF DEPARTMENTS SHOULD HAVE SEATS ON THE FLOOR OF CONGRESS 2169
POSTAL SAVINGS BANK SYSTEM 2171
PARCEL POST 2171
CLASSIFICATION OF POSTMASTERS 2172

COMPENSATION TO RAILWAYS FOR CARRYING MAILS	2172
DEPARTMENT OF THE INTERIOR	2173
DEPARTMENT OF AGRICULTURE	2175
PURE-FOOD LAW	2175
AGRICULTURAL CREDITS	2176
DEPARTMENT OF COMMERCE AND LABOR	2176
PANAMA-PACIFIC INTERNATIONAL EXPOSITION	2176
THE DISTRICT OF COLUMBIA AND THE CITY OF WASHINGTON	2177
FOREIGN AFFAIRS	2269
WORLD COURT	2270
RUSSIA	2270
DEBTS	2271
FOREIGN PAPERS	2271
FOREIGN SERVICE	2271
FISCAL CONDITION	2272
TARIFF TAW	2273
SHIPPING	2273
PUBLIC IMPROVEMENTS	2273
RAILROADS	2274
DEPARTMENT OF JUSTICE	2275
PROHIBITION	2276
THE NEGRO	2276
CIVIL SERVICE	2276
PUBLIC BUILDINGS	2277
REGULATORY LEGISLATION	2277
ARMY AND NAVY	2277
INSULAR POSSESSIONS	2278
EDUCATION AND WELFARE	2278
IMMIGRATION	2279
VETERANS	2279
COAL	2279
REORGANIZATION	2280
AGRICULTURE	2280
MUSCLE SHOALS	2282
RECLAMATION	2282
HIGHWAYS AND FORESTS	2282
TAXES	2285
WATERWAYS	2286
RECLAMATION	2286
MUSCLE SHOALS	2287
RAILWAYS	2288
SHIPPING BOARD	2290

NATIONAL ELECTIONS 2290
THE JUDICIARY 2291
PRISON REFORM 2291
NATIONAL POLICE BUREAU 2291
DISTRICT OF COLUMBIA 2291
WELFARE
FRENCH SPOLIATION CLAIMS 2291
THE WAGE EARNER 2292
THE NEGRO 2292
CIVIL SERVICE 2292
DEPARTMENTAL 2293
REORGANIZATION
ARMY AND NAVY 2293
VETERANS 2294
FOREIGN RELATIONS 2294
INTERNATIONAL COURT 2295
DISARMAMENT CONFERENCE 2296
INTERNATIONAL LAW 2296
OUTLAW OF WAR 2296
LATIN AMERICA 2297
FOREIGN DEBTS 2297
GOVERNMENT ECONOMY 2299
TAXATION 2301
FOREIGN RELATIONS 2303
COURT OF INTERNATIONAL 2304
JUSTICE
FOREIGN DEBTS 2307
ALIEN PROBLEM 2308
IMMIGRATION 2308
NATIONAL DEFENSE 2309
VETERANS 2310
AGRICULTURE 2311
MUSCLE SHOALS 2313
RECLAMATION 2313
SHIPPING 2314
COAL 2314
PROHIBITION 2315
WATERWAY DEVELOPMENT 2315
WATER POWER 2317
RAILROADS 2317
OUTLYING POSSESSIONS 2317
RETIREMENT OF JUDGES 2318
MOTHERS' AID 2318
CIVIL SERVICE 2318
FEDERAL TRADE COMMISSION 2319
REORGANIZATION 2319

THE NEGRO 2319
CONCLUSION 2320
TAX REDUCTION 2322
PROTECTIVE TARIFF 2324
AGRICULTURE 2324
DEVELOPMENT OF WATER RESOURCES 2328
RECLAMATION 2329
TRANSPORTATION 2329
MERCHANT MARINE 2330
RADIO LEGISLATION 2330
THE WAGE EARNER 2331
BITUMINOUS COAL 2332
JUDICIARY 2332
BANKING 2332
FEDERAL REGULATION 2333
THE NEGRO 2333
INSULAR POSSESSIONS 2334
NATIONAL DEFENSE 2335
VETERANS 2337
ALIEN PROPERTY 2337
PROHIBITION 2337
FOREIGN RELATIONS 2338
DEPARTMENT REPORTS 2340
THE CAPITAL CITY 2341
AMERICAN IDEALS 2341
CONSTRUCTIVE ECONOMY 2342
TAX REDUCTION 2342
NATIONAL DEFENSE 2343
MERCHANT MARINE 2345
COMMERCIAL AVIATION 2345
WESTERN HEMISPHERE AIR MAIL 2346
GOOD ROADS 2346
CUBAN PARCEL POST 2347
INSULAR POSSESSIONS 2347
PANAMA CANAL 2348
AGRICULTURE 2348
THE PROTECTIVE TARIFF 2350
FARM LOAN SYSTEM 2351
MUSCLE SHOALS 2351
FLOOD CONTROL 2351
INLAND NAVIGATION 2354
PROHIBITION 2355
THE NEGRO 2355
AMERICAN INDIAN 2356
COAL 2356

PETROLEUM CONSERVATION 2356
ALIEN PROPERTY 2356
RAILROAD CONSOLIDATION 2357
VETERANS 2357
EDUCATION 2357
DEPARTMENT OF LABOR 2358
PUBLIC BUILDINGS 2358
HISTORICAL CELEBRATIONS 2358
FOREIGN RELATIONS 2359
AMERICAN PROGRESS 2360
FOREIGN RELATIONS 2362
NICARAGUA 2362
TACNA-ARICA 2363
MEXICO 2363
CHINA 2363
GREEK AND AUSTRIAN DEBTS 2363
PEACE TREATY 2363
NATIONAL DEFENSE 2364
VETERANS 2365
AGRICULTURE 2366
THE SURPLUS PROBLEM 2367
THE RESPONSIBILITY OF THE STATES 2368
COMMERCE 2368
COMMERCIAL AERONAUTICS 2368
CUBAN PARCEL POST 2369
RAILROADS 2369
MERCHANT MARINE 2369
INTER-AMERICAN HIGHWAY 2370
AIR MAIL SERVICE 2370
WATERWAYS 2371
IRRIGATION OF ARID LANDS 2371
COLORADO RIVER 2371
MUSCLE SHOALS 2372
CONSERVATION 2373
IMMIGRATION 2373
WAGE EARNER 2373
WOMEN AND CHILDREN 2374
CIVIL SERVICE 2374
EDUCATION 2374
PUBLIC BUILDINGS 2375
THE AMERICAN INDIAN 2375
THE NEGRO 2375
PHILIPPINE ISLANDS 2376
PORTO RICO 2376
DEPARTMENT OF JUSTICE 2376

SPECIAL GOVERNMENT COUNSEL 2376
PROHIBITION 2376
CONCLUSION 2377
FOREIGN RELATIONS 2378
NATIONAL DEFENSE 2379
FINANCES OF THE GOVERNMENT 2380
TAX REDUCTION 2381
FOREIGN DEBTS 2382
ALIEN ENEMY PROPERTY 2382
GENERAL ECONOMIC SITUATION 2383
AGRICULTURE 2384
THE TARIFF 2384
PUBLIC BUILDINGS 2386
THE WATERWAYS AND FLOOD CONTROL 2387
HIGHWAYS 2387
POST OFFICE 2388
COMMERCIAL AVIATION 2388
RAILWAYS 2389
MERCHANT MARINE 2389
THE BANKING SYSTEM 2391
ELECTRICAL POWER REGULATION 2391
THE RADIO COMMISSION 2392
MUSCLE SHOALS 2392
BOULDER DAM 2393
CONSERVATION 2393
SOCIAL SERVICE 2394
PUBLIC HEALTH 2394
FEDERAL PRISONS 2395
CIVIL SERVICE 2397
DEPARTMENTAL REORGANIZATION 2397
LAW ENFORCEMENT AND OBSERVANCE 2399
CONCLUSION 2400
ECONOMIC SITUATION 2401
AGRICULTURE 2404
FINANCES OF THE GOVERNMENT 2406
NATIONAL DEFENSE 2407
LEGISLATION 2407
ELECTRICAL POWER 2407
RAILWAYS 2407
ANTITRUST LAWS 2408
CAPITAL-GAINS TAX 2408

IMMIGRATION 2408
DEPORTATION OF ALIEN CRIMINALS 2408
POST OFFICE 2409
VETERANS 2409
SOCIAL SERVICE 2409
GENERAL 2409
FOREIGN RELATIONS 2409
NATIONAL DEFENSE 2411
FOREIGN AFFAIRS 2411
THE DOMESTIC SITUATION 2412
FURTHER MEASURES 2414
FEDERAL GOVERNMENT FINANCE 2416
FEDERAL LAND BANKS 2417
DEPOSITS IN CLOSED BANKS 2417
HOME-LOAN DISCOUNT BANKS 2417
RECONSTRUCTION FINANCE CORPORATION 2417
FEDERAL RESERVE ELIGIBILITY 2418
BANKING LAWS 2418
POSTAL SAVINGS BANKS 2418
RAILWAYS 2418
ANTITRUST LAWS 2419
UNEMPLOYMENT 2419
GENERAL LEGISLATION 2420
VETERANS' SERVICES 2420
ELECTRICAL-POWER REGULATION 2420
MUSCLE SHOALS 2420
REORGANIZATION OF FEDERAL DEPARTMENTS 2420
SHIPPING BOARD 2420
REORGANIZATION OF PUBLIC WORKS ADMINISTRATION 2421
LAW ENFORCEMENT 2421
INLAND WATERWAY AND HARBOR IMPROVEMENT 2421
THE TARIFF 2421
IMMIGRATION AND DEPORTATION 2422
PUBLIC HEALTH 2422
CONCLUSION 2422
ECONOMIC SITUATION 2424
MONTHLY BUSINESS INDICES WITH SEASONAL VARIATIONS ELIMINATED 2424

I. FROM WAR TO PEACE—THE YEAR	2519
II. THE FEDERAL PROGRAM	2522
I. FOREIGN POLICY	2522
DOMESTIC AFFAIRS	2530
AND STILL PENDING	2535
III. THE BUDGET FOR THE FEDERAL PROGRAM	2552
SUMMARY OF THE BUDGET	2552
FEDERAL BUDGET	2553
EXPENDITURES AND BUDGET RECEIPTS	
OF THE WAR PROGRAM	2554
THE GOVERNMENT'S BUDGET	2555
AND THE NATION'S BUDGET	
STATE AND LOCAL GOVERNMENT	2556
FEDERAL GOVERNMENT	2556
TOTAL: GROSS NATIONAL PRODUCT	2556
FEDERAL REVENUE,	2557
BORROWING, AND THE	
I. FINANCIAL REQUIREMENTS	2557
AND TAX POLICY	
RECOMMENDATIONS FOR	2560
SPECIFIC FEDERAL ACTIVITIES	
GENERAL GOVERNMENT	2573
THE GENERAL DOMESTIC	2576
ECONOMY	
LABOR AND MANAGEMENT	2578
HOUSING	2582
FISCAL AFFAIRS	2582
AGRICULTURE	2583
HEALTH AND GENERAL WELFARE	2583
VETERANS	2583
CIVIL RIGHTS	2584
NATURAL RESOURCES	2584
FOREIGN AFFAIRS	2585
INTERNATIONAL RELIEF AND	2586
DISPLACED PERSONS	
INTERNATIONAL TRADE	2586
ATOMIC ENERGY	2586
MILITARY POLICY	2587
II.	2653
III.	2654
IV.	2655
V.	2657

VI.	2660
VII.	2661
VIII.	2662
IX.	2663
X.	2664
XI	2666
I. FOREIGN AFFAIRS	2668
FOREIGN ASSISTANCE AND TRADE	2669
ATOMIC ENERGY PROPOSAL	2669
DEFENSE	2670
INTERNAL SECURITY	2671
II. STRONG ECONOMY	2672
THE BUDGET	2672
TAXES	2673
AGRICULTURE	2674
CONSERVATION	2675
NATIONAL HIGHWAYS	2676
POST OFFICE	2676
III. HUMAN PROBLEMS	2676
LABOR AND WELFARE	2676
HEALTH	2677
EDUCATION	2677
HOUSING	2678
VETERANS ADMINISTRATION	2678
SUFFRAGE	2678
CONCLUSION	2679
THE DISCHARGE OF OUR WORLD RESPONSIBILITY	2696
THE CONSTANT IMPROVEMENT OF OUR NATIONAL SECURITY	2700
FISCAL INTEGRITY	2701
TO FOSTER A STRONG ECONOMY	2702
THE RESPONSE TO HUMAN CONCERNS	2707
CONCLUSION	2730
FOREIGN POLICY	2754
NATIONAL DEFENSE	2756
THE ECONOMY	2757
GOVERNMENT FINANCE AND ADMINISTRATION	2759
AGRICULTURE	2760
NATURAL RESOURCES	2761
EDUCATION, SCIENCE, AND TECHNOLOGY	2762
CIVIL RIGHTS	2763

HEALTH AND WELFARE 2763
HOUSING AND URBAN DEVELOPMENT 2764
IMMIGRATION 2765
VETERANS 2765
CONCLUSION 2765
I. STRENGTHENING THE ECONOMY 2777
II. FIGHTING INFLATION 2778
III. GETTING AMERICA MOVING 2779
CITIES 2779
AGRICULTURE AND RESOURCES 2779
CIVIL RIGHTS 2780
HEALTH AND WELFARE 2780
EDUCATION 2781
IV. OUR GOALS ABROAD 2782
V. OUR MILITARY STRENGTH 2782
VI. THE UNITED NATIONS 2783
VII. LATIN AMERICA 2785
VIII. THE NEW AND DEVELOPING NATIONS 2785
IX. THE ATLANTIC COMMUNITY 2786
X. OUR BALANCE OF PAYMENTS 2787
TRADE 2787
STATE OF THE WORLD 2807
AMERICA AND THE COMMUNIST NATIONS 2808
THE NON-COMMUNIST WORLD 2809
TOWARD THE GREAT SOCIETY 2810
A NATIONAL AGENDA 2810
THE TASK 2811
BASIC POLICIES 2811
ON THE FARMS 2811
INCREASED PROSPERITY 2812
TRANSPORTATION FOR GROWTH 2812
II. OPPORTUNITY FOR ALL 2812
III. TO ENRICH THE LIFE OF ALL 2812
THROUGH EDUCATION 2812
THROUGH BETTER HEALTH 2813
THROUGH IMPROVING THE WORLD WE LIVE IN 2813
WHERE WE STAND 2884
THE CHALLENGES WE FACE 2885
COMING MESSAGES 2886
RECORD OF PROGRESS 2947
I. ENSURING ECONOMIC 2948

STRENGTH ECONOMY
THE 1982 BUDGET 2949
EMPLOYMENT 2951
TRADE 2952
SMALL BUSINESS 2953
MINORITY BUSINESS 2954
II. CREATING ENERGY SECURITY 2954
NATIONAL ENERGY POLICY 2955
INCREASED DEVELOPMENT OF DOMESTIC ENERGY SOURCES 2955
COMMITMENT TO A SUSTAINABLE ENERGY FUTURE 2956
COMMITMENT TO NUCLEAR SAFETY AND SECURITY 2957
III. ENHANCING BASIC HUMAN AND SOCIAL NEEDS 2958
HEALTH NATIONAL HEALTH PLAN 2958
HEALTH CARE COST CONTROL 2959
HEALTH PROMOTION AND DISEASE PREVENTION 2959
MATERNAL AND CHILD HEALTH 2960
EXPANSION OF SERVICES TO THE POOR AND UNDERSERVED 2960
MENTAL HEALTH 2960
HEALTH PROTECTION 2961
FOOD AND NUTRITION 2961
DRUG ABUSE PREVENTION 2961
EDUCATION 2962
INCOME SECURITY SOCIAL SECURITY 2964
WELFARE REFORM 2965
CHILD WELFARE 2965
LOW-INCOME ENERGY ASSISTANCE 2966
HOUSING 2966
TRANSPORTATION 2967
HIGHWAYS 2968
MASS TRANSIT 2968
ELDERLY AND HANDICAPPED TRANSPORTATION 2969
RAILROADS 2969
WATERWAYS AND RURAL TRANSPORTATION 2969
MARITIME POLICY 2970
COAL EXPORT POLICY 2971
WOMEN 2972

HANDICAPPED 2973
FAMILIES 2974
OLDER AMERICANS 2974
REFUGEES 2975
VETERANS 2976
GENERAL AID TO STATE AND LOCAL GOVERNMENTS 2977
GRANTS-IN-AID TO STATES AND LOCALITIES 2977
GENERAL REVENUE SHARING 2977
COUNTER-CYCLICAL ASSISTANCE 2978
URBAN POLICY 2978
ECONOMIC DEVELOPMENT 2978
COMMUNITY DEVELOPMENT 2979
NEIGHBORHOODS 2979
CONSUMERS 2980
DISTRICT OF COLUMBIA 2983
THE ARTS 2983
THE HUMANITIES 2983
INSULAR AREAS 2984
IV. REMOVING GOVERNMENTAL WASTE AND INEFFICIENCY 2985
CIVIL SERVICE REFORM 2985
REGULATORY REFORM 2986
PAPERWORK REDUCTION 2987
TIGHTENING STANDARDS FOR GOVERNMENTAL EFFICIENCY AND INTEGRITY 2988
V. PROTECTING BASIC RIGHTS AND LIBERTIES 2988
EQUAL RIGHTS AMENDMENT 2989
FAIR HOUSING 2989
CRIMINAL CODE 2989
PRIVACY 2990
VI. PROTECTING AND DEVELOPING OUR NATURAL RESOURCES 2990
ENVIRONMENT 2990
PROTECTION OF ALASKA LANDS 2990
PROTECTION OF NATURAL RESOURCES 2991
ADDRESSING GLOBAL RESOURCE AND ENVIRONMENTAL PROBLEMS 2992
COMMITMENT TO CONTROL OF POLLUTION AND HAZARDOUS 2992

CHEMICALS
THE FUTURE 2993
AGRICULTURE THE FARM ECONOMY 2993
RECENT POLICY INITIATIVES 2994
FOOD SECURITY RESERVE 2994
COMPREHENSIVE CROP INSURANCE 2994
SPECIAL LOAN RATES 2994
INCREASED LOAN PRICES 2994
HIGHER TARGET PRICES 2994
FUTURE AGENDA 2994
VII. FOREIGN POLICY 2995
ENHANCING NATIONAL SECURITY, AMERICAN MILITARY STRENGTH 2998
THE U.S.-SOVIET RELATIONSHIP 2998
BILATERAL COMMUNICATION 2999
POLAND 2999
DEFENSE BUDGET 2999
STRATEGIC FORCES 3000
STRATEGIC DOCTRINE 3001
FORCES FOR NATO 3001
SECURITY ASSISTANCE 3002
RAPID DEPLOYMENT FORCES 3002
NAVAL FORCES 3003
MILITARY PERSONNEL 3003
MOBILIZATION PLANNING 3003
OUR INTELLIGENCE POSTURE 3003
REGIONAL POLICIES 3004
THE ATLANTIC ALLIANCE 3004
THE U.S. AND THE PACIFIC NATIONS 3005
THE MIDDLE EAST AND SOUTHWEST ASIA 3006
MIDDLE EAST 3007
PERSIAN GULF 3007
SOUTH ASIA 3008
AFRICA 3009
NORTH AFRICA 3010
LATIN AMERICA AND THE CARIBBEAN 3011
THE INTERNATIONAL ECONOMY 3014
ENERGY 3014
INTERNATIONAL MONETARY POLICY 3015

SUGAR	3015
COFFEE	3015
NATURAL RUBBER	3015
COMMON FUND	3016
ECONOMIC COOPERATION WITH DEVELOPING NATIONS	3016
FOOD—THE WAR ON HUNGER	3017
HUMAN RIGHTS	3018
HUMANITARIAN AID	3019
NON-PROLIFERATION	3020
LIMITATIONS ON STRATEGIC ARMS	3021
CONCLUSION	3021
Information about Project Gutenberg (one page)	3216
(Three Pages)	3217

Page 1

State of the Union Address George Washington December 8, 1790

Fellow-Citizens of the Senate and House of Representatives:

In meeting you again I feel much satisfaction in being able to repeat my congratulations on the favorable prospects which continue to distinguish our public affairs. The abundant fruits of another year have blessed our country with plenty and with the means of a flourishing commerce.

The progress of public credit is witnessed by a considerable rise of American stock abroad as well as at home, and the revenues allotted for this and other national purposes have been productive beyond the calculations by which they were regulated. This latter circumstance is the more pleasing, as it is not only a proof of the fertility of our resources, but as it assures us of a further increase of the national respectability and credit, and, let me add, as it bears an honorable testimony to the patriotism and integrity of the mercantile and marine part of our citizens. The punctuality of the former in discharging their engagements has been exemplary.

In conformity to the powers vested in me by acts of the last session, a loan of 3,000,000 florins, toward which some provisional measures had previously taken place, has been completed in Holland. As well the celerity with which it has been filled as the nature of the terms (considering the more than ordinary demand for borrowing created by the situation of Europe) give a reasonable hope that the further execution of those powers may proceed with advantage and success. The Secretary of the Treasury has my directions to communicate such further particulars as may be requisite for more precise information.

Since your last sessions I have received communications by which it appears that the district of Kentucky, at present a part of Virginia, has concurred in certain propositions contained in a law of that State, in consequence of which the district is to become a distinct member of the Union, in case the requisite sanction of Congress be added. For this sanction application is now made. I shall cause the papers on this very transaction to be laid before you.

The liberality and harmony with which it has been conducted will be found to do great honor to both the parties, and the sentiments of warm attachment to the Union and its present Government expressed by our fellow citizens of Kentucky can not fail to add an affectionate concern for their particular welfare to the great national impressions under which you will decide on the case submitted to you.

Page 2

It has been heretofore known to Congress that frequent incursions have been made on our frontier settlements by certain banditti of Indians from the northwest side of the Ohio. These, with some of the tribes dwelling on and near the Wabash, have of late been particularly active in their depredations, and being emboldened by the impunity of their crimes and aided by such parts of the neighboring tribes as could be seduced to join in their hostilities or afford them a retreat for their prisoners and plunder, they have, instead of listening to the humane invitations and overtures made on the part of the United States, renewed their violences with fresh alacrity and greater effect. The lives of a number of valuable citizens have thus been sacrificed, and some of them under circumstances peculiarly shocking, whilst others have been carried into a deplorable captivity.

These aggravated provocations rendered it essential to the safety of the Western settlements that the aggressors should be made sensible that the Government of the Union is not less capable of punishing their crimes than it is disposed to respect their rights and reward their attachments. As this object could not be effected by defensive measures, it became necessary to put in force the act which empowers the President to call out the militia for the protection of the frontiers, and I have accordingly authorized an expedition in which the regular troops in that quarter are combined with such drafts of militia as were deemed sufficient. The event of the measure is yet unknown to me. The Secretary of War is directed to lay before you a statement of the information on which it is founded, as well as an estimate of the expense with which it will be attended.

The disturbed situation of Europe, and particularly the critical posture of the great maritime powers, whilst it ought to make us the more thankful for the general peace and security enjoyed by the United States, reminds us at the same time of the circumspection with which it becomes us to preserve these blessings. It requires also that we should not overlook the tendency of a war, and even of preparations for a war, among the nations most concerned in active commerce with this country to abridge the means, and thereby at least enhance the price, of transporting its valuable productions to their markets. I recommend it to your serious reflections how far and in what mode it may be expedient to guard against embarrassments from these contingencies by such encouragements to our own navigation as will render our commerce and agriculture less dependent on foreign bottoms, which may fail us in the very moments most interesting to both of these great objects. Our fisheries and the transportation of our own produce offer us abundant means for guarding ourselves against this evil.

Your attention seems to be not less due to that particular branch of our trade which belongs to the Mediterranean. So many circumstances unite in rendering the present state of it distressful to us that you will not think any deliberations misemployed which may lead to its relief and protection.

Page 3

The laws you have already passed for the establishment of a judiciary system have opened the doors of justice to all descriptions of persons. You will consider in your wisdom whether improvements in that system may yet be made, and particularly whether an uniform process of execution on sentences issuing from the Federal courts be not desirable through all the States.

The patronage of our commerce, of our merchants and sea men, has called for the appointment of consuls in foreign countries. It seems expedient to regulate by law the exercise of that jurisdiction and those functions which are permitted them, either by express convention or by a friendly indulgence, in the places of their residence. The consular convention, too, with His Most Christian Majesty has stipulated in certain cases the aid of the national authority to his consuls established here. Some legislative provision is requisite to carry these stipulations into full effect.

The establishment of the militia, of a mint, of standards of weights and measures, of the post office and post roads are subjects which I presume you will resume of course, and which are abundantly urged by their own importance.

Gentlemen of the House of Representatives:

The sufficiency of the revenues you have established for the objects to which they are appropriated leaves no doubt that the residuary provisions will be commensurate to the other objects for which the public faith stands now pledged. Allow me, moreover, to hope that it will be a favorite policy with you, not merely to secure a payment of the interest of the debt funded, but as far and as fast as the growing resources of the country will permit to exonerate it of the principal itself. The appropriation you have made of the Western land explains your dispositions on this subject, and I am persuaded that the sooner that valuable fund can be made to contribute, along with the other means, to the actual reduction of the public debt the more salutary will the measure be to every public interest, as well as the more satisfactory to our constituents.

Gentlemen of the Senate and House of Representatives:

In pursuing the various and weighty business of the present session I indulge the fullest persuasion that your consultation will be equally marked with wisdom and animated by the love of your country. In whatever belongs to my duty you shall have all the cooperation which an undiminished zeal for its welfare can inspire. It will be happy for us both, and our best reward, if, by a successful administration of our respective trusts, we can make the established Government more and more instrumental in promoting the good of our fellow citizens, and more and more the object of their attachment and confidence.

GO. WASHINGTON

***

State of the Union Address
George Washington
October 25, 1791

Page 4

Fellow-Citizens of the Senate and House of Representatives:

“In vain may we expect peace with the Indians on our frontiers so long as a lawless set of unprincipled wretches can violate the rights of hospitality, or infringe the most solemn treaties, without receiving the punishment they so justly merit.”

I meet you upon the present occasion with the feelings which are naturally inspired by a strong impression of the prosperous situations of our common country, and by a persuasion equally strong that the labors of the session which has just commenced will, under the guidance of a spirit no less prudent than patriotic, issue in measures conducive to the stability and increase of national prosperity.

Numerous as are the providential blessings which demand our grateful acknowledgments, the abundance with which another year has again rewarded the industry of the husbandman is too important to escape recollection.

Your own observations in your respective situations will have satisfied you of the progressive state of agriculture, manufactures, commerce, and navigation. In tracing their causes you will have remarked with particular pleasure the happy effects of that revival of confidence, public as well as private, to which the Constitution and laws of the United States have so eminently contributed; and you will have observed with no less interest new and decisive proofs of the increasing reputation and credit of the nation. But you nevertheless can not fail to derive satisfaction from the confirmation of these circumstances which will be disclosed in the several official communications that will be made to you in the course of your deliberations.

The rapid subscriptions to the Bank of the United States, which completed the sum allowed to be subscribed in a single day, is among the striking and pleasing evidences which present themselves, not only of confidence in the Government, but of resource in the community.

In the interval of your recess due attention has been paid to the execution of the different objects which were specially provided for by the laws and resolutions of the last session.

Among the most important of these is the defense and security of the western frontiers. To accomplish it on the most humane principles was a primary wish.

Accordingly, at the same time the treaties have been provisionally concluded and other proper means used to attach the wavering and to confirm in their friendship the well-disposed tribes of Indians, effectual measures have been adopted to make those of a hostile description sensible that a pacification was desired upon terms of moderation and justice.

Those measures having proved unsuccessful, it became necessary to convince the refractory of the power of the United States to punish their depredations. Offensive operations have therefore been directed, to be conducted, however, as consistently as possible with the dictates of humanity.

Page 5

Some of these have been crowned with full success and others are yet depending. The expeditions which have been completed were carried on under the authority and at the expense of the United States by the militia of Kentucky, whose enterprise, intrepidity, and good conduct are entitled of peculiar commendation.

Overtures of peace are still continued to the deluded tribes, and considerable numbers of individuals belonging to them have lately renounced all further opposition, removed from their former situations, and placed themselves under the immediate protection of the United States.

It is sincerely to be desired that all need of coercion in future may cease and that an intimate intercourse may succeed, calculated to advance the happiness of the Indians and to attach them firmly to the United States.

In order to this it seems necessary—That they should experience the benefits of an impartial dispensation of justice. That the mode of alienating their lands, the main source of discontent and war, should be so defined and regulated as to obviate imposition and as far as may be practicable controversy concerning the reality and extent of the alienations which are made. That commerce with them should be promoted under regulations tending to secure an equitable deportment toward them, and that such rational experiments should be made for imparting to them the blessings of civilization as may from time to time suit their condition. That the Executive of the United States should be enabled to employ the means to which the Indians have been long accustomed for uniting their immediate interests with the preservation of peace. And that efficacious provision should be made for inflicting adequate penalties upon all those who, by violating their rights, shall infringe the treaties and endanger the peace of the Union. A system corresponding with the mild principles of religion and philanthropy toward an unenlightened race of men, whose happiness materially depends on the conduct of the United States, would be as honorable to the national character as conformable to the dictates of sound policy.

The powers specially vested in me by the act laying certain duties on distilled spirits, which respect the subdivisions of the districts into surveys, the appointment of officers, and the assignment of compensations, have likewise been carried into effect. In a manner in which both materials and experience were wanting to guide the calculation it will be readily conceived that there must have been difficulty in such an adjustment of the rates of compensation as would conciliate a reasonable competency with a proper regard to the limits prescribed by the law. It is hoped that the circumspection which has been used will be found in the result to have secured the last of the two objects; but it is probable that with a view to the first in some instances a revision of the provision will be found advisable.

Page 6

The impressions with which this law has been received by the community have been upon the whole such as were to be expected among enlightened and well-disposed citizens from the propriety and necessity of the measure. The novelty, however, of the tax in a considerable part of the United States and a misconception of some of its provisions have given occasion in particular places to some degree of discontent; but it is satisfactory to know that this disposition yields to proper explanations and more just apprehensions of the true nature of the law, and I entertain a full confidence that it will in all give way to motives which arise out of a just sense of duty and a virtuous regard to the public welfare.

If there are any circumstances in the law which consistently with its main design may be so varied as to remove any well-intentioned objections that may happen to exist, it will consist with a wise moderation to make the proper variations. It is desirable on all occasions to unite with a steady and firm adherence to constitutional and necessary acts of Government the fullest evidence of a disposition as far as may be practicable to consult the wishes of every part of the community and to lay the foundations of the public administration in the affections of the people.

Pursuant to the authority contained in the several acts on that subject, a district of 10 miles square for the permanent seat of the Government of the United States has been fixed and announced by proclamation, which district will comprehend lands on both sides of the river Potomac and the towns of Alexandria and Georgetown. A city has also been laid out agreeably to a plan which will be placed before Congress, and as there is a prospect, favored by the rate of sales which have already taken place, of ample funds for carrying on the necessary public buildings, there is every expectation of their due progress.

The completion of the census of the inhabitants, for which provision was made by law, has been duly notified (excepting one instance in which the return has been informal, and another in which it has been omitted or miscarried), and the returns of the officers who were charged with this duty, which will be laid before you, will give you the pleasing assurance that the present population of the United States borders on 4,000,000 persons.

It is proper also to inform you that a further loan of 2,500,000 florins has been completed in Holland, the terms of which are similar to those of the one last announced, except as to a small reduction of charges. Another, on like terms, for 6,000,000 florins, had been set on foot under circumstances that assured an immediate completion.

Gentlemen of the Senate:

Two treaties which have been provisionally concluded with the Cherokees and Six Nations of Indians will be laid before you for your consideration and ratification.

Gentlemen of the House of Representatives:

Page 7

In entering upon the discharge of your legislative trust you must anticipate with pleasure that many of the difficulties necessarily incident to the first arrangements of a new government for an extensive country have been happily surmounted by the zealous and judicious exertions of your predecessors in cooperation with the other branch of the Legislature. The important objects which remain to be accomplished will, I am persuaded, be conducted upon principles equally comprehensive and equally well calculated of the advancement of the general weal.

The time limited for receiving subscriptions to the loans proposed by the act making provision for the debt of the United States having expired, statements from the proper department will as soon as possible apprise you of the exact result. Enough, however, is known already to afford an assurance that the views of that act have been substantially fulfilled. The subscription in the domestic debt of the United States has embraced by far the greatest proportion of that debt, affording at the same time proof of the general satisfaction of the public creditors with the system which has been proposed to their acceptance and of the spirit of accommodation to the convenience of the Government with which they are actuated. The subscriptions in the debts of the respective States as far as the provisions of the law have permitted may be said to be yet more general. The part of the debt of the United States which remains unsubscribed will naturally engage your further deliberations.

It is particularly pleasing to me to be able to announce to you that the revenues which have been established promise to be adequate to their objects, and may be permitted, if no unforeseen exigency occurs, to supersede for the present the necessity of any new burthens upon our constituents.

An object which will claim your early attention is a provision for the current service of the ensuing year, together with such ascertained demands upon the Treasury as require to be immediately discharged, and such casualties as may have arisen in the execution of the public business, for which no specific appropriation may have yet been made; of all which a proper estimate will be laid before you.

Gentlemen of the Senate and of the House of Representatives:

I shall content myself with a general reference to former communications for several objects upon which the urgency of other affairs has hitherto postponed any definitive resolution. Their importance will recall them to your attention, and I trust that the progress already made in the most arduous arrangements of the Government will afford you leisure to resume them to advantage.

These are, however, some of them of which I can not forbear a more particular mention. These are the militia, the post office and post roads, the mint, weights and measures, a provision for the sale of the vacant lands of the United States.

Page 8

The first is certainly an object of primary importance whether viewed in reference to the national security to the satisfaction of the community or to the preservation of order. In connection with this the establishment of competent magazines and arsenals and the fortification of such places as are peculiarly important and vulnerable naturally present themselves to consideration. The safety of the United States under divine protection ought to rest on the basis of systematic and solid arrangements, exposed as little as possible to the hazards of fortuitous circumstances.

The importance of the post office and post roads on a plan sufficiently liberal and comprehensive, as they respect the expedition, safety, and facility of communication, is increased by their instrumentality in diffusing a knowledge of the laws and proceedings of the Government, which, while it contributes to the security of the people, serves also to guard them against the effects of misrepresentation and misconception. The establishment of additional cross posts, especially to some of the important points in the Western and Northern parts of the Union, can not fail to be of material utility.

The disorders in the existing currency, and especially the scarcity of small change, a scarcity so peculiarly distressing to the poorer classes, strongly recommend the carrying into immediate effect the resolution already entered into concerning the establishment of a mint. Measures have been taken pursuant to that resolution for procuring some of the most necessary artists, together with the requisite apparatus.

An uniformity in the weights and measures of the country is among the important objects submitted to you by the Constitution, and if it can be derived from a standard at once invariable and universal, must be no less honorable to the public councils than conducive to the public convenience.

A provision for the sale of the vacant lands of the United States is particularly urged, among other reasons, by the important considerations that they are pledged as a fund for reimbursing the public debt; that if timely and judiciously applied they may save the necessity of burthening our citizens with new taxes for the extinguishment of the principal; and that being free to discharge the principal but in a limited proportion, no opportunity ought to be lost for availing the public of its right.

GO. WASHINGTON

***

State of the Union Address
George Washington
November 6, 1792

Fellow-Citizens of the Senate and House of Representatives:

It is some abatement of the satisfaction with which I meet you on the present occasion that, in felicitating you on a continuance of the national prosperity generally, I am not able to add to it information that the Indian hostilities which have for some time past distressed our Northwestern frontier have terminated.

Page 9

You will, I am persuaded, learn with no less concern than I communicate it that reiterated endeavors toward effecting a pacification have hitherto issued only in new and outrageous proofs of persevering hostility on the part of the tribes with whom we are in contest. An earnest desire to procure tranquillity to the frontier, to stop the further effusion of blood, to arrest the progress of expense, to forward the prevalent wish of the nation for peace has led to strenuous efforts through various channels to accomplish these desirable purposes; in making which efforts I consulted less my own anticipations of the event, or the scruples which some considerations were calculated to inspire, than the wish to find the object attainable, or if not attainable, to ascertain unequivocally that such is the case.

A detail of the measures which have been pursued and of their consequences, which will be laid before you, while it will confirm to you the want of success thus far, will, I trust, evince that means as proper and as efficacious as could have been devised have been employed. The issue of some of them, indeed, is still depending, but a favorable one, though not to be despaired of, is not promised by anything that has yet happened.

In the course of the attempts which have been made some valuable citizens have fallen victims to their zeal for the public service. A sanction commonly respected even among savages has been found in this instance insufficient to protect from massacre the emissaries of peace. It will, I presume, be duly considered whether the occasion does not call for an exercise of liberality toward the families of the deceased.

It must add to your concern to be informed that, besides the continuation of hostile appearances among the tribes north of the Ohio, some threatening symptoms have of late been revived among some of those south of it.

A part of the Cherokees, known by the name of Chickamaugas, inhabiting five villages on the Tennessee River, have long been in the practice of committing depredations on the neighboring settlements.

It was hoped that the treaty of Holston, made with the Cherokee Nation in July, 1791, would have prevented a repetition of such depredations; but the event has not answered this hope. The Chickamaugas, aided by some banditti of another tribe in their vicinity, have recently perpetrated wanton and unprovoked hostilities upon the citizens of the United States in that quarter. The information which has been received on this subject will be laid before you. Hitherto defensive precautions only have been strictly enjoined and observed.

It is not understood that any breach of treaty or aggression whatsoever on the part of the United States or their citizens is even alleged as a pretext for the spirit of hostility in this quarter.

Page 10

I have reason to believe that every practicable exertion has been made (pursuant to the provision by law for that purpose) to be prepared for the alternative of a prosecution of the war in the event of a failure of pacific overtures. A large proportion of the troops authorized to be raised have been recruited, though the number is still incomplete, and pains have been taken to discipline and put them in condition for the particular kind of service to be performed. A delay of operations (besides being dictated by the measures which were pursuing toward a pacific termination of the war) has been in itself deemed preferable to immature efforts. A statement from the proper department with regard to the number of troops raised, and some other points which have been suggested, will afford more precise information as a guide to the legislative consultations, and among other things will enable Congress to judge whether some additional stimulus to the recruiting service may not be advisable.

In looking forward to the future expense of the operations which may be found inevitable I derive consolation from the information I receive that the product of the revenues for the present year is likely to supersede the necessity of additional burthens on the community for the service of the ensuing year. This, however, will be better ascertained in the course of the session, and it is proper to add that the information alluded to proceeds upon the supposition of no material extension of the spirit of hostility.

I can not dismiss the subject of Indian affairs without again recommending to your consideration the expediency of more adequate provision for giving energy to the laws throughout our interior frontier and for restraining the commission of outrages upon the Indians, without which all pacific plans must prove nugatory. To enable, by competent rewards, the employment of qualified and trusty persons to reside among them as agents would also contribute to the preservation of peace and good neighborhood. If in addition to these expedients an eligible plan could be devised for promoting civilization among the friendly tribes and for carrying on trade with them upon a scale equal to their wants and under regulations calculated to protect them from imposition and extortion, its influence in cementing their interest with ours could not but be considerable.

The prosperous state of our revenue has been intimated. This would be still more the case were it not for the impediments which in some places continue to embarrass the collection of the duties on spirits distilled within the United States. These impediments have lessened and are lessening in local extent, and, as applied to the community at large, the contentment with the law appears to be progressive.

But symptoms of increased opposition having lately manifested themselves in certain quarters, I judged a special interposition on my part proper and advisable, and under this impression have issued a proclamation warning against all unlawful combinations and proceedings having for their object or tending to obstruct the operation of the law in question, and announcing that all lawful ways and means would be strictly put in execution for bringing to justice the infractors thereof and securing obedience thereto.

Page 11

Measures have also been taken for the prosecution of offenders, and Congress may be assured that nothing within constitutional and legal limits which may depend upon me shall be wanting to assert and maintain the just authority of the laws. In fulfilling this trust I shall count entirely upon the full cooperation of the other departments of the Government and upon the zealous support of all good citizens.

I can not forbear to bring again into the view of the Legislature the subject of a revision of the judiciary system. A representation from the judges of the Supreme Court, which will be laid before you, points out some of the inconveniences that are experienced. In the course of the execution of the laws considerations arise out of the structure of the system which in some cases tend to relax their efficacy. As connected with this subject, provisions to facilitate the taking of bail upon processes out of the courts of the United States and a supplementary definition of offenses against the Constitution and laws of the Union and of the punishment for such offenses will, it is presumed, be found worthy of particular attention.

Observations on the value of peace with other nations are unnecessary. It would be wise, however, by timely provisions to guard against those acts of our own citizens which might tend to disturb it, and to put ourselves in a condition to give that satisfaction to foreign nations which we may sometimes have occasion to require from them. I particularly recommend to your consideration the means of preventing those aggressions by our citizens on the territory of other nations, and other infractions of the law of nations, which, furnishing just subject of complaint, might endanger our peace with them; and, in general, the maintenance of a friendly intercourse with foreign powers will be presented to your attention by the expiration of the law for that purpose, which takes place, if not renewed, at the close of the present session.

In execution of the authority given by the Legislature measures have been taken for engaging some artists from abroad to aid in the establishment of our mint. Others have been employed at home. Provision has been made of the requisite buildings, and these are now putting into proper condition for the purposes of the establishment. There has also been a small beginning in the coinage of half dimes, the want of small coins in circulation calling the first attention to them.

The regulation of foreign coins in correspondency with the principles of our national coinage, as being essential to their due operation and to order in our money concerns, will, I doubt not, be resumed and completed.

It is represented that some provisions in the law which establishes the post office operate, in experiment, against the transmission of news papers to distant parts of the country. Should this, upon due inquiry, be found to be the fact, a full conviction of the importance of facilitating the circulation of political intelligence and information will, I doubt not, lead to the application of a remedy.

Page 12

The adoption of a constitution for the State of Kentucky has been notified to me. The Legislature will share with me in the satisfaction which arises from an event interesting to the happiness of the part of the nation to which it relates and conducive to the general order.

It is proper likewise to inform you that since my last communication on the subject, and in further execution of the acts severally making provision for the public debt and for the reduction thereof, three new loans have been effected, each for 3,000,000 florins—one at Antwerp, at the annual interest of 4.5%, with an allowance of 4% in lieu of all charges, in the other 2 at Amsterdam, at the annual interest of 4%, with an allowance of 5.5% in one case and of 5% in the other in lieu of all charges. The rates of these loans and the circumstances under which they have been made are confirmations of the high state of our credit abroad.

Among the objects to which these funds have been directed to be applied, the payment of the debts due to certain foreign officers, according to the provision made during the last session, has been embraced.

Gentlemen of the House of Representatives:

I entertain a strong hope that the state of the national finances is now sufficiently matured to enable you to enter upon a systematic and effectual arrangement for the regular redemption and discharge of the public debt, according to the right which has been reserved to the Government. No measure can be more desirable, whether viewed with an eye to its intrinsic importance or to the general sentiment and wish of the nation.

Provision is likewise requisite for the reimbursement of the loan which has been made of the Bank of the United States, pursuant to the eleventh section of the act by which it is incorporated. In fulfilling the public stipulations in this particular it is expected a valuable saving will be made.

Appropriations for the current service of the ensuing year and for such extraordinaries as may require provision will demand, and I doubt not will engage, your early attention.

Gentlemen of the Senate and of the House of Representatives:

I content myself with recalling your attention generally to such objects, not particularized in my present, as have been suggested in my former communications to you.

Various temporary laws will expire during the present session. Among these, that which regulates trade and intercourse with the Indian tribes will merit particular notice.

The results of your common deliberations hitherto will, I trust, be productive of solid and durable advantages to our constituents, such as, by conciliating more and more their ultimate suffrage, will tend to strengthen and confirm their attachment to that

Constitution of Government upon which, under Divine Providence, materially depend their union, their safety, and their happiness.

Still further to promote and secure these inestimable ends there is nothing which can have a more powerful tendency than the careful cultivation of harmony, combined with a due regard to stability, in the public councils.

Page 13

GO. WASHINGTON

***

State of the Union Address
George Washington
December 3, 1793

Fellow-Citizens of the Senate and House of Representatives:

Since the commencement of the term for which I have been again called into office no fit occasion has arisen for expressing to my fellow citizens at large the deep and respectful sense which I feel of the renewed testimony of public approbation. While on the one hand it awakened my gratitude for all those instances of affectionate partiality with which I have been honored by my country, on the other it could not prevent an earnest wish for that retirement from which no private consideration should ever have torn me. But influenced by the belief that my conduct would be estimated according to its real motives, and that the people, and the authorities derived from them, would support exertions having nothing personal for their object, I have obeyed the suffrage which commanded me to resume the Executive power; and I humbly implore that Being on whose will the fate of nations depends to crown with success our mutual endeavors for the general happiness.

As soon as the war in Europe had embraced those powers with whom the United States have the most extensive relations there was reason to apprehend that our intercourse with them might be interrupted and our disposition for peace drawn into question by the suspicions too often entertained by belligerent nations. It seemed, therefore, to be my duty to admonish our citizens of the consequences of a contraband trade and of hostile acts to any of the parties, and to obtain by a declaration of the existing legal state of things an easier admission of our right to the immunities belonging to our situation. Under these impressions the proclamation which will be laid before you was issued.

In this posture of affairs, both new and delicate, I resolved to adopt general rules which should conform to the treaties and assert the privileges of the United States. These were reduced into a system, which will be communicated to you. Although I have not thought of myself at liberty to forbid the sale of the prizes permitted by our treaty of commerce with France to be brought into our ports, I have not refused to cause them to be restored when they were taken within the protection of our territory, or by vessels commissioned or equipped in a warlike form within the limits of the United States.

It rests with the wisdom of Congress to correct, improve, or enforce this plan of procedure; and it will probably be found expedient to extend the legal code and the

jurisdiction of the courts of the United States to many cases which, though dependent on principles already recognized, demand some further provisions.

Where individuals shall, within the United States, array themselves in hostility against any of the powers at war, or enter upon military expeditions or enterprises within the jurisdiction of the United States, or usurp and exercise judicial authority within the United States, or where the penalties on violations of the law of nations may have been indistinctly marked, or are inadequate—these offenses can not receive too early and close an attention, and require prompt and decisive remedies.

Page 14

Whatsoever those remedies may be, they will be well administered by the judiciary, who possess a long-established course of investigation, effectual process, and officers in the habit of executing it.

In like manner, as several of the courts have doubted, under particular circumstances, their power to liberate the vessels of a nation at peace, and even of a citizen of the United States, although seized under a false color of being hostile property, and have denied their power to liberate certain captures within the protection of our territory, it would seem proper to regulate their jurisdiction in these points. But if the Executive is to be the resort in either of the two last-mentioned cases, it is hoped that he will be authorized by law to have facts ascertained by the courts when for his own information he shall request it.

I can not recommend to your notice measures for the fulfillment of our duties to the rest of the world without again pressing upon you the necessity of placing ourselves in a condition of complete defense and of exacting from them the fulfillment of their duties toward us. The United States ought not to indulge a persuasion that, contrary to the order of human events, they will forever keep at a distance those painful appeals to arms with which the history of every other nation abounds. There is a rank due to the United States among nations which will be withheld, if not absolutely lost, by the reputation of weakness. If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war. The documents which will be presented to you will shew the amount and kinds of arms and military stores now in our magazines and arsenals; and yet an addition even to these supplies can not with prudence be neglected, as it would leave nothing to the uncertainty of procuring warlike apparatus in the moment of public danger.

Nor can such arrangements, with such objects, be exposed to the censure or jealousy of the warmest friends of republican government. They are incapable of abuse in the hands of the militia, who ought to possess a pride in being the depository of the force of the Republic, and may be trained to a degree of energy equal to every military exigency of the United States. But it is an inquiry which can not be too solemnly pursued, whether the act “more effectually to provide for the national defense by establishing an uniform militia throughout the United States” has organized them so as to produce their full effect; whether your own experience in the several States has not detected some imperfections in the scheme, and whether a material feature in an improvement of it ought not to be to afford an opportunity for the study of those branches of the military art which can scarcely ever be attained by practice alone.

The connection of the United States with Europe has become extremely interesting. The occurrences which relate to it and have passed under the knowledge of the Executive will be exhibited to Congress in a subsequent communication.

Page 15

When we contemplate the war on our frontiers, it may be truly affirmed that every reasonable effort has been made to adjust the causes of dissension with the Indians north of the Ohio. The instructions given to the commissioners evince a moderation and equity proceeding from a sincere love of peace, and a liberality having no restriction but the essential interests and dignity of the United States. The attempt, however, of an amicable negotiation having been frustrated, the troops have marched to act offensively. Although the proposed treaty did not arrest the progress of military preparation, it is doubtful how far the advance of the season, before good faith justified active movements, may retard them during the remainder of the year. From the papers and intelligence which relate to this important subject you will determine whether the deficiency in the number of troops granted by law shall be compensated by succors of militia, or additional encouragements shall be proposed to recruits.

An anxiety has been also demonstrated by the Executive for peace with the Creeks and the Cherokees. The former have been relieved with corn and with clothing, and offensive measures against them prohibited during the recess of Congress. To satisfy the complaints of the latter, prosecutions have been instituted for the violences committed upon them. But the papers which will be delivered to you disclose the critical footing on which we stand in regard to both those tribes, and it is with Congress to pronounce what shall be done.

After they shall have provided for the present emergency, it will merit their most serious labors to render tranquillity with the savages permanent by creating ties of interest. Next to a rigorous execution of justice on the violators of peace, the establishment of commerce with the Indian nations in behalf of the United States is most likely to conciliate their attachment. But it ought to be conducted without fraud, without extortion, with constant and plentiful supplies, with a ready market for the commodities of the Indians and a stated price for what they give in payment and receive in exchange. Individuals will not pursue such a traffic unless they be allured by the hope of profit; but it will be enough for the United States to be reimbursed only. Should this recommendation accord with the opinion of Congress, they will recollect that it can not be accomplished by any means yet in the hands of the Executive.

Gentlemen of the House of Representatives:

The commissioners charged with the settlement of accounts between the United States and individual States concluded their important function within the time limited by law, and the balances struck in their report, which will be laid before Congress, have been placed on the books of the Treasury.

On the first day of June last an installment of 1,000,000 florins became payable on the loans of the United States in Holland. This was adjusted by a prolongation of the period of reimbursement in nature of a new loan at an interest of 5% for the term of ten years, and the expenses of this operation were a commission of 3%.

Page 16

The first installment of the loan of $2,000,000 from the Bank of the United States has been paid, as was directed by law. For the second it is necessary that provision be made.

No pecuniary consideration is more urgent than the regular redemption and discharge of the public debt. On none can delay be more injurious or an economy of time more valuable.

The productiveness of the public revenues hitherto has continued to equal the anticipations which were formed of it, but it is not expected to prove commensurate with all the objects which have been suggested. Some auxiliary provisions will therefore, it is presumed, be requisite, and it is hoped that these may be made consistently with a due regard to the convenience of our citizens, who can not but be sensible of the true wisdom of encountering a small present addition to their contributions to obviate a future accumulation of burthens.

But here I can not forbear to recommend a repeal of the tax on the transportation of public prints. There is no resource so firm for the Government of the United States as the affections of the people, guided by an enlightened policy; and to this primary good nothing can conduce more than a faithful representation of public proceedings, diffused without restraint throughout the United States.

An estimate of the appropriations necessary for the current service of the ensuing year and a statement of a purchase of arms and military stores made during the recess will be presented to Congress.

Gentlemen of the Senate and of the House of Representatives:

The several subjects to which I have now referred open a wide range to your deliberations and involve some of the choicest interests of our common country. Permit me to bring to your remembrance the magnitude of your task. Without an unprejudiced coolness the welfare of the Government may be hazarded; without harmony as far as consists with freedom of sentiment its dignity may be lost. But as the legislative proceedings of the United States will never, I trust, be reproached for the want of temper or of candor, so shall not the public happiness languish from the want of my strenuous and warmest cooperation.

GO. WASHINGTON

***

State of the Union Address
George Washington
November 19, 1794

Fellow-Citizens of the Senate and House of Representatives:

When we call to mind the gracious indulgence of Heaven by which the American people became a nation; when we survey the general prosperity of our country, and look forward to the riches, power, and happiness to which it seems destined, with the deepest regret do I announce to you that during your recess some of the citizens of the United States have been found capable of insurrection. It is due, however, to the character of our Government and to its stability, which can not be shaken by the enemies of order, freely to unfold the course of this event.

Page 17

During the session of the year 1790 it was expedient to exercise the legislative power granted by the Constitution of the United States “to lay and collect excises”. In a majority of the States scarcely an objection was heard to this mode of taxation. In some, indeed, alarms were at first conceived, until they were banished by reason and patriotism. In the four western counties of Pennsylvania a prejudice, fostered and imbittered by the artifice of men who labored for an ascendency over the will of others by the guidance of their passions, produced symptoms of riot and violence.

It is well known that Congress did not hesitate to examine the complaints which were presented, and to relieve them as far as justice dictated or general convenience would permit. But the impression which this moderation made on the discontented did not correspond with what it deserved. The arts of delusion were no longer confined to the efforts of designing individuals. The very forbearance to press prosecutions was misinterpreted into a fear of urging the execution of the laws, and associations of men began to denounce threats against the officers employed. From a belief that by a more formal concert their operation might be defeated, certain self-created societies assumed the tone of condemnation. Hence, while the greater part of Pennsylvania itself were conforming themselves to the acts of excise, a few counties were resolved to frustrate them. It is now perceived that every expectation from the tenderness which had been hitherto pursued was unavailing, and that further delay could only create an opinion of impotency or irresolution in the Government. Legal process was therefore delivered to the marshal against the rioters and delinquent distillers.

No sooner was he understood to be engaged in this duty than the vengeance of armed men was aimed at his person and the person and property of the inspector of the revenue. They fired upon the marshal, arrested him, and detained him for some time as a prisoner. He was obliged, by the jeopardy of his life, to renounce the service of other process on the west side of the Allegheny Mountain, and a deputation was afterwards sent to him to demand a surrender of that which he had served. A numerous body repeatedly attacked the house of the inspector, seized his papers of office, and finally destroyed by fire his buildings and whatsoever they contained. Both of these officers, from a just regard to their safety, fled to the seat of Government, it being avowed that the motives to such outrages were to compel the resignation of the inspector, to withstand by force of arms the authority of the United States, and thereby to extort a repeal of the laws of excise and an alteration in the conduct of Government.

Upon testimony of these facts an associate justice of the Supreme Court of the United States notified to me that “in the counties of Washington and Allegheny, in Pennsylvania, laws of the United States were opposed, and the execution thereof obstructed, by combinations too powerful to be suppressed by the ordinary course of judicial proceedings or by the powers vested in the marshal of that district”.

Page 18

On this call, momentous in the extreme, I sought and weighted what might best subdue the crisis. On the one hand the judiciary was pronounced to be stripped of its capacity to enforce the laws; crimes which reached the very existence of social order were perpetrated without control; the friends of Government were insulted, abused, and overawed into silence or an apparent acquiescence; and to yield to the treasonable fury of so small a portion of the United States would be to violate the fundamental principle of our Constitution, which enjoins that the will of the majority shall prevail. On the other, to array citizen against citizen, to publish the dishonor of such excesses, to encounter the expense and other embarrassments of so distant an expedition, were steps too delicate, too closely interwoven with many affecting considerations, to be lightly adopted.

I postponed, therefore, the summoning of the militia immediately into the field, but I required them to be held in readiness, that if my anxious endeavors to reclaim the deluded and to convince the malignant of their danger should be fruitless, military force might be prepared to act before the season should be too far advanced.

My proclamation of the 7th of August last was accordingly issued, and accompanied by the appointment of commissioners, who were charged to repair to the scene of insurrection. They were authorized to confer with any bodies of men or individuals. They were instructed to be candid and explicit in stating the sensations which had been excited in the Executive, and his earnest wish to avoid a resort to coercion; to represent, however, that, without submission, coercion must be the resort; but to invite them, at the same time, to return to the demeanor of faithful citizens, by such accommodations as lay within the sphere of Executive power. Pardon, too, was tendered to them by the Government of the United States and that of Pennsylvania, upon no other condition than a satisfactory assurance of obedience to the laws.

Although the report of the commissioners marks their firmness and abilities, and must unite all virtuous men, by shewing that the means of conciliation have been exhausted, all of those who had committed or abetted the tumults did not subscribe the mild form which was proposed as the atonement, and the indications of a peaceable temper were neither sufficiently general nor conclusive to recommend or warrant the further suspension of the march of the militia.

Thus the painful alternative could not be discarded. I ordered the militia to march, after once more admonishing the insurgents in my proclamation of the 25th of September last.

Page 19

It was a task too difficult to ascertain with precision the lowest degree of force competent to the quelling of the insurrection. From a respect, indeed, to economy and the ease of my fellow citizens belonging to the militia, it would have gratified me to accomplish such an estimate. My very reluctance to ascribe too much importance to the opposition, had its extent been accurately seen, would have been a decided inducement to the smallest efficient numbers. In this uncertainty, therefore, I put into motion fifteen thousand men, as being an army which, according to all human calculation, would be prompt and adequate in every view, and might, perhaps, by rendering resistance desperate, prevent the effusion of blood. Quotas had been assigned to the States of New Jersey, Pennsylvania, Maryland, and Virginia, the governor of Pennsylvania having declared on this occasion an opinion which justified a requisition to the other States.

As commander in chief of the militia when called into the actual service of the United States, I have visited the places of general rendezvous to obtain more exact information and to direct a plan for ulterior movements. Had there been room for a persuasion that the laws were secure from obstruction; that the civil magistrate was able to bring to justice such of the most culpable as have not embraced the proffered terms of amnesty, and may be deemed fit objects of example; that the friends to peace and good government were not in need of that aid and countenance which they ought always to receive, and, I trust, ever will receive, against the vicious and turbulent, I should have caught with avidity the opportunity of restoring the militia to their families and homes. But succeeding intelligence has tended to manifest the necessity of what has been done, it being now confessed by those who were not inclined to exaggerate the ill conduct of the insurgents that their malevolence was not pointed merely to a particular law, but that a spirit inimical to all order has actuated many of the offenders. If the state of things had afforded reason for the continuance of my presence with the army, it would not have been withholden. But every appearance assuring such an issue as will redound to the reputation and strength of the United States, I have judged it most proper to resume my duties at the seat of Government, leaving the chief command with the governor of Virginia.

Still, however, as it is probable that in a commotion like the present, whatsoever may be the pretense, the purposes of mischief and revenge may not be laid aside, the stationing of a small force for a certain period in the four western counties of Pennsylvania will be indispensable, whether we contemplate the situation of those who are connected with the execution of the laws or of others who may have exposed themselves by an honorable attachment to them. Thirty days from the commencement of this session being the legal limitation of the employment of the militia, Congress can not be too early occupied with this subject.

Page 20

Among the discussions which may arise from this aspect of our affairs, and from the documents which will be submitted to Congress, it will not escape their observation that not only the inspector of the revenue, but other officers of the United States in Pennsylvania have, from their fidelity in the discharge of their functions, sustained material injuries to their property. The obligation and policy of indemnifying them are strong and obvious. It may also merit attention whether policy will not enlarge this provision to the retribution of other citizens who, though not under the ties of office, may have suffered damage by their generous exertions for upholding the Constitution and the laws. The amount, even if all the injured were included, would not be great, and on future emergencies the Government would be amply repaid by the influence of an example that he who incurs a loss in its defense shall find a recompense in its liberality.

While there is cause to lament that occurrences of this nature should have disgraced the name or interrupted the tranquillity of any part of our community, or should have diverted to a new application any portion of the public resources, there are not wanting real and substantial consolations for the misfortune. It has demonstrated that our prosperity rests on solid foundations, by furnishing an additional proof that my fellow citizens understand the true principles of government and liberty; that they feel their inseparable union; that notwithstanding all the devices which have been used to sway them from their interest and duty, they are not as ready to maintain the authority of the laws against licentious invasions as they were to defend their rights against usurpation. It has been a spectacle displaying to the highest advantage of republican government to behold the most and the least wealthy of our citizens standing in the same ranks as private soldiers, preeminently distinguished by being the army of the Constitution—-undeterred by a march of 300 miles over rugged mountains, by approach of an inclement season, or by any other discouragement. Nor ought I to omit to acknowledge the efficacious and patriotic cooperation which I have experienced from the chief magistrates of the States to which my requisitions have been addressed.

To every description of citizens, let praise be given, but let them persevere in their affectionate vigilance over that precious depository of American happiness, the Constitution of the United States. Let them cherish it, too, for the sake of those who, from every clime, are daily seeking a dwelling in our land. And when in the calm moments of reflection they shall have retraced the origin and progress of the insurrection, let them determine whether it has not been fomented by combinations of men who, careless of consequences and disregarding the unerring truth that those who rouse can not always appease a civil convulsion, have disseminated, from an ignorance or perversion of facts, suspicions, jealousies, and accusations of the whole Government.

Page 21

Having thus fulfilled the engagement which I took when I entered into office, “to the best of my ability to preserve, protect, and defend the Constitution of the United States”, on you, gentlemen, and the people by whom you are deputed, I rely for support.

In the arrangement to which the possibility of a similar contingency will naturally draw your attention it ought not to be forgotten that the militia laws have exhibited such striking defects as could not have been supplied by the zeal of our citizens. Besides the extraordinary expense and waste, which are not the least of the defects, every appeal to those laws is attended with a doubt on its success.

The devising and establishing of a well regulated militia would be a genuine source of legislative honor and a perfect title to public gratitude. I therefore entertain a hope that the present session will not pass without carrying to its full energy the power of organizing, arming, and disciplining the militia, and thus providing, in the language of the Constitution, for calling them forth to execute the laws of the Union, suppress insurrections, and repel invasions.

As auxiliary to the state of our defense, to which Congress can never too frequently recur, they will not omit to inquire whether the fortifications which have been already licensed by law be commensurate with our exigencies.

The intelligence from the army under the command of General Wayne is a happy presage to our military operations against the hostile Indians north of the Ohio. From the advices which have been forwarded, the advance which he has made must have damped the ardor of the savages and weakened their obstinacy in waging war against the United States. And yet, even at this late hour, when our power to punish them can not be questioned, we shall not be unwilling to cement a lasting peace upon terms of candor, equity, and good neighborhood.

Toward none of the Indian tribes have overtures of friendship been spared. The Creeks in particular are covered from encroachment by the imposition of the General Government and that of Georgia. From a desire also to remove the discontents of the Six Nations, a settlement mediated at Presque Isle, on Lake Erie, has been suspended, and an agent is now endeavoring to rectify any misconception into which they may have fallen. But I can not refrain from again pressing upon your deliberations the plan which I recommended at the last session for the improvement of harmony with all the Indians within our limits by the fixing and conducting of trading houses upon the principles then expressed.

Gentlemen of the House of Representatives:

The time which has elapsed since the commencement of our fiscal measures has developed our pecuniary resources so as to open the way for a definite plan for the redemption of the public debt. It is believed that the result is such as to encourage

Congress to consummate this work without delay. Nothing can more promote the permanent welfare of the nation and nothing would be more grateful to our constituents. Indeed, whatsoever is unfinished of our system of public credit can not be benefited by procrastination; and as far as may be practicable we ought to place that credit on grounds which can not be disturbed, and to prevent that progressive accumulation of debt which must ultimately endanger all governments.

Page 22

An estimate of the necessary appropriations, including the expenditures into which we have been driven by the insurrection, will be submitted to Congress.

Gentlemen of the Senate and of the House of Representatives:

The Mint of the United States has entered upon the coinage of the precious metals, and considerable sums of defective coins and bullion have been lodged with the Director by individuals. There is a pleasing prospect that the institution will at no remote day realize the expectation which was originally formed of its utility.

In subsequent communications certain circumstances of our intercourse with foreign nations will be transmitted to Congress. However, it may not be unseasonable to announce that my policy in our foreign transactions has been to cultivate peace with all the world; to observe the treaties with pure and absolute faith; to check every deviation from the line of impartiality; to explain what may have been misapprehended and correct what may have been injurious to any nation, and having thus acquired the right, to lose no time in acquiring the ability to insist upon justice being done to ourselves.

Let us unite, therefore, in imploring the Supreme Ruler of Nations to spread his holy protection over these United States; to turn the machinations of the wicked to the confirming of our Constitution; to enable us at all times to root out internal sedition and put invasion to flight; to perpetuate to our country that prosperity which his goodness has already conferred, and to verify the anticipations of this Government being a safeguard of human rights.

GO. WASHINGTON

***

State of the Union Address
George Washington
December 8, 1795

Fellow-Citizens of the Senate and House of Representatives:

I trust I do not deceive myself when I indulge the persuasion that I have never met you at any period when more than at the present the situation of our public affairs has afforded just cause for mutual congratulation, and for inviting you to join with me in profound gratitude to the Author of all Good for the numerous and extraordinary blessings we enjoy.

The termination of the long, expensive, and distressing war in which we have been engaged with certain Indians northwest of the Ohio is placed in the option of the United

States by a treaty which the commander of our army has concluded provisionally with the hostile tribes in that region.

In the adjustment of the terms the satisfaction of the Indians was deemed worthy no less of the policy than of the liberality of the United States as the necessary basis of durable tranquillity. The object, it is believed, has been fully attained. The articles agreed upon will immediately be laid before the Senate for their consideration.

Page 23

The Creek and Cherokee Indians, who alone of the Southern tribes had annoyed our frontiers, have lately confirmed their preexisting treaties with us, and were giving evidence of a sincere disposition to carry them into effect by the surrender of the prisoners and property they had taken. But we have to lament that the fair prospect in this quarter has been once more clouded by wanton murders, which some citizens of Georgia are represented to have recently perpetrated on hunting parties of the Creeks, which have again subjected that frontier to disquietude and danger, which will be productive of further expense, and may occasion more effusion of blood. Measures are pursuing to prevent or mitigate the usual consequences of such outrages, and with the hope of their succeeding at least to avert general hostility.

A letter from the Emperor of Morocco announces to me his recognition of our treaty made with his father, the late Emperor, and consequently the continuance of peace with that power. With peculiar satisfaction I add that information has been received from an agent deputed on our part to Algiers importing that the terms of the treaty with the Dey and Regency of that country had been adjusted in such a manner as to authorize the expectation of a speedy peace and the restoration of our unfortunate fellow citizens from a grievous captivity.

The latest advices from our envoy at the Court of Madrid give, moreover, the pleasing information that he had assurances of a speedy and satisfactory conclusion of his negotiation. While the event depending upon unadjusted particulars can not be regarded as ascertained, it is agreeable to cherish the expectation of an issue which, securing amicably very essential interests of the United States, will at the same time lay the foundation of lasting harmony with a power whose friendship we have uniformly and sincerely desired to cultivate.

Though not before officially disclosed to the House of Representatives, you, gentlemen, are all apprised that a treaty of amity, commerce, and navigation has been negotiated with Great Britain, and that the Senate have advised and consented to its ratification upon a condition which excepts part of one article. Agreeably thereto, and to the best judgment I was able to form of the public interest after full and mature deliberation, I have added my sanction. The result on the part of His Britannic Majesty is unknown. When received, the subject will without delay be placed before Congress.

This interesting summary of our affairs with regard to the foreign powers between whom and the United States controversies have subsisted, and with regard also to those of our Indian neighbors with whom we have been in a state of enmity or misunderstanding, opens a wide field for consoling and gratifying reflections. If by prudence and moderation on every side the extinguishment of all the causes of external discord which have heretofore menaced our tranquillity, on terms compatible with our national rights and honor, shall be the happy result, how firm and how precious a foundation will have been laid for accelerating, maturing, and establishing the prosperity of our country.

Page 24

Contemplating the internal situation as well as the external relations of the United States, we discover equal cause for contentment and satisfaction. While many of the nations of Europe, with their American dependencies, have been involved in a contest unusually bloody, exhausting, and calamitous, in which the evils of foreign war have been aggravated by domestic convulsion and insurrection; in which many of the arts most useful to society have been exposed to discouragement and decay; in which scarcity of subsistence has imbittered other sufferings; while even the anticipations of a return of the blessings of peace and repose are alloyed by the sense of heavy and accumulating burthens, which press upon all the departments of industry and threaten to clog the future springs of government, our favored country, happy in a striking contrast, has enjoyed tranquillity—a tranquillity the more satisfactory because maintained at the expense of no duty. Faithful to ourselves, we have violated no obligation to others.

Our agriculture, commerce, and manufactures prosper beyond former example, the molestations of our trade (to prevent a continuance of which, however, very pointed remonstrances have been made) being overbalanced by the aggregate benefits which it derives from a neutral position. Our population advances with a celerity which, exceeding the most sanguine calculations, proportionally augments our strength and resources, and guarantees our future security.

Every part of the Union displays indications of rapid and various improvement; and with burthens so light as scarcely to be perceived, with resources fully adequate to our present exigencies, with governments founded on the genuine principles of rational liberty, and with mild and wholesome laws, is it too much to say that our country exhibits a spectacle of national happiness never surpassed, if ever before equaled?

Placed in a situation every way so auspicious, motives of commanding force impel us, with sincere acknowledgment to Heaven and pure love to our country, to unite our efforts to preserve, prolong, and improve our immense advantages. To cooperate with you in this desirable work is a fervent and favorite wish of my heart.

It is a valuable ingredient in the general estimate of our welfare that the part of our country which was lately the scene of disorder and insurrection now enjoys the blessings of quiet and order. The misled have abandoned their errors, and pay the respect to our Constitution and laws which is due from good citizens to the public authorities of the society. These circumstances have induced me to pardon generally the offenders here referred to, and to extend forgiveness to those who had been adjudged to capital punishment. For though I shall always think it a sacred duty to exercise with firmness and energy the constitutional powers with which I am vested, yet it appears to me no less consistent with the public good than it is with my personal feelings to mingle in the operations of Government every degree of moderation and tenderness which the national justice, dignity, and safety may permit.

Page 25

Gentlemen: Among the objects which will claim your attention in the course of the session, a review of our military establishment is not the least important. It is called for by the events which have changed, and may be expected still further to change, the relative situation of our frontiers. In this review you will doubtless allow due weight to the considerations that the questions between us and certain foreign powers are not yet finally adjusted, that the war in Europe is not yet terminated, and that our Western posts, when recovered, will demand provision for garrisoning and securing them. A statement of our present military force will be laid before you by the Department of War.

With the review of our Army establishment is naturally connected that of the militia. It will merit inquiry what imperfections in the existing plan further experience may have unfolded. The subject is of so much moment in my estimation as to excite a constant solicitude that the consideration of it may be renewed until the greatest attainable perfection shall be accomplished. Time is wearing away some advantages for forwarding the object, while none better deserves the persevering attention of the public councils.

While we indulge the satisfaction which the actual condition of our Western borders so well authorizes, it is necessary that we should not lose sight of an important truth which continually receives new confirmations, namely, that the provisions heretofore made with a view to the protection of the Indians from the violences of the lawless part of our frontier inhabitants are insufficient. It is demonstrated that these violences can now be perpetrated with impunity, and it can need no argument to prove that unless the murdering of Indians can be restrained by bringing the murderers to condign punishment, all the exertions of the Government to prevent destructive retaliations by the Indians will prove fruitless and all our present agreeable prospects illusory. The frequent destruction of innocent women and children, who are chiefly the victims of retaliation, must continue to shock humanity, and an enormous expense to drain the Treasury of the Union.

To enforce upon the Indians the observance of justice it is indispensable that there shall be competent means of rendering justice to them. If these means can be devised by the wisdom of Congress, and especially if there can be added an adequate provision for supplying the necessities of the Indians on reasonable terms (a measure the mention of which I the more readily repeat, as in all the conferences with them they urge it with solicitude), I should not hesitate to entertain a strong hope of rendering our tranquillity permanent. I add with pleasure that the probability even of their civilization is not diminished by the experiments which have been thus far made under the auspices of Government. The accomplishment of this work, if practicable, will reflect undecaying luster on our national character and administer the most grateful consolations that virtuous minds can know.

Page 26

Gentlemen of the House of Representatives:

The state of our revenue, with the sums which have been borrowed and reimbursed pursuant to different acts of Congress, will be submitted from the proper Department, together with an estimate of the appropriations necessary to be made for the service of the ensuing year.

Whether measures may not be advisable to reinforce the provision of the redemption of the public debt will naturally engage your examination. Congress have demonstrated their sense to be, and it were superfluous to repeat mine, that whatsoever will tend to accelerate the honorable extinction of our public debt accords as much with the true interest of our country as with the general sense of our constituents.

Gentlemen of the Senate and of the House of Representatives:

The statements which will be laid before you relative to the Mint will shew the situation of that institution and the necessity of some further legislative provisions for carrying the business of it more completely into effect, and for checking abuses which appear to be arising in particular quarters.

The progress in providing materials for the frigates and in building them, the state of the fortifications of our harbors, the measures which have been pursued for obtaining proper sites for arsenals and for replenishing our magazines with military stores, and the steps which have been taken toward the execution of the law for opening a trade with the Indians will likewise be presented for the information of Congress.

Temperate discussion of the important subjects which may arise in the course of the session and mutual forbearance where there is a difference of opinion are too obvious and necessary for the peace, happiness, and welfare of our country to need any recommendation of mine.

GO. WASHINGTON

***

State of the Union Address
George Washington
December 7, 1796

Fellow-Citizens of the Senate and House of Representatives:

In recurring to the internal situation of our country since I had last the pleasure to address you, I find ample reason for a renewed expression of that gratitude to the Ruler

of the Universe which a continued series of prosperity has so often and so justly called forth.

The acts of the last session which required special arrangements have been as far as circumstances would admit carried into operation.

Measures calculated to insure a continuance of the friendship of the Indians and to preserve peace along the extent of our interior frontier have been digested and adopted. In the framing of these care has been taken to guard on the one hand our advanced settlements from the predatory incursions of those unruly individuals who can not be restrained by their tribes, and on the other hand to protect the rights secured to the Indians by treaty—to draw them nearer to the civilized state and inspire them with correct conceptions of the power as well as justice of the Government.

Page 27

The meeting of the deputies from the Creek Nation at Colerain, in the State of Georgia, which had for a principal object the purchase of a parcel of their land by that State, broke up without its being accomplished, the nation having previous to their departure instructed them against making any sale. The occasion, however, has been improved to confirm by a new treaty with the Creeks their preexisting engagements with the United States, and to obtain their consent to the establishment of trading houses and military posts within their boundary, by means of which their friendship and the general peace may be more effectually secured.

The period during the late session at which the appropriation was passed for carrying into effect the treaty of amity, commerce, and navigation between the United States and His Brittanic Majesty necessarily procrastinated the reception of the posts stipulated to be delivered beyond the date assigned for that event. As soon, however, as the Governor-General of Canada could be addressed with propriety on the subject, arrangements were cordially and promptly concluded for their evacuation, and the United States took possession of the principal of them, comprehending Oswego, Niagara, Detroit, Michilimackinac, and Fort Miami, where such repairs and additions have been ordered to be made as appeared indispensable.

The commissioners appointed on the part of the United States and of Great Britain to determine which is the river St. Croix mentioned in the treaty of peace of 1783, agreed in the choice of Egbert Benson, esq., of New York, for the 3rd commissioner. The whole met at St. Andrew's, in Passamaquoddy Bay, in the beginning of October, and directed surveys to be made of the rivers in dispute; but deeming it impracticable to have these surveys completed before the next year, they adjourned to meet at Boston in August, 1797, for the final decision of the question.

Other commissioners appointed on the part of the United States, agreeably to the 7th article of the treaty with Great Britain, relative to captures and condemnation of vessels and other property, met the commissioners of His Britannic Majesty in London in August last, when John Trumbull, esq., was chosen by lot for the 5th commissioner. In October following the board were to proceed to business. As yet there has been no communication of commissioners on the part of Great Britain to unite with those who have been appointed on the part of the United States for carrying into effect the 6th article of the treaty.

The treaty with Spain required that the commissioners for running the boundary line between the territory of the United States and His Catholic Majesty's provinces of East and West Florida should meet at the Natchez before the expiration of 6 months after the exchange of the ratifications, which was effected at Aranjuez on the 25th day of April; and the troops of His Catholic Majesty occupying any posts within

Page 28

the limits of the United States were within the same time period to be withdrawn. The commissioner of the United States therefore commenced his journey for the Natchez in September, and troops were ordered to occupy the posts from which the Spanish garrisons should be withdrawn. Information has been recently received of the appointment of a commissioner on the part of His Catholic Majesty for running the boundary line, but none of any appointment for the adjustment of the claims of our citizens whose vessels were captured by the armed vessels of Spain.

In pursuance of the act of Congress passed in the last session for the protection and relief of American sea-men, agents were appointed, one to reside in Great Britain and the other in the West Indies. The effects of the agency in the West Indies are not yet fully ascertained, but those which have been communicated afford grounds to believe the measure will be beneficial. The agent destined to reside in Great Britain declining to accept the appointment, the business has consequently devolved on the minister of the United States in London, and will command his attention until a new agent shall be appointed.

After many delays and disappointments arising out of the European war, the final arrangements for fulfilling the engagements made to the Dey and Regency of Algiers will in all present appearance be crowned with success, but under great, though inevitable, disadvantages in the pecuniary transactions occasioned by that war, which will render further provision necessary. The actual liberation of all our citizens who were prisoners in Algiers, while it gratifies every feeling of heart, is itself an earnest of a satisfactory termination of the whole negotiation. Measures are in operation for effecting treaties with the Regencies of Tunis and Tripoli.

To an active external commerce the protection of a naval force is indispensable. This is manifest with regard to wars in which a State is itself a party. But besides this, it is in our own experience that the most sincere neutrality is not a sufficient guard against the depredations of nations at war. To secure respect to a neutral flag requires a naval force organized and ready to vindicate it from insult or aggression. This may even prevent the necessity of going to war by discouraging belligerent powers from committing such violations of the rights of the neutral party as may, first or last, leave no other option. From the best information I have been able to obtain it would seem as if our trade to the Mediterranean without a protecting force will always be insecure and our citizens exposed to the calamities from which numbers of them have but just been relieved.

Page 29

These considerations invite the United States to look to the means, and to set about the gradual creation of a navy. The increasing progress of their navigation promises them at no distant period the requisite supply of sea-men, and their means in other respects favor the undertaking. It is an encouragement, likewise, that their particular situation will give weight and influence to a moderate naval force in their hands. Will it not, then, be advisable to begin without delay to provide and lay up the materials for the building and equipping of ships of war, and to proceed in the work by degrees, in proportion as our resources shall render it practicable without inconvenience, so that a future war of Europe may not find our commerce in the same unprotected state in which it was found by the present?

Congress have repeatedly, and not without success, directed their attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible. As a general rule, manufactures on public account are inexpedient; but where the state of things in a country leaves little hope that certain branches of manufacture will for a great length of time obtain, when these are of a nature essential to the furnishing and equipping of the public force in time of war, are not establishments for procuring them on public account to the extent of the ordinary demand for the public service recommended by strong considerations of national policy as an exception to the general rule?

Ought our country to remain in such cases dependent on foreign supply, precarious because liable to be interrupted? If the necessary article should in this mode cost more in time of peace, will not the security and independence thence arising form an ample compensation?

Establishments of this sort, commensurate only with the calls of the public service in time of peace, will in time of war easily be extended in proportion to the exigencies of the Government, and may even perhaps be made to yield a surplus for the supply of our citizens at large, so as to mitigate the privations from the interruption of their trade. If adopted, the plan ought to exclude all those branches which are already, or likely soon to be, established in the country, in order that there may be no danger of interference with pursuits of individual industry.

It will not be doubted that with reference either to individual or national welfare agriculture is of primary importance. In proportion as nations advance in population and other circumstances of maturity this truth becomes more apparent, and renders the cultivation of the soil more and more an object of public patronage. Institutions for promoting it grow up, supported by the public purse; and to what object can it be dedicated with greater propriety?

Page 30

Among the means which have been employed to this end none have been attended with greater success than the establishment of boards (composed of proper characters) charged with collecting and diffusing information, and enabled by premiums and small pecuniary aids to encourage and assist a spirit of discovery and improvement. This species of establishment contributes doubly to the increase of improvement by stimulating to enterprise and experiment, and by drawing to a common center the results everywhere of individual skill and observation, and spreading them thence over the whole nation. Experience accordingly has shewn that they are very cheap instruments of immense national benefits.

I have heretofore proposed to the consideration of Congress the expediency of establishing a national university and also a military academy. The desirableness of both these institutions has so constantly increased with every new view I have taken of the subject that I can not omit the opportunity of once for all recalling your attention to them.

The assembly to which I address myself is too enlightened not to be fully sensible how much a flourishing state of the arts and sciences contributes to national prosperity and reputation.

True it is that our country, much to its honor, contains many seminaries of learning highly repeatable and useful; but the funds upon which they rest are too narrow to command the ablest professors in the different departments of liberal knowledge for the institution contemplated, though they would be excellent auxiliaries.

Amongst the motives to such an institution, the assimilation of the principles, opinions, and manners of our country-men by the common education of a portion of our youth from every quarter well deserves attention. The more homogenous our citizens can be made in these particulars the greater will be our prospect of permanent union; and a primary object of such a national institution should be the education of our youth in the science of government. In a republic what species of knowledge can be equally important and what duty more pressing on its legislature than to patronize a plan for communicating it to those who are to be the future guardians of the liberties of the country?

The institution of a military academy is also recommended by cogent reasons. However pacific the general policy of a nation may be, it ought never to be without an adequate stock of military knowledge for emergencies. The first would impair the energy of its character, and both would hazard its safety or expose it to greater evils when war could not be avoided; besides that, war might often not depend upon its own choice. In proportion as the observance of pacific maxims might exempt a nation from the necessity of practicing the rules of the military art ought to be its care in preserving and transmitting, by proper establishments, the knowledge of that art.

Page 31

Whatever argument may be drawn from particular examples superficially viewed, a thorough examination of the subject will evince that the art of war is at once comprehensive and complicated, that it demands much previous study, and that the possession of it in its most improved and perfect state is always of great moment to the security of a nation. This, therefore, ought to be a serious care of every government, and for this purpose an academy where a regular course of instruction is given is an obvious expedient which different nations have successfully employed.

The compensation to the officers of the United States in various instances, and in none more than in respect to the most important stations, appear to call for legislative revision. The consequences of a defective provision are of serious import to the Government. If private wealth is to supply the defect of public retribution, it will greatly contract the sphere within which the selection of character for office is to be made, and will proportionally diminish the probability of a choice of men able as well as upright. Besides that, it should be repugnant to the vital principles of our Government virtually to exclude from public trusts talents and virtue unless accompanied by wealth.

While in our external relations some serious inconveniences and embarrassments have been overcome and others lessened, it is with much pain and deep regret I mention that circumstances of a very unwelcome nature have lately occurred. Our trade has suffered and is suffering extensive injuries in the West Indies from the cruisers and agents of the French Republic, and communications have been received from its minister here which indicate the danger of a further disturbance of our commerce by its authority, and which are in other respects far from agreeable.

It has been my constant, sincere, and earnest wish, in conformity with that of our nation, to maintain cordial harmony and a perfectly friendly understanding with that Republic. This wish remains unabated, and I shall persevere in the endeavor to fulfill it to the utmost extent of what shall be consistent with a just and indispensable regard to the rights and honor of our country; nor will I easily cease to cherish the expectation that a spirit of justice, candor, and friendship on the part of the Republic will eventually insure success.

In pursuing this course, however, I can not forget what is due to the character of our Government and nation, or to a full and entire confidence in the good sense, patriotism, self-respect, and fortitude of my country-men.

I reserve for a special message a more particular communication on this interesting subject.

Gentlemen of the House of Representatives:

I have directed an estimate of the appropriations necessary for the service of the ensuing year to be submitted from the proper Department, with a view of the public receipts and expenditures to the latest period to which an account can be prepared.

Page 32

It is with satisfaction I am able to inform you that the revenues of the United States continue in a state of progressive improvement.

A reenforcement of the existing provisions for discharging our public debt was mentioned in my address at the opening of the last session. Some preliminary steps were taken toward it, the maturing of which will no doubt engage your zealous attention during the present. I will only add that it will afford me a heart-felt satisfaction to concur in such further measures as will ascertain to our country the prospect of a speedy extinguishment of the debt. Posterity may have cause to regret if from any motive intervals of tranquillity are left unimproved for accelerating this valuable end.

Gentlemen of the Senate and of the House of Representatives:

My solicitude to see the militia of the United States placed on an efficient establishment has been so often and so ardently expressed that I shall but barely recall the subject to your view on the present occasion, at the same time that I shall submit to your inquiry whether our harbors are yet sufficiently secured.

The situation in which I now stand for the last time, in the midst of the representatives of the people of the United States, naturally recalls the period when the administration of the present form of government commenced, and I can not omit the occasion to congratulate you and my country on the success of the experiment, nor to repeat my fervent supplications to the Supreme Ruler of the Universe and Sovereign Arbiter of Nations that His providential care may still be extended to the United States, that the virtue and happiness of the people may be preserved, and that the Government which they have instituted for the protection of their liberties may be perpetual.

GO. WASHINGTON

***

State of the Union Address
John Adams
November 22, 1797

Gentlemen of the Senate and Gentlemen of the House of Representatives:

I was for some time apprehensive that it would be necessary, on account of the contagious sickness which afflicted the city of Philadelphia, to convene the National Legislature at some other place. This measure it was desirable to avoid, because it would occasion much public inconvenience and a considerable public expense and add to the calamities of the inhabitants of this city, whose sufferings must have excited the sympathy of all their fellow citizens. Therefore, after taking measures to ascertain the state and decline of the sickness, I postponed my determination, having hopes, now

happily realized, that, without hazard to the lives or health of the members, Congress might assemble at this place, where it was next by law to meet. I submit, however, to your consideration whether a power to postpone the meeting of Congress, without passing the time fixed by the Constitution upon such occasions, would not be a useful amendment to the law of 1794.

Page 33

Although I can not yet congratulate you on the reestablishment of peace in Europe and the restoration of security to the persons and properties of our citizens from injustice and violence at sea, we have, nevertheless, abundant cause of gratitude to the source of benevolence and influence for interior tranquillity and personal security, for propitious seasons, prosperous agriculture, productive fisheries, and general improvements, and, above all, for a rational spirit of civil and religious liberty and a calm but steady determination to support our sovereignty, as well as our moral and our religious principles, against all open and secret attacks.

Our envoys extraordinary to the French Republic embarked—one in July, the other in August—to join their colleague in Holland. I have received intelligence of the arrival of both of them in Holland, from whence they all proceeded on their journeys to Paris within a few days of the 19th of September. Whatever may be the result of this mission, I trust that nothing will have been omitted on my part to conduct the negotiation to a successful conclusion, on such equitable terms as may be compatible with the safety, honor and interest of the United States. Nothing, in the mean time, will contribute so much to the preservation of peace and the attainment of justice as manifestation of that energy and unanimity of which on many former occasions the people of the United States have given such memorable proofs, and the exertion of those resources for national defense which a beneficent Providence has kindly placed within their power.

It may be confidently asserted that nothing has occurred since the adjournment of Congress which renders inexpedient those precautionary measures recommended by me to the consideration of the two Houses at the opening of your late extraordinary session. If that system was then prudent, it is more so now, as increasing depredations strengthen the reasons for its adoption.

Indeed, whatever may be the issue of the negotiation with France, and whether the war in Europe is or is not to continue, I hold it most certain that permanent tranquillity and order will not soon be obtained. The state of society has so long been disturbed, the sense of moral and religious obligations so much weakened, public faith and national honor have been so impaired, respect to treaties has been so diminished, and the law of nations has lost so much of its force, while pride, ambition, avarice and violence have been so long unrestrained, there remains no reasonable ground on which to raise an expectation that a commerce without protection or defense will not be plundered.

Page 34

The commerce of the United States is essential, if not to their existence, at least to their comfort, their growth, prosperity, and happiness. The genius, character, and habits of the people are highly commercial. Their cities have been formed and exist upon commerce. Our agriculture, fisheries, arts, and manufactures are connected with and depend upon it. In short, commerce has made this country what it is, and it can not be destroyed or neglected without involving the people in poverty and distress. Great numbers are directly and solely supported by navigation. The faith of society is pledged for the preservation of the rights of commercial and sea faring no less than of the other citizens. Under this view of our affairs, I should hold myself guilty of a neglect of duty if I forbore to recommend that we should make every exertion to protect our commerce and to place our country in a suitable posture of defense as the only sure means of preserving both.

I have entertained an expectation that it would have been in my power at the opening of this session to have communicated to you the agreeable information of the due execution of our treaty with His Catholic Majesty respecting the withdrawing of his troops from our territory and the demarcation of the line of limits, but by the latest authentic intelligence Spanish garrisons were still continued within our country, and the running of the boundary line had not been commenced. These circumstances are the more to be regretted as they can not fail to affect the Indians in a manner injurious to the United States. Still, however, indulging the hope that the answers which have been given will remove the objections offered by the Spanish officers to the immediate execution of the treaty, I have judged it proper that we should continue in readiness to receive the posts and to run the line of limits. Further information on this subject will be communicated in the course of the session.

In connection with this unpleasant state of things on our western frontier it is proper for me to mention the attempts of foreign agents to alienate the affections of the Indian nations and to excite them to actual hostilities against the United States. Great activity has been exerted by those persons who have insinuated themselves among the Indian tribes residing within the territory of the United States to influence them to transfer their affections and force to a foreign nation, to form them into a confederacy, and prepare them for war against the United States. Although measures have been taken to counteract these infractions of our rights, to prevent Indian hostilities, and to preserve entire their attachment to the United States, it is my duty to observe that to give a better effect to these measures and to obviate the consequences of a repetition of such practices a law providing adequate punishment for such offenses may be necessary.

Page 35

The commissioners appointed under the 5th article of the treaty of amity, commerce, and navigation between the United States and Great Britain to ascertain the river which was truly intended under the name of the river St. Croix mentioned in the treaty of peace, met at Passamaquoddy Bay in 1796 October, and viewed the mouths of the rivers in question and the adjacent shores and islands, and, being of opinion that actual surveys of both rivers to their sources were necessary, gave to the agents of the two nations instructions for that purpose, and adjourned to meet at Boston in August. They met, but the surveys requiring more time than had been supposed, and not being then completed, the commissioners again adjourned, to meet at Providence, in the State of Rhode Island, in June next, when we may expect a final examination and decision.

The commissioners appointed in pursuance of the 6th article of the treaty met at Philadelphia in May last to examine the claims of British subjects for debts contracted before the peace and still remaining due to them from citizens or inhabitants of the United States. Various causes have hitherto prevented any determinations, but the business is now resumed, and doubtless will be prosecuted without interruption.

Several decisions on the claims of citizens of the United States for losses and damages sustained by reason of irregular and illegal captures or condemnations of their vessels or other property have been made by the commissioners in London conformably to the 7th article of the treaty. The sums awarded by the commissioners have been paid by the British Government. A considerable number of other claims, where costs and damages, and not captured property, were the only objects in question, have been decided by arbitration, and the sums awarded to the citizens of the United States have also been paid.

The commissioners appointed agreeably to the 21st article of our treaty with Spain met at Philadelphia in the summer past to examine and decide on the claims of our citizens for losses they have sustained in consequence of their vessels and cargoes having been taken by the subjects of His Catholic Majesty during the late war between Spain and France. Their sittings have been interrupted, but are now resumed.

The United States being obligated to make compensation for the losses and damages sustained by British subjects, upon the award of the commissioners acting under the 6th article of the treaty with Great Britain, and for the losses and damages sustained by British subjects by reason of the capture of their vessels and merchandise taken within the limits and jurisdiction of the United States and brought into their ports, or taken by vessels originally armed in ports of the United States, upon the awards of the commissioners acting under the 7th article of the same treaty, it is necessary that provision be made for fulfilling these obligations.

Page 36

The numerous captures of American vessels by the cruisers of the French Republic and of some by those of Spain have occasioned considerable expenses in making and supporting the claims of our citizens before their tribunals. The sums required for this purpose have in divers instances been disbursed by the consuls of the United States. By means of the same captures great numbers of our sea men have been thrown ashore in foreign countries, destitute of all means of subsistence, and the sick in particular have been exposed to grievous sufferings. The consuls have in these cases also advanced moneys for their relief. For these advances they reasonably expect reimbursements from the United States.

The consular act relative to sea men requires revision and amendment. The provisions for their support in foreign countries and for their return are found to be inadequate and ineffectual. Another provision seems necessary to be added to the consular act. Some foreign vessels have been discovered sailing under the flag of the United States and with forged papers. It seldom happens that the consuls can detect this deception, because they have no authority to demand an inspection of the registers and sea letters.

Gentlemen of the House of Representatives:

It is my duty to recommend to your serious consideration those objects which by the Constitution are placed particularly within your sphere—the national debts and taxes.

Since the decay of the feudal system, by which the public defense was provided for chiefly at the expense of individuals, the system of loans has been introduced, and as no nation can raise within the year by taxes sufficient sums for its defense and military operations in time of war the sums loaned and debts contracted have necessarily become the subjects of what have been called funding systems. The consequences arising from the continual accumulation of public debts in other countries ought to admonish us to be careful to prevent their growth in our own. The national defense must be provided for as well as the support of Government; but both should be accomplished as much as possible by immediate taxes, and as little as possible by loans.

The estimates for the service of the ensuing year will by my direction be laid before you.

Gentlemen of the Senate and Gentlemen of the House of Representatives:

We are met together at a most interesting period. The situations of the principal powers of Europe are singular and portentous. Connected with some by treaties and with all by commerce, no important event there can be indifferent to us. Such circumstances call with peculiar importunity not less for a disposition to unite in all those measures on which the honor, safety, and prosperity of our country depend than for all the exertions of wisdom and firmness.

In all such measures you may rely on my zealous and hearty concurrence.

Page 37

***

State of the Union Address
John Adams
December 8, 1798

Gentlemen of the Senate and Gentlemen of the House of Representatives:

While with reverence and resignation we contemplate the dispensations of Divine Providence in the alarming and destructive pestilence with which several of our cities and towns have been visited, there is cause for gratitude and mutual congratulations that the malady has disappeared and that we are again permitted to assemble in safety at the seat of Government for the discharge of our important duties. But when we reflect that this fatal disorder has within a few years made repeated ravages in some of our principal sea ports, and with increased malignancy, and when we consider the magnitude of the evils arising from the interruption of public and private business, whereby the national interests are deeply affected, I think it my duty to invite the Legislature of the Union to examine the expediency of establishing suitable regulations in aid of the health laws of the respective States; for these being formed on the idea that contagious sickness may be communicated through the channels of commerce, there seems to be a necessity that Congress, who alone can regulate trade, should frame a system which, while it may tend to preserve the general health, may be compatible with the interests of commerce and the safety of the revenue.

While we think on this calamity and sympathize with the immediate sufferers, we have abundant reason to present to the Supreme Being our annual oblations of gratitude for a liberal participation in the ordinary blessings of His providence. To the usual subjects of gratitude I can not omit to add one of the first importance to our well being and safety; I mean that spirit which has arisen in our country against the menaces and aggression of a foreign nation. A manly sense of national honor, dignity, and independence has appeared which, if encouraged and invigorated by every branch of the Government, will enable us to view undismayed the enterprises of any foreign power and become the sure foundation of national prosperity and glory.

The course of the transactions in relation to the United States and France which have come to my knowledge during your recess will be made the subject of a future communication. That communication will confirm the ultimate failure of the measures which have been taken by the Government of the United States toward an amicable adjustment of differences with that power. You will at the same time perceive that the French Government appears solicitous to impress the opinion that it is averse to a rupture with this country, and that it has in a qualified manner declared itself willing to receive a minister from the United States for the purpose of restoring a good understanding. It is unfortunate for professions of this kind that they should be expressed in terms which may countenance the inadmissible pretension of a right to

prescribe the qualifications which a minister from the United States should possess, and that while France is asserting the existence of a disposition on her part to conciliate with sincerity the differences which have arisen, the sincerity of a like disposition on the part of the United States, of which so many demonstrative proofs have been given, should even be indirectly questioned.

Page 38

It is also worthy of observation that the decree of the Directory alleged to be intended to restrain the depredations of French cruisers on our commerce has not given, and can not give, any relief. It enjoins them to conform to all the laws of France relative to cruising and prizes, while these laws are themselves the sources of the depredations of which we have so long, so justly, and so fruitlessly complained.

The law of France enacted in January last, which subjects to capture and condemnation neutral vessels and their cargoes if any portion of the latter are of British fabric or produce, although the entire property belong to neutrals, instead of being rescinded has lately received a confirmation by the failure of a proposition for its repeal. While this law, which is an unequivocal act of war on the commerce of the nations it attacks, continues in force those nations can see in the French Government only a power regardless of their essential rights, of their independence and sovereignty; and if they possess the means they can reconcile nothing with their interest and honor but a firm resistance.

Hitherto, therefore, nothing is discoverable in the conduct of France which ought to change or relax our measures of defense. On the contrary, to extend and invigorate them is our true policy. We have no reason to regret that these measures have been thus far adopted and pursued, and in proportion as we enlarge our view of the portentous and incalculable situation of Europe we shall discover new and cogent motives for the full development of our energies and resources.

But in demonstrating by our conduct that we do not fear war in the necessary protection of our rights and honor we shall give no room to infer that we abandon the desire of peace. An efficient preparation for war can alone insure peace. It is peace that we have uniformly and perseveringly cultivated, and harmony between us and France may be restored at her option. But to send another minister without more determinate assurances that he would be received would be an act of humiliation to which the United States ought not to submit. It must therefore be left with France (if she is indeed desirous of accommodation) to take the requisite steps.

The United States will steadily observe the maxims by which they have hitherto been governed. They will respect the sacred rights of embassy; and with a sincere disposition on the part of France to desist from hostility, to make reparation for the injuries heretofore inflicted on our commerce, and to do justice in future, there will be no obstacle to the restoration of a friendly intercourse.

In making to you this declaration I give a pledge to France and the world that the Executive authority of this country still adheres to the humane and pacific policy which has invariably governed its proceedings, in conformity with the wishes of the other branches of the Government and of the people of the United States. But considering the late manifestations of her policy toward foreign nations, I deem it a duty deliberately and solemnly to declare my opinion that whether we negotiate with her or not, vigorous

preparations for war will be alike indispensable. These alone will give to us an equal treaty and insure its observance.

Page 39

Among the measures of preparation which appear expedient, I take the liberty to recall your attention to the naval establishment. The beneficial effects of the small naval armament provided under the acts of the last session are known and acknowledged. Perhaps no country ever experienced more sudden and remarkable advantages from any measure of policy than we have derived from the arming for our maritime protection and defense.

We ought without loss of time to lay the foundation for an increase of our Navy to a size sufficient to guard our coast and protect our trade. Such a naval force as it is doubtless in the power of the United States to create and maintain would also afford to them the best means of general defense by facilitating the safe transportation of troops and stores to every part of our extensive coast. To accomplish this important object, a prudent foresight requires that systematic measures be adopted for procuring at all times the requisite timber and other supplies. In what manner this shall be done I leave to your consideration.

I will now advert, gentlemen, to some matters of less moment, but proper to be communicated to the National Legislature.

After the Spanish garrisons had evacuated the posts they occupied at the Natchez and Walnut Hills the commissioner of the United States commences his observations to ascertain the point near the Mississippi which terminated the northernmost part of the 31st degree of north latitude. From thence he proceeded to run the boundary line between the United States and Spain. He was afterwards joined by the Spanish commissioner, when the work of the former was confirmed, and they proceeded together to the demarcation of the line.

Recent information renders it probable that the Southern Indians, either instigated to oppose the demarcation or jealous of the consequences of suffering white people to run a line over lands to which the Indian title had not been extinguished, have ere this time stopped the progress of the commissioners; and considering the mischiefs which may result from continuing the demarcation in opposition to the will of the Indian tribes, the great expense attending it, and that the boundaries which the commissioners have actually established probably extend at least as far as the Indian title has been extinguished, it will perhaps become expedient and necessary to suspend further proceedings by recalling our commissioner.

The commissioners appointed in pursuance of the 5th article of the treaty of amity, commerce, and navigation between the United States and His Britannic Majesty to determine what river was truly intended under the name of the river St. Croix mentioned in the treaty of peace, and forming a part of the boundary therein described, have finally decided that question. On the 25th of October they made their declaration that a river called Scoodiac, which falls into Passamaquoddy Bay at its northwestern quarter, was the true St. Croix intended in the treaty of peace, as far as its great fork, where one of

its streams comes from the westward and the other from the northward, and that the latter stream is the continuation of the St. Croix to its source.

Page 40

This decision, it is understood, will preclude all contention among the individual claimants, as it seems that the Scoodiac and its northern branch bound the grants of land which have been made by the respective adjoining Governments.

A subordinate question, however, it has been suggested, still remains to be determined. Between the mouth of the St. Croix as now settled and what is usually called the Bay of Fundy lie a number of valuable islands. The commissioners have not continued the boundary line through any channel of these islands, and unless the bay of Passamaquoddy be a part of the Bay of Fundy this further adjustment of boundary will be necessary, but it is apprehended that this will not be a matter of any difficulty.

Such progress has been made in the examination and decision of cases of captures and condemnations of American vessels which were the subject of the 7th article of the treaty of amity, commerce, and navigation between the United States and Great Britain that it is supposed the commissioners will be able to bring their business to a conclusion in August of the ensuing year.

The commissioners acting under the 25th article of the treaty between the United States and Spain have adjusted most of the claims of our citizens for losses sustained in consequence of their vessels and cargoes having been taken by the subjects of His Catholic Majesty during the late war between France and Spain.

Various circumstances have concurred to delay the execution of the law for augmenting the military establishment, among these the desire of obtaining the fullest information to direct the best selection of officers. As this object will now be speedily accomplished, it is expected that the raising and organizing of the troops will proceed without obstacle and with effect.

Gentlemen of the House of Representatives:

I have directed an estimate of the appropriations which will be necessary for the service of the ensuing year to be laid before you, accompanied with a view of the public receipts and expenditures to a recent period.

It will afford you satisfaction to infer the great extent and solidity of the public resources from the prosperous state of the finances, notwithstanding the unexampled embarrassments which have attended commerce. When you reflect on the conspicuous examples of patriotism and liberality which have been exhibited by our mercantile fellow citizens, and how great a proportion of the public resources depends on their enterprise, you will naturally consider whether their convenience can not be promoted and reconciled with the security of the revenue by a revision of the system by which the collection is at present regulated.

During your recess measures have been steadily pursued for effecting the valuations and returns directed by the act of the last session, preliminary to the assessment and collection of a direct tax. No other delays or obstacles have been experienced except such as were expected to arise from the great extent of our country and the magnitude and novelty of the operation, and enough has been accomplished to assure a fulfillment of the views of the Legislature.

Page 41

Gentlemen of the Senate and Gentlemen of the House of Representatives:

I can not close this address without once more adverting to our political situation and inculcating the essential importance of uniting in the maintenance of our dearest interests; and I trust that by the temper and wisdom of your proceedings and by a harmony of measures we shall secure to our country that weight and respect to which it is so justly entitled.

***

State of the Union Address
John Adams
December 3, 1799

Gentlemen of the Senate and Gentlemen of the House of Representatives:

It is with peculiar satisfaction that I meet the 6th Congress of the United States of America. Coming from all parts of the Union at this critical and interesting period, the members must be fully possessed of the sentiments and wishes of our constituents.

The flattering prospects of abundance from the labors of the people by land and by sea; the prosperity of our extended commerce, notwithstanding interruptions occasioned by the belligerent state of a great part of the world; the return of health, industry, and trade to those cities which have lately been afflicted with disease, and the various and inestimable advantages, civil and religious, which, secured under our happy frame of government, are continued to us unimpaired, demand of the whole American people sincere thanks to a benevolent Deity for the merciful dispensations of His providence.

But while these numerous blessings are recollected, it is a painful duty to advert to the ungrateful return which has been made for them by some of the people in certain counties of Pennsylvania, where, seduced by the arts and misrepresentations of designing men, they have openly resisted the law directing the valuation of houses and lands. Such defiance was given to the civil authority as rendered hopeless all further attempts by judicial process to enforce the execution of the law, and it became necessary to direct a military force to be employed, consisting of some companies of regular troops, volunteers, and militia, by whose zeal and activity, in cooperation with the judicial power, order and submission were restored and many of the offenders arrested. Of these, some have been convicted of misdemeanors, and others, charged with various crimes, remain to be tried.

To give due effect to the civil administration of Government and to insure a just execution of the laws, a revision and amendment of the judiciary system is indispensably necessary. In this extensive country it can not but happen that numerous questions respecting the interpretation of the laws and the rights and duties of officers

and citizens must arise. On the one hand, the laws should be executed; on the other, individuals should be guarded from oppression. Neither of these objects is sufficiently assured under the present organization of the judicial department. I therefore earnestly recommend the subject to your serious consideration.

Page 42

Persevering in the pacific and humane policy which had been invariably professed and sincerely pursued by the Executive authority of the United States, when indications were made on the part of the French Republic of a disposition to accommodate the existing differences between the two countries, I felt it to be my duty to prepare for meeting their advances by a nomination of ministers upon certain conditions which the honor of our country dictated, and which its moderation had given it a right to prescribe.

The assurances which were required of the French Government previous to the departure of our envoys have been given through their minister of foreign relations, and I have directed them to proceed on their mission to Paris. They have full power to conclude a treaty, subject to the constitutional advice and consent of the Senate. The characters of these gentlemen are sure pledges to their country that nothing incompatible with its honor or interest, nothing inconsistent with our obligations of good faith or friendship to any other nation, will be stipulated.

It appearing probable from the information I received that our commercial intercourse with some ports in the island of St. Domingo might safely be renewed, I took such steps as seemed to me expedient to ascertain that point. The result being satisfactory, I then, in conformity with the act of Congress on the subject, directed the restraints and prohibitions of that intercourse to be discontinued on terms which were made known by proclamation. Since the renewal of this intercourse our citizens trading to those ports, with their property, have been duly respected, and privateering from those ports has ceased.

In examining the claims of British subjects by the commissioners at Philadelphia, acting under the 6th article of the treaty of amity, commerce, and navigation with Great Britain, a difference of opinion on points deemed essential in the interpretation of that article has arisen between the commissioners appointed by the United States and the other members of that board, from which the former have thought it their duty to withdraw. It is sincerely to be regretted that the execution of an article produced by a mutual spirit of amity and justice should have been thus unavoidably interrupted. It is, however, confidently expected that the same spirit of amity and the same sense of justice in which it originated will lead to satisfactory explanations.

In consequence of the obstacles to the progress of the commission in Philadelphia, His Britannic Majesty has directed the commissioners appointed by him under the 7th article of the treaty relating to the British captures of American vessels to withdraw from the board sitting in London, but with the express declaration of his determination to fulfill with punctuality and good faith the engagements which His Majesty has contracted by his treaty with the United States, and that they will be instructed to resume their functions whenever

Page 43

the obstacles which impede the progress of the commission at Philadelphia shall be removed. It being in like manner my sincere determination, so far as the same depends on me, that with equal punctuality and good faith the engagements contracted by the United States in their treaties with His Britannic Majesty shall be fulfilled, I shall immediately instruct our minister at London to endeavor to obtain the explanation necessary to a just performance of those engagements on the part of the United States. With such dispositions on both sides, I can not entertain a doubt that all difficulties will soon be removed and that the two boards will then proceed and bring the business committed to them respectively to a satisfactory conclusion.

The act of Congress relative to the seat of the Government of the United States requiring that on the 1st Monday of December next it should be transferred from Philadelphia to the District chosen for its permanent seat, it is proper for me to inform you that the commissioners appointed to provide suitable buildings for the accommodation of Congress and of the President and of the public offices of the Government have made a report of the state of the buildings designed for those purposes in the city of Washington, from which they conclude that the removal of the seat of Government to that place at the time required will be practicable and the accommodation satisfactory. Their report will be laid before you.

Gentlemen of the House of Representatives:

I shall direct the estimates of the appropriations necessary for the service of the ensuing year, together with an account of the revenue and expenditure, to be laid before you. During a period in which a great portion of the civilized world has been involved in a war unusually calamitous and destructive, it was not to be expected that the United States could be exempted from extraordinary burthens. Although the period is not arrived when the measures adopted to secure our country against foreign attacks can be renounced, yet it is alike necessary for the honor of the Government and the satisfaction of the community that an exact economy should be maintained. I invite you, gentlemen, to investigate the different branches of the public expenditure. The examination will lead to beneficial retrenchments or produce a conviction of the wisdom of the measures to which the expenditure relates.

Gentlemen of the Senate and Gentlemen of the House of Representatives:

At a period like the present, when momentous changes are occurring and every hour is preparing new and great events in the political world, when a spirit of war is prevalent in almost every nation with whose affairs the interests of the United States have any connection, unsafe and precarious would be our situation were we to neglect the means of maintaining our just rights. The result of the mission to France is uncertain; but however it may terminate, a steady

Page 44

perseverance in a system of national defense commensurate with our resources and the situation of our country is an obvious dictate of wisdom; for, remotely as we are placed from the belligerent nations, and desirous as we are, by doing justice to all, to avoid offense to any, nothing short of the power of repelling aggressions will secure to our country a rational prospect of escaping the calamities of war or national degradation. As to myself, it is my anxious desire so to execute the trust reposed in me as to render the people of the United States prosperous and happy. I rely with entire confidence on your cooperation in objects equally your care, and that our mutual labors will serve to increase and confirm union among our fellow citizens and an unshaken attachment to our Government.

***

State of the Union Address
John Adams
November 11, 1800

Gentlemen of the Senate and Gentlemen of the House of Representatives:

Immediately after the adjournment of Congress at their last session in Philadelphia I gave directions, in compliance with the laws, for the removal of the public offices, records, and property. These directions have been executed, and the public officers have since resided and conducted the ordinary business of the Government in this place.

I congratulate the people of the United States on the assembling of Congress at the permanent seat of their Government, and I congratulate you, gentlemen, on the prospect of a residence not to be changed. Although there is cause to apprehend that accommodations are not now so complete as might be wished, yet there is great reason to believe that this inconvenience will cease with the present session.

It would be unbecoming the representatives of this nation to assemble for the first time in this solemn temple without looking up to the Supreme Ruler of the Universe and imploring His blessing.

May this territory be the residence of virtue and happiness! In this city may that piety and virtue, that wisdom and magnanimity, that constancy and self-government, which adorned the great character whose name it bears be forever held in veneration! Here and throughout our country may simple manners, pure morals, and true religion flourish forever!

It is with you, gentlemen, to consider whether the local powers over the District of Columbia vested by the Constitution in the Congress of the United States shall be immediately exercised. If in your opinion this important trust ought now to be executed, you can not fail while performing it to take into view the future probable situation of the territory for the happiness of which you are about to provide. You will consider it as the capital of a great nation advancing with unexampled rapidity in arts, in commerce, in wealth, and in population, and possessing within itself those energies and resources which, if not thrown away or lamentably misdirected, will secure to it a long course of prosperity and self-government.

Page 45

In compliance with a law of the last session of Congress, the officers and soldiers of the temporary army have been discharged. It affords real pleasure to recollect the honorable testimony they gave of the patriotic motives which brought them into the service of their country, by the readiness and regularity with which they returned to the station of private citizens.

It is in every point of view of such primary importance to carry the laws into prompt and faithful execution, and to render that part of the administration of justice which the Constitution and laws devolve on the Federal courts as convenient to the people as may consist with their present circumstances, that I can not omit once more to recommend to your serious consideration the judiciary system of the United States. No subject is more interesting than this to the public happiness, and to none can those improvements which may have been suggested by experience be more beneficially applied.

A treaty of amity and commerce with the King of Prussia has been concluded and ratified. The ratifications have been exchanged, and I have directed the treaty to be promulgated by proclamation.

The difficulties which suspended the execution of the 6th article of our treaty of amity, commerce, and navigation with Great Britain have not yet been removed. The negotiation on this subject is still depending. As it must be for the interest and honor of both nations to adjust this difference with good faith, I indulge confidently the expectation that the sincere endeavors of the Government of the United States to bring it to an amicable termination will not be disappointed.

The envoys extraordinary and ministers plenipotentiary from the United States to France were received by the First Consul with the respect due to their character, and 3 persons with equal powers were appointed to treat with them. Although at the date of the last official intelligence the negotiation had not terminated, yet it is to be hoped that our efforts to effect an accommodation will at length meet with a success proportioned to the sincerity with which they have been so often repeated.

While our best endeavors for the preservation of harmony with all nations will continue to be used, the experience of the world and our own experience admonish us of the insecurity of trusting too confidently to their success. We can not, without committing a dangerous imprudence, abandon those measures of self protection which are adapted to our situation and to which, notwithstanding our pacific policy, the violence and injustice of others may again compel us to resort. While our vast extent of sea coast, the commercial and agriculture habits of our people, the great capital they will continue to trust on the ocean, suggest the system of defense which will be most beneficial to ourselves, our distance from Europe and our resources for maritime strength will enable us to employ it with effect. Seasonable and systematic arrangements, so far as our resources will justify, for a navy adapted to defensive war, and which may in case of necessity be quickly brought into use, seem to be as much recommended by a wise and

true economy as by a just regard for our future tranquillity, for the safety of our shores, and for the protection of our property committed to the ocean.

Page 46

The present Navy of the United States, called suddenly into existence by a great national exigency, has raised us in our own esteem, and by the protection afforded to our commerce has effected to the extent of our expectations the objects for which it was created.

In connection with a navy ought to be contemplated the fortification of some of our principal sea ports and harbors. A variety of considerations, which will readily suggest themselves, urge an attention to this measure of precaution. To give security to our principal ports considerable sums have already been expended, but the works remain incomplete. It is for Congress to determine whether additional appropriations shall be made in order to render competent to the intended purposes the fortifications which have been commenced.

The manufacture of arms within the United States still invites the attention of the National Legislature. At a considerable expense to the public this manufacture has been brought to such a state of maturity as, with continued encouragement, will supersede the necessity of future importations from foreign countries.

Gentlemen of the House of Representatives:

I shall direct the estimates of the appropriations necessary for the ensuing year, together with an account of the public revenue and expenditure to a late period, to be laid before you. I observe with much satisfaction that the product of the revenue during the present year has been more considerable than during any former equal period. This result affords conclusive evidence of the great resources of this country and of the wisdom and efficiency of the measures which have been adopted by Congress for the protection of commerce and preservation of public credit.

Gentlemen of the Senate and Gentlemen of the House of Representatives:

As one of the grand community of nations, our attention is irresistibly drawn to the important scenes which surround us. If they have exhibited an uncommon portion of calamity, it is the province of humanity to deplore and of wisdom to avoid the causes which may have produced it. If, turning our eyes homeward, we find reason to rejoice at the prospect which presents itself; if we perceive the interior of our country prosperous, free, and happy; if all enjoy in safety, under the protection of laws emanating only from the general will, the fruits of their own labor, we ought to fortify and cling to those institutions which have been the source of such real felicity and resist with unabating perseverance the progress of those dangerous innovations which may diminish their influence.

To your patriotism, gentlemen, has been confided the honorable duty of guarding the public interests; and while the past is to your country a sure pledge that it will be

faithfully discharged, permit me to assure you that your labors to promote the general happiness will receive from me the most zealous cooperation.

Page 47

***

State of the Union Address
Thomas Jefferson
December 8, 1801

Fellow Citizens of the Senate and House of Representatives:

It is a circumstance of sincere gratification to me that on meeting the great council of our nation I am able to announce to them on grounds of reasonable certainty that the wars and troubles which have for so many years afflicted our sister nations have at length come to an end, and that the communications of peace and commerce are once more opening among them. Whilst we devoutly return thanks to the beneficent Being who has been pleased to breathe into them the spirit of conciliation and forgiveness, we are bound with peculiar gratitude to be thankful to Him that our own peace has been preserved through so perilous a season, and ourselves permitted quietly to cultivate the earth and to practice and improve those arts which tend to increase our comforts. The assurances, indeed, of friendly disposition received from all the powers with whom we have principle relations had inspired a confidence that our peace with them would not have been disturbed. But a cessation of irregularities which had affected the commerce of neutral nations and of the irritations and injuries produced by them can not but add to this confidence, and strengthens at the same time the hope that wrongs committed on unoffending friends under a pressure of circumstances will now be reviewed with candor, and will be considered as founding just claims of retribution for the past and new assurance for the future.

Among our Indian neighbors also a spirit of peace and friendship generally prevails, and I am happy to inform you that the continued efforts to introduce among them the implements and the practice of husbandry and the household arts have not been without success; that they are becoming more and more sensible of the superiority of this dependence for clothing and subsistence over the precarious resources of hunting and fishing, and already we are able to announce that instead of that constant diminution of their numbers produced by their wars and their wants, some of them begin to experience an increase of population.

To this state of general peace with which we have been blessed, one only exception exists. Tripoli, the least considerable of the Barbary States, had come forward with demands unfounded either in right or in compact, and had permitted itself to denounce war on our failure to comply before a given day. The style of the demand admitted but one answer.

I sent a small squadron of frigates into the Mediterranean, with assurances to that power of our sincere desire to remain in peace, but with orders to protect our commerce against the threatened attack. The measure was seasonable and salutary. The Bey

had already declared war. His cruisers were out. Two had arrived at Gibraltar. Our commerce in the Mediterranean was blockaded and that of the Atlantic in peril.

Page 48

The arrival of our squadron dispelled the danger. One of the Tripolitan cruisers having fallen in with and engaged the small schooner Enterprise, commanded by Lieutenant Sterret, which had gone as a tender to our larger vessels, was captured, after a heavy slaughter of her men, without the loss of a single one on our part. The bravery exhibited by our citizens on that element will, I trust, be a testimony to the world that it is not the want of that virtue which makes us seek their peace, but a conscientious desire to direct the energies of our nation to the multiplication of the human race, and not to its destruction. Unauthorized by the Constitution, without the sanction of Congress, to go beyond the line of defense, the vessel, being disabled from committing further hostilities, was liberated with its crew.

The Legislature will doubtless consider whether, by authorizing measures of offense also, they will place our force on an equal footing with that of its adversaries. I communicate all material information on this subject, that in the exercise of this important function confided by the Constitution to the Legislature exclusively their judgment may form itself on a knowledge and consideration of every circumstance of weight.

I wish I could say that our situation with all the other Barbary States was entirely satisfactory. Discovering that some delays had taken place in the performance of certain articles stipulated by us, I thought it my duty, by immediate measures for fulfilling them, to vindicate to ourselves the right of considering the effect of departure from stipulation on their side. From the papers which will be laid before you you will be enabled to judge whether our treaties are regarded by them as fixing at all the measure of their demands or as guarding from the exercise of force our vessels within their power, and to consider how far it will be safe and expedient to leave our affairs with them in their present posture.

I lay before you the result of the census lately taken of our inhabitants, to a conformity with which we are now to reduce the ensuing ration of representation and taxation. You will perceive that the increase of numbers during the last 10 years, proceeding in geometric ratio, promises a duplication in little more than 22 years. We contemplate this rapid growth and the prospect it holds up to us, not with a view to the injuries it may enable us to do others in some future day, but to the settlement of the extensive country still remaining vacant within our limits to the multiplication of men susceptible of happiness, educated in the love of order, habituated to self-government, and valuing its blessings above all price.

Page 49

Other circumstances, combined with the increase of numbers, have produced an augmentation of revenue arising from consumption in a ratio far beyond that of population alone; and though the changes in foreign relations now taking place so desirably for the whole world may for a season affect this branch of revenue, yet weighing all probabilities of expense as well as of income, there is reasonable ground of confidence that we may now safely dispense with all the internal taxes, comprehending excise, stamps, auctions, licenses, carriages, and refined sugars, to which the postage on news papers may be added to facilitate the progress of information, and that the remaining sources of revenue will be sufficient to provide for the support of Government, to pay the interest of the public debts, and to discharge the principals within shorter periods than the laws or the general expectation had contemplated.

War, indeed, and untoward events may change this prospect of things and call for expenses which imposts could not meet; but sound principles will not justify our taxing the industry of our fellow citizens to accumulate treasure for wars to happen we know not when, and which might not, perhaps, happen but from the temptations offered by that treasure.

These views, however, of reducing our burthens are formed on the expectation that a sensible and at the same time a salutary reduction may take place in our habitual expenditures. For this purpose those of the civil Government, the Army, and Navy will need revisal.

When we consider that this Government is charged with the external and mutual relations only of these States; that the States themselves have principal care of our persons, our property, and our reputation, constituting the great field of human concerns, we may well doubt whether our organization is not too complicated, too expensive; whether offices and officers have not been multiplied unnecessarily and sometimes injuriously to the service they were meant to promote.

I will cause to be laid before you an essay toward a statement of those who, under public employment of various kinds, draw money from the Treasury or from our citizens. Time has not permitted a perfect enumeration, the ramifications of office being too multiplied and remote to be completely traced in a first trial.

Among those who are dependent on Executive discretion I have begun the reduction of what was deemed unnecessary. The expenses of diplomatic agency have been considerably diminished. The inspectors of internal revenue who were found to obstruct the accountability of the institution have been discontinued. Several agencies created by Executive authorities, on salaries fixed by that also, have been suppressed, and should suggest the expediency of regulating that power by law, so as to subject its exercises to legislative inspection and sanction.

Other reformations of the same kind will be pursued with that caution which is requisite in removing useless things, not to injure what is retained. But the great mass of public offices is established by law, and therefore by law alone can be abolished. Should the Legislature think it expedient to pass this roll in review and try all its parts by the test of public utility, they may be assured of every aid and light which Executive information can yield.

Page 50

Considering the general tendency to multiply offices and dependencies and to increase expense to the ultimate term of burthen which the citizen can bear, it behooves us to avail ourselves of every occasion which presents itself for taking off the surcharge, that it never may be seen here that after leaving to labor the smallest portion of its earnings on which it can subsist, Government shall itself consume the whole residue of what it was instituted to guard.

In our care, too, of the public contributions intrusted to our direction it would be prudent to multiply barriers against their dissipation by appropriating specific sums to every specific purpose susceptible of definition; by disallowing all applications of money varying from the appropriation in object or transcending it in amount; by reducing the undefined field of contingencies and thereby circumscribing discretionary powers over money, and by bringing back to a single department all accountabilities for money, where the examinations may be prompt, efficacious, and uniform.

An account of the receipts and expenditures of the last year, as prepared by the Secretary of the Treasury, will, as usual, be laid before you. The success which has attended the late sales of the public lands shews that with attention they may be made an important source of receipt. Among the payments those made in discharge of the principal and interest of the national debt will shew that the public faith has been exactly maintained. To these will be added an estimate of appropriations necessary for the ensuing year. This last will, of course, be affected by such modifications of the system of expense as you shall think proper to adopt.

A statement has been formed by the Secretary of War, on mature consideration, of all the posts and stations where garrisons will be expedient and of the number of men requisite for each garrison. The whole amount is considerably short of the present military establishment. For the surplus no particular use can be pointed out.

For defense against invasion their number is as nothing, nor is it conceived needful or safe that a standing army should be kept up in time of peace for that purpose. Uncertain as we must ever be of the particular point in our circumference where an enemy may choose to invade us, the only force which can be ready at every point and competent to oppose them is the body of the neighboring citizens as formed into a militia. On these, collected from the parts most convenient in numbers proportioned to the invading force, it is best to rely not only to meet the first attack, but if it threatens to be permanent to maintain the defense until regulars may be engaged to relieve them. These considerations render it important that we should at every session continue to amend the defects which from time to time shew themselves in the laws for regulating the militia until they are sufficiently perfect. Nor should we now or at any time separate until we say we have done everything for the militia which we could do were an enemy at our door.

Page 51

The provision of military stores on hand will be laid before you, that you may judge of the additions still requisite.

With respect to the extent to which our naval preparations should be expected to appear, but just attention to the circumstances of every part of the Union will doubtless reconcile all. A small force will probably continue to be wanted for actual service in the Mediterranean. Whatever annual sum beyond that you may think proper to appropriate to naval preparations would perhaps be better employed in providing those articles which may be kept without waste or consumption, and be in readiness when any exigence calls them into use. Progress has been made, as will appear by papers now communicated, in providing materials for 74-gun ships as directed by law.

How far the authority given by the Legislature for procuring and establishing sites for naval purposes has been perfectly understood and pursued in the execution admits of some doubt. A statement of the expenses already incurred on that subject is now laid before you. I have in certain cases suspended or slackened these expenditures, that the Legislature might determine whether so many yards are necessary as have been contemplated.

The works at this place are among those permitted to go on, and 5 of the 7 frigates directed to be laid up have been brought and laid up here, where, besides the safety of their position, they are under the eye of the Executive Administration, as well as of its agents, and where yourselves also will be guided by your own view in the legislative provisions respecting them which may from time to time be necessary. They are preserved in such condition, as well the vessels as whatever belongs to them, as to be at all times ready for sea on a short warning. Two others are yet to be laid up so soon as they shall have received the repairs requisite to put them also into sound condition. As a superintending officer will be necessary at each yard, his duties and emoluments, hitherto fixed by the Executive, will be a more proper subject for legislation. A communication will also be made of our progress in the execution of the law respecting the vessels directed to be sold.

The fortifications of our harbors, more or less advanced, present considerations of great difficulty. While some of them are on a scale sufficiently proportioned to the advantages of their position, to the efficacy of their protection, and the importance of the points within it, others are so extensive, will cost so much in their first erection, so much in their maintenance, and require such a force to garrison them as to make it questionable what is best now to be done. A statement of those commenced or projected, of the expenses already incurred, and estimates of their future cost, as far as can be foreseen, shall be laid before you, that you may be enabled to judge whether any alteration is necessary in the laws respecting this subject.

Page 52

Agriculture, manufactures, commerce, and navigation, the four pillars of our prosperity, are then most thriving when left most free to individual enterprise. Protection from casual embarrassments, however, may sometimes be seasonably interposed. If in the course of your observations or inquiries they should appear to need any aid within the limits of our constitutional powers, your sense of their importance is a sufficient assurance they will occupy your attention. We can not, indeed, but all feel an anxious solicitude for the difficulties under which our carrying trade will soon be placed. How far it can be relieved, otherwise than by time, is a subject of important consideration.

The judiciary system of the United States, and especially that portion of it recently erected, will of course present itself to the contemplation of Congress, and, that they may be able to judge of the proportion which the institution bears on the business it has to perform, I have caused to be procured from the several States and now lay before Congress an exact statement of all the causes decided since the first establishment of the courts, and of those which were depending when additional courts and judges were brought in to their aid.

And while on the judiciary organization it will be worthy your consideration whether the protection of the inestimable institution of juries has been extended to all the cases involving the security of our persons and property. Their impartial selection also being essential to their value, we ought further to consider whether that is sufficiently secured in those States where they are named by a marshal depending on Executive will or designated by the court or by officers dependent on them.

I can not omit recommending a revisal of the laws on the subject of naturalization. Considering the ordinary chances of human life, a denial of citizenship under a residence of 14 years is a denial to a great proportion of those who ask it, and controls a policy pursued from their first settlement by many of these States, and still believed of consequence to their prosperity; and shall we refuse to the unhappy fugitives from distress that hospitality which the savages of the wilderness extended to our fathers arriving in this land? Shall oppressed humanity find no asylum on this globe? The Constitution indeed has wisely provided that for admission to certain offices of important trust a residence shall be required sufficient to develop character and design. But might not the general character and capabilities of a citizen be safely communicated to everyone manifesting a bona fide purpose of embarking his life and fortunes permanently with us, with restrictions, perhaps, to guard against the fraudulent usurpation of our flag, an abuse which brings so much embarrassment and loss on the genuine citizen and so much danger to the nation of being involved in war that no endeavor should be spared to detect and suppress it?

Page 53

These, fellow citizens, are the matters respecting the state of the nation which I have thought of importance to be submitted to your consideration at this time. Some others of less moment or not yet ready for communication will be the subject of separate messages. I am happy in this opportunity of committing the arduous affairs of our Government to the collected wisdom of the Union. Nothing shall be wanting on my part to inform as far as in my power the legislative judgment, nor to carry that judgment into faithful execution.

The prudence and temperance of your discussions will promote within your own walls that conciliation which so much befriends rational conclusion, and by its example will encourage among our constituents that progress of opinion which is tending to unite them in object and in will. That all should be satisfied with any one order of things is not to be expected; but I indulge the pleasing persuasion that the great body of our citizens will cordially concur in honest and disinterested efforts which have for their object to preserve the General and State Governments in their constitutional form and equilibrium; to maintain peace abroad, and order and obedience to the laws at home; to establish principles and practices of administration favorable to the security of liberty and property, and to reduce expenses to what is necessary for the useful purposes of Government.

***

State of the Union Address
Thomas Jefferson
December 15, 1802

To the Senate and House of Representatives:

When we assemble together, fellow citizens, to consider the state of our beloved country, our just attentions are first drawn to those pleasing circumstances which mark the goodness of that Being from whose favor they flow and the large measure of thankfulness we owe for His bounty. Another year has come around, and finds us still blessed with peace and friendship abroad; law, order, and religion at home; good affection and harmony with our Indian neighbors; our burthens lightened, yet our income sufficient for the public wants, and the produce of the year great beyond example. These, fellow citizens, are the circumstances under which we meet, and we remark with special satisfaction those which under the smiles of Providence result from the skill, industry, and order of our citizens, managing their own affairs in their own way and for their own use, unembarrassed by too much regulation, unoppressed by fiscal exactions.

On the restoration of peace in Europe that portion of the general carrying trade which had fallen to our share during the war was abridged by the returning competition of the belligerent powers. This was to be expected, and was just. But in addition we find in some parts of Europe monopolizing discriminations, which in the form of duties tend

effectually to prohibit the carrying thither our own produce in our own vessels. From existing amities and a spirit of justice it is hoped that friendly discussion will produce a fair and adequate reciprocity. But should false calculations of interest defeat our hope, it rests with the Legislature to decide whether they will meet inequalities abroad with countervailing inequalities at home, or provide for the evil in any other way.

Page 54

It is with satisfaction I lay before you an act of the British Parliament anticipating this subject so far as to authorize a mutual abolition of the duties and countervailing duties permitted under the treaty of 1794. It shows on their part a spirit of justice and friendly accommodation which it is our duty and our interest to cultivate with all nations. Whether this would produce a due equality in the navigation between the two countries is a subject for your consideration.

Another circumstance which claims attention as directly affecting the very source of our navigation is the defect or the evasion of the law providing for the return of sea men, and particularly of those belonging to vessels sold abroad. Numbers of them, discharged in foreign ports, have been thrown on the hands of our consuls, who, to rescue them from the dangers into which their distresses might plunge them and save them to their country, have found it necessary in some cases to return them at the public charge.

The cession of the Spanish Province of Louisiana to France, which took place in the course of the late war, will, if carried into effect, make a change in the aspect of our foreign relations which will doubtless have just weight in any deliberations of the Legislature connected with that subject.

There was reason not long since to apprehend that the warfare in which we were engaged with Tripoli might be taken up by some other of the Barbary Powers. A reenforcement, therefore, was immediately ordered to the vessels already there. Subsequent information, however, has removed these apprehensions for the present. To secure our commerce in that sea with the smallest force competent, we have supposed it best to watch strictly the harbor of Tripoli. Still, however, the shallowness of their coast and the want of smaller vessels on our part has permitted some cruisers to escape unobserved, and to one of these an American vessel unfortunately fell prey. The captain, one American sea man, and two others of color remain prisoners with them unless exchanged under an agreement formerly made with the Bashaw, to whom, on the faith of that, some of his captive subjects had been restored.

The convention with the State of Georgia has been ratified by their legislature, and a repurchase from the Creeks has been consequently made of a part of the Talasscee country. In this purchase has been also comprehended a part of the lands within the fork of Oconee and Oakmulgee rivers. The particulars of the contract will be laid before Congress so soon as they shall be in a state for communication.

Page 55

In order to remove every ground of difference possible with our Indian neighbors, I have proceeded in the work of settling with them and marking the boundaries between us. That with the Choctaw Nation is fixed in one part and will be through the whole within a short time. The country to which their title had been extinguished before the Revolution is sufficient to receive a very respectable population, which Congress will probably see the expediency of encouraging so soon as the limits shall be declared. We are to view this position as an outpost of the United States, surrounded by strong neighbors and distant from its support; and how far that monopoly which prevents population should here be guarded against and actual habitation made a condition of the continuance of title will be for your consideration. A prompt settlement, too, of all existing rights and claims within this territory presents itself as a preliminary operation.

In that part of the Indiana Territory which includes Vincennes the lines settled with the neighboring tribes fix the extinction of their title at a breadth of 24 leagues from east to west and about the same length parallel with and including the Wabash. They have also ceded a tract of 4 miles square, including the salt springs near the mouth of that river.

In the Department of Finance it is with pleasure I inform you, that the receipts of external duties for the last 12 months have exceeded those of any former year, and that the ration of increase has been also greater than usual. This has enabled us to answer all the regular exigencies of Government, to pay from the Treasury within one year upward of $8 millions, principal and interest, of the public debt, exclusive of upward of $1 million paid by the sale of bank stock, and making in the whole a reduction of nearly $5.5 millions of principal, and to have now in the Treasury $4.5 millions which are in a course of application to the further discharge of debt and current demands. Experience, too, so far, authorizes us to believe, if no extraordinary event supervenes, and the expenses which will be actually incurred shall not be greater than were contemplated by Congress at their last session, that we shall not be disappointed in the expectations then formed. But nevertheless, as the effect of peace on the amount of duties is not yet fully ascertained, it is the more necessary to practice every useful economy and to incur no expense which may be avoided without prejudice.

The collection of the internal taxes having been completed in some of the States, the officers employed in it are of course out of commission. In others they will be so shortly. But in a few, where the arrangements for the direct tax had been retarded, it will be some time before the system is closed. It has not yet been thought necessary to employ the agent authorized by an act of the last session for transacting business in Europe relative to debts and loans. Nor have

Page 56

we used the power confided by the same act of prolonging the foreign debt by reloans, and of redeeming instead thereof an equal sum of the domestic debt. Should, however, the difficulties of remittance on so large a scale render it necessary at any time, the power shall be executed and the money thus employed abroad shall, in conformity with that law, be faithfully applied here in an equivalent extinction of domestic debt.

When effects so salutary result from the plans you have already sanctioned; when merely by avoiding false objects of expense we are able, without a direct tax, without internal taxes, and without borrowing to make large and effectual payments toward the discharge of our public debt and the emancipation of our posterity from that mortal canker, it is an encouragement, fellow citizens, of the highest order to proceed as we have begun in substituting economy for taxation, and in pursuing what is useful for a nation placed as we are, rather than what is practiced by others under different circumstances. And when so ever we are destined to meet events which shall call forth all the energies of our country-men, we have the firmest reliance on those energies and the comfort of leaving for calls like these the extraordinary resources of loans and internal taxes. In the mean time, by payments of the principal of our debt, we are liberating annually portions of the external taxes and forming from them a growing fund still further to lessen the necessity of recurring to extraordinary resources.

The usual account of receipts and expenditures for the last year, with an estimate of the expenses of the ensuing one, will be laid before you by the Secretary of the Treasury.

No change being deemed necessary in our military establishment, an estimate of its expenses for the ensuing year on its present footing, as also of the sums to be employed in fortifications and other objects within that department, has been prepared by the Secretary of War, and will make a part of the general estimates which will be presented you.

Considering that our regular troops are employed for local purposes, and that the militia is our general reliance for great and sudden emergencies, you will doubtless think this institution worthy of a review, and give it those improvements of which you find it susceptible.

Estimates for the Naval Department, prepared by the Secretary of the Navy, for another year will in like manner be communicated with the general estimates. A small force in the Mediterranean will still be necessary to restrain the Tripoline cruisers, and the uncertain tenure of peace with some other of the Barbary Powers may eventually require that force to be augmented. The necessity of procuring some smaller vessels for that service will raise the estimate, but the difference in their maintenance will soon make it a measure of economy.

Page 57

Presuming it will be deemed expedient to expend annually a convenient sum toward providing the naval defense which our situation may require, I can not but recommend that the first appropriations for that purpose may go to the saving what we already possess. No cares, no attentions, can preserve vessels from rapid decay which lie in water and exposed to the sun. These decays require great and constant repairs, and will consume, if continued, a great portion of the moneys destined to naval purposes. To avoid this waste of our resources it is proposed to add to our navy-yard here a dock within which our present vessels may be laid up dry and under cover from the sun. Under these circumstances experience proves that works of wood will remain scarcely at all affected by time. The great abundance of running water which this situation possesses, at heights far above the level of the tide, if employed as is practiced for lock navigation, furnishes the means for raising and laying up our vessels on a dry and sheltered bed. And should the measure be found useful here, similar depositories for laying up as well as for building and repairing vessels may hereafter be undertaken at other navy-yards offering the same means. The plans and estimates of the work, prepared by a person of skill and experience, will be presented to you without delay, and from this it will be seen that scarcely more than has been the cost of one vessel is necessary to save the whole, and that the annual sum to be employed toward its completion may be adapted to the views of the Legislature as to naval expenditure. To cultivate peace and maintain commerce and navigation in all their lawful enterprises; to foster our fisheries as nurseries of navigation and for the nurture of man, and protect the manufactures adapted to our circumstances; to preserve the faith of the nation by an exact discharge of its debts and contracts, expend the public money with the same care and economy we would practice with our own, and impose on our citizens no unnecessary burthens; to keep in all things within the pale of our constitutional powers, and cherish the federal union as the only rock of safety—these, fellow citizens, are the land-marks by which we are to guide ourselves in all proceedings. By continuing to make these the rule of our action we shall endear to our country-men the true principles of their Constitution and promote an union of sentiment and of action equally auspicious to their happiness and safety. On my part, you may count on a cordial concurrence in every measure for the public good and on all the information I possess which may enable you to discharge to advantage the high functions with which you are invested by your country.

TH. JEFFERSON

***

State of the Union Address
Thomas Jefferson
October 17, 1803

To The Senate and House of Representatives of the United States:

Page 58

In calling you together, fellow citizens, at an earlier day than was contemplated by the act of the last session of Congress, I have not been insensible to the personal inconveniences necessarily resulting from an unexpected change in your arrangements, but matters of great public concernment have rendered this call necessary, and the interests you feel in these will supersede in your minds all private considerations.

Congress witnessed at their late session the extraordinary agitation produced in the public mind by the suspension of our right of deposit at the port of New Orleans, no assignment of another place having been made according to treaty. They were sensible that the continuance of that privation would be more injurious to our nation than any consequences which could flow from any mode of redress, but reposing just confidence in the good faith of the Government whose officer had committed the wrong, friendly and reasonable representations were resorted to, and the right of deposit was restored.

Previous, however, to this period we had not been unaware of the danger to which our peace would be perpetually exposed whilst so important a key to the commerce of the Western country remained under foreign power. Difficulties, too, were presenting themselves as to the navigation of other streams which, arising within our territories, pass through those adjacent. Propositions had therefore been authorized for obtaining on fair conditions the sovereignty of New Orleans and of other possessions in that quarter interesting to our quiet to such extent as was deemed practicable, and the provisional appropriation of $2 millions to be applied and accounted for by the President of the United States, intended as part of the price, was considered as conveying the sanction of Congress to the acquisition proposed. The enlightened Government of France saw with just discernment the importance to both nations of such liberal arrangements as might best and permanently promote the peace, friendship, and interests of both, and the property and sovereignty of all Louisiana which had been restored to them have on certain conditions been transferred to the United States by instruments bearing date the 30th of April last. When these shall have received the constitutional sanction of the Senate, they will without delay be communicated to the Representatives also for the exercise of their functions as to those conditions which are within the powers vested by the Constitution in Congress.

Whilst the property and sovereignty of the Mississippi and its waters secure an independent outlet for the produce of the Western States and an uncontrolled navigation through their whole course, free from collision with other powers and the dangers to our peace from that source, the fertility of the country, its climate and extent, promise in due season important aids to our Treasury, an ample provision for our posterity, and a wide spread for the blessings of freedom and equal laws.

Page 59

With the wisdom of Congress it will rest to take those ulterior measures which may be necessary for the immediate occupation and temporary government of the country; for its incorporation into our Union; for rendering the change of government a blessing to our newly adopted brethren; for securing to them the rights of conscience and of property; for confirming to the Indian inhabitants their occupancy and self-government, establishing friendly and commercial relations with them, and for ascertaining the geography of the country acquired. Such materials, for your information, relative to its affairs in general as the short space of time has permitted me to collect will be laid before you when the subject shall be in a state for your consideration.

Another important acquisition of territory has also been made since the last session of Congress. The friendly tribe of Kaskaskia Indians, with which we have never had a difference, reduced by the wars and wants of savage life to a few individuals unable to defend themselves against the neighboring tribes, has transferred its country to the United States, reserving only for its members what is sufficient to maintain them in an agricultural way. The considerations stipulated are that we shall extend to them our patronage and protection and give them certain annual aids in money, in implements of agriculture, and other articles of their choice. This country, among the most fertile within our limits, extending along the Mississippi from the mouth of the Illinois to and up to the Ohio, though not so necessary as a barrier since the acquisition of the other bank, may yet be well worthy of being laid open to immediate settlement, as its inhabitants may descend with rapidity in support of the lower country should future circumstances expose that to foreign enterprise. As the stipulations in this treaty involve matters with the competence of both Houses only, it will be laid before Congress as soon as the Senate shall have advised its ratification.

With many of the other Indian tribes improvements in agriculture and household manufacture are advancing, and with all our peace and friendship are established on grounds much firmer than heretofore. The measure adopted of establishing trading houses among them and of furnishing them necessaries in exchange for their commodities at such moderate prices as leave no gain, but cover us from loss, has the most conciliatory and useful effect on them, and is that which will best secure their peace and good will.

The small vessels authorized by Congress with a view to the Mediterranean service have been sent into that sea, and will be able more effectually to confine the Tripoline cruisers within their harbors and supersede the necessity of convoy to our commerce in that quarter. They will sensibly lessen the expenses of that service the ensuing year.

Page 60

A further knowledge of the ground in the northeastern and northwestern angles of the United States has evinced that the boundaries established by the treaty of Paris between the British territories and ours in those parts were too imperfectly described to be susceptible of execution. It has therefore been thought worthy of attention for preserving and cherishing the harmony and useful intercourse subsisting between the two nations to remove by timely arrangements what unfavorable incidents might otherwise render a ground of future misunderstanding. A convention has therefore been entered into which provides for a practicable demarcation of those limits to the satisfaction of both parties.

An account of the receipts and expenditures of the year ending the 30th of September last, with the estimates for the service of the ensuing year, will be laid before you by the Secretary of the Treasury so soon as the receipts of the last quarter shall be returned from the more distant States. It is already ascertained that the amount paid into the Treasury for that year has been between $11 millions and $12 millions, and that the revenue accrued during the same term exceeds the sum counted on as sufficient for our current expenses and to extinguish the public debt within the period heretofore proposed.

The amount of debt paid for the same year is about $3.1 millions exclusive of interest, and making, with the payment of the preceding year, a discharge of more than $8.5 millions of the principal of that debt, besides the accruing interest; and there remain in the Treasury nearly $6 millions. Of these, $880 thousands have been reserved for payment of the first installment due under the British convention of January 8th, 1802, and $2 millions are what have been before mentioned as placed by Congress under the power and accountability of the President toward the price of New Orleans and other territories acquired, which, remaining untouched, are still applicable to that object and go in diminution of the sum to be funded for it.

Should the acquisition of Louisiana be constitutionally confirmed and carried into effect, a sum of nearly $13 millions will then be added to our public debt, most of which is payable after fifteen years, before which term the present existing debts will all be discharged by the established operation of the sinking fund. When we contemplate the ordinary annual augmentation of impost from increasing population and wealth, the augmentation of the same revenue by its extension to the new acquisition, and the economies which may still be introduced into our public expenditures, I can not but hope that Congress in reviewing their resources will find means to meet the intermediate interest of this additional debt without recurring to new taxes, and applying to this object only the ordinary progression of our revenue. Its extraordinary increase in times of foreign war will be the proper and sufficient fund for any measures of safety or precaution which that state of things may render necessary in our neutral position.

Page 61

Remittances for the installments of our foreign debt having been found practicable without loss, it has not been thought expedient to use the power given by a former act of Congress of continuing them by reloans, and of redeeming instead thereof equal sums of domestic debt, although no difficulty was found in obtaining that accommodation.

The sum of $50 thousands appropriated by Congress for providing gun boats remains unexpended. The favorable and peaceable turn of affairs on the Mississippi rendered an immediate execution of that law unnecessary, and time was desirable in order that the institution of that branch of our force might begin on models the most approved by experience. The same issue of events dispensed with a resort to the appropriation of $1.5 millions, contemplated for purposes which were effected by happier means.

We have seen with sincere concern the flames of war lighted up again in Europe, and nations with which we have the most friendly and useful relations engaged in mutual destruction. While we regret the miseries in which we see others involved, let us bow with gratitude to that kind Providence which, inspiring with wisdom and moderation our late legislative councils while placed under the urgency of the greatest wrongs guarded us from hastily entering into the sanguinary contest and left us only to look on and pity its ravages.

These will be heaviest on those immediately engaged. Yet the nations pursuing peace will not be exempt from all evil.

In the course of this conflict let it be our endeavor, as it is our interest and desire, to cultivate the friendship of the belligerent nations by every act of justice and of innocent kindness; to receive their armed vessels with hospitality from the distresses of the sea, but to administer the means of annoyance to none; to establish in our harbors such a police as may maintain law and order; to restrain our citizens from embarking individually in a war in which their country takes no part; to punish severely those persons, citizens or alien, who shall usurp the cover of our flag for vessels not entitled to it, infecting thereby with suspicion those of real Americans and committing us into controversies for the redress of wrongs not our own; to exact from every nation the observance toward our vessels and citizens of those principles and practices which all civilized people acknowledge; to merit the character of a just nation, and maintain that of an independent one, preferring every consequence to insult and habitual wrong. Congress will consider whether the existing laws enable us efficaciously to maintain this course with our citizens in all places and with others while within the limits of our jurisdiction, and will give them the new modifications necessary for these objects. Some contraventions of right have already taken place, both within our jurisdictional limits and on the high seas. The friendly disposition of the Governments from whose agents they have proceeded, as well as their wisdom and regard for justice, leave us in reasonable expectation that they will be rectified and prevented in future, and that no act will be countenanced by them which threatens to disturb our friendly intercourse.

Page 62

Separated by a wide ocean from the nations of Europe and from the political interests which entangle them together, with productions and wants which render our commerce and friendship useful to them and theirs to us, it can not be the interest of any to assail us, nor ours to disturb them. We should be most unwise, indeed, were we to cast away the singular blessings of the position in which nature has placed us, the opportunity she has endowed us with of pursuing, at a distance from foreign contentions, the paths of industry, peace, and happiness, of cultivating general friendship, and of bringing collisions of interest to the umpirage of reason rather than of force.

How desirable, then, must it be in a Government like ours to see its citizens adopt individually the views, the interests, and the conduct which their country should pursue, divesting themselves of those passions and partialities which tend to lessen useful friendships and to embarrass and embroil us in the calamitous scenes of Europe. Confident, fellow citizens, that you will duly estimate the importance of neutral dispositions toward the observance of neutral conduct, that you will be sensible how much it is our duty to look on the bloody arena spread before us with commiseration indeed, but with no other wish than to see it closed, I am persuaded you will cordially cherish these dispositions in all discussions among yourselves and in all communications with your constituents; and I anticipate with satisfaction the measures of wisdom which the great interests now committed to you will give you an opportunity of providing, and myself that of approving and carrying into execution with the fidelity I owe to my country.

TH. JEFFERSON

***

State of the Union Address
Thomas Jefferson
November 8, 1804

The Senate and House of Representatives of the United States:

To a people, fellow citizens, who sincerely desire the happiness and prosperity of other nations; to those who justly calculate that their own well-being is advanced by that of the nations with which they have intercourse, it will be a satisfaction to observe that the war which was lighted up in Europe a little before our last meeting has not yet extended its flames to other nations, nor been marked by the calamities which sometimes stain the foot-steps of war. The irregularities, too, on the ocean, which generally harass the commerce of neutral nations, have, in distant parts, disturbed ours less than on former occasions; but in the American seas they have been greater from peculiar causes, and even within our harbors and jurisdiction infringements on the authority of the laws have been committed which have called for serious attention. The friendly conduct of the

Governments from whose officers and subjects these acts have proceeded, in other respects and in places more under their observation and control, gives us confidence that our representations on this subject will have been properly regarded.

Page 63

While noticing the irregularities committed on the ocean by others, those on our own part should not be omitted nor left unprovided for. Complaints have been received that persons residing within the United States have taken on themselves to arm merchant vessels and to force a commerce into certain ports and countries in defiance of the laws of those countries. That individuals should undertake to wage private war, independently of the authority of their country, can not be permitted in a well-ordered society. Its tendency to produce aggression on the laws and rights of other nations and to endanger the peace of our own is so obvious that I doubt not you will adopt measures for restraining it effectually in future.

Soon after the passage of the act of the last session authorizing the establishment of a district and port of entry on the waters of the Mobile we learnt that its object was misunderstood on the part of Spain. Candid explanations were immediately given and assurances that, reserving our claims in that quarter as a subject of discussion and arrangement with Spain, no act was meditated in the mean time inconsistent with the peace and friendship existing between the two nations, and that conformably to these intentions would be the execution of the law. That Government had, however, thought proper to suspend the ratification of the convention of 1802; but the explanations which would reach them soon after, and still more the confirmation of them by the tenor of the instrument establishing the port and district, may reasonably be expected to replace them in the dispositions and views of the whole subject which originally dictated the convention.

I have the satisfaction to inform you that the objections which had been urged by that Government against the validity of our title to the country of Louisiana have been withdrawn, its exact limits, however, remaining still to be settled between us; and to this is to be added that, having prepared and delivered the stock created in execution of the convention of Paris of April 30th, 1803, in consideration of the cession of that country, we have received from the Government of France an acknowledgment, in due form, of the fulfillment of that stipulation.

With the nations of Europe in general our friendship and intercourse are undisturbed, and from the Governments of the belligerent powers especially we continue to receive those friendly manifestations which are justly due to an honest neutrality and to such good offices consistent with that as we have opportunities of rendering.

The activity and success of the small force employed in the Mediterranean in the early part of the present year, the reenforcements sent into that sea, and the energy of the officers having command in the several vessels will, I trust, by the sufferings of war, reduce the barbarians of Tripoli to the desire of peace on proper terms. Great injury, however, ensues to ourselves, as well as to others interested, from the distance to which prizes must be brought for adjudication and from the impracticability of bringing hither such as are not sea worthy.

Page 64

The Bey of Tunis having made requisitions unauthorized by our treaty, their rejection has produced from him some expressions of discontent, but to those who expect us to calculate whether a compliance with unjust demands will not cost us less than a war we must leave as a question of calculation for them also whether to retire from unjust demands will not cost them less than a war. We can do to each other very sensible injuries by war, but the mutual advantages of peace make that the best interest of both.

Peace and intercourse with the other powers on the same coast continue on the footing on which they are established by treaty.

In pursuance of the act providing for the temporary government of Louisiana, the necessary officers for the Territory of Orleans were appointed in due time to commence the exercise of their functions on the first day of October. The distance, however, of some of them and indispensable previous arrangements may have retarded its commencement in some of its parts. The form of government thus provided having been considered but as temporary, and open to such future improvements as further information of the circumstances of our brethren there might suggest, it will of course be subject to your consideration.

In the district of Louisiana it has been thought best to adopt the division into subordinate districts which had been established under its former government. These being five in number, a commanding officer has been appointed to each, according to the provisions of the law, and so soon as they can be at their stations that district will also be in its due state of organization. In the mean time, their places are supplied by the officers before commanding there, and the function of the governor and judges of Indiana having commenced, the government, we presume, is proceeding in its new form. The lead mines in that district offer so rich a supply of that metal as to merit attention. The report now communicated will inform you of their state and of the necessity of immediate inquiry into their occupation and titles.

With the Indian tribes established within our newly acquired limits, I have deemed it necessary to open conferences for the purpose of establishing a good understanding and neighborly relations between us. So far as we have yet learned, we have reason to believe that their dispositions are generally favorable and friendly; and with these dispositions on their part, we have in our own hands means which can not fail us for preserving their peace and friendship. By pursuing an uniform course of justice toward them, by aiding them in all the improvements which may better their condition, and especially by establishing a commerce on terms which shall be advantageous to them and only not losing to us, and so regulated as that no incendiaries of our own or any other nation may be permitted to disturb the natural effects of our just and friendly offices, we may render ourselves

Page 65

so necessary to their comfort and prosperity that the protection of our citizens from their disorderly members will become their interest and their voluntary care. Instead, therefore, of an augmentation of military force proportioned to our extension of frontier, I propose a moderate enlargement of the capital employed in that commerce as a more effectual, economical, and humane instrument for preserving peace and good neighborhood with them.

On this side of the Mississippi an important relinquishment of native title has been received from the Delawares. That tribe, desiring to extinguish in their people the spirit of hunting and to convert superfluous lands into the means of improving what they retain, has ceded to us all the country between the Wabash and Ohio south of and including the road from the rapids toward Vincennes, for which they are to receive annuities in animals and implements for agriculture and in other necessaries. This acquisition is important, not only for its extent and fertility, but as fronting three hundred miles on the Ohio, and near half that on the Wabash. The produce of the settled country descending those rivers will no longer pass in review of the Indian frontier but in a small portion, and, with the cession heretofore made by the Kaskaskias, nearly consolidates our possessions north of the Ohio, in a very respectable breadth—from Lake Erie to the Mississippi. The Piankeshaws having some claim to the country ceded by the Delawares, it has been thought best to quiet that by fair purchase also. So soon as the treaties on this subject shall have received their constitutional sanctions they shall be laid before both houses.

The act of Congress of February 28th, 1803, for building and employing a number of gun boats, is now in a course of execution to the extent there provided for. The obstacle to naval enterprise which vessels of this construction offer for our sea port towns, their utility toward supporting within our waters the authority of the laws, the promptness with which they will be manned by the sea men and militia of the place in the moment they are wanting, the facility of their assembling from different parts of the coast to any point where they are required in greater force than ordinary, the economy of their maintenance and preservation from decay when not in actual service, and the competence of our finances to this defensive provision without any new burthen are considerations which will have due weight with Congress in deciding on the expediency of adding to their number from year to year, as experience shall test their utility, until all our important harbors, by these and auxiliary means, shall be secured against insult and opposition to the laws.

No circumstance has arisen since your last session which calls for any augmentation of our regular military force. Should any improvement occur in the militia system, that will be always seasonable.

Accounts of the receipts and expenditures of the last year, with estimates for the ensuing one, will as usual be laid before you.

Page 66

The state of our finances continues to fulfill our expectations. $11.5 millions, received in the course of the year ending the 30th of September last, have enabled us, after meeting all the ordinary expenses of the year, to pay upward of $3.6 millions of the public debt, exclusive of interest. This payment, with those of the two preceding years, has extinguished upward of $12 millions of the principal and a greater sum of interest within that period, and by a proportionate diminution of interest renders already sensible the effect of the growing sum yearly applicable to the discharge of the principal.

It is also ascertained that the revenue accrued during the last year exceeds that of the preceding, and the probable receipts of the ensuing year may safely be relied on as sufficient, with the sum already in the Treasury, to meet all the current demands of the year, to discharge upward of $3.5 millions of the engagements incurred under the British and French conventions, and to advance in the further redemption of the funded debt as rapidly as had been contemplated.

These, fellow citizens, are the principal matters which I have thought it necessary at this time to communicate for your consideration and attention. Some others will be laid before you in the course of the session; but in the discharge of the great duties confided to you by our country you will take a broader view of the field of legislation.

Whether the great interests of agriculture, manufactures, commerce, or navigation can within the pale of your constitutional powers be aided in any of their relations; whether laws are provided in all cases where they are wanting; whether those provided are exactly what they should be; whether any abuses take place in their administration, or in that of the public revenues; whether the organization of the public agents or of the public force is perfect in all its parts; in fine, whether anything can be done to advance the general good, are questions within the limits of your functions which will necessarily occupy your attention. In these and all other matters which you in your wisdom may propose for the good of our country, you may count with assurance on my hearty cooperation and faithful execution.

TH. JEFFERSON

***

State of the Union Address
Thomas Jefferson
December 3, 1805

The Senate and House of Representatives of the United States:

At a moment when the nations of Europe are in commotion and arming against each other, and when those with whom we have principal intercourse are engaged in the

general contest, and when the countenance of some of them toward our peaceable country threatens that even that may not be unaffected by what is passing on the general theater, a meeting of the representatives of the nation in both Houses of Congress has become more than usually desirable. Coming from every section of our country, they bring with them the sentiments and the information of the whole, and will be enabled to give a direction to the public affairs which the will and the wisdom of the whole will approve and support.

Page 67

In taking a view of the state of our country we in the first place notice the late affliction of two of our cities under the fatal fever which in latter times has occasionally visited our shores. Providence in His goodness gave it an early termination on this occasion and lessened the number of victims which have usually fallen before it. In the course of the several visitations by this disease it has appeared that it is strictly local, incident to cities and on the tide waters only, incommunicable in the country either by persons under the disease or by goods carried from diseased places; that its access is with the autumn and it disappears with the early frosts.

These restrictions within narrow limits of time and space give security even to our maritime cities during three quarter of the year, and to the country always. Although from these facts it appears unnecessary, yet to satisfy the fears of foreign nations and cautions on their part not to be complained of in a danger whose limits are yet unknown to them I have strictly enjoined on the officers at the head of the customs to certify with exact truth for every vessel sailing for a foreign port the state of health respecting this fever which prevails at the place from which she sails. Under every motive from character and duty to certify the truth, I have no doubt they have faithfully executed this injunction. Much real injury has, however, been sustained from a propensity to identify with this endemic and to call by the same name fevers of very different kinds, which have been known at all times and in all countries, and never have been placed among those deemed contagious.

As we advance in our knowledge of this disease, as facts develop the source from which individuals receive it, the State authorities charged with the care of the public health, and Congress with that of the general commerce, will become able to regulate with effect their respective functions in these departments. The burthen of quarantines is felt at home as well as abroad; their efficacy merits examination. Although the health laws of the States should be found to need no present revisal by Congress, yet commerce claims that their attention be ever awake to them.

Since our last meeting the aspect of our foreign relations has considerably changed. Our coasts have been infested and our harbors watched by private armed vessels, some of them without commissions, some with illegal commissions, others with those of legal form, but committing practical acts beyond the authority of their commissions. They have captured in the very entrance of our harbors, as well as on the high seas, not only the vessels of our friends coming to trade with us, but our own also. They have carried them off under pretense of legal adjudication, but not daring to approach a court of justice, they have plundered and sunk them by the way or in obscure places where no evidence could arise against them, maltreated the crews, and abandoned them in boats in the open sea or on desert shores without food or clothing. These enormities appearing to be unreached by any control of their sovereigns, I found it necessary to equip a force to cruise within our own seas, to arrest all vessels of these descriptions found hovering on our coasts within the limits of the Gulf Stream and to bring the offenders in for trial as pirates.

Page 68

The same system of hovering on our coasts and harbors under color of seeking enemies has been also carried on by public armed ships to the great annoyance and oppression of our commerce. New principles, too, have been interpolated into the law of nations, founded neither in justice nor in the usage or acknowledgment of nations. According to these a belligerent takes to itself a commerce with its own enemy which it denies to a neutral on the ground of its aiding that enemy in the war; but reason revolts at such inconsistency, and the neutral having equal right with the belligerent to decide the question, the interests of our constituents and the duty of maintaining the authority of reason, the only umpire between just nations, impose on us the obligation of providing an effectual and determined opposition to a doctrine so injurious to the rights of peaceable nations. Indeed, the confidence we ought to have in the justice of others still countenances the hope that a sounder view of those rights will of itself induce from every belligerent a more correct observance of them.

With Spain our negotiations for a settlement of differences have not had a satisfactory issue. Spoliations during a former war, for which she had acknowledged herself responsible, have been refused to be compensated but on conditions affecting other claims in no wise connected with them. Yet the same practices are renewed in the present war and are already of great amount. On the Mobile, our commerce passing through that river continues to be obstructed by arbitrary duties and vexatious searches. Propositions for adjusting amicably the boundaries of Louisiana have not been acceded to. While, however, the right is unsettled, we have avoided changing the state of things by taking new posts or strengthening ourselves in the disputed territories, in the hope that the other power would not by a contrary conduct oblige us to meet their example and endanger conflicts of authority, the issue of which may not be easily controlled. But in this hope we have now reason to lessen our confidence.

Inroads have been recently made into the Territories of Orleans and the Mississippi, our citizens have been seized and their property plundered in the very parts of the former which had been actually delivered up by Spain, and this by the regular officers and soldiers of that Government. I have therefore found it necessary at length to give orders to our troops on that frontier to be in readiness to protect our citizens, and to repel by arms any similar aggressions in future. Other details necessary for your full information of the state of things between this country and that shall be the subject of another communication.

In reviewing these injuries from some of the belligerent powers the moderation, the firmness, and the wisdom of the Legislature will be called into action. We ought still to hope that time and a more correct estimate of interest as well as of character will produce the justice we are bound to expect, but should any nation deceive itself by false calculations, and disappoint that expectation, we must join in the unprofitable contest of trying which party can do the other the most harm.

Page 69

Some of these injuries may perhaps admit a peaceable remedy. Where that is competent it is always the most desirable. But some of them are of a nature to be met by force only, and all of them may lead to it. I can not, therefore, but recommend such preparations as circumstances call for.

The first object is to place our sea port towns out of the danger of insult. Measures have been already taken for furnishing them with heavy cannon for the service of such land batteries as may make a part of their defense against armed vessels approaching them. In aid of these it is desirable we should have a competent number of gun boats, and the number, to be competent, must be considerable. If immediately begun, they may be in readiness for service at the opening of the next season.

Whether it will be necessary to augment our land forces will be decided by occurrences probably in the course of your session. In the mean time you will consider whether it would not be expedient for a state of peace as well as of war so to organize or class the militia as would enable us on any sudden emergency to call for the services of the younger portions, unencumbered with the old and those having families. Upward of three hundred thousand able-bodied men between the ages of 18 and 26 years, which the last census shews we may now count within our limits, will furnish a competent number for offense or defense in any point where they may be wanted, and will give time for raising regular forces after the necessity of them shall become certain; and the reducing to the early period of life all its active service can not but be desirable to our younger citizens of the present as well as future times, in as much as it engages to them in more advanced age a quiet and undisturbed repose in the bosom of their families. I can not, then, but earnestly recommend to your early consideration the expediency of so modifying our militia system as, by a separation of the more active part from that which is less so, we may draw from it when necessary an efficient corps fit for real and active service, and to be called to it in regular rotation.

Considerable provision has been made under former authorities from Congress of material for the construction of ships of war of 74 guns. These materials are on hand subject to the further will of the Legislature.

An immediate prohibition of the exportation of arms and ammunition is also submitted to your determination.

Turning from these unpleasant views of violence and wrong, I congratulate you on the liberation of our fellow citizens who were stranded on the coast of Tripoli and made prisoners of war. In a government bottomed on the will of all the life and liberty of every individual citizen become interesting to all.

Page 70

In the treaty, therefore, which has concluded our warfare with that State an article for the ransom of our citizens has been agreed to. An operation by land by a small band of our country-men and others, engaged for the occasion in conjunction with the troops of the ex-Bashaw of that country, gallantly conducted by our late consul, Eaton, and their successful enterprise on the city of Derne, contributed doubtless to the impression which produced peace, and the conclusion of this prevented opportunities of which the officers and men of our squadron destined for Tripoli would have availed themselves to emulate the acts of valor exhibited by their brethren in the attack of the last year. Reflecting with high satisfaction on the distinguished bravery displayed whenever occasions permitted it in the late Mediterranean service, I think it would be an useful encouragement as well as a just reward to make an opening for some present promotion by enlarging our peace establishment of captains and lieutenants.

With Tunis some misunderstandings have arisen not yet sufficiently explained, but friendly discussions with their ambassador recently arrived and a mutual disposition to do whatever is just and reasonable can not fail of dissipating these, so that we may consider our peace on that coast, generally, to be on as sound a footing as it has been at any preceding time. Still, it will not be expedient to withdraw immediately the whole of our force from that sea.

The law providing for a naval peace establishment fixes the number of frigates which shall be kept in constant service in time of peace, and prescribes that they shall be manned by not more than two-thirds of their complement of sea men and ordinary sea men. Whether a frigate may be trusted to two-thirds only of her proper complement of men must depend on the nature of the service on which she is ordered; that may sometimes, for her safety as well as to insure her object, require her fullest complement. In adverting to this subject Congress will perhaps consider whether the best limitation on the Executive discretion in this case would not be by the number of sea men which may be employed in the whole service rather than by the number of vessels. Occasions oftener arise for the employment of small than of large vessels, and it would lessen risk as well as expense to be authorized to employ them of preference. The limitation suggested by the number of sea men would admit a selection of vessels best adapted to the service.

Our Indian neighbors are advancing, many of them with spirit, and others beginning to engage in the pursuits of agriculture and household manufacture. They are becoming sensible that the earth yields subsistence with less labor and more certainty than the forest, and find it their interest from time to time to dispose of parts of their surplus and waste lands for the means of improving those they occupy and of subsisting their families while they are preparing their farms.

Page 71

Since your last session the Northern tribes have sold to us the lands between the Connecticut Reserve and the former Indian boundary and those on the Ohio from the same boundary to the rapids and for a considerable depth inland. The Chickasaws and Cherokees have sold us the country between and adjacent to the two districts of Tennessee, and the Creeks the residue of their lands in the fork of the Ocmulgee up to the Ulcofauhatche. The three former purchases are important, in as much as they consolidate disjoined parts of our settled country and render their intercourse secure; and the second particularly so, as, with the small point on the river which we expect is by this time ceded by the Piankeshaws, it completes our possession of the whole of both banks of the Ohio from its source to near its mouth, and the navigation of that river is thereby rendered forever safe to our citizens settled and settling on its extensive waters. The purchase from the Creeks, too, has been for some time particularly interesting to the State of Georgia.

The several treaties which have been mentioned will be submitted to both Houses of Congress for the exercise of their respective functions.

Deputations now on their way to the seat of Government from various nations of Indians inhabiting the Missouri and other parts beyond the Mississippi come charged with assurances of their satisfaction with the new relations in which they are placed with us, of their dispositions to cultivate our peace and friendship, and their desire to enter into commercial intercourse with us. A state of our progress in exploring the principal rivers of that country, and of the information respecting them hitherto obtained, will be communicated as soon as we shall receive some further relations which we have reason shortly to expect.

The receipts of the Treasury during the year ending on the 30th day of September last have exceeded the sum of $13 millions, which, with not quite $5 millions in the Treasury at the beginning of the year, have enabled us after meeting other demands to pay nearly $2 millions of the debt contracted under the British treaty and convention, upward of $4 millions of principal of the public debt, and $4 millions of interest. These payments, with those which had been made in three years and a half preceding, have extinguished of the funded debt nearly $18 millions of principal. Congress by their act of November 10th, 1803, authorized us to borrow $1.75 millions toward meeting the claims of our citizens assumed by the convention with France. We have not, however, made use of this authority, because the sum of $4.5 millions, which remained in the Treasury on the same 30th day of September last, with the receipts of which we may calculate on for the ensuing year, besides paying the annual sum of $8 millions appropriated to the funded debt and meeting all the current demands which may be expected, will enable us to pay the whole sum of $3.75 millions assumed by the French convention and still leave us a surplus of nearly $1 million at our free disposal. Should

you concur in the provisions of arms and armed vessels recommended by the circumstances of the times, this surplus will furnish the means of doing so.

Page 72

On this first occasion of addressing Congress since, by the choice of my constituents, I have entered on a second term of administration, I embrace the opportunity to give this public assurance that I will exert my best endeavors to administer faithfully the executive department, and will zealously cooperate with you in every measure which may tend to secure the liberty, property, and personal safety of our fellow citizens, and to consolidate the republican forms and principles of our Government.

In the course of your session you shall receive all the aid which I can give for the dispatch of public business, and all the information necessary for your deliberations, of which the interests of our own country and the confidence reposed in us by others will admit a communication.

TH. JEFFERSON

***

State of the Union Address
Thomas Jefferson
December 2, 1806

The Senate and House of Representatives of the United States:

It would have given me, fellow citizens, great satisfaction to announce in the moment of your meeting that the difficulties in our foreign relations existing at the time of your last separation had been amicably and justly terminated. I lost no time in taking those measures which were most likely to bring them to such a termination—by special missions charged with such powers and instructions as in the event of failure could leave no imputation on either our moderation or forbearance. The delays which have since taken place in our negotiations with the British Government appear to have proceeded from causes which do not forbid the expectation that during the course of the session I may be enabled to lay before you their final issue. What will be that of the negotiations for settling our differences with Spain nothing which had taken place at the date of the last dispatches enables us to pronounce. On the western side of the Mississippi she advanced in considerable force, and took post at the settlement of Bayou Pierre, on the Red River. This village was originally settled by France, was held by her as long as she held Louisiana, and was delivered to Spain only as a part of Louisiana. Being small, insulated, and distant, it was not observed at the moment of redelivery to France and the United States that she continued a guard of half a dozen men which had been stationed there. A proposition, however, having been lately made by our commander in chief to assume the Sabine River as a temporary line of separation between the troops of the two nations until the issue of our negotiations shall be known, this has been referred by the Spanish commandant to his superior, and in the mean time he has withdrawn his force to the western side of the Sabine River. The

correspondence on this subject now communicated will exhibit more particularly the present state of things in that quarter.

Page 73

The nature of that country requires indispensably that an unusual proportion of the force employed there should be cavalry or mounted infantry. In order, therefore, that the commanding officer might be enabled to act with effect, I had authorized him to call on the governors of Orleans and Mississippi for a corps of five hundred volunteer cavalry. The temporary arrangement he has proposed may perhaps render this unnecessary; but I inform you with great pleasure of the promptitude with which the inhabitants of those Territories have tendered their services in defense of their country. It has done honor to themselves, entitled them to the confidence of their fellow citizens in every part of the Union, and must strengthen the general determination to protect them efficaciously under all circumstances which may occur.

Having received information that in another part of the United States a great number of private individuals were combining together, arming and organizing themselves contrary to law, to carry on a military expedition against the territories of Spain, I thought it necessary, by proclamation as well as by special orders, to take measures for preventing and suppressing this enterprise, for seizing the vessels, arms, and other means provided for it, and for arresting and bringing to justice its authors and abettors. It was due to that good faith which ought ever to be the rule of action in public as well as in private transactions, it was due to good order and regular government, that while the public force was acting strictly on defensive and merely to protect our citizens from aggression the criminal attempts of private individuals to decide for their country the question of peace or war by commencing active and unauthorized hostilities should be promptly and efficaciously suppressed.

Whether it will be necessary to enlarge our regular forces will depend on the result of our negotiations with Spain; but as it is uncertain when that result will be known, the provisional measures requisite for that, and to meet any pressure intervening in that quarter, will be a subject for your early consideration.

The possession of both banks of the Mississippi reducing to a single point the defense of that river, its waters, and the country adjacent, it becomes highly necessary to provide for that point a more adequate security. Some position above its mouth, commanding the passage of the river, should be rendered sufficiently strong to cover the armed vessels which may be stationed there for defense, and in conjunction with them to present an insuperable obstacle to any force attempting to pass. The approaches to the city of New Orleans from the eastern quarter also will require to be examined and more effectually guarded. For the internal support of the country the encouragement of a strong settlement on the western side of the Mississippi, within reach of New Orleans, will be worthy the consideration of the Legislature.

Page 74

The gun boats authorized by an act of the last session are so advanced that they will be ready for service in the ensuing spring. Circumstances permitted us to allow the time necessary for their more solid construction. As a much larger number will still be wanting to place our sea port towns and waters in that state of defense to which we are competent and they entitled, a similar appropriation for a further provision for them is recommended for the ensuing year.

A further appropriation will also be necessary for repairing fortifications already established and the erection of such other works as may have real effect in obstructing the approach of an enemy to our sea port towns, or their remaining before them.

In a country whose constitution is derived from the will of the people, directly expressed by their free suffrages; where the principal executive functionaries and those of the legislature are renewed by them at short periods; where under the character of jurors they exercise in person the greatest portion of the judiciary powers; where the laws are consequently so formed and administered as to bear with equal weight and favor on all, restraining no man in the pursuits of honest industry and securing to everyone the property which that acquires, it would not be supposed that any safe-guards could be needed against insurrection or enterprise on the public peace or authority. The laws, however, aware that these should not be trusted to moral restraints only, have wisely provided punishment for these crimes when committed. But would it not be salutary to give also the means of preventing their commission? Where an enterprise is meditated by private individuals against a foreign nation in amity with the United States, powers of prevention to a certain extent are given by the laws. Would they not be as reasonable and useful where the enterprise preparing is against the United States? While adverting to this branch of law it is proper to observe that in enterprises meditated against foreign nations the ordinary process of binding to the observance of the peace and good behavior, could it be extended to acts to be done out of the jurisdiction of the United States, would be effectual in some cases where the offender is able to keep out of sight every indication of his purpose which could draw on him the exercise of the powers now given by law.

The States on the coast of Barbary seem generally disposed at present to respect our peace and friendship; with Tunis alone some uncertainty remains. Persuaded that it is our interest to maintain our peace with them on equal terms or not at all, I propose to send in due time a reenforcement into the Mediterranean unless previous information shall show it to be unnecessary.

We continue to receive proofs of the growing attachment of our Indian neighbors and of their dispositions to place all their interests under the patronage of the United States. These dispositions are inspired by their confidence in our justice and in the sincere concern we feel for their welfare; and as long as we discharge these high and honorable functions with the integrity and good faith which alone can entitle us to their continuance we may expect to reap the just reward in their peace and friendship.

Page 75

The expedition of Messrs. Lewis and Clarke for exploring the river Missouri and the best communication from that to the Pacific Ocean has had all the success which could have been expected. They have traced the Missouri nearly to its source, descended the Columbia to the Pacific Ocean, ascertained with accuracy the geography of that interesting communication across our continent, learnt the character of the country, of its commerce and inhabitants; and it is but justice to say that Messrs. Lewis and Clarke and their brave companions have by this arduous service deserved well of their country.

The attempt to explore the Red River, under the direction of Mr. Freeman, though conducted with a zeal and prudence meriting entire approbation, has not been equally successful. After proceeding up it about six hundred miles, nearly as far as the French settlements had extended while the country was in their possession, our geographers were obliged to return without completing their work.

Very useful additions have also been made to our knowledge of the Mississippi by Lieutenant Pike, who has ascended it to its source, and whose journal and map, giving the details of his journey, will shortly be ready for communication to both Houses of Congress. Those of Messrs. Lewis, Clarke, and Freeman will require further time to be digested and prepared. These important surveys, in addition to those before possessed, furnish materials for commencing an accurate map of the Mississippi and its western waters. Some principal rivers, however, remain still to be explored, toward which the authorization of Congress by moderate appropriations will be requisite.

I congratulate you, fellow citizens, on the approach of the period at which you may interpose your authority constitutionally to withdraw the citizens of the United States from all further participation in those violations of human rights which have been so long continued on the unoffending inhabitants of Africa, and which the morality, the reputation, and the best of our country have long been eager to proscribe. Although no law you may pass can take prohibitory effect until the first day of the year 1808, yet the intervening period is not too long to prevent by timely notice expeditions which can not be completed before that day.

The receipts at the Treasury during the year ending on the 30th day of September last have amounted to near $15 millions, which have enabled us, after meeting the current demands, to pay $2.7 millions of the American claims in part of the price of Louisiana; to pay of the funded debt upward of $3 millions of principal and nearly $4 millions of interest, and, in addition, to reimburse in the course of the present month near $2 millions of 5.5% stock. These payments and reimbursements of the funded debt, with those which had been made in the four years and a half preceding, will at the close of the present year have extinguished upward of $23 millions of principal.

Page 76

The duties composing the Mediterranean fund will cease by law at the end of the present session. Considering, however, that they are levied chiefly on luxuries and that we have an impost on salt, a necessary of life, the free use of which otherwise is so important, I recommend to your consideration the suppression of the duties on salt and the continuation of the Mediterranean fund instead thereof for a short time, after which that also will become unnecessary for any purpose now within contemplation.

When both of these branches of revenue shall in this way be relinquished there will still ere long be an accumulation of moneys in the Treasury beyond the installments of public debt which we are permitted by contract to pay. They can not then, without a modification assented to by the public creditors, be applied to the extinguishment of this debt and the complete liberation of our revenues, the most desirable of all objects. Nor, if our peace continues, will they be wanting for any other existing purpose. The question therefore now comes forward, To what other objects shall these surpluses be appropriated, and the whole surplus of impost, after the entire discharge of the public debt, and during those intervals when the purposes of war shall not call for them? Shall we suppress the impost and give that advantage to foreign over domestic manufactures? On a few articles of more general and necessary use the suppression in due season will doubtless be right, but the great mass of the articles on which impost is paid are foreign luxuries, purchased by those only who are rich enough to afford themselves the use of them.

Their patriotism would certainly prefer its continuance and application to the great purposes of the public education, roads, rivers, canals, and such other objects of public improvement as it may be thought proper to add to the constitutional enumeration of Federal powers. By these operations new channels of communications will be opened between the States, the lines of separation will disappear, their interests will be identified, and their union cemented by new and indissoluble ties. Education is here placed among the articles of public care, not that it would be proposed to take its ordinary branches out of the hands of private enterprise, which manages so much better all the concerns to which it is equal, but a public institution can alone supply those sciences which though rarely called for are yet necessary to complete the circle, all the parts of which contribute to the improvement of the country and some of them to its preservation.

The subject is now proposed for the consideration of Congress, because if approved by the time the State legislatures shall have deliberated on this extension of the Federal trusts, and the laws shall be passed and other arrangements made for their execution, the necessary funds will be on hand and without employment.

I suppose an amendment to the Constitution, by consent of the States, necessary, because the objects now recommended are not among those enumerated in the Constitution, and to which it permits the public moneys to be applied.

Page 77

The present consideration of a national establishment for education particularly is rendered proper by this circumstance also, that if Congress, approving the proposition, shall yet think it more eligible to found it on a donation of lands, they have it now in their power to endow it with those which will be among the earliest to produce the necessary income. This foundation would have the advantage of being independent of war, which may suspend other improvements by requiring for its own purposes the resources destined for them.

This, fellow citizens, is the state of the public interests at the present moment and according to the information now possessed. But such is the situation of the nations of Europe and such, too, the predicament in which we stand with some of them that we can not rely with certainty on the present aspect of our affairs, that may change from moment to moment during the course of your session or after you shall have separated.

Our duty is, therefore, to act upon things as they are and to make a reasonable provision for whatever they may be. Were armies to be raised whenever a speck of war is visible in our horizon, we never should have been without them. Our resources would have been exhausted on dangers which have never happened, instead of being reserved for what is really to take place. A steady, perhaps a quickened, pace in preparation for the defense of our sea port towns and waters; an early settlement of the most exposed and vulnerable parts of our country; a militia so organized that its effective portions can be called to any point in the Union, or volunteers instead of them to serve a sufficient time, are means which may always be ready, yet never preying on our resources until actually called into use. They will maintain the public interests while a more permanent force shall be in course of preparation. But much will depend on the promptitude with which these means can be brought into activity. If war be forced upon us, in spite of our long and vain appeals to the justice of nations, rapid and vigorous movements in its outset will go far toward securing us in its course and issue, and toward throwing its burthens on those who render necessary the resort from reason to force.

The result of our negotiations, or such incidents in their course as may enable us to infer their probable issue; such further movements also on our western frontiers as may shew whether war is to be pressed there while negotiation is protracted elsewhere, shall be communicated to you from time to time as they become known to me, with whatever other information I possess or may receive, which may aid your deliberations on the great national interests committed to your charge.

TH. JEFFERSON

***

State of the Union Address
Thomas Jefferson
October 27, 1807

The Senate and House of Representatives of the United States:

Page 78

Circumstances, fellow citizens, which seriously threatened the peace of our country have made it a duty to convene you at an earlier period than usual. The love of peace so much cherished in the bosoms of our citizens, which has so long guided the proceedings of their public councils and induced forbearance under so many wrongs, may not insure our continuance in the quiet pursuits of industry. The many injuries and depredations committed on our commerce and navigation upon the high seas for years past, the successive innovations on those principles of public law which have been established by the reason and usage of nations as the rule of their intercourse and the umpire and security of their rights and peace, and all the circumstances which induced the extraordinary mission to London are already known to you.

The instructions given to our ministers were framed in the sincerest spirit of amity and moderation. They accordingly proceeded, in conformity therewith, to propose arrangements which might embrace and settle all the points in difference between us, which might bring us to a mutual understanding on our neutral and national rights and provide for a commercial intercourse on conditions of some equality. After long and fruitless endeavors to effect the purposes of their mission and to obtain arrangements within the limits of their instructions, they concluded to sign such as could be obtained and to send them for consideration, candidly declaring to the other negotiators at the same time that they were acting against their instructions, and that their Government, therefore, could not be pledged for ratification.

Some of the articles proposed might have been admitted on a principle of compromise, but others were too highly disadvantageous, and no sufficient provision was made against the principal source of the irritations and collisions which were constantly endangering the peace of the two nations. The question, therefore, whether a treaty should be accepted in that form could have admitted but of one decision, even had no declarations of the other party impaired our confidence in it. Still anxious not to close the door against friendly adjustment, new modifications were framed and further concessions authorized than could before have been supposed necessary; and our ministers were instructed to resume their negotiations on these grounds.

On this new reference to amicable discussion we were reposing in confidence, when on the 22nd day of June last by a formal order from a British admiral the frigate Chesapeake, leaving her port for a distant service, was attacked by one of those vessels which had been lying in our harbors under the indulgences of hospitality, was disabled from proceeding, had several of her crew killed and four taken away. On this outrage no commentaries are necessary. Its character has been pronounced by the indignant voices of our citizens with an emphasis and unanimity never exceeded. I immediately, by proclamation,

Page 79

interdicted our harbors and waters to all British armed vessels, forbade intercourse with them, and uncertain how far hostilities were intended, and the town of Norfolk, indeed, being threatened with immediate attack, a sufficient force was ordered for the protection of that place, and such other preparations commenced and pursued as the prospect rendered proper. An armed vessel of the United States was dispatched with instructions to our ministers at London to call on that Government for the satisfaction and security required by the outrage. A very short interval ought now to bring the answer, which shall be communicated to you as soon as received; then also, or as soon after as the public interests shall be found to admit, the unratified treaty and proceedings relative to it shall be made known to you.

The aggression thus begun has been continued on the part of the British commanders by remaining within our waters in defiance of the authority of the country, by habitual violations of its jurisdiction, and at length by putting to death one of the persons whom they had forcibly taken from on board the Chesapeake. These aggravations necessarily lead to the policy either of never admitting an armed vessel into our harbors or of maintaining in every harbor such an armed force as may constrain obedience to the laws and protect the lives and property of our citizens against their armed guests; but the expense of such a standing force and its inconsistence with our principles dispense with those courtesies which would necessarily call for it, and leave us equally free to exclude the navy, as we are the army, of a foreign power from entering our limits.

To former violations of maritime rights another is now added of very extensive effect. The Government of that nation has issued an order interdicting all trade by neutrals between ports not in amity with them; and being now at war with nearly every nation on the Atlantic and Mediterranean seas, our vessels are required to sacrifice their cargoes at the first port they touch or to return home without the benefit of going to any other market. Under this new law of the ocean our trade on the Mediterranean has been swept away by seizures and condemnations, and that in other seas is threatened with the same fate.

Our differences with Spain remain still unsettled, no measure having been taken on her part since my last communications to Congress to bring them to a close. But under a state of things which may favor reconsideration they have been recently pressed, and an expectation is entertained that they may now soon be brought to an issue of some sort. With their subjects on our borders no new collisions have taken place nor seem immediately to be apprehended. To our former grounds of complaint has been added a very serious one, as you will see by the decree a copy of which is now communicated. Whether this decree, which professes to be conformable to that of the French Government of November 21st, 1806, heretofore communicated to Congress, will also be conformed to that in its construction and application in relation to the United States

had not been ascertained at the date of our last communications. These, however, gave reason to expect such a conformity.

Page 80

With the other nations of Europe our harmony has been uninterrupted, and commerce and friendly intercourse have been maintained on their usual footing.

Our peace with the several states on the coast of Barbary appears as firm as at any former period and as likely to continue as that of any other nation.

Among our Indian neighbors in the northwestern quarter some fermentation was observed soon after the late occurrences, threatening the continuance of our peace. Messages were said to be interchanged and tokens to be passing, which usually denote a state of restless among them, and the character of the agitators pointed to the sources of excitement. Measures were immediately taken for providing against that danger; instructions were given to require explanations, and, with assurances of our continued friendship, to admonish the tribes to remain quiet at home, taking no part in quarrels not belonging to them. As far as we are yet informed, the tribes in our vicinity, who are most advanced in the pursuits of industry, are sincerely disposed to adhere to their friendship with us and to their peace with all others, while those more remote do not present appearances sufficiently quiet to justify the intermission of military precaution on our part.

The great tribes on our southwestern quarter, much advanced beyond the others in agriculture and household arts, appear tranquil and identifying their views with ours in proportion to their advancement. With the whole of these people, in every quarter, I shall continue to inculcate peace and friendship with all their neighbors and perseverance in those occupations and pursuits which will best promote their own well-being.

The appropriations of the last session for the defense of our sea port towns and harbors were made under expectation that a continuance of our peace would permit us to proceed in that work according to our convenience. It has been thought better to apply the sums then given toward the defense of New York, Charleston, and New Orleans chiefly, as most open and most likely first to need protection, and to leave places less immediately in danger to the provisions of the present session.

The gun boats, too, already provided have on a like principle been chiefly assigned to New York, New Orleans, and the Chesapeake. Whether our movable force on the water, so material in aid of the defensive works on the land, should be augmented in this or any other form is left to the wisdom of the Legislature. For the purpose of manning these vessels in sudden attacks on our harbors it is a matter for consideration whether the sea men of the United States may not justly be formed into a special militia, to be called on for tours of duty in defense of the harbors where they shall happen to be, the ordinary militia of the place furnishing that portion which may consist of landsmen.

Page 81

The moment our peace was threatened I deemed it indispensable to secure a greater provision of those articles of military stores with which our magazines were not sufficiently furnished. To have awaited a previous and special sanction by law would have lost occasions which might not be retrieved. I did not hesitate, therefore, to authorize engagements for such supplements to our existing stock as would render it adequate to the emergencies threatening us, and I trust that the Legislature, feeling the same anxiety for the safety of our country, so materially advanced by this precaution, will approve, when done, what they would have seen so important to be done if then assembled. Expenses, also unprovided for, arose out of the necessity of calling all our gun boats into actual service for the defense of our harbors; all of which accounts will be laid before you.

Whether a regular army is to be raised, and to what extent, must depend on the information so shortly expected. In the mean time I have called on the States for quotas of militia, to be in readiness for present defense, and have, moreover, encouraged the acceptance of volunteers; and I am happy to inform you that these have offered themselves with great alacrity in every part of the Union. They are ordered to be organized and ready at a moment's warning to proceed on any service to which they may be called, and every preparation within the Executive powers has been made to insure us the benefit of early exertions.

I informed Congress at their last session of the enterprises against the public peace which were believed to be in preparation by Aaron Burr and his associates, of the measures taken to defeat them and to bring the offenders to justice. Their enterprises were happily defeated by the patriotic exertions of the militia whenever called into action, by the fidelity of the Army, and energy of the commander in chief in promptly arranging the difficulties presenting themselves on the Sabine, repairing to meet those arising on the Mississippi, and dissipating before their explosion plots engendering there. I shall think it my duty to lay before you the proceedings and the evidence publicly exhibited on the arraignment of the principal offenders before the circuit court of Virginia.

You will be enabled to judge whether the defect was in the testimony, in the law, or in the administration of the law; and wherever it shall be found, the Legislature alone can apply or originate the remedy. The framers of our Constitution certainly supposed they had guarded as well their Government against destruction by treason as their citizens against oppression under pretense of it, and if these ends are not attained it is of importance to inquire by what means more effectual they may be secured.

Page 82

The accounts of the receipts of revenue during the year ending on the 30th day of September last being not yet made up, a correct statement will be hereafter transmitted from the Treasury. In the mean time, it is ascertained that the receipts have amounted to near $16 millions, which, with the $5.5 millions in the Treasury at the beginning of the year, have enabled us, after meeting the current demands and interest incurred, to pay more than $4 millions of the principal of our funded debt. These payments, with those of the preceding five and a half years, have extinguished of the funded debt $25.5 millions, being the whole which could be paid or purchased within the limits of the law and of our contracts, and have left us in the Treasury $8.5 millions.

A portion of this sum may be considered as a commencement of accumulation of the surpluses of revenue which, after paying the installments of debt as they shall become payable, will remain without any specific object. It may partly, indeed, be applied toward completing the defense of the exposed points of our country, on such a scale as shall be adapted to our principles and circumstances. This object is doubtless among the first entitled to attention in such a state of our finances, and it is one which, whether we have peace or war, will provide security where it is due. Whether what shall remain of this, with the future surpluses, may be usefully applied to purposes already authorized or more usefully to others requiring new authorities, or how otherwise they shall be disposed of, are questions calling for the notice of Congress, unless, indeed, they shall be superseded by a change in our public relations now awaiting the determination of others. Whatever be that determination, it is a great consolation that it will become known at a moment when the supreme council of the nation is assembled at its post, and ready to give the aids of its wisdom and authority to whatever course the good of our country shall then call us to pursue.

Matters of minor importance will be the subjects of future communications, and nothing shall be wanting on my part which may give information or dispatch to the proceedings of the Legislature in the exercise of their high duties, and at a moment so interesting to the public welfare.

TH. JEFFERSON

***

State of the Union Address
Thomas Jefferson
November 8, 1808

The Senate and House of Representatives of the United States:

It would have been a source, fellow citizens, of much gratification if our last communications from Europe had enabled me to inform you that the belligerent nations,

whose disregard of neutral rights has been so destructive to our commerce, had become awakened to the duty and true policy of revoking their unrighteous edicts. That no means might be omitted to produce this salutary effect, I lost no time in availing myself

Page 83

of the act authorizing a suspension, in whole or in part, of the several embargo laws. Our ministers at London and Paris were instructed to explain to the respective Governments there our disposition to exercise the authority in such manner as would withdraw the pretext on which the aggressions were originally founded and open the way for a renewal of that commercial intercourse which it was alleged on all sides had been reluctantly obstructed.

As each of those Governments had pledged its readiness to concur in renouncing a measure which reached its adversary through the incontestable rights of neutrals only, and as the measure had been assumed by each as a retaliation for an asserted acquiescence in the aggression of the other, it was reasonably expected that the occasion would have been seized by both for evincing the sincerity of their professions, and for restoring to the commerce of the United States its legitimate freedom. The instructions to our ministers with respect to the different belligerents were necessarily modified with a reference to their different circumstances, and to the condition annexed by law to the Executive power of suspension, requiring a decree of security to our commerce which would not result from a repeal of the decrees of France. Instead of a pledge, therefore, of a suspension of the embargo as to her in case of such a repeal, it was presumed that a sufficient inducement might be found in other considerations, and particularly in the change produced by a compliance with our just demands by one belligerent and a refusal by the other in the relations between the other and the United States.

To Great Britain, whose power on the ocean is so ascendant, it was deemed not inconsistent with that condition to state explicitly that on her rescinding her orders in relation to the United States their trade would be opened with her, and remain shut to her enemy in case of his failure to rescind his decrees also. From France no answer has been received, nor any indication that the requisite change in her decrees is contemplated. The favorable reception of the proposition to Great Britain was the less to be doubted, as her orders of council had not only been referred for their vindication to an acquiescence on the part of the United States no longer to be pretended, but as the arrangement proposed, whilst it resisted the illegal decrees of France, involved, moreover, substantially the precise advantages professedly aimed at by the British orders. The arrangement has nevertheless been rejected.

This candid and liberal experiment having thus failed, and no other event having occurred on which a suspension of the embargo by the Executive was authorized, it necessarily remains in the extent originally given to it. We have the satisfaction, however, to reflect that in return for the privations imposed by the measure, and which our fellow citizens in general have borne with patriotism, it has had the important

Page 84

effects of saving our mariners and our vast mercantile property, as well as of affording time for prosecuting the defensive and provisional measures called for by the occasion. It has demonstrated to foreign nations the moderation and firmness which govern our councils, and to our citizens the necessity of uniting in support of the laws and the rights of their country, and has thus long frustrated those usurpations and spoliations which, if resisted, involved war; if submitted to, sacrificed a vital principle of our national independence.

Under a continuance of the belligerent measures which, in defiance of laws which consecrate the rights of neutrals, overspread the ocean with danger, it will rest with the wisdom of Congress to decide on the course best adapted to such a state of things; and bringing with them, as they do, from every part of the Union the sentiments of our constituents, my confidence is strengthened that in forming this decision they will, with an unerring regard to the essential rights and interests of the nation, weigh and compare the painful alternatives out of which a choice is to be made. Nor should I do justice to the virtues which on other occasions have marked the character of our fellow citizens if I did not cherish an equal confidence that the alternative chosen, whatever it may be, will be maintained with all the fortitude and patriotism which the crisis ought to inspire.

The documents containing the correspondences on the subject of the foreign edicts against our commerce, with the instructions given to our ministers at London and Paris, are now laid before you.

The communications made to Congress at their last session explained the posture in which the close of the discussions relating to the attack by a British ship of war on the frigate Chesapeake left a subject on which the nation had manifested so honorable a sensibility. Every view of what had passed authorized a belief that immediate steps would be taken by the British Government for redressing a wrong which the more it was investigated appeared the more clearly to require what had not been provided for in the special mission. It is found that no steps have been taken for the purpose. On the contrary, it will be seen in the documents laid before you that the inadmissible preliminary which obstructed the adjustment is still adhered to, and, moreover, that it is now brought into connection with the distinct and irrelative case of the orders in council. The instructions which had been given to our minister at London with a view to facilitate, if necessary, the reparation claimed by the United States are included in the documents communicated.

Our relations with the other powers of Europe have undergone no material changes since your last session. The important negotiations with Spain which had been alternately suspended and resumed necessarily experience a pause under the extraordinary and interesting crisis which distinguishes her internal situation.

Page 85

With the Barbary Powers we continue in harmony, with the exception of an unjustifiable proceeding of the Dey of Algiers toward our consul to that Regency. Its character and circumstances are now laid before you, and will enable you to decide how far it may, either now or hereafter, call for any measures not within the limits of the Executive authority.

With our Indian neighbors the public peace has been steadily maintained. Some instances of individual wrong have, as at other times, taken place, but in no wise implicating the will of the nation. Beyond the Mississippi the Ioways, the Sacs and the Alabamas have delivered up for trial and punishment individuals from among themselves accused of murdering citizens of the United States. On this side of the Mississippi the Creeks are exerting themselves to arrest offenders of the same kind, and the Choctaws have manifested their readiness and desire for amicable and just arrangements respecting depredations committed by disorderly persons of their tribe. And, generally, from a conviction that we consider them as a part of ourselves, and cherish with sincerity their rights and interests, the attachment of the Indian tribes is gaining strength daily—is extending from the nearer to the more remote, and will amply requite us for the justice and friendship practiced toward them. Husbandry and household manufacture are advancing among them more rapidly with the Southern than Northern tribes, from circumstances of soil and climate, and one of the two great divisions of the Cherokee Nation have now under consideration to solicit the citizenship of the United States, and to be identified with us in laws and government in such progressive manner as we shall think best.

In consequence of the appropriations of the last session of Congress for the security of our sea port towns and harbors, such works of defense have been erected as seemed to be called for by the situation of the several places, their relative importance, and the scale of expense indicated by the amount of the appropriation. These works will chiefly be finished in the course of the present season, except at New York and New Orleans, where most was to be done; and although a great proportion of the last appropriation has been expended on the former place, yet some further views will be submitted to Congress for rendering its security entirely adequate against naval enterprise. A view of what has been done at the several places, and of what is proposed to be done, shall be communicated as soon as the several reports are received.

Of the gun boats authorized by the act of December last, it has been thought necessary to build only one hundred and three in the present year. These, with those before possessed, are sufficient for the harbors and waters most exposed, and the residents will require little time for their construction when it shall be deemed necessary.

Under the act of the last session for raising an additional military force so many officers were immediately appointed as were necessary for carrying on the business of recruiting, and in proportion as it advanced others have been added. We have reason

to believe their success has been satisfactory, although such returns have not yet been received as enable me to present you a statement of the numbers engaged.

Page 86

I have not thought it necessary in the course of the last season to call for any general detachments of militia or of volunteers under the laws passed for that purpose. For the ensuing season, however, they will be required to be in readiness should their service be wanted. Some small and special detachments have been necessary to maintain the laws of embargo on that portion of our northern frontier which offered peculiar facilities for evasion, but these were replaced as soon as it could be done by bodies of new recruits. By the aid of these and of the armed vessels called into service in other quarters the spirit of disobedience and abuse, which manifested itself early and with sensible effect while we were unprepared to meet it, has been considerably repressed.

Considering the extraordinary character of the times in which we live, our attention should unremittingly be fixed on the safety of our country. For a people who are free, and who mean to remain so, a well organized and armed militia is their best security. It is therefore incumbent on us at every meeting to revise the condition of the militia, and to ask ourselves if it is prepared to repel a powerful enemy at every point of our territories exposed to invasion. Some of the States have paid a laudable attention to this object, but every degree of neglect is to be found among others. Congress alone having the power to produce an uniform state of preparation in this great organ of defense, the interests which they so deeply feel in their own and their country's security will present this as among the most important objects of their deliberation.

Under the acts of March 11th and April 23rd respecting arms, the difficulty of procuring them from abroad during the present situation and dispositions of Europe induced us to direct our whole efforts to the means of internal supply. The public factories have therefore been enlarged, additional machineries erected, and, in proportion as artificers can be found or formed, their effect, already more than doubled, may be increased so as to keep pace with the yearly increase of the militia. The annual sums appropriated by the latter have been directed to the encouragement of private factories of arms, and contracts have been entered into with individual undertakers to nearly the amount of the first year's appropriation.

The suspension of our foreign commerce, produced by the injustice of the belligerent powers and the consequent losses and sacrifices of our citizens are subjects of just concern. The situation into which we have thus been forced has impelled us to apply a portion of our industry and capital to internal manufactures and improvements. The extent of this conversion is daily increasing, and little doubt remains that the establishments formed and forming will, under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of protecting duties and prohibitions, become permanent. The commerce with the Indians, too, within our own boundaries is likely to receive abundant aliment from the same internal source, and will secure to them peace and the progress of civilization, undisturbed by practices hostile to both.

Page 87

The accounts of the receipts and expenditures during the year ending the 30th of September last being not yet made up, a correct statement will hereafter be transmitted from the Treasury. In the mean time it is ascertained that the receipts have amounted to near $18 millions, which, with the $8.5 millions in the Treasury at the beginning of the year, have enabled us, after meeting the current demands and interest incurred, to pay $2.3 millions of the principal of our funded debt, and left us in the Treasury on that day near $14 millions. Of these, $5.35 millions will be necessary to pay what will be due on the 1st day of January next, which will complete the reimbursement of the 8% stock. These payments, with those made in the six and a half years preceding, will have extinguished $33.58 millions of the principal of the funded debt, being the whole which could be paid or purchased within the limits of the law and of our contracts, and the amount of principal thus discharged will have liberated the revenue from about $2 millions of interest and added that sum annually to the disposable surplus.

The probable accumulation of the surpluses of revenue beyond what can be applied to the payment of the public debt whenever the freedom and safety of our commerce shall be restored merits the consideration of Congress. Shall it lie unproductive in the public vaults? Shall the revenue be reduced? Or shall it not rather be appropriated to the improvements of roads, canals, rivers, education, and other great foundations of prosperity and union under the powers which Congress may already possess or such amendment to the Constitution as may be approved by the States? While uncertain of the course of things, the time may be advantageously employed in obtaining the powers necessary for a system of improvement, should that be thought best.

Availing myself of this the last occasion which will occur of addressing the two Houses of the Legislature at their meeting, I can not omit the expression of my sincere gratitude for the repeated proofs of confidence manifested to me by themselves and their predecessors since my call to the administration and the many indulgences experienced at their hands. These same grateful acknowledgements are due to my fellow citizens generally, whose support has been my great encouragement under all embarrassments. In the transaction of their business I can not have escaped error. It is incident to our imperfect nature. But I may say with truth my errors have been of the understanding, not of intention, and that the advancement of their rights and interests has been the constant motive for every measure. On these considerations I solicit their indulgence. Looking forward with anxiety to future destinies, I trust that in their steady character, unshaken by difficulties, in their love of liberty, obedience to law, and support of the public authorities, I see a sure guaranty of the permanence of our Republic; and, retiring from the charge of their affairs, I carry with me the consolation of a firm persuasion that Heaven has in store for our beloved country long ages to come of prosperity and happiness.

Page 88

TH. JEFFERSON

***

State of the Union Address
James Madison
November 29, 1809

Fellow-Citizens of the Senate and House of Representatives:

At the period of our last meeting I had the satisfaction of communicating an adjustment with one of the principal belligerent nations, highly important in itself, and still more so as presaging a more extended accommodation. It is with deep concern I am now to inform you that the favorable prospect has been over-clouded by a refusal of the British Government to abide by the act of its minister plenipotentiary, and by its ensuing policy toward the United States as seen through the communications of the minister sent to replace him.

Whatever pleas may be urged for a disavowal of engagements formed by diplomatic functionaries in cases where by the terms of the engagements a mutual ratification is reserved, or where notice at the time may have been given of a departure from instructions, or in extraordinary cases essentially violating the principles of equity, a disavowal could not have been apprehended in a case where no such notice or violation existed, where no such ratification was reserved, and more especially where, as is now in proof, an engagement to be executed without any such ratification was contemplated by the instructions given, and where it had with good faith been carried into immediate execution on the part of the United States.

These considerations not having restrained the British Government from disavowing the arrangement by virtue of which its orders in council were to be revoked, and the event authorizing the renewal of commercial intercourse having thus not taken place, it necessarily became a question of equal urgency and importance whether the act prohibiting that intercourse was not to be considered as remaining in legal force. This question being, after due deliberation, determined in the affirmative, a proclamation to that effect was issued. It could not but happen, however, that a return to this state of things from that which had followed an execution of the arrangement by the United States would involve difficulties. With a view to diminish these as much as possible, the instructions from the Secretary of the Treasury now laid before you were transmitted to the collectors of the several ports. If in permitting British vessels to depart without giving bonds not to proceed to their own ports it should appear that the tenor of legal authority has not been strictly pursued, it is to be ascribed to the anxious desire which was felt that no individuals should be injured by so unforeseen an occurrence; and I rely on the regard of Congress for the equitable interests of our own citizens to adopt

whatever further provisions may be found requisite for a general remission of penalties involuntarily incurred.

Page 89

The recall of the disavowed minister having been followed by the appointment of a successor, hopes were indulged that the new mission would contribute to alleviate the disappointment which had been produced, and to remove the causes which had so long embarrassed the good understanding of the two nations. It could not be doubted that it would at least be charged with conciliatory explanations of the step which had been taken and with proposals to be substituted for the rejected arrangement.

Reasonable and universal as this expectation was, it also has not been fulfilled. From the first official disclosures of the new minister it was found that he had received no authority to enter into explanations relative to either branch of the arrangement disavowed nor any authority to substitute proposals as to that branch which concerned the British orders in council, and, finally, that his proposals with regard to the other branch, the attack on the frigate Chesapeake, were founded on a presumption repeatedly declared to be inadmissible by the United States, that the first step toward adjustment was due from them, the proposals at the same time omitting even a reference to the officer answerable for the murderous aggression, and asserting a claim not less contrary to the British laws and British practice than to the principles and obligations of the United States.

The correspondence between the Department of State and this minister will show how unessentially the features presented in its commencement have been varied in its progress. It will show also that, forgetting the respect due to all governments, he did not refrain from imputations on this, which required that no further communications should be received from him. The necessity of this step will be made known to His Britannic Majesty through the minister plenipotentiary of the United States in London; and it would indicate a want of the confidence due to a Government which so well understands and exacts what becomes foreign ministers near it not to infer that the misconduct of its own representative will be viewed in the same light in which it has been regarded here. The British Government will learn at the same time that a ready attention will be given to communications through any channel which may be substituted. It will be happy if the change in this respect should be accompanied by a favorable revision of the unfriendly policy which has been so long pursued toward the United States.

With France, the other belligerent, whose trespasses on our commercial rights have long been the subject of our just remonstrances, the posture of our relations does not correspond with the measures taken on the part of the United States to effect a favorable change. The result of the several communications made to her Government, in pursuance of the authorities vested by Congress in the Executive, is contained in the correspondence of our minister at Paris now laid before you.

Page 90

By some of the other belligerents, although professing just and amicable dispositions, injuries materially affecting our commerce have not been duly controlled or repressed. In these cases the interpositions deemed proper on our part have not been omitted. But it well deserves the consideration of the Legislature how far both the safety and the honor of the American flag may be consulted, by adequate provisions against that collusive prostitution of it by individuals unworthy of the American name which has so much flavored the real or pretended suspicions under which the honest commerce of their fellow citizens has suffered.

In relation to the powers on the coast of Barbary, nothing has occurred which is not of a nature rather to inspire confidence than distrust as to the continuance of the existing amity. With our Indian neighbors, the just and benevolent system continued toward them has also preserved peace, and is more and more advancing habits favorable to their civilization and happiness.

From a statement which will be made by the Secretary of War it will be seen that the fortifications on our maritime frontier are in many of the ports completed, affording the defense which was contemplated, and that a further time will be required to render complete the works in the harbor of New York and in some other places. By the enlargement of the works and the employment of a greater number of hands at the public armories the supply of small arms of an improving quality appears to be annually increasing at a rate that, with those made on private contract, may be expected to go far toward providing for the public exigency.

The act of Congress providing for the equipment of our vessels of war having been fully carried into execution, I refer to the statement of the Secretary of the Navy for the information which may be proper on that subject. To that statement is added a view of the transfers of appropriations authorized by the act of the session preceding the last and of the grounds on which the transfers were made.

Whatever may be the course of your deliberations on the subject of our military establishments, I should fail in my duty in not recommending to your serious attention the importance of giving to our militia, the great bulwark of our security and resource of our power, an organization best adapted to eventual situations for which the United States ought to be prepared.

The sums which had been previously accumulated in the Treasury, together with the receipts during the year ending on the 30th of September last (and amounting to more than $9 millions), have enabled us to fulfill all our engagements and to defray the current expenses of Government without recurring to any loan. But the insecurity of our commerce and the consequent diminution of the public revenue will probably produce a deficiency in the receipts of the ensuing year, for which and for other details I refer to the statements which will be transmitted from the Treasury.

Page 91

In the state which has been presented of our affairs with the great parties to a disastrous and protracted war, carried on in a mode equally injurious and unjust to the United States as a neutral nation, the wisdom of the National Legislature will be again summoned to the important decision on the alternatives before them. That these will be met in a spirit worthy the councils of a nation conscious both of its rectitude and of its rights, and careful as well of its honor as of its peace, I have an entire confidence; and that the result will be stamped by a unanimity becoming the occasion, and be supported by every portion of our citizens with a patriotism enlightened and invigorated by experience, ought as little to be doubted.

In the midst of the wrongs and vexations experienced from external causes there is much room for congratulation on the prosperity and happiness flowing from our situation at home. The blessing of health has never been more universal. The fruits of the seasons, though in particular articles and districts short of their usual redundancy, are more than sufficient for our wants and our comforts. The face of our country ever presents evidence of laudable enterprise, of extensive capital, and of durable improvement. In a cultivation of the materials and the extension of useful manufactures, more especially in the general application to household fabrics, we behold a rapid diminution of our dependence on foreign supplies. Nor is it unworthy of reflection that this revolution in our pursuits and habits is in no slight degree a consequence of those impolitic and arbitrary edicts by which the contending nations, in endeavoring each of them to obstruct our trade with the other, have so far abridged our means of procuring the productions and manufactures of which our own are now taking the place.

Recollecting always that for every advantage which may contribute to distinguish our lot from that to which others are doomed by the unhappy spirit of the times we are indebted to that Divine Providence whose goodness has been so remarkably extended to this rising nation, it becomes us to cherish a devout gratitude, and to implore from the same omnipotent source a blessing on the consultations and measures about to be undertaken for the welfare of our beloved country.

***

State of the Union Address
James Madison
December 5, 1810

Fellow-Citizens of the Senate and House of Representatives:

The embarrassments which have prevailed in our foreign relations, and so much employed the deliberations of Congress, make it a primary duty in meeting you to communicate whatever may have occurred in that branch of our national affairs.

The act of the last session of Congress concerning the commercial intercourse between the United States and Great Britain and France and their dependencies having invited in a new form a termination of their edicts against our neutral commerce, copies of the act were immediately forwarded to our ministers at London and Paris, with a view that its object might be within the early attention of the French and British Governments.

Page 92

By the communication received through our minister at Paris it appeared that knowledge of the act by the French Government was followed by a declaration that the Berlin and Milan decrees were revoked, and would cease to have effect on the first day of November ensuing. These being the only known edicts of France within the description of the act, and the revocation of them being such that they ceased at that date to violate our neutral commerce, the fact, as prescribed by law, was announced by a proclamation bearing date the 2nd of November.

It would have well accorded with the conciliatory views indicated by this proceeding on the part of France to have extended them to all the grounds of just complaint which now remain unadjusted with the United States. It was particularly anticipated that, as a further evidence of just dispositions toward them, restoration would have been immediately made of the property of our citizens under a misapplication of the principle of reprisals combined with a misconstruction of a law of the United States. This expectation has not been fulfilled.

From the British Government no communication on the subject of the act has been received. To a communication from our minister at London of a revocation by the French Government of its Berlin and Milan decrees it was answered that the British system would be relinquished as soon as the repeal of the French decrees should have actually taken effect and the commerce of neutral nations have been restored to the condition in which it stood previously to the promulgation of those decrees. This pledge, although it does not necessarily import, does not exclude the intention of relinquishing, along with the others in council, the practice of those novel blockades which have a like effect of interrupting our neutral commerce, and this further justice to the United States is the rather to be looked for, in as much as the blockades in question, being not more contrary to the established law of nations than inconsistent with the rules of blockade formally recognized by Great Britain herself, could have no alleged basis other than the plea of retaliation alleged as the basis of the orders in council.

Under the modification of the original orders of November, 1807, into the orders of April, 1809, there is, indeed, scarcely a nominal distinction between the orders and the blockades. One of those illegitimate blockades, bearing date in May, 1806, having been expressly avowed to be still unrescinded, and to be in effect comprehended in the orders in council, was too distinctly brought within the purview of the act of Congress not to be comprehended in the explanation of the requisites to a compliance with it. The British Government was accordingly apprised by our minister near it that such was the light in which the subject was to be regarded.

On the other important subjects depending between the United States and the Government no progress has been made from which an early and satisfactory result can be relied on.

Page 93

In this new posture of our relations with those powers the consideration of Congress will be properly turned to a removal of doubts which may occur in the exposition and of difficulties in the execution of the act above cited.

The commerce of the United States with the north of Europe, heretofore much vexed by licentious cruisers, particularly under the Danish flag, has latterly been visited with fresh and extensive depredations. The measures pursued in behalf of our injured citizens not having obtained justice for them, a further and more formal interposition with the Danish Government is contemplated. The principles which have been maintained by that Government in relation to neutral commerce, and the friendly professions of His Danish Majesty toward the United States, are valuable pledges in favor of a successful issue.

Among the events growing out of the state of the Spanish Monarchy, our attention was imperiously attracted to the change developing itself in that portion of West Florida which, though of right appertaining to the United States, had remained in the possession of Spain awaiting the result of negotiations for its actual delivery to them. The Spanish authority was subverted and a situation produced exposing the country to ulterior events which might essentially affect the rights and welfare of the Union. In such a conjuncture I did not delay the interposition required for the occupancy of the territory west of the river Perdido, to which the title of the United States extends, and to which the laws provided for the Territory of Orleans are applicable. With this view, the proclamation of which a copy is laid before you was confided to the governor of that Territory to be carried into effect. The legality and necessity of the course pursued assure me of the favorable light in which it will present itself to the Legislature, and of the promptitude with which they will supply whatever provisions may be due to the essential rights and equitable interests of the people thus brought into the bosom of the American family.

Our amity with the powers of Barbary, with the exception of a recent occurrence at Tunis, of which an explanation is just received, appears to have been uninterrupted and to have become more firmly established.

With the Indian tribes also the peace and friendship of the United States are found to be so eligible that the general disposition to preserve both continues to gain strength.

I feel particular satisfaction in remarking that an interior view of our country presents us with grateful proofs of its substantial and increasing prosperity. To a thriving agriculture and the improvements related to it is added a highly interesting extension of useful manufactures, the combined product of professional occupations and of household industry. Such indeed is the experience of economy as well as of policy in these substitutes for supplies heretofore obtained

Page 94

by foreign commerce that in a national view the change is justly regarded as of itself more than a recompense for those privations and losses resulting from foreign injustice which furnished the general impulse required for its accomplishment. How far it may be expedient to guard the infancy of this improvement in the distribution of labor by regulations of the commercial tariff is a subject which can not fail to suggest itself to your patriotic reflections.

It will rest with the consideration of Congress also whether a provident as well as fair encouragement would not be given to our navigation by such regulations as would place it on a level of competition with foreign vessels, particularly in transporting the important and bulky productions of our own soil. The failure of equality and reciprocity in the existing regulations on this subject operates in our ports as a premium to foreign competitors, and the inconvenience must increase as these may be multiplied under more favorable circumstances by the more than countervailing encouragements now given them by the laws of their respective countries.

Whilst it is universally admitted that a well-instructed people alone can be permanently a free people, and whilst it is evident that the means of diffusing and improving useful knowledge form so small a proportion of the expenditures for national purposes, I can not presume it to be unseasonable to invite your attention to the advantages of superadding to the means of education provided by the several States a seminary of learning instituted by the National Legislature within the limits of their exclusive jurisdiction, the expense of which might be defrayed or reimbursed out of the vacant grounds which have accrued to the nation within those limits.

Such an institution, though local in its legal character, would be universal in its beneficial effects. By enlightening the opinions, by expanding the patriotism, and by assimilating the principles, the sentiments, and the manners of those who might resort to this temple of science, to be redistributed in due time through every part of the community, sources of jealousy and prejudice would be diminished, the features of national character would be multiplied, and greater extent given to social harmony. But, above all, a well-constituted seminary in the center of the nation is recommended by the consideration that the additional instruction emanating from it would contribute not less to strengthen the foundations than to adorn the structure of our free and happy system of government.

Among the commercial abuses still committed under the American flag, and leaving in force my former reference to that subject, it appears that American citizens are instrumental in carrying on a traffic in enslaved Africans, equally in violation of the laws of humanity and in defiance of those of their own country. The same just and benevolent motives which produced interdiction in force against this criminal conduct will doubtless be felt by Congress in devising further means of suppressing the evil.

Page 95

In the midst of uncertainties necessarily connected with the great interests of the United States, prudence requires a continuance of our defensive and precautionary arrangement. The Secretary of War and Secretary of the Navy will submit the statements and estimates which may aid Congress in their ensuing provisions for the land and naval forces. The statements of the latter will include a view of the transfers of appropriations in the naval expenditures and in the grounds on which they were made.

The fortifications for the defense of our maritime frontier have been prosecuted according to the plan laid down in 1808. The works, with some exceptions, are completed and furnished with ordnance. Those for the security of the city of New York, though far advanced toward completion, will require a further time and appropriation. This is the case with a few others, either not completed or in need of repairs.

The improvements in quality and quantity made in the manufacture of cannon and small arms, both at the public armories and private factories, warrant additional confidence in the competency of these resources for supplying the public exigencies.

These preparations for arming the militia having thus far provided for one of the objects contemplated by the power vested in Congress with respect to that great bulwark of the public safety, it is for their consideration whether further provisions are not requisite for the other contemplated objects of organization and discipline. To give to this great mass of physical and moral force the efficiency which it merits, and is capable of receiving, it is indispensable that they should be instructed and practiced in the rules by which they are to be governed. Toward an accomplishment of this important work I recommend for the consideration of Congress the expediency of instituting a system which shall in the first instance call into the field at the public expense and for a given time certain portions of the commissioned and non-commissioned officers. The instruction and discipline thus acquired would gradually diffuse through the entire body of the militia that practical knowledge and promptitude for active service which are the great ends to be pursued. Experience has left no doubt either of the necessity or of the efficacy of competent military skill in those portions of an army in fitting it for the final duties which it may have to perform.

The Corps of Engineers, with the Military Academy, are entitled to the early attention of Congress. The buildings at the seat fixed by law for the present Academy are so far in decay as not to afford the necessary accommodation. But a revision of the law is recommended, principally with a view to a more enlarged cultivation and diffusion of the advantages of such institutions, by providing professorships for all the necessary branches of military instruction, and by the establishment of an additional academy at the seat of Government or elsewhere. The means by which war, as well for defense as for offense, are now carried on render these schools of the more scientific operations an indispensable part of every adequate system.

Page 96

Even among nations whose large standing armies and frequent wars afford every other opportunity of instruction these establishments are found to be indispensable for the due attainment of the branches of military science which require a regular course of study and experiment. In a government happily without the other opportunities seminaries where the elementary principles of the art of war can be taught without actual war, and without the expense of extensive and standing armies, have the precious advantage of uniting an essential preparation against external danger with a scrupulous regard to internal safety. In no other way, probably, can a provision of equal efficacy for the public defense be made at so little expense or more consistently with the public liberty.

The receipts into the Treasury during the year ending on the 30th of September last (and amounting to more than $8.5 millions) have exceeded the current expenses of the Government, including the interest on the public debt. For the purpose of reimbursing at the end of the year $3.75 millions of the principal, a loan, as authorized by law, had been negotiated to that amount, but has since been reduced to $2.75 millions, the reduction being permitted by the state of the Treasury, in which there will be a balance remaining at the end of the year estimated at $2 millions. For the probable receipts of the next year and other details I refer to statements which will be transmitted from the Treasury, and which will enable you to judge what further provisions may be necessary for the ensuing years.

Reserving for future occasions in the course of the session whatever other communications may claim your attention, I close the present by expressing my reliance, under the blessing of Divine Providence, on the judgement and patriotism which will guide your measures at a period particularly calling for united councils and flexible exertions for the welfare of our country, and by assuring you of the fidelity and alacrity with which my cooperation will be afforded.

***

State of the Union Address
James Madison
November 5, 1811

Fellow-Citizens of the Senate and House of Representatives:

In calling you together sooner than a separation from your homes would otherwise have been required I yielded to considerations drawn from the posture of our foreign affairs, and in fixing the present for the time of your meeting regard was had to the probability of further developments of the policy of the belligerent powers toward this country which might the more unite the national councils in the measures to be pursued.

At the close of the last session of Congress it was hoped that the successive confirmations of the extinction of the French decrees, so far as they violated our neutral commerce, would have induced the Government of Great Britain to repeal its orders in council, and thereby authorize a removal of the existing obstructions to her commerce with the United States.

Page 97

Instead of this reasonable step toward satisfaction and friendship between the two nations, the orders were, at a moment when least to have been expected, put into more rigorous execution; and it was communicated through the British envoy just arrived that whilst the revocation of the edicts of France, as officially made known to the British Government, was denied to have taken place, it was an indispensable condition of the repeal of the British orders that commerce should be restored to a footing that would admit the productions and manufactures of Great Britain, when owned by neutrals, into markets shut against them by her enemy, the United States being given to understand that in the mean time a continuance of their nonimportation act would lead to measures of retaliation.

At a later date it has indeed appeared that a communication to the British Government of fresh evidence of the repeal of the French decrees against our neutral trade was followed by an intimation that it had been transmitted to the British plenipotentiary here in order that it might receive full consideration in the depending discussions. This communication appears not to have been received; but the transmission of it hither, instead of founding on it an actual repeal of the orders or assurances that the repeal would ensue, will not permit us to rely on any effective change in the British cabinet. To be ready to meet with cordiality satisfactory proofs of such a change, and to proceed in the mean time in adapting our measures to the views which have been disclosed through that minister will best consult our whole duty.

In the unfriendly spirit of those disclosures indemnity and redress for other wrongs have continued to be withheld, and our coasts and the mouths of our harbors have again witnessed scenes not less derogatory to the dearest of our national rights than vexation to the regular course of our trade.

Among the occurrences produced by the conduct of British ships of war hovering on our coasts was an encounter between one of them and the American frigate commanded by Captain Rodgers, rendered unavoidable on the part of the latter by a fire commenced without cause by the former, whose commander is therefore alone chargeable with the blood unfortunately shed in maintaining the honor of the American flag. The proceedings of a court of inquiry requested by Captain Rodgers are communicated, together with the correspondence relating to the occurrence, between the Secretary of State and His Britannic Majesty's envoy. To these are added the several correspondences which have passed on the subject of the British orders in council, and to both the correspondence relating to the Floridas, in which Congress will be made acquainted with the interposition which the Government of Great Britain has thought proper to make against the proceeding of the United States.

Page 98

The justice and fairness which have been evinced on the part of the United States toward France, both before and since the revocation of her decrees, authorized an expectation that her Government would have followed up that measure by all such others as were due to our reasonable claims, as well as dictated by its amicable professions. No proof, however, is yet given of an intention to repair the other wrongs done to the United States, and particularly to restore the great amount of American property seized and condemned under edicts which, though not affecting our neutral relations, and therefore not entering into questions between the United States and other belligerents, were nevertheless founded in such unjust principles that the reparation ought to have been prompt and ample.

In addition to this and other demands of strict right on that nation, the United States have much reason to be dissatisfied with the rigorous and unexpected restrictions to which their trade with the French dominions has been subjected, and which, if not discontinued, will require at least corresponding restrictions on importations from France into the United States.

On all those subjects our minister plenipotentiary lately sent to Paris has carried with him the necessary instructions, the result of which will be communicated to you, by ascertaining the ulterior policy of the French Government toward the United States, will enable you to adapt to it that of the United States toward France.

Our other foreign relations remain without unfavorable changes. With Russia they are on the best footing of friendship. The ports of Sweden have afforded proofs of friendly dispositions toward our commerce in the councils of that nation also, and the information from our special minister to Denmark shews that the mission had been attended with valuable effects to our citizens, whose property had been so extensively violated and endangered by cruisers under the Danish flag.

Under the ominous indications which commanded attention it became a duty to exert the means committed to the executive department in providing for the general security. The works of defense on our maritime frontier have accordingly been prosecuted with an activity leaving little to be added for the completion of the most important ones, and, as particularly suited for cooperation in emergencies, a portion of the gun boats have in particular harbors been ordered into use. The ships of war before in commission, with the addition of a frigate, have been chiefly employed as a cruising guard to the rights of our coast, and such a disposition has been made of our land forces as was thought to promise the services most appropriate and important.

In this disposition is included a force consisting of regulars and militia, embodied in the Indiana Territory and marched toward our northwestern frontier. This measure was made requisite by several murders and depredations committed by Indians, but more especially by the menacing preparations and aspect of a combination of them on the Wabash, under the influence and direction of a fanatic of the Shawanese tribe. With

these exceptions the Indian tribes retain their peaceable dispositions toward us, and their usual pursuits.

Page 99

I must now add that the period is arrived which claims from the legislative guardians of the national rights a system of more ample provisions for maintaining them. Notwithstanding the scrupulous justice, the protracted moderation, and the multiplied efforts on the part of the United States to substitute for the accumulating dangers to the peace of the two countries all the mutual advantages of reestablished friendship and confidence, we have seen that the British cabinet perseveres not only in withholding a remedy for other wrongs, so long and so loudly calling for it, but in the execution, brought home to the threshold of our territory, of measures which under existing circumstances have the character as well as the effect of war on our lawful commerce.

With this evidence of hostile inflexibility in trampling on rights which no independent nation can relinquish, Congress will feel the duty of putting the United States into an armor and an attitude demanded by the crisis, and corresponding with the national spirit and expectations.

I recommend, accordingly, that adequate provisions be made for filling the ranks and prolonging the enlistments of the regular troops; for an auxiliary force to be engaged for a more limited term; for the acceptance of volunteer corps, whose patriotic ardor may court a participation in urgent services; for detachments as they may be wanted of other portions of the militia, and for such a preparation of the great body as will proportion its usefulness to its intrinsic capacities. Nor can the occasion fail to remind you of the importance of those military seminaries which in every event will form a valuable and frugal part of our military establishment.

The manufacture of cannon and small arms has proceeded with due success, and the stock and resources of all the necessary munitions are adequate to emergencies. It will not be inexpedient, however, for Congress to authorize an enlargement of them.

Your attention will of course be drawn to such provisions on the subject of our naval force as may be required for the services to which it may be best adapted. I submit to Congress the seasonableness also of an authority to augment the stock of such materials as are imperishable in their nature, or may not at once be attainable.

In contemplating the scenes which distinguish this momentous epoch, and estimating their claims to our attention, it is impossible to overlook those developing themselves among the great communities which occupy the southern portion of our own hemisphere and extend into our neighborhood. An enlarged philanthropy and an enlightened forecast concur in imposing on the national councils an obligation to take a deep interest in their destinies, to cherish reciprocal sentiments of good will, to regard the progress of events, and not to be unprepared for whatever order of things may be ultimately established.

Page 100

Under another aspect of our situation the early attention of Congress will be due to the expediency of further guards against evasions and infractions of our commercial laws. The practice of smuggling, which is odious everywhere, and particularly criminal in free governments, where, the laws being made by all for the good of all, a fraud is committed on every individual as well as on the state, attains its utmost guilt when it blends with a pursuit of ignominious gain a treacherous subserviency, in the transgressors, to a foreign policy adverse to that of their own country. It is then that the virtuous indignation of the public should be enabled to manifest itself through the regular animadversions of the most competent laws.

To secure greater respect to our mercantile flag, and to the honest interests which it covers, it is expedient also that it be made punishable in our citizens to accept licenses from foreign governments for a trade unlawfully interdicted by them to other American citizens, or to trade under false colors or papers of any sort.

A prohibition is equally called for against the acceptance by our citizens of special licenses to be used in a trade with the United States, and against the admission into particular ports of the United States of vessels from foreign countries authorized to trade with particular ports only.

Although other subjects will press more immediately on your deliberations, a portion of them can not but be well bestowed on the just and sound policy of securing to our manufactures the success they have attained, and are still attaining, in some degree, under the impulse of causes not permanent, and to our navigation, the fair extent of which is at present abridged by the unequal regulations of foreign governments.

Besides the reasonableness of saving our manufactures from sacrifices which a change of circumstances might bring on them, the national interest requires that, with regard to such articles at least as belong to our defense and our primary wants, we should not be left in unnecessary dependence on external supplies. And whilst foreign governments adhere to the existing discriminations in their ports against our navigation, and an equality or lesser discrimination is enjoyed by their navigation in our ports, the effect can not be mistaken, because it has been seriously felt by our shipping interests; and in proportion as this takes place the advantages of an independent conveyance of our products to foreign markets and of a growing body of mariners trained by their occupations for the service of their country in times of danger must be diminished.

The receipts into the Treasury during the year ending on the 30th day of September last have exceeded $13.5 millions, and have enabled us to defray the current expenses, including the interest on the public debt, and to reimburse more than $5 millions of the principal without recurring to the loan authorized by the act of the last session. The temporary loan obtained in the latter end of the year 1810 has also been reimbursed, and is not included in that amount.

Page 101

The decrease of revenue arising from the situation of our commerce, and the extraordinary expenses which have and may become necessary, must be taken into view in making commensurate provisions for the ensuing year; and I recommend to your consideration the propriety of insuring a sufficiency of annual revenue at least to defray the ordinary expenses of Government, and to pay the interest on the public debt, including that on new loans which may be authorized.

I can not close this communication without expressing my deep sense of the crisis in which you are assembled, my confidence in a wise and honorable result to your deliberations, and assurances of the faithful zeal with which my cooperating duties will be discharged, invoking at the same time the blessing of Heaven on our beloved country and on all the means that may be employed in vindicating its rights and advancing its welfare.

***

State of the Union Address
James Madison
November 4, 1812

Fellow-Citizens of the Senate and House of Representatives:

On our present meeting it is my first duty to invite your attention to the providential favors which our country has experienced in the unusual degree of health dispensed to its inhabitants, and in the rich abundance with which the earth has rewarded the labors bestowed on it. In the successful cultivation of other branches of industry, and in the progress of general improvement favorable to the national prosperity, there is just occasion also for our mutual congratulations and thankfulness.

With these blessings are necessarily mingled the pressures and vicissitudes incident to the state of war into which the United States have been forced by the perseverance of a foreign power in its system of injustice and aggression.

Previous to its declaration it was deemed proper, as a measure of precaution and forecast, that a considerable force should be placed in the Michigan Territory with a general view to its security, and, in the event of war, to such operations in the uppermost Canada as would intercept the hostile influence of Great Britain over the savages, obtain the command of the lake on which that part of Canada borders, and maintain cooperating relations with such forces as might be most conveniently employed against other parts.

Brigadier-General Hull was charged with this provisional service, having under his command a body of troops composed of regulars and of volunteers from the State of Ohio. Having reached his destination after his knowledge of the war, and possessing

discretionary authority to act offensively, he passed into the neighboring territory of the enemy with a prospect of easy and victorious progress. The expedition, nevertheless, terminated unfortunately, not only in a retreat to the town and fort of Detroit, but in the surrender of both and of the gallant corps commanded by that officer. The causes of this painful reverse will be investigated by a military tribunal.

Page 102

A distinguishing feature in the operations which preceded and followed this adverse event is the use made by the enemy of the merciless savages under their influence. Whilst the benevolent policy of the United States invariably recommended peace and promoted civilization among that wretched portion of the human race, and was making exertions to dissuade them from taking either side in the war, the enemy has not scrupled to call to his aid their ruthless ferocity, armed with the horrors of those instruments of carnage and torture which are known to spare neither age nor sex. In this outrage against the laws of honorable war and against the feelings sacred to humanity the British commanders can not resort to a plea of retaliation, for it is committed in the face of our example. They can not mitigate it by calling it a self-defense against men in arms, for it embraces the most shocking butcheries of defenseless families. Nor can it be pretended that they are not answerable for the atrocities perpetrated, since the savages are employed with a knowledge, and even with menaces, that their fury could not be controlled. Such is the spectacle which the deputed authorities of a nation boasting its religion and morality have not been restrained from presenting to an enlightened age.

The misfortune at Detroit was not, however, without a consoling effect. It was followed by signal proofs that the national spirit rises according to the pressure on it. The loss of an important post and of the brave men surrendered with it inspired everywhere new ardor and determination. In the States and districts least remote it was no sooner known than every citizen was ready to fly with his arms at once to protect his brethren against the blood-thirsty savages let loose by the enemy on an extensive frontier, and to convert a partial calamity into a source of invigorated efforts. This patriotic zeal, which it was necessary rather to limit than excite, has embodied an ample force from the States of Kentucky and Ohio and from parts of Pennsylvania and Virginia. It is placed, with the addition of a few regulars, under the command of Brigadier-General Harrison, who possesses the entire confidence of his fellow soldiers, among whom are citizens, some of them volunteers in the ranks, not less distinguished by their political stations than by their personal merits. The greater portion of this force is proceeding in relieving an important frontier post, and in several incidental operations against hostile tribes of savages, rendered indispensable by the subserviency into which they had been seduced by the enemy—a seduction the more cruel as it could not fail to impose a necessity of precautionary severities against those who yielded to it.

Page 103

At a recent date an attack was made on a post of the enemy near Niagara by a detachment of the regular and other forces under the command of Major-General Van Rensselaer, of the militia of the State of New York. The attack, it appears, was ordered in compliance with the ardor of the troops, who executed it with distinguished gallantry, and were for a time victorious; but not receiving the expected support, they were compelled to yield to reenforcements of British regulars and savages. Our loss has been considerable, and is deeply to be lamented. That of the enemy, less ascertained, will be the more felt, as it includes among the killed the commanding general, who was also the governor of the Province, and was sustained by veteran troops from unexperienced soldiers, who must daily improve in the duties of the field.

Our expectation of gaining the command of the Lakes by the invasion of Canada from Detroit having been disappointed, measures were instantly taken to provide on them a naval force superior to that of the enemy. From the talents and activity of the officer charged with this object everything that can be done may be expected. Should the present season not admit of complete success, the progress made will insure for the next a naval ascendancy where it is essential to our permanent peace with and control over the savages.

Among the incidents to the measures of the war I am constrained to advert to the refusal of the governors of Maine and Connecticut to furnish the required detachments of militia toward the defense of the maritime frontier. The refusal was founded on a novel and unfortunate exposition of the provisions of the Constitution relating to the militia. The correspondences which will be laid before you contain the requisite information on the subject. It is obvious that if the authority of the United States to call into service and command the militia for the public defense can be thus frustrated, even in a state of declared war and of course under apprehensions of invasion preceding war, they are not one nation for the purpose most of all requiring it, and that the public safety may have no other resource than in those large and permanent military establishments which are forbidden by the principles of our free government, and against the necessity of which the militia were meant to be a constitutional bulwark.

On the coasts and on the ocean the war has been as successful as circumstances inseparable from its early stages could promise. Our public ships and private cruisers, by their activity, and, where there was occasion, by their intrepidity, have made the enemy sensible of the difference between a reciprocity of captures and the long confinement of them to their side. Our trade, with little exception, has safely reached our ports, having been much favored in it by the course pursued by a squadron of our frigates under the command of Commodore Rodgers, and in the instance in which skill and bravery were more particularly

Page 104

tried with those of the enemy the American flag had an auspicious triumph. The frigate Constitution, commanded by Captain Hull, after a close and short engagement completely disabled and captured a British frigate, gaining for that officer and all on board a praise which can not be too liberally bestowed, not merely for the victory actually achieved, but for that prompt and cool exertion of commanding talents which, giving to courage its highest character, and to the force applied its full effect, proved that more could have been done in a contest requiring more.

Anxious to abridge the evils from which a state of war can not be exempt, I lost no time after it was declared in conveying to the British Government the terms on which its progress might be arrested, without awaiting the delays of a formal and final pacification, and our charge d'affaires at London was at the same time authorized to agree to an armistice founded upon them. These terms required that the orders in council should be repealed as they affected the United States, without a revival of blockades violating acknowledged rules, and that there should be an immediate discharge of American sea men from British ships, and a stop to impressment from American ships, with an understanding that an exclusion of the sea men of each nation from the ships of the other should be stipulated, and that the armistice should be improved into a definitive and comprehensive adjustment of depending controversies.

Although a repeal of the orders susceptible of explanations meeting the views of this Government had taken place before this pacific advance was communicated to that of Great Britain, the advance was declined from an avowed repugnance to a suspension of the practice of impressments during the armistice, and without any intimation that the arrangement proposed with regard to sea men would be accepted. Whether the subsequent communications from this Government, affording an occasion for reconsidering the subject on the part of Great Britain, will be viewed in a more favorable light or received in a more accommodating spirit remains to be known. It would be unwise to relax our measures in any respect on a presumption of such a result.

The documents from the Department of State which relate to this subject will give a view also of the propositions for an armistice which have been received here, one of them from the authorities at Halifax and in Canada, the other from the British Government itself through Admiral Warren, and of the grounds on which neither of them could be accepted.

Our affairs with France retain the posture which they held at my last communications to you. Notwithstanding the authorized expectations of an early as well as favorable issue to the discussions on foot, these have been procrastinated to the latest date. The only intervening occurrence meriting attention is the promulgation of a French decree purporting to be a definitive repeal of the Berlin and Milan decrees. This proceeding,

although made the ground of the repeal of the British orders in council, is rendered by the time and manner of it liable to many objections.

Page 105

The final communications from our special minister to Denmark afford further proofs of the good effects of his mission, and of the amicable disposition of the Danish Government. From Russia we have the satisfaction to receive assurances of continued friendship, and that it will not be affected by the rupture between the United States and Great Britain. Sweden also professes sentiments favorable to the subsisting harmony.

With the Barbary Powers, excepting that of Algiers, our affairs remain on the ordinary footing. The consul-general residing with that Regency has suddenly and without cause been banished, together with all the American citizens found there. Whether this was the transitory effect of capricious despotism or the first act of predetermined hostility is not ascertained. Precautions were taken by the consul on the latter supposition.

The Indian tribes not under foreign instigations remain at peace, and receive the civilizing attentions which have proved so beneficial to them.

With a view to that vigorous prosecution of the war to which our national faculties are adequate, the attention of Congress will be particularly drawn to the insufficiency of existing provisions for filling up the military establishment. Such is the happy condition of our country, arising from the facility of subsistence and the high wages for every species of occupation, that notwithstanding the augmented inducements provided at the last session, a partial success only has attended the recruiting service. The deficiency has been necessarily supplied during the campaign by other than regular troops, with all the inconveniences and expense incident to them. The remedy lies in establishing more favorably for the private soldier the proportion between his recompense and the term of his enlistment, and it is a subject which can not too soon or too seriously be taken into consideration.

The same insufficiency has been experienced in the provisions for volunteers made by an act of the last session. The recompense for the service required in this case is still less attractive than in the other, and although patriotism alone has sent into the field some valuable corps of that description, those alone who can afford the sacrifice can be reasonably expected to yield to that impulse.

It will merit consideration also whether as auxiliary to the security of our frontiers corps may not be advantageously organized with a restriction of their services to particular districts convenient to them, and whether the local and occasional services of mariners and others in the sea port towns under a similar organization would not be a provident addition to the means of their defense.

I recommend a provision for an increase of the general officers of the Army, the deficiency of which has been illustrated by the number and distance of separate commands which the course of the war and the advantage of the service have required.

Page 106

And I can not press too strongly on the earliest attention of the Legislature the importance of the reorganization of the staff establishment with a view to render more distinct and definite the relations and responsibilities of its several departments. That there is room for improvements which will materially promote both economy and success in what appertains to the Army and the war is equally inculcated by the examples of other countries and by the experience of our own.

A revision of the militia laws for the purpose of rendering them more systematic and better adapting them to emergencies of the war is at this time particularly desirable.

Of the additional ships authorized to be fitted for service, two will be shortly ready to sail, a third is under repair, and delay will be avoided in the repair of the residue. Of the appropriations for the purchase of materials for ship building, the greater part has been applied to that object and the purchase will be continued with the balance.

The enterprising spirit which has characterized our naval force and its success, both in restraining insults and depredations on our coasts and in reprisals on the enemy, will not fail to recommend an enlargement of it.

There being reason to believe that the act prohibiting the acceptance of British licenses is not a sufficient guard against the use of them, for purposes favorable to the interests and views of the enemy, further provisions on that subject are highly important. Nor is it less so that penal enactments should be provided for cases of corrupt and perfidious intercourse with the enemy, not amounting to treason nor yet embraced by any statutory provisions.

A considerable number of American vessels which were in England when the revocation of the orders in council took place were laden with British manufactures under an erroneous impression that the non-importation act would immediately cease to operate, and have arrived in the United States. It did not appear proper to exercise on unforeseen cases of such magnitude the powers vested in the Treasury Department to mitigate forfeitures without previously affording to Congress an opportunity of making on the subject such provision as they may think proper. In their decision they will doubtless equally consult what is due to equitable considerations and to the public interest.

The receipts into the Treasury during the year ending on the 30th of September last have exceeded $16.5 millions, which have been sufficient to defray all the demands on the Treasury to that day, including a necessary reimbursement of near $3 millions of the principal of the public debt. In these receipts is included a sum of near $5.85 millions, received on account of the loans authorized by the acts of the last session; the whole sum actually obtained on loan amounts to $11 millions, the residue of which, being receivable subsequent to the 30th of September last, will, together with the current revenue, enable us to defray all the expenses of this year.

Page 107

The duties on the late unexpected importations of British manufactures will render the revenue of the ensuing year more productive than could have been anticipated.

The situation of our country, fellow citizens, is not without its difficulties, though it abounds in animating considerations, of which the view here presented of our pecuniary resources is an example. With more than one nation we have serious and unsettled controversies, and with one, powerful in the means and habits of war, we are at war. The spirit and strength of the nation are nevertheless equal to the support of all its rights, and to carry it through all its trials. They can be met in that confidence.

Above all, we have the inestimable consolation of knowing that the war in which we are actually engaged is a war neither of ambition nor of vain glory; that it is waged not in violation of the rights of others, but in the maintenance of our own; that it was preceded by a patience without example under wrongs accumulating without end, and that it was finally not declared until every hope of averting it was extinguished by the transfer of the British scepter into new hands clinging to former councils, and until declarations were reiterated to the last hour, through the British envoy here, that the hostile edicts against our commercial rights and our maritime independence would not be revoked; nay, that they could not be revoked without violating the obligations of Great Britain to other powers, as well as to her own interests.

To have shrunk under such circumstances from manly resistance would have been a degradation blasting our best and proudest hopes; it would have struck us from the high rank where the virtuous struggles of our fathers had placed us, and have betrayed the magnificent legacy which we hold in trust for future generations. It would have acknowledged that on the element which forms three-fourths of the globe we inhabit, and where all independent nations have equal and common rights, the American people were not an independent people, but colonists and vassals.

It was at this moment and with such an alternative that war was chosen. The nation felt the necessity of it, and called for it. The appeal was accordingly made, in a just cause, to the Just and All-powerful Being who holds in His hand the chain of events and the destiny of nations.

It remains only that, faithful to ourselves, entangled in no connections with the views of other powers, and ever ready to accept peace from the hand of justice, we prosecute the war with united counsels and with the ample faculties of the nation until peace be so obtained and as the only means under the Divine blessing of speedily obtaining it.

***

State of the Union Address
James Madison
December 7, 1813

Fellow-Citizens of the Senate and House of Representatives:

Page 108

In meeting you at the present interesting conjuncture it would have been highly satisfactory if I could have communicated a favorable result to the mission charged with negotiations for restoring peace. It was a just expectation, from the respect due to the distinguished Sovereign who had invited them by his offer of mediation, from the readiness with which the invitation was accepted on the part of the United States, and from the pledge to be found in an act of their Legislature for the liberality which their plenipotentiaries would carry into the negotiations, that no time would be lost by the British Government in embracing the experiment for hastening a stop to the effusion of blood. A prompt and cordial acceptance of the mediation on that side was the less to be doubted, as it was of a nature not to submit rights or pretensions on either side to the decision of an umpire, but to afford merely an opportunity, honorable and desirable to both, for discussing and, if possible, adjusting them for the interest of both.

The British cabinet, either mistaking our desire of peace for a dread of British power or misled by other fallacious calculations, has disappointed this reasonable anticipation. No communications from our envoys having reached us, no information on the subject has been received from that source; but it is known that the mediation was declined in the first instance, and there is no evidence, notwithstanding the lapse of time, that a change of disposition in the British councils has taken place or is to be expected.

Under such circumstances a nation proud of its rights and conscious of its strength has no choice but an exertion of the one in support of the other.

To this determination the best encouragement is derived from the success with which it has pleased the Almighty to bless our arms both on the land and on the water.

Whilst proofs have been continued of the enterprise and skill of our cruisers, public and private, on the ocean, and a trophy gained in the capture of a British by an American vessel of war, after an action giving celebrity to the name of the victorious commander, the great inland waters on which the enemy were also to be encountered have presented achievements of our naval arms as brilliant in their character as they have been important in their consequences.

On Lake Erie, the squadron under command of Captain Perry having met the British squadron of superior force, a sanguinary conflict ended in the capture of the whole. The conduct of that officer, adroit as it was daring, and which was so well seconded by his comrades, justly entitles them to the admiration and gratitude of their country, and will fill an early page in its naval annals with a victory never surpassed in luster, however much it may have been in magnitude.

On Lake Ontario the caution of the British commander, favored by contingencies, frustrated the efforts of the American commander to bring on a decisive action. Captain Chauncey was able, however, to establish an ascendancy on that important theater, and to prove by the manner in which he effected everything possible that opportunities only

were wanted for a more shining display of his own talents and the gallantry of those under his command.

Page 109

The success on Lake Erie having opened a passage to the territory of the enemy, the officer commanding the Northwestern army transferred the war thither, and rapidly pursuing the hostile troops, fleeing with their savage associates, forced a general action, which quickly terminated in the capture of the British and dispersion of the savage force.

This result is signally honorable to Major-General Harrison, by whose military talents it was prepared; to Colonel Johnson and his mounted volunteers, whose impetuous onset gave a decisive blow to the ranks of the enemy, and to the spirit of the volunteer militia, equally brave and patriotic, who bore an interesting part in the scene; more especially to the chief magistrate of Kentucky, at the head of them, whose heroism signalized in the war which established the independence of his country, sought at an advanced age a share in hardships and battles for maintaining its rights and its safely.

The effect of these successes has been to rescue the inhabitants of Michigan from their oppressions, aggravated by gross infractions of the capitulation which subjected them to a foreign power; to alienate the savages of numerous tribes from the enemy, by whom they were disappointed and abandoned, and to relieve an extensive region of country from a merciless warfare which desolated its frontiers and imposed on its citizens the most harassing services.

In consequences of our naval superiority on Lake Ontario and the opportunity afforded by it for concentrating our forces by water, operations which had been provisionally planned were set on foot against the possessions of the enemy on the St. Lawrence. Such, however, was the delay produced in the first instance by adverse weather of unusual violence and continuance and such the circumstances attending the final movements of the army, that the prospect, at one time so favorable, was not realized.

The cruelty of the enemy in enlisting the savages into a war with a nation desirous of mutual emulation in mitigating its calamities has not been confined to any one quarter. Wherever they could be turned against us no exertions to effect it have been spared. On our southwestern border the Creek tribes, who, yielding to our persevering endeavors, were gradually acquiring more civilized habits, became the unfortunate victims of seduction. A war in that quarter has been the consequence, infuriated by a bloody fanaticism recently propagated among them. It was necessary to crush such a war before it could spread among the contiguous tribes and before it could favor enterprises of the enemy into that vicinity. With this view a force was called into the service of the United States from the States of Georgia and Tennessee, which, with the nearest regular troops and other corps from the Massachussets Territory, might not only chastise the savages into present peace but make a lasting impression on their fears.

Page 110

The progress of the expedition, as far as is yet known, corresponds with the martial zeal with which it was espoused, and the best hopes of a satisfactory issue are authorized by the complete success with which a well-planned enterprise was executed against a body of hostile savages by a detachment of the volunteer militia of Tennessee, under the gallant command of General Coffee, and by a still more important victory over a larger body of them, gained under the immediate command of Major-General Jackson, an officer equally distinguished for his patriotism and his military talents.

The systematic perseverance of the enemy in courting the aid of the savages in all quarters had the natural effect of kindling their ordinary propensity to war into a passion, which, even among those best disposed toward the United States, was ready, if not employed on our side, to be turned against us. A departure from our protracted forbearance to accept the services tendered by them has thus been forced upon us. But in yielding to it the retaliation has been mitigated as much as possible, both in its extent and in its character, stopping far short of the example of the enemy, who owe the advantages they have occasionally gained in battle chiefly to the number of their savage associates, and who have not controlled them either from their usual practice of indiscriminate massacre on defenseless inhabitants or from scenes of carnage without a parallel on prisoners to the British arms, guarded by all the laws of humanity and of honorable war. For these enormities the enemy are equally responsible, whether with the power to prevent them they want the will or with the knowledge of a want of power they still avail themselves of such instruments.

In other respects the enemy are pursuing a course which threatens consequences most afflicting to humanity.

A standing law of Great Britain naturalizes, as is well known, all aliens complying with conditions limited to a shorter period than those required by the United States, and naturalized subjects are in war employed by her Government in common with native subjects. In a contiguous British Province regulations promulgated since the commencement of the war compel citizens of the United States being there under certain circumstances to bear arms, whilst of the native emigrants from the United States, who compose much of the population of the Province, a number have actually borne arms against the United States within their limits, some of whom, after having done so, have become prisoners of war, and are now in our possession. The British commander in that Province, nevertheless, with the sanction, as appears, of his Government, thought proper to select from American prisoners of war and send to Great Britain for trial as criminals a number of individuals who had emigrated from the British dominions long prior to the state of war between the two nations, who had incorporated themselves into our political society in the modes recognized by the law and the practice of Great Britain, and who were made prisoners of war under the banners of their adopted country, fighting for its rights and its safety.

Page 111

The protection due to these citizens requiring an effectual interposition in their behalf, a like number of British prisoners of war were put into confinement, with a notification that they would experience whatever violence might be committed on the American prisoners of war sent to Great Britain.

It was hoped that this necessary consequence of the step unadvisedly taken on the part of Great Britain would have led her Government to reflect on the inconsistencies of its conduct, and that a sympathy with the British, if not with the American, sufferers would have arrested the cruel career opened by its example.

This was unhappily not the case. In violation both of consistency and of humanity, American officers and non-commissioned officers in double the number of the British soldiers confined here were ordered into close confinement, with formal notice that in the event of a retaliation for the death which might be inflicted on the prisoners of war sent to Great Britain for trial the officers so confined would be put to death also. It was notified at the same time that the commanders of the British fleets and armies on our coasts are instructed in the same event to proceed with a destructive severity against our towns and their inhabitants.

That no doubt might be left with the enemy of our adherence to the retaliatory resort imposed on us, a correspondent number of British officers, prisoners of war in our hands, were immediately put into close confinement to abide the fate of those confined by the enemy, and the British Government was apprised of the determination of this Government to retaliate any other proceedings against us contrary to the legitimate modes of warfare.

It is fortunate for the United States that they have it in their power to meet the enemy in this deplorable contest as it is honorable to them that they do not join in it but under the most imperious obligations, and with the humane purpose of effectuating a return to the established usages of war.

The views of the French Government on the subjects which have been so long committed to negotiation have received no elucidation since the close of your late session. The minister plenipotentiary of the United States at Paris had not been enabled by proper opportunities to press the objects of his mission as prescribed by his instructions.

The militia being always to be regarded as the great bulwark of defense and security for free states, and the Constitution having wisely committed to the national authority a use of that force as the best provision against an unsafe military establishment, as well as a resource peculiarly adapted to a country having the extent and the exposure of the United States, I recommend to Congress a revision of the militia laws for the purpose of securing more effectually the services of all detachments called into the employment and placed under the Government of the United States.

Page 112

It will deserve the consideration of Congress also whether among other improvements in the militia laws justice does not require a regulation, under due precautions, for defraying the expense incident to the first assembling as well as the subsequent movements of detachments called into the national service.

To give to our vessels of war, public and private, the requisite advantage in their cruises, it is of much importance that they should have, both for themselves and their prizes, the use of the ports and markets of friendly powers. With this view, I recommend to Congress the expediency of such legal provisions as may supply the defects or remove the doubts of the Executive authority, to allow to the cruisers of other powers at war with enemies of the United States such use of the American ports as may correspond with the privileges allowed by such powers to American cruisers.

During the year ending on the 30th of September last the receipts into the Treasury have exceeded $37.5 millions, of which near $24 millions were the produce of loans. After meeting all demands for the public service there remained in the Treasury on that day near $7 millions. Under the authority contained in the act of the 2nd of August last for borrowing $7.5 millions, that sum has been obtained on terms more favorable to the United States than those of the preceding loans made during the present year. Further sums to a considerable amount will be necessary to be obtained in the same way during the ensuing year, and from the increased capital of the country, from the fidelity with which the public engagements have been kept and the public credit maintained, it may be expected on good grounds that the necessary pecuniary supplies will not be wanting.

The expenses of the current year, from the multiplied operations falling within it, have necessarily been extensive; but on a just estimate of the campaign in which the mass of them has been incurred the cost will not be found disproportionate to the advantages which have been gained. The campaign has, indeed, in its latter stages in one quarter been less favorable than was expected, but in addition to the importance of our naval success the progress of the campaign has been filled with incidents highly honorable to the American arms.

The attacks of the enemy on Craney Island, on Fort Meigs, on Sacketts Harbor, and on Sandusky have been vigorously and successfully repulsed; nor have they in any case succeeded on either frontier excepting when directed against the peaceable dwellings of individuals or villages unprepared or undefended.

On the other hand, the movements of the American Army have been followed by the reduction of York, and of Forts George, Erie, and Malden; by the recovery of Detroit and the extinction of the Indian war in the West, and by the occupancy or command of a large portion of Upper Canada. Battles have also been fought on the borders of the St. Lawrence, which, though not accomplishing their entire objects, reflect honor on the discipline and prowess of our soldiery, the best auguries of eventual victory. In the

same scale are to be placed the late successes in the South over one of the most powerful, which had become one of the most hostile also, of the Indian tribes.

Page 113

It would be improper to close this communication without expressing a thankfulness in which all ought to unite for the abundance; for the preservation of our internal tranquillity, and the stability of our free institutions, and, above all, for the light of divine truth and the protection of every man's conscience in the enjoyment of it. And although among our blessings we can not number an exemption from the evils of war, yet these will never be regarded as the greatest of evils by the friends of liberty and of the rights of nations. Our country has before preferred them to the degraded condition which was the alternative when the sword was drawn in the cause which gave birth to our national independence, and none who contemplate the magnitude and feel the value of that glorious event will shrink from a struggle to maintain the high and happy ground on which it placed the American people.

With all good citizens the justice and necessity of resisting wrongs and usurpations no longer to be borne will sufficiently outweigh the privations and sacrifices inseparable from a state of war. But it is a reflection, moreover, peculiarly consoling, that, whilst wars are generally aggravated by their baneful effects on the internal improvements and permanent prosperity of the nations engaged in them, such is the favored situation of the United States that the calamities of the contest into which they have been compelled to enter are mitigated by improvements and advantages of which the contest itself is the source.

If the war has increased the interruptions of our commerce, it has at the same time cherished and multiplied our manufactures so as to make us independent of all other countries for the more essential branches for which we ought to be dependent on none, and is even rapidly giving them an extent which will create additional staples in our future intercourse with foreign markets.

If much treasure has been expended, no inconsiderable portion of it has been applied to objects durable in their value and necessary to our permanent safety.

If the war has exposed us to increased spoliations on the ocean and to predatory incursions on the land, it has developed the national means of retaliating the former and of providing protection against the latter, demonstrating to all that every blow aimed at our maritime independence is an impulse accelerating the growth of our maritime power.

By diffusing through the mass of the nation the elements of military discipline and instruction; by augmenting and distributing warlike preparations applicable to future use; by evincing the zeal and valor with which they will be employed and the cheerfulness with which every necessary burden will be borne, a greater respect for our rights and a longer duration of our future peace are promised than could be expected without these proofs of the national character and resources.

The war has proved moreover that our free Government, like other free governments, though slow in its early movements, acquires in its progress a force proportioned to its freedom, and that the union of these States, the guardian of the freedom and safety of all and of each, is strengthened by every occasion that puts it to the test.

Page 114

In fine, the war, with all its vicissitudes, is illustrating the capacity and the destiny of the United States to be a great, a flourishing, and a powerful nation, worthy of the friendship which it is disposed to cultivate with all others, and authorized by its own example to require from all an observance of the laws of justice and reciprocity. Beyond these their claims have never extended, and in contending for these we behold a subject for our congratulations in the daily testimonies of increasing harmony throughout the nation, and may humbly repose our trust in the smiles of Heaven on so righteous a cause.

***

State of the Union Address
James Madison
September 20, 1814

Fellow-Citizens of the Senate and House of Representatives:

Notwithstanding the early day which had been fixed for your session of the present year, I was induced to call you together still sooner, as well that any inadequacy in the existing provisions for the wants of the Treasury might be supplied as that no delay might happen in providing for the result of the negotiations on foot with Great Britain, whether it should require arrangements adapted to a return of peace or further and more effective provisions for prosecuting the war.

That result is not yet known. If, on the one hand, the repeal of the orders in council and the general pacification in Europe, which withdrew the occasion on which impressments from American vessels were practiced, suggest expectations that peace and amity may be reestablished, we are compelled, on the other hand, by the refusal of the British Government to accept the offered mediation of the Emperor of Russia, by the delays in giving effect to its own proposal of a direct negotiation, and, above all, by the principles and manner in which the war is now avowedly carried on to infer that a spirit of hostility is indulged more violent than ever against the rights and prosperity of this country.

This increased violence is best explained by the two important circumstances that the great contest in Europe for an equilibrium guaranteeing all its States against the ambition of any has been closed without any check on the over-bearing power of Great Britain on the ocean, and it has left in her hands disposable armaments, with which, forgetting the difficulties of a remote war with a free people, and yielding to the intoxication of success, with the example of a great victim to it before her eyes, she cherishes hopes of still further aggrandizing a power already formidable in its abuses to the tranquillity of the civilized and commercial world.

But whatever may have inspired the enemy with these more violent purposes, the public councils of a nation more able to maintain than it was to require its independence, and with a devotion to it rendered more ardently by the experience of its blessings, can

never deliberate but on the means most effectual for defeating the extravagant views or unwarrantable passions with which alone the war can now be pursued against us.

Page 115

In the events of the present campaign the enemy, with all his augmented means and wanton use of them, has little ground for exultation, unless he can feel it in the success of his recent enterprises against this metropolis and the neighboring town of Alexandria, from both of which his retreats were as precipitate as his attempts were bold and fortunate. In his other incursions on our Atlantic frontier his progress, often checked and chastised by the martial spirit of the neighboring citizens, has had more effect in distressing individuals and in dishonoring his arms than in promoting any object of legitimate warfare; and in the two instances mentioned, however deeply to be regretted on our part, he will find in his transient success, which interrupted for a moment only the ordinary business at the seat of Government, no compensation for the loss of character with the world by his violations of private property and by his destruction of public edifices protected as monuments of the arts by the laws of civilized warfare.

On our side we can appeal to a series of achievements which have given new luster to the American arms. Besides the brilliant incidents in the minor operations of the campaign, the splendid victories gained on the Canadian side of the Niagara by the American forces under Major-General Brown and Brigadiers Scott and Gaines have gained for these heroes and their emulating companions the most unfading laurels, and, having triumphantly tested the progressive discipline of the American soldiery, have taught the enemy that the longer he protracts his hostile efforts the more certain and decisive will be his final discomfiture.

On our southern border victory has continued also to follow the American standard. The bold and skillful operations of Major-General Jackson, conducting troops drawn from the militia of the States least distant, particularly Tennessee, have subdued the principal tribes of hostile savages, and, by establishing a peace with them, preceded by recent and exemplary chastisement, has best guarded against the mischief of their cooperations with the British enterprises which may be planned against that quarter of our country. Important tribes of Indians on our northwestern frontier have also acceded to stipulations which bind them to the interests of the United States and to consider our enemy as theirs also.

In the recent attempt of the enemy on the city of Baltimore, defended by militia and volunteers, aided by a small body of regulars and sea men, he was received with a spirit which produced a rapid retreat to his ships, whilst concurrent attack by a large fleet was successfully resisted by the steady and well-directed fire of the fort and batteries opposed to it.

In another recent attack by a powerful force on our troops at Plattsburg, of which regulars made a part only, the enemy, after a perseverance for many hours, was finally compelled to seek safety in a hasty retreat, with our gallant bands pressing upon them.

Page 116

On the Lakes, so much contested throughout the war, the great exertions for the command made on our part have been well repaid. On Lake Ontario our squadron is now and has been for some time in a condition to confine that of the enemy to his own port, and to favor the operations of our land forces on that frontier.

A part of the squadron on Lake Erie has been extended into Lake Huron, and has produced the advantage of displaying our command on that lake also. One object of the expedition was the reduction of Mackinaw, which followed with the loss of a few brave men, among whom was an officer justly distinguished for his gallant exploits. The expedition, ably conducted by both the land and the naval commanders, was otherwise highly valuable in its effects.

On Lake Champlain, where our superiority had for some time been undisputed, the British squadron lately came into action with the American, commanded by Captain Macdonough. It issued in the capture of the whole of the enemy's ships. The best praise for this officer and his intrepid comrades is in the likeness of his triumph to the illustrious victory which immortalized another officer and established at a critical moment our command of another lake.

On the ocean the pride of our naval arms had been amply supported. A second frigate has indeed fallen into the hands of the enemy, but the loss is hidden in the blaze of heroism with which she was defended. Captain Porter, who commanded her, and whose previous career had been distinguished by daring enterprise and by fertility of genius, maintained a sanguinary contest against two ships, one of them superior to his own, and under other severe disadvantages, 'til humanity tore down the colors which valor had nailed to the mast. This officer and his brave comrades have added much to the rising glory of the American flag, and have merited all the effusions of gratitude which their country is ever ready to bestow on the champions of its rights and of its safety.

Two smaller vessels of war have also become prizes to the enemy, but by a superiority of force which sufficiently vindicates the reputation of their commanders, whilst two others, one commanded by Captain Warrington, the other by Captain Blakely, have captured British ships of the same class with a gallantry and good conduct which entitle them and their companions to a just share in the praise of their country.

In spite of the naval force of the enemy accumulated on our coasts, our private cruisers also have not ceased to annoy his commerce and to bring their rich prizes into our ports, contributing thus, with other proofs, to demonstrate the incompetency and illegality of a blockade the proclamation of which is made the pretext for vexing and discouraging the commerce of neutral powers with the United States.

Page 117

To meet the extended and diversified warfare adopted by the enemy, great bodies of militia have been taken into service for the public defense, and great expenses incurred. That the defense everywhere may be both more convenient and more economical, Congress will see the necessity of immediate measures for filling the ranks of the Regular Army and of enlarging the provision for special corps, mounted and unmounted, to be engaged for longer periods of service than are due from the militia. I earnestly renew, at the same time, a recommendation of such changes in the system of the militia as, by classing and disciplining for the most prompt and active service the portions most capable of it, will give to that great resource for the public safety all the requisite energy and efficiency.

The moneys received into the Treasury during the nine months ending on the 30th day of June last amounted to $32 millions, of which near $11 millions were the proceeds of the public revenue and the remainder derived from loans. The disbursements for public expenditures during the same period exceeded $34 millions, and left in the Treasury on the first day of July near $5 millions. The demands during the remainder of the present year already authorized by Congress and the expenses incident to an extension of the operations of the war will render it necessary that large sums should be provided to meet them.

From this view of the national affairs Congress will be urged to take up without delay as well the subject of pecuniary supplies as that of military force, and on a scale commensurate with the extent and the character which the war has assumed. It is not to be disguised that the situation of our country calls for its greatest efforts.

Our enemy is powerful in men and in money, on the land and on the water. Availing himself of fortuitous advantages, he is aiming with his undivided force a deadly blow at our growing prosperity, perhaps at our national existence. He has avowed his purpose of trampling on the usages of civilized warfare, and given earnests of it in the plunder and wanton destruction of private property. In his pride of maritime dominion and in his thirst of commercial monopoly he strikes with peculiar animosity at the progress of our navigation and of our manufactures. His barbarous policy has not even spared those monuments of the arts and models of taste with which our country had enriched and embellished its infant metropolis. From such an adversary hostility in its greatest force and in its worst forms may be looked for.

The American people will face it with the undaunted spirit which in their revolutionary struggle defeated his unrighteous projects. His threats and his barbarities, instead of dismay, will kindle in every bosom an indignation not to be extinguished but in the disaster and expulsion of such cruel invaders.

Page 118

In providing the means necessary the National Legislature will not distrust the heroic and enlightened patriotism of its constituents. They will cheerfully and proudly bear every burden of every kind which the safety and honor of the nation demand. We have seen them everywhere paying their taxes, direct and indirect, with the greatest promptness and alacrity. We see them rushing with enthusiasm to the scenes where danger and duty call. In offering their blood they give the surest pledge that no other tribute will be withheld.

Having forborne to declare war until to other aggressions had been added the capture of near one thousand American vessels and the impressment of thousands of American sea faring citizens, and until a final declaration had been made by the Government of Great Britain that her hostile orders against our commerce would not be revoked but on conditions as impossible as unjust, whilst it was known that these orders would not otherwise cease but with a war which had lasted nearly twenty years, and which, according to appearances at that time, might last as many more; having manifested on every occasion and in every proper mode a sincere desire to arrest the effusion of blood and meet our enemy on the ground of justice and reconciliation, our beloved country, in still opposing to his persevering hostility all its energies, with an undiminished disposition toward peace and friendship on honorable terms, must carry with it the good wishes of the impartial world and the best hopes of support from an omnipotent and kind Providence.

***

State of the Union Address
James Madison
December 5, 1815

Fellow-Citizens of the Senate and House of Representatives:

I have the satisfaction on our present meeting of being able to communicate the successful termination of the war which had been commenced against the United States by the Regency of Algiers. The squadron in advance on that service, under Commodore Decatur, lost not a moment after its arrival in the Mediterranean in seeking the naval force of the enemy then cruising in that sea, and succeeded in capturing two of his ships, one of them the principal ship, commanded by the Algerine admiral. The high character of the American commander was brilliantly sustained on the occasion which brought his own ship into close action with that of his adversary, as was the accustomed gallantry of all the officers and men actually engaged. Having prepared the way by this demonstration of American skill and prowess, he hastened to the port of Algiers, where peace was promptly yielded to his victorious force.

In the terms stipulated the rights and honor of the United States were particularly consulted by a perpetual relinquishment on the part of the Dey of all pretensions to

tribute from them. The impressions which have thus been made, strengthened as they will have been by subsequent transactions with the Regencies of Tunis and of Tripoli by the appearance of the larger force which followed under Commodore Bainbridge, the chief in command of the expedition, and by the judicious precautionary arrangements left by him in that quarter, afford a reasonable prospect of future security for the valuable portion of our commerce which passes within reach of the Barbary cruisers.

Page 119

It is another source of satisfaction that the treaty of peace with Great Britain has been succeeded by a convention on the subject of commerce concluded by the plenipotentiaries of the two countries. In this result a disposition is manifested on the part of that nation corresponding with the disposition of the United States, which it may be hoped will be improved into liberal arrangements on other subjects on which the parties have mutual interests, or which might endanger their future harmony. Congress will decide on the expediency of promoting such a sequel by giving effect to the measure of confining the American navigation to American sea men—a measure which, at the same time that it might have that conciliatory tendency, would have the further advantage of increasing the independence of our navigation and the resources for our maritime defense.

In conformity with the articles in the treaty of Ghent relating to the Indians, as well as with a view to the tranquillity of our western and northwestern frontiers, measures were taken to establish an immediate peace with the several tribes who had been engaged in hostilities against the United States. Such of them as were invited to Detroit acceded readily to a renewal of the former treaties of friendship. Of the other tribes who were invited to a station on the Mississippi the greater number have also accepted the peace offered to them. The residue, consisting of the more distant tribes or parts of tribes, remain to be brought over by further explanations, or by such other means as may be adapted to the dispositions they may finally disclose.

The Indian tribes within and bordering on the southern frontier, whom a cruel war on their part had compelled us to chastise into peace, have latterly shown a restlessness which has called for preparatory measures for repressing it, and for protecting the commissioners engaged in carrying the terms of the peace into execution.

The execution of the act for fixing the military peace establishment has been attended with difficulties which even now can only be overcome by legislative aid. The selection of officers, the payment and discharge of the troops enlisted for the war, the payment of the retained troops and their reunion from detached and distant stations, the collection and security of the public property in the Quartermaster, Commissary, and Ordnance departments, and the constant medical assistance required in hospitals and garrisons rendered a complete execution of the act impracticable on the 1st of May, the period more immediately contemplated. As soon, however, as circumstances would permit, and as far as it has been practicable consistently with the public interests, the reduction of the Army has been accomplished; but the appropriations for its pay and for other branches of the military service having proved inadequate, the earliest attention to that subject will be necessary; and the expediency of continuing upon the peace establishment the staff officers who have hitherto been provisionally retained is also recommended to the consideration of Congress.

Page 120

In the performance of the Executive duty upon this occasion there has not been wanting a just sensibility to the merits of the American Army during the late war; but the obvious policy and design in fixing an efficient military peace establishment did not afford an opportunity to distinguish the aged and infirm on account of their past services nor the wounded and disabled on account of their present sufferings.

The extent of the reduction, indeed, unavoidably involved the exclusion of many meritorious officers of every rank from the service of their country; and so equal as well as so numerous were the claims to attention that a decision by the standard of comparative merit could seldom be attained. Judged, however, in candor by a general standard of positive merit, the Army Register will, it is believed, do honor to the establishment, while the case of those officers whose names are not included in it devolves with the strongest interest upon the legislative authority for such provisions as shall be deemed the best calculated to give support and solace to the veteran and the invalid, to display the beneficence as well as the justice of the Government, and to inspire a martial zeal for the public service upon every future emergency.

Although the embarrassments arising from the want of an uniform national currency have not been diminished since the adjournment of Congress, great satisfaction has been derived in contemplating the revival of the public credit and the efficiency of the public resources. The receipts into the Treasury from the various branches of revenue during the nine months ending on the 30th of September last have been estimated at $12.5 millions; the issues of Treasury notes of every denomination during the same period amounted to the sum of $14 millions, and there was also obtained upon loan during the same period a sum of $9 millions, of which the sum of $6 millions was subscribed in cash and the sum of $3 millions in Treasury notes.

With these means, added to the sum of $1.5 millions, being the balance of money in the Treasury on the 1st day of January, there has been paid between the 1st of January and the 1st of October on account of the appropriations of the preceding and of the present year (exclusively of the amount of the Treasury notes subscribed to the loan and of the amount redeemed in the payment of duties and taxes) the aggregate sum of $33.5 millions, leaving a balance then in the Treasury estimated at the sum of $3 millions. Independent, however of the arrearages due for military services and supplies, it is presumed that a further sum of $5 millions, including the interest on the public debt payable on the 1st of January next, will be demanded at the Treasury to complete the expenditures of the present year, and for which the existing ways and means will sufficiently provide.

The national debt, as it was ascertained on the 1st of October last, amounted in the whole to the sum of $120 millions, consisting of the unredeemed balance of the debt contracted before the late war ($39 millions), the amount of the funded debt contracted in consequence of the war ($64 millions), and the amount of the unfunded and floating

debt, including the various issues of Treasury notes, $17 millions, which is in gradual course of payment.

Page 121

There will probably be some addition to the public debt upon the liquidation of various claims which are depending, and a conciliatory disposition on the part of Congress may lead honorably and advantageously to an equitable arrangement of the militia expenses incurred by the several States without the previous sanction or authority of the Government of the United States; but when it is considered that the new as well as the old portion of the debt has been contracted in the assertion of the national rights and independence, and when it is recollected that the public expenditures, not being exclusively bestowed upon subjects of a transient nature, will long be visible in the number and equipments of the American Navy, in the military works for the defense of our harbors and our frontiers, and in the supplies of our arsenals and magazines the amount will bear a gratifying comparison with the objects which have been attained, as well as with the resources of the country.

The arrangements of the finances with a view to the receipts and expenditures of a permanent peace establishment will necessarily enter into the deliberations of Congress during the present session. It is true that the improved condition of the public revenue will not only afford the means of maintaining the faith of the Government with its creditors inviolate, and of prosecuting successfully the measures of the most liberal policy, but will also justify an immediate alleviation of the burdens imposed by the necessities of the war.

It is, however, essential to every modification of the finances that the benefits of an uniform national currency should be restored to the community. The absence of the precious metals will, it is believed, be a temporary evil, but until they can again be rendered the general medium of exchange it devolves on the wisdom of Congress to provide a substitute which shall equally engage the confidence and accommodate the wants of the citizens throughout the Union. If the operation of the State banks can not produce this result, the probable operation of a national bank will merit consideration; and if neither of these expedients be deemed effectual it may become necessary to ascertain the terms upon which the notes of the Government (no longer required as an instrument of credit) shall be issued upon motives of general policy as a common medium of circulation.

Notwithstanding the security for future repose which the United States ought to find in their love of peace and their constant respect for the rights of other nations, the character of the times particularly inculcates the lesson that, whether to prevent or repel danger, we ought not to be unprepared for it. This consideration will sufficiently recommend to Congress a liberal provision for the immediate extension and gradual completion of the works of defense, both fixed and floating, on our maritime frontier, and an adequate provision for guarding our inland frontier against dangers to which certain portions of it may continue to be exposed.

Page 122

As an improvement in our military establishment, it will deserve the consideration of Congress whether a corps of invalids might not be so organized and employed as at once to aid in the support of meritorious individuals excluded by age or infirmities from the existing establishment, and to procure to the public the benefit of their stationary services and of their exemplary discipline.

I recommend also an enlargement of the Military Academy already established, and the establishment of others in other sections of the Union; and I can not press too much on the attention of Congress such a classification and organization of the militia as will most effectually render it the safeguard of a free state. If experience has shewn in the recent splendid achievements of militia the value of this resource for the public defense, it has shewn also the importance of that skill in the use of arms and that familiarity with the essential rules of discipline which can not be expected from the regulations now in force.

With this subject is intimately connected the necessity of accommodating the laws in every respect to the great object of enabling the political authority of the Union to employ promptly and effectually the physical power of the Union in the cases designated by the Constitution.

The signal services which have been rendered by our Navy and the capacities it has developed for successful cooperation in the national defense will give to that portion of the public force its full value in the eyes of Congress, at an epoch which calls for the constant vigilance of all governments. To preserve the ships now in a sound state, to complete those already contemplated, to provide amply the imperishable materials for prompt augmentations, and to improve the existing arrangements into more advantageous establishments for the construction, the repairs, and the security of vessels of war is dictated by the soundest policy.

In adjusting the duties on imports to the object of revenue the influence of the tariff on manufactures will necessarily present itself for consideration. However wise the theory may be which leaves to the sagacity and interest of individuals the application of their industry and resources, there are in this as in other cases exceptions to the general rule. Besides the condition which the theory itself implies of reciprocal adoption by other nations, experience teaches that so many circumstances must concur in introducing and maturing manufacturing establishments, especially of the more complicated kinds, that a country may remain long without them, although sufficiently advanced and in some respects even peculiarly fitted for carrying them on with success. Under circumstances giving a powerful impulse to manufacturing industry it has made among us a progress and exhibited an efficiency which justify the belief that with a protection not more than is due to the enterprising citizens whose interests are now at stake it will become at an early day not only safe against occasional competitions from abroad, but a source of domestic wealth and even of external commerce.

Page 123

In selecting the branches more especially entitled to the public patronage a preference is obviously claimed by such as will relieve the United States from a dependence on foreign supplies, ever subject to casual failures, for articles necessary for the public defense or connected with the primary wants of individuals. It will be an additional recommendation of particular manufactures where the materials for them are extensively drawn from our agriculture, and consequently impart and insure to that great fund of national prosperity and independence an encouragement which can not fail to be rewarded.

Among the means of advancing the public interest the occasion is a proper one for recalling the attention of Congress to the great importance of establishing throughout our country the roads and canals which can best be executed under the national authority. No objects within the circle of political economy so richly repay the expense bestowed on them; there are none the utility of which is more universally ascertained and acknowledged; none that do more honor to the governments whose wise and enlarged patriotism duly appreciates them. Nor is there any country which presents a field where nature invites more the art of man to complete her own work for his accommodation and benefit.

These considerations are strengthened, moreover, by the political effect of these facilities for intercommunication in bringing and binding more closely together the various parts of our extended confederacy. Whilst the States individually, with a laudable enterprise and emulation, avail themselves of their local advantages by new roads, by navigable canals, and by improving the streams susceptible of navigation, the General Government is the more urged to similar undertakings, requiring a national jurisdiction and national means, by the prospect of thus systematically completing so inestimable a work; and it is a happy reflection that any defect of constitutional authority which may be encountered can be supplied in a mode which the Constitution itself has providently pointed out.

The present is a favorable season also for bringing again into view the establishment of a national seminary of learning within the District of Columbia, and with means drawn from the property therein, subject to the authority of the General Government. Such an institution claims the patronage of Congress as a monument of their solicitude for the advancement of knowledge, without which the blessings of liberty can not be fully enjoyed or long preserved; as a model instructive in the formation of other seminaries; as a nursery of enlightened preceptors, and as a central resort of youth and genius from every part of their country, diffusing on their return examples of those national feelings, those liberal sentiments, and those congenial manners which contribute cement to our Union and strength to the great political fabric of which that is the foundation.

Page 124

In closing this communication I ought not to repress a sensibility, in which you will unite, to the happy lot of our country and to the goodness of a superintending Providence, to which we are indebted for it. Whilst other portions of mankind are laboring under the distresses of war or struggling with adversity in other forms, the United States are in the tranquil enjoyment of prosperous and honorable peace. In reviewing the scenes through which it has been attained we can rejoice in the proofs given that our political institutions, founded in human rights and framed for their preservation, are equal to the severest trials of war, as well adapted to the ordinary periods of repose.

As fruits of this experience and of the reputation acquired by the American arms on the land and on the water, the nation finds itself possessed of a growing respect abroad and of a just confidence in itself, which are among the best pledges for its peaceful career. Under other aspects of our country the strongest features of its flourishing condition are seen in a population rapidly increasing on a territory as productive as it is extensive; in a general industry and fertile ingenuity which find their ample rewards, and in an affluent revenue which admits a reduction of the public burdens without withdrawing the means of sustaining the public credit, of gradually discharging the public debt, of providing for the necessary defensive and precautionary establishments, and of patronizing in every authorized mode undertakings conducive to the aggregate wealth and individual comfort of our citizens.

It remains for the guardians of the public welfare to persevere in that justice and good will toward other nations which invite a return of these sentiments toward the United States; to cherish institutions which guarantee their safety and their liberties, civil and religious; and to combine with a liberal system of foreign commerce an improvement of the national advantages and a protection and extension of the independent resources of our highly favored and happy country.

In all measures having such objects my faithful cooperation will be afforded.

***

State of the Union Address
James Madison
December 3, 1816

Fellow-Citizens of the Senate and House of Representatives:

In reviewing the present state of our country, our attention cannot be withheld from the effect produced by peculiar seasons which have very generally impaired the annual gifts of the earth and threatened scarcity in particular districts. Such, however, is the variety of soils, of climates, and of products within our extensive limits that the aggregate resources for subsistence are more than sufficient for the aggregate wants. And as far as an economy of consumption, more than usual, may be necessary, our thankfulness

is due to Providence for what is far more than a compensation, in the remarkable health which has distinguished the present year.

Page 125

Amidst the advantages which have succeeded the peace of Europe, and that of the United States with Great Britain, in a general invigoration of industry among us and in the extension of our commerce, the value of which is more and more disclosing itself to commercial nations, it is to be regretted that a depression is experienced by particular branches of our manufactures and by a portion of our navigation. As the first proceeds in an essential degree from an excess of imported merchandise, which carries a check in its own tendency, the cause in its present extent can not be very long in duration. The evil will not, however, be viewed by Congress without a recollection that manufacturing establishments, if suffered to sink too low or languish too long, may not revive after the causes shall have ceased, and that in the vicissitudes of human affairs situations may recur in which a dependence on foreign sources for indispensable supplies may be among the most serious embarrassments.

The depressed state of our navigation is to be ascribed in a material degree to its exclusion from the colonial ports of the nation most extensively connected with us in commerce, and from the indirect operation of that exclusion.

Previous to the late convention at London between the United States and Great Britain the relative state of the navigation laws of the two countries, growing out of the treaty of 1794, had given to the British navigation a material advantage over the American in the intercourse between the American ports and British ports in Europe. The convention of London equalized the laws of the two countries relating to those ports, leaving the intercourse between our ports and the ports of the British colonies subject, as before, to the respective regulations of the parties. The British Government enforcing now regulations which prohibit a trade between its colonies and the United States in American vessels, whilst they permit a trade in British vessels, the American navigation loses accordingly, and the loss is augmented by the advantage which is given to the British competition over the American in the navigation between our ports and British ports in Europe by the circuitous voyages enjoyed by the one and not enjoyed by the other.

The reasonableness of the rule of reciprocity applied to one branch of the commercial intercourse has been pressed on our part as equally applicable to both branches; but it is ascertained that the British cabinet declines all negotiation on the subject, with a disavowal, however, of any disposition to view in an unfriendly light whatever countervailing regulations the United States may oppose to the regulations of which they complain. The wisdom of the Legislature will decide on the course which, under these circumstances, is prescribed by a joint regard to the amicable relations between the two nations and to the just interests of the United States.

I have the satisfaction to state, generally, that we remain in amity with foreign powers.

Page 126

An occurrence has indeed taken place in the Gulf of Mexico which, if sanctioned by the Spanish Government, may make an exception as to that power. According to the report of our naval commander on that station, one of our public armed vessels was attacked by an over-powering force under a Spanish commander, and the American flag, with the officers and crew, insulted in a manner calling for prompt reparation. This has been demanded. In the mean time a frigate and a smaller vessel of war have been ordered into that Gulf for the protection of our commerce. It would be improper to omit that the representative of His Catholic Majesty in the United States lost no time in giving the strongest assurances that no hostile order could have emanated from his Government, and that it will be as ready to do as to expect whatever the nature of the case and the friendly relations of the two countries shall be found to require.

The posture of our affairs with Algiers at the present moment is not known. The Dey, drawing pretexts from circumstances for which the United States were not answerable, addressed a letter to this Government declaring the treaty last concluded with him to have been annulled by our violation of it, and presenting as the alternative war or a renewal of the former treaty, which stipulated, among other things, an annual tribute. The answer, with an explicit declaration that the United States preferred war to tribute, required his recognition and observance of the treaty last made, which abolishes tribute and the slavery of our captured citizens. The result of the answer has not been received. Should he renew his warfare on our commerce, we rely on the protection it will find in our naval force actually in the Mediterranean.

With the other Barbary States our affairs have undergone no change.

The Indian tribes within our limits appear also disposed to remain at peace. From several of them purchases of lands have been made particularly favorable to the wishes and security of our frontier settlements, as well as to the general interests of the nation. In some instances the titles, though not supported by due proof, and clashing those of one tribe with the claims of another, have been extinguished by double purchases, the benevolent policy of the United States preferring the augmented expense to the hazard of doing injustice or to the enforcement of justice against a feeble and untutored people by means involving or threatening an effusion of blood.

I am happy to add that the tranquillity which has been restored among the tribes themselves, as well as between them and our own population, will favor the resumption of the work of civilization which had made an encouraging progress among some tribes, and that the facility is increasing for extending that divided and individual ownership, which exists now in movable property only, to the soil itself, and of thus establishing in the culture and improvement of it the true foundation for a transit from the habits of the savage to the arts and comforts of social life.

Page 127

As a subject of the highest importance to the national welfare, I must again earnestly recommend to the consideration of Congress a reorganization of the militia on a plan which will form it into classes according to the periods of life more or less adapted to military services. An efficient militia is authorized and contemplated by the Constitution and required by the spirit and safety of free government. The present organization of our militia is universally regarded as less efficient than it ought to be made, and no organization can be better calculated to give to it its due force than a classification which will assign the foremost place in the defense of the country to that portion of its citizens whose activity and animation best enable them to rally to its standard. Besides the consideration that a time of peace is the time when the change can be made with most convenience and equity, it will now be aided by the experience of a recent war in which the militia bore so interesting a part.

Congress will call to mind that no adequate provision has yet been made for the uniformity of weights and measures also contemplated by the Constitution. The great utility of a standard fixed in its nature and founded on the easy rule of decimal proportions is sufficiently obvious. It led the Government at an early stage to preparatory steps for introducing it, and a completion of the work will be a just title to the public gratitude.

The importance which I have attached to the establishment of a university within this District on a scale and for objects worthy of the American nation induces me to renew my recommendation of it to the favorable consideration of Congress. And I particularly invite again their attention to the expediency of exercising their existing powers, and, where necessary, of resorting to the prescribed mode of enlarging them, in order to effectuate a comprehensive system of roads and canals, such as will have the effect of drawing more closely together every part of our country by promoting intercourse and improvements and by increasing the share of every part in the common stock of national prosperity.

Occurrences having taken place which shew that the statutory provisions for the dispensation of criminal justice are deficient in relation both to places and to persons under the exclusive cognizance of the national authority, an amendment of the law embracing such cases will merit the earliest attention of the Legislature. It will be a seasonable occasion also for inquiring how far legislative interposition may be further requisite in providing penalties for offenses designated in the Constitution or in the statutes, and to which either no penalties are annexed or none with sufficient certainty. And I submit to the wisdom of Congress whether a more enlarged revisal of the criminal code be not expedient for the purpose of mitigating in certain cases penalties which were adopted into it antecedent to experiment and examples which justify and recommend a more lenient policy.

Page 128

The United States, having been the first to abolish within the extent of their authority the transportation of the natives of Africa into slavery, by prohibiting the introduction of slaves and by punishing their citizens participating in the traffic, can not but be gratified at the progress made by concurrent efforts of other nations toward a general suppression of so great an evil. They must feel at the same time the greater solicitude to give the fullest efficacy to their own regulations. With that view, the interposition of Congress appears to be required by the violations and evasions which it is suggested are chargeable on unworthy citizens who mingle in the slave trade under foreign flags and with foreign ports, and by collusive importations of slaves into the United States through adjoining ports and territories. I present the subject to Congress with a full assurance of their disposition to apply all the remedy which can be afforded by an amendment of the law. The regulations which were intended to guard against abuses of a kindred character in the trade between the several States ought also to be rendered more effectual for their humane object.

To these recommendations I add, for the consideration of Congress, the expediency of a remodification of the judiciary establishment, and of an additional department in the executive branch of the Government.

The first is called for by the accruing business which necessarily swells the duties of the Federal courts, and by the great and widening space within which justice is to be dispensed by them. The time seems to have arrived which claims for members of the Supreme Court a relief from itinerary fatigues, incompatible as well with the age which a portion of them will always have attained as with the researches and preparations which are due to their stations and to the juridical reputation of their country. And considerations equally cogent require a more convenient organization of the subordinate tribunals, which may be accomplished without an objectionable increase of the number or expense of the judges.

The extent and variety of executive business also accumulating with the progress of our country and its growing population call for an additional department, to be charged with duties now over-burdening other departments and with such as have not been annexed to any department.

The course of experience recommends, as another improvement in the executive establishment, that the provision for the station of Attorney-General, whose residence at the seat of Government, official connections with it, and the management of the public business before the judiciary preclude an extensive participation in professional emoluments, be made more adequate to his services and his relinquishments, and that, with a view to his reasonable accommodation and to a proper depository of his official opinions and proceedings, there be included in the provision the usual appurtenances to a public office.

Page 129

In directing the legislative attention to the state of the finances it is a subject of great gratification to find that even within the short period which has elapsed since the return of peace the revenue has far exceeded all the current demands upon the Treasury, and that under any probable diminution of its future annual products which the vicissitudes of commerce may occasion it will afford an ample fund for the effectual and early extinguishment of the public debt. It has been estimated that during the year 1816 the actual receipts of revenue at the Treasury, including the balance at the commencement of the year, and excluding the proceeds of loans and Treasury notes, will amount to about the sum of $47 millions; that during the same year the actual payments at the Treasury, including the payment of the arrearages of the War Department as well as the payment of a considerable excess beyond the annual appropriations, will amount to about the sum of $38 millions, and that consequently at the close of the year there will be a surplus in the Treasury of about the sum of $9 millions.

The operations of the Treasury continued to be obstructed by difficulties arising from the condition of the national currency, but they have nevertheless been effectual to a beneficial extent in the reduction of the public debt and the establishment of the public credit. The floating debt of Treasury notes and temporary loans will soon be entirely discharged. The aggregate of the funded debt, composed of debts incurred during the wars of 1776 and 1812, has been estimated with reference to the first of January next at a sum not exceeding $110 millions. The ordinary annual expenses of the Government for the maintenance of all its institutions, civil, military, and naval, have been estimated at a sum greater than $20 millions, and the permanent revenue to be derived from all the existing sources has been estimated at a sum of $25 millions.

Upon this general view of the subject it is obvious that there is only wanting to the fiscal prosperity of the Government the restoration of an uniform medium of exchange. The resources and the faith of the nation, displayed in the system which Congress has established, insure respect and confidence both at home and abroad. The local accumulations of the revenue have already enabled the Treasury to meet the public engagements in the local currency of most of the States, and it is expected that the same cause will produce the same effect throughout the Union; but for the interests of the community at large, as well as for the purposes of the Treasury, it is essential that the nation should possess a currency of equal value, credit, and use wherever it may circulate. The Constitution has intrusted Congress exclusively with the power of creating and regulating a currency of that description, and the measures which were taken during the last session in execution of the power give every promise of success. The Bank of the United States has been organized under auspices the most favorable, and can not fail to be an important auxiliary to those measures.

Page 130

For a more enlarged view of the public finances, with a view of the measures pursued by the Treasury Department previous to the resignation of the late Secretary, I transmit an extract from the last report of that officer. Congress will perceive in it ample proofs of the solid foundation on which the financial prosperity of the nation rests, and will do justice to the distinguished ability and successful exertions with which the duties of the Department were executed during a period remarkable for its difficulties and its peculiar perplexities.

The period of my retiring from the public service being at little distance, I shall find no occasion more proper than the present for expressing to my fellow citizens my deep sense of the continued confidence and kind support which I have received from them. My grateful recollection of these distinguished marks of their favorable regard can never cease, and with the consciousness that, if I have not served my country with greater ability, I have served it with a sincere devotion will accompany me as a source of unfailing gratification.

Happily, I shall carry with me from the public theater other sources, which those who love their country most will best appreciate. I shall behold it blessed with tranquillity and prosperity at home and with peace and respect abroad. I can indulge the proud reflection that the American people have reached in safety and success their 40th year as an independent nation; that for nearly an entire generation they have had experience of their present Constitution, the off-spring of their undisturbed deliberations and of their free choice; that they have found it to bear the trials of adverse as well as prosperous circumstances; to contain in its combination of the federate and elective principles a reconcilement of public strength with individual liberty, of national power for the defense of national rights with a security against wars of injustice, of ambition, and vain-glory in the fundamental provision which subjects all questions of war to the will of the nation itself, which is to pay its costs and feel its calamities. Nor is it less a peculiar felicity of this Constitution, so dear to us all, that it is found to be capable, without losing its vital energies, of expanding itself over a spacious territory with the increase and expansion of the community for whose benefit it was established.

And may I not be allowed to add to this gratifying spectacle that I shall read in the character of the American people, in their devotion to true liberty and to the Constitution which is its palladium, sure presages that the destined career of my country will exhibit a Government pursuing the public good as its sole object, and regulating its means by the great principles consecrated in its charter and by those moral principles to which they are so well allied; a Government which watches over the purity of elections, the freedom of speech and of the press, the trial by

Page 131

jury, and the equal interdict against encroachments and compacts between religion and the state; which maintains inviolably the maxims of public faith, the security of persons and property, and encourages in every authorized mode the general diffusion of knowledge which guarantees to public liberty its permanency and to those who possess the blessing the true enjoyment of it; a Government which avoids intrusions on the internal repose of other nations, and repels them from its own; which does justice to all nations with a readiness equal to the firmness with which it requires justice from them; and which, whilst it refines its domestic code from every ingredient not congenial with the precepts of an enlightened age and the sentiments of a virtuous people, seeks by appeals to reason and by its liberal examples to infuse into the law which governs the civilized world a spirit which may diminish the frequency or circumscribe the calamities of war, and meliorate the social and beneficent relations of peace; a Government, in a word, whose conduct within and without may bespeak the most noble of ambitions—that of promoting peace on earth and good will to man.

These contemplations, sweetening the remnant of my days, will animate my prayers for the happiness of my beloved country, and a perpetuity of the institutions under which it is enjoyed.

***

State of the Union Address
James Monroe
December 12, 1817

Fellow-Citizens of the Senate and House of Representatives:

At no period of our political existence had we so much cause to felicitate ourselves at the prosperous and happy condition of our country. The abundant fruits of the earth have filled it with plenty. An extensive and profitable commerce has greatly augmented our revenue. The public credit has attained an extraordinary elevation. Our preparations for defense in case of future wars, from which, by the experience of all nations, we ought not to expect to be exempted, are advancing under a well-digested system with all the dispatch which so important a work will admit. Our free Government, founded on the interest and affections of the people, has gained and is daily gaining strength. Local jealousies are rapidly yielding to more generous, enlarged, and enlightened views of national policy. For advantages so numerous and highly important it is our duty to unite in grateful acknowledgements to that Omnipotent Being from whom they are derived, and in unceasing prayer that He will endow us with virtue and strength to maintain and hand them down in their utmost purity to our latest posterity.

Page 132

I have the satisfaction to inform you that an arrangement which had been commenced by my predecessor with the British Government for the reduction of the naval force by Great Britain and the United States on the Lakes has been concluded, by which it is provided that neither party shall keep in service on Lake Champlain more than one vessel, on Lake Ontario more than one, and on Lake Erie and the upper lakes more than two, to be armed each with one cannon only, and that all the other armed vessels of both parties, of which an exact list is interchanged, shall be dismantled. It is also agreed that the force retained shall be restricted in its duty to the internal purposes of each party, and that the arrangement shall remain in force until six months shall have expired after notice given by one of the parties to the other of its desire that it should terminate. By this arrangement useless expense on both sides and, what is of still greater importance, the danger of collision between armed vessels in those inland waters, which was great, is prevented.

I have the satisfaction also to state that the commissioners under the fourth article of the treaty of Ghent, to whom it was referred to decide to which party the several islands in the bay of Passamaquoddy belonged under the treaty of 1783, have agreed in a report, by which all the islands in the possession of each party before the late war have been decreed to it. The commissioners acting under the other articles of the treaty of Ghent for the settlement of boundaries have also been engaged in the discharge of their respective duties, but have not yet completed them.

The difference which arose between the two Governments under that treaty respecting the right of the *us* to take and cure fish on the coast of the British provinces north of our limits, which had been secured by the treaty of 1783, is still in negotiation. The proposition made by this Government to extend to the colonies of Great Britain the principle of the convention of London, by which the commerce between the ports of the United States and British ports in Europe had been placed on a footing of equality, has been declined by the British Government. This subject having been thus amicably discussed between the two Governments, and it appearing that the British Government is unwilling to depart from its present regulations, it remains for Congress to decide whether they will make any other regulations in consequence thereof for the protection and improvement of our navigation.

The negotiation with Spain for spoliations on our commerce and the settlement of boundaries remains essentially in the state it held by the communications that were made to Congress by my predecessor. It has been evidently the policy of the Spanish Government to keep the negotiation suspended, and in this the United States have acquiesced, from an amicable disposition toward Spain and in the expectation that her Government

Page 133

would, from a sense of justice, finally accede to such an arrangement as would be equal between the parties. A disposition has been lately shown by the Spanish Government to move in the negotiation, which has been met by this Government, and should the conciliatory and friendly policy which has invariably guided our councils be reciprocated, a just and satisfactory arrangement may be expected. It is proper, however, to remark that no proposition has yet been made from which such a result can be presumed.

It was anticipated at an early stage that the contest between Spain and the colonies would become highly interesting to the United States. It was natural that our citizens should sympathize in events which affected their neighbors. It seemed probable also that the prosecution of the conflict along our coast and in contiguous countries would occasionally interrupt our commerce and otherwise affect the persons and property of our citizens. These anticipations have been realized. Such injuries have been received from persons acting under authority of both the parties, and for which redress has in most instances been withheld.

Through every stage of the conflict the United States have maintained an impartial neutrality, giving aid to neither of the parties in men, money, ships, or munitions of war. They have regarded the contest not in the light of an ordinary insurrection or rebellion, but as a civil war between parties nearly equal, having as to neutral powers equal rights. Our ports have been open to both, and every article the fruit of our soil or of the industry of our citizens which either was permitted to take has been equally free to the other. Should the colonies establish their independence, it is proper now to state that this Government neither seeks nor would accept from them any advantage in commerce or otherwise which will not be equally open to all other nations. The colonies will in that event become independent states, free from any obligation to or connection with us which it may not then be their interest to form on the basis of a fair reciprocity.

In the summer of the present year an expedition was set on foot against East Florida by persons claiming to act under the authority of some of the colonies, who took possession of Amelia Island, at the mouth of the St. Marys River, near the boundary of the State of Georgia. As this Province lies eastward of the Mississippi, and is bounded by the United States and the ocean on every side, and has been a subject of negotiation with the Government of Spain as an indemnity for losses by spoliation or in exchange for territory of equal value westward of the Mississippi, a fact well known to the world, it excited surprise that any countenance should be given to this measure by any of the colonies.

Page 134

As it would be difficult to reconcile it with the friendly relations existing between the United States and the colonies, a doubt was entertained whether it had been authorized by them, or any of them. This doubt has gained strength by the circumstances which have unfolded themselves in the prosecution of the enterprise, which have marked it as a mere private, unauthorized adventure. Projected and commenced with an incompetent force, reliance seems to have been placed on what might be drawn, in defiance of our laws, from within our limits; and of late, as their resources have failed, it has assumed a more marked character of unfriendliness to us, the island being made a channel for the illicit introduction of slaves from Africa into the United States, an asylum for fugitive slaves from the neighboring States, and a port for smuggling of every kind.

A similar establishment was made at an earlier period by persons of the same description in the Gulf of Mexico at a place called Galvezton, within the limits of the United States, as we contend, under the cession of Louisiana. This enterprise has been marked in a more signal manner by all the objectionable circumstances which characterized the other, and more particularly by the equipment of privateers which have annoyed our commerce, and by smuggling. These establishments, if ever sanctioned by any authority whatever, which is not believed, have abused their trust and forfeited all claim to consideration. A just regard for the rights and interests of the United States required that they should be suppressed, and orders have been accordingly issued to that effect. The imperious considerations which produced this measure will be explained to the parties whom it may in any degree concern.

To obtain correct information on every subject in which the United States are interested; to inspire just sentiments in all persons in authority, on either side, of our friendly disposition so far as it may comport with an impartial neutrality, and to secure proper respect to our commerce in every port and from every flag, it has been thought proper to send a ship of war with three distinguished citizens along the southern coast with these purposes. With the existing authorities, with those in the possession of and exercising the sovereignty, must the communication be held; from them alone can redress for past injuries committed by persons acting under them be obtained; by them alone can the commission of the like in future be prevented.

Our relations with the other powers of Europe have experienced no essential change since the last session. In our intercourse with each due attention continues to be paid to the protection of our commerce, and to every other object in which the United States are interested. A strong hope is entertained that, by adhering to the maxims of a just, a candid, and friendly policy, we may long preserve amicable relations with all the powers of Europe on conditions advantageous and honorable to our country.

Page 135

With the Barbary States and the Indian tribes our pacific relations have been preserved.

In calling your attention to the internal concerns of our country the view which they exhibit is peculiarly gratifying. The payments which have been made into the Treasury show the very productive state of the public revenue. After satisfying the appropriations made by law for the support of the civil Government and of the military and naval establishments, embracing suitable provision for fortifications and for the gradual increase of the Navy, paying the interest of the public debt, and extinguishing more than $18 millions of the principal, within the present year, it is estimated that a balance of more than $6 millions will remain in the Treasury on the first day of January applicable to the current service of the ensuing year.

The payments into the Treasury during the year 1818 on account of imposts and tonnage, resulting principally from duties which have accrued in the present year, may be fairly estimated at $20 millions; the internal revenues at $2.5 millions; the public lands at $1.5 millions; bank dividends and incidental receipts at $500,000; making in the whole $24.5 millions.

The annual permanent expenditure for the support of the civil Government and of the Army and Navy, as now established by law, amounts to $11.8 millions, and for the sinking fund to $10 millions, making in the whole $21.8 millions, leaving an annual excess of revenue beyond the expenditure of $2.7 millions, exclusive of the balance estimated to be in the Treasury on the first day of January, 1818.

In the present state of the Treasury the whole of the Louisiana debt may be redeemed in the year 1819, after which, if the public debt continues as it now is, above par, there will be annually about $5 millions of the sinking fund unexpended until the year 1825, when the loan of 1812 and the stock created by funding Treasury notes will be redeemable.

It is also estimated that the Mississippi stock will be discharged during the year 1819 from the proceeds of the public lands assigned to that object, after which the receipts from those lands will annually add to the public revenue the sum of $1.5 millions, making the permanent annual revenue amount to $26 millions, and leaving an annual excess of revenue after the year 1819 beyond the permanent authorized expenditure of more than $4 millions.

By the last returns to the Department of War the militia force of the several States may be estimated at 800,000 men—infantry, artillery, and cavalry. Great part of this force is armed, and measures are taken to arm the whole. An improvement in the organization and discipline of the militia is one of the great objects which claims the unremitted attention of Congress.

The regular force amounts nearly to the number required by law, and is stationed along the Atlantic and inland frontiers.

Of the naval force it has been necessary to maintain strong squadrons in the Mediterranean and in the Gulf of Mexico.

Page 136

From several of the Indian tribes inhabiting the country bordering on Lake Erie purchases have been made of lands on conditions very favorable to the United States, and, as it is presumed, not less so to the tribes themselves.

By these purchases the Indian title, with moderate reservations, has been extinguished to the whole of the land within the limits of the State of Ohio, and to a part of that in the Michigan Territory and of the State of Indiana. From the Cherokee tribe a tract has been purchased in the State of Georgia and an arrangement made by which, in exchange for lands beyond the Mississippi, a great part, if not the whole, of the land belonging to that tribe eastward of that river in the States of North Carolina, Georgia, and Tennessee, and in the Alabama Territory will soon be acquired. By these acquisitions, and others that may reasonably be expected soon to follow, we shall be enabled to extend our settlements from the inhabited parts of the State of Ohio along Lake Erie into the Michigan Territory, and to connect our settlements by degrees through the State of Indiana and the Illinois Territory to that of Missouri. A similar and equally advantageous effect will soon be produced to the south, through the whole extent of the States and territory which border on the waters emptying into the Mississippi and the Mobile.

In this progress, which the rights of nature demand and nothing can prevent, marking a growth rapid and gigantic, it is our duty to make new efforts for the preservation, improvement, and civilization of the native inhabitants. The hunter state can exist only in the vast uncultivated desert. It yields to the more dense and compact form and greater force of civilized population; and of right it ought to yield, for the earth was given to mankind to support the greatest number of which it is capable, and no tribe or people have a right to withhold from the wants of others more than is necessary for their own support and comfort.

It is gratifying to know that the reservations of land made by the treaties with the tribes on Lake Erie were made with a view to individual ownership among them and to the cultivation of the soil by all, and that an annual stipend has been pledged to supply their other wants. It will merit the consideration of Congress whether other provision not stipulated by treaty ought to be made for these tribes and for the advancement of the liberal and humane policy of the United States toward all the tribes within our limits, and more particularly for their improvement in the arts of civilized life.

Page 137

Among the advantages incident to these purchases, and to those which have preceded, the security which may thereby be afforded to our inland frontiers is peculiarly important. With a strong barrier, consisting of our own people, thus planted on the Lakes, the Mississippi, and the Mobile, with the protection to be derived from the regular force, Indian hostilities, if they do not altogether cease, will henceforth lose their terror. Fortifications in those quarters to any extent will not be necessary, and the expense of attending them may be saved. A people accustomed to the use of firearms only, as the Indian tribes are, will shun even moderate works which are defended by cannon. Great fortifications will therefore be requisite only in future along the coast and at some points in the interior connected with it. On these will the safety of our towns and the commerce of our great rivers, from the Bay of Fundy to the Mississippi, depend. On these, therefore, should the utmost attention, skill, and labor be bestowed.

A considerable and rapid augmentation in the value of all the public lands, proceeding from these and other obvious cases, may henceforward be expected. The difficulties attending early emigrations will be dissipated even in the most remote parts. Several new States have been admitted into our Union to the west and south, and Territorial governments, happily organized, established over every other portion in which there is vacant land for sale. In terminating Indian hostilities, as must soon be done, in a formidable shape at least, the emigration, which has heretofore been great, will probably increase, and the demand for land and the augmentation in its value be in like proportion.

The great increase of our population throughout the Union will alone produce an important effect, and in no quarter will it be so sensibly felt as in those in contemplation. The public lands are a public stock, which ought to be disposed of to the best advantage for the nation. The nation should therefore derive the profit proceeding from the continual rise in their value. Every encouragement should be given to the emigrants consistent with a fair competition between them, but that competition should operate in the first sale to the advantage of the nation rather than of individuals.

Great capitalists will derive the benefit incident to their superior wealth under any mode of sale which may be adopted, but if, looking forward to the rise in the value of the public lands, they should have the opportunity of amassing at a low price vast bodies in their hands, the profit will accrue to them and not to the public. They would also have the power in that degree to control the emigration and settlement in such a manner as their opinion of their respective interests might dictate. I submit this subject to the consideration of Congress, that such further provision may be made in the sale of the public lands, with a view to the public interest, should any be deemed expedient, as in their judgment may be best adapted to the object.

Page 138

When we consider the vast extent of territory within the United States, the great amount and value of its productions, the connection of its parts, and other circumstances on which their prosperity and happiness depend, we can not fail to entertain a high sense of the advantage to be derived from the facility which may be afforded in the intercourse between them by means of good roads and canals. Never did a country of such vast extent offer equal inducements to improvements of this kind, nor ever were consequences of such magnitude involved in them. As this subject was acted on by Congress at the last session, and there may be a disposition to revive it at the present, I have brought it into view for the purpose of communicating my sentiments on a very important circumstance connected with it with that freedom and candor which a regard for the public interest and a proper respect for Congress require.

A difference of opinion has existed from the first formation of our Constitution to the present time among our most enlightened and virtuous citizens respecting the right of Congress to establish such a system of improvement. Taking into view the trust with which I am now honored, it would be improper after what has passed that this discussion should be revived with an uncertainty of my opinion respecting the right. Disregarding early impressions I have bestowed on the subject all the deliberation which its great importance and a just sense of my duty required, and the result is a settled conviction in my mind that Congress do not possess the right. It is not contained in any of the specified powers granted to Congress, nor can I consider it incidental to or a necessary means, viewed on the most liberal scale, for carrying into effect any of the powers which are specifically granted.

In communicating this result I can not resist the obligation which I feel to suggest to Congress the propriety of recommending to the States the adoption of an amendment to the Constitution which shall give to Congress the right in question. In cases of doubtful construction, especially of such vital interest, it comports with the nature and origin of our institutions, and will contribute much to preserve them, to apply to our constituents for an explicit grant of the power. We may confidently rely that if it appears to their satisfaction that the power is necessary, it will always be granted.

In this case I am happy to observe that experience has afforded the most ample proof of its utility, and that the benign spirit of conciliation and harmony which now manifests itself throughout our Union promises to such a recommendation the most prompt and favorable result. I think proper to suggest also, in case this measure is adopted, that it be recommended to the States to include in the amendment sought a right in Congress to institute likewise seminaries of learning, for the all-important purpose of diffusing knowledge among our fellow-citizens throughout the United States.

Page 139

Our manufactories will require the continued attention of Congress. The capital employed in them is considerable, and the knowledge acquired in the machinery and fabric of all the most useful manufactures is of great value. Their preservation, which depends on due encouragement, is connected with the high interests of the nation.

Although the progress of the public buildings has been as favorable as circumstances have permitted, it is to be regretted that the Capitol is not yet in a state to receive you. There is good cause to presume that the two wings, the only parts as yet commenced, will be prepared for that purpose at the next session. The time seems now to have arrived when this subject may be deemed worthy the attention of Congress on a scale adequate to national purposes. The completion of the middle building will be necessary to the convenient accommodation of Congress, of the committees, and various offices belonging to it.

It is evident that the other public buildings are altogether insufficient for the accommodation of the several Executive Departments, some of whom are much crowded and even subjected to the necessity of obtaining it in private buildings at some distance from the head of the Department, and with inconvenience to the management of the public business.

Most nations have taken an interest and a pride in the improvement and ornament of their metropolis, and none were more conspicuous in that respect than the ancient republics. The policy which dictated the establishment of a permanent residence for the National Government and the spirit in which it was commenced and has been prosecuted show that such improvement was thought worthy the attention of this nation. Its central position, between the northern and southern extremes of our Union, and its approach to the west at the head of a great navigable river which interlocks with the Western waters, prove the wisdom of the councils which established it.

Nothing appears to be more reasonable and proper than that convenient accommodation should be provided on a well-digested plan for the heads of the several Departments and for the Attorney-General, and it is believed that the public ground in the city applied to these objects will be found amply sufficient. I submit this subject to the consideration of Congress, that such further provision may be made in it as to them may seem proper.

In contemplating the happy situation of the United States, our attention is drawn with peculiar interest to the surviving officers and soldiers of our Revolutionary army, who so eminently contributed by their services to lay its foundation. Most of those very meritorious citizens have paid the debt of nature and gone to repose. It is believed that among the survivors there are some not provided for by existing laws, who are reduced to indigence and even to real distress. These men have a claim on the gratitude of their country, and it will do honor to their country to provide for them. The lapse of a few years more and the opportunity will be forever lost; indeed, so long already has been

the interval that the number to be benefitted by any provision which may be made will not be great.

Page 140

It appearing in a satisfactory manner that the revenue arising from imposts and tonnage and from the sale of the public lands will be fully adequate to the support of the civil Government, of the present military and naval establishments, including the annual augmentation of the latter to the extent provided for, to the payment of the interest of the public debt, and to the extinguishment of it at the times authorized, without the aid of the internal taxes, I consider it my duty to recommend to Congress their repeal.

To impose taxes when the public exigencies require them is an obligation of the most sacred character, especially with a free people. The faithful fulfillment of it is among the highest proofs of their value and capacity for self-government. To dispense with taxes when it may be done with perfect safety is equally the duty of their representatives.

In this instance we have the satisfaction to know that they were imposed when the demand was imperious, and have been sustained with exemplary fidelity. I have to add that however gratifying it may be to me regarding the prosperous and happy condition of our country to recommend the repeal of these taxes at this time, I shall nevertheless be attentive to events, and, should any future emergency occur, be not less prompt to suggest such measures and burdens as may then be requisite and proper.

***

State of the Union Address
James Monroe
November 16, 1818

Fellow-Citizens of the Senate and House of Representatives:

The auspicious circumstances under which you will commence the duties of the present session will lighten the burdens inseparable from the high trust committed to you. The fruits of the earth have been unusually abundant, commerce has flourished, the revenue has exceeded the most favorable anticipation, and peace and amity are preserved with foreign nations on conditions just and honorable to our country. For these inestimable blessings we can not but be grateful to that Providence which watches over the destiny of nations.

As the term limited for the operation of the commercial convention with Great Britain will expire early in the month of July next, and it was deemed important that there should be no interval during which that portion of our commerce which was provided for by that convention should not be regulated, either by arrangement between the two Governments or by the authority of Congress, the minister of the United States at London was instructed early in the last summer to invite the attention of the British Government to the subject, with a view to that object. He was instructed to propose also that the negotiation which it was wished to open might extend to the general commerce of the two countries, and to every other interest and unsettled difference

between them in the hope that an arrangement might be made on principles of reciprocal advantage which might comprehend and provide in a satisfactory manner for all these high concerns.

Page 141

I have the satisfaction to state that the proposal was received by the British Government in the spirit which prompted it, and that a negotiation has been opened at London embracing all these objects. On full consideration of the great extent and magnitude of the trust it was thought proper to commit it to not less than two of our distinguished citizens, and in consequence the envoy extraordinary and minister plenipotentiary of the United States at Paris has been associated with our envoy extraordinary and minister plenipotentiary at London, to both of whom corresponding instructions have been given, and they are now engaged in the discharge of its duties. It is proper to add that to prevent any inconvenience resulting from the delay incident to a negotiation on so many important subjects it was agreed before entering on it that the existing convention should be continued for a term not less than eight years.

Our relations with Spain remain nearly in the state in which they were at the close of the last session. The convention of 1802, providing for the adjustment of a certain portion of the claims of our citizens for injuries sustained by spoliation, and so long suspended by the Spanish Government, has at length been ratified by it, but no arrangement has yet been made for the payment of another portion of like claims, not less extensive or well founded, or for other classes of claims, or for the settlement of boundaries. These subjects have again been brought under consideration in both countries, but no agreement has been entered into respecting them.

In the mean time events have occurred which clearly prove the ill effect of the policy which that Government has so long pursued on the friendly relations of the two countries, which it is presumed is at least of as much importance to Spain as to the United States to maintain. A state of things has existed in the Floridas the tendency of which has been obvious to all who have paid the slightest attention to the progress of affairs in that quarter. Throughout the whole of those Provinces to which the Spanish title extends the Government of Spain has scarcely been felt. Its authority has been confined almost exclusively to the walls of Pensacola and St. Augustine, within which only small garrisons have been maintained. Adventurers from every country, fugitives from justice, and absconding slaves have found an asylum there. Several tribes of Indians, strong in the number of their warriors, remarkable for their ferocity, and whose settlements extend to our limits, inhabit those Provinces.

These different hordes of people, connected together, disregarding on the one side the authority of Spain, and protected on the other by an imaginary line which separates Florida from the United States, have violated our laws prohibiting the introduction of slaves, have practiced various frauds on our revenue, and committed every kind of outrage on our peaceable citizens which their proximity to us enabled them to perpetrate.

Page 142

The invasion of Amelia Island last year by a small band of adventurers, not exceeding one hundred and fifty in number, who wrested it from the inconsiderable Spanish force stationed there, and held it several months, during which a single feeble effort only was made to recover it, which failed, clearly proves how completely extinct the Spanish authority had become, as the conduct of those adventurers while in possession of the island as distinctly shows the pernicious purposes for which their combination had been formed.

This country had, in fact, become the theater of every species of lawless adventure. With little population of its own, the Spanish authority almost extinct, and the colonial governments in a state of revolution, having no pretension to it, and sufficiently employed in their own concerns, it was in great measure derelict, and the object of cupidity to every adventurer. A system of buccaneering was rapidly organizing over it which menaced in its consequences the lawful commerce of every nation, and particularly the United States, while it presented a temptation to every people, on whose seduction its success principally depended.

In regard to the United States, the pernicious effect of this unlawful combination was not confined to the ocean; the Indian tribes have constituted the effective force in Florida. With these tribes these adventurers had formed at an early period a connection with a view to avail themselves of that force to promote their own projects of accumulation and aggrandizement. It is to the interference of some of these adventurers, in misrepresenting the claims and titles of the Indians to land and in practicing on their savage propensities, that the Seminole war is principally to be traced. Men who thus connect themselves with savage communities and stimulate them to war, which is always attended on their part with acts of barbarity the most shocking, deserve to be viewed in a worse light than the savages. They would certainly have no claim to an immunity from the punishment which, according to the rules of warfare practiced by the savages, might justly be inflicted on the savages themselves.

If the embarrassments of Spain prevented her from making an indemnity to our citizens for so long a time from her treasury for their losses by spoliation and otherwise, it was always in her power to have provided it by the cession of this territory. Of this her Government has been repeatedly apprised, and the cession was the more to have been anticipated as Spain must have known that in ceding it she would likewise relieve herself from the important obligation secured by the treaty of 1795 and all other compromitments respecting it. If the United States, from consideration of these embarrassments, declined pressing their claims in a spirit of hostility, the motive ought at least to have been duly appreciated by the Government of Spain. It is well known to her Government that other powers have made to the United States an indemnity for like losses sustained by their citizens at the same epoch.

Page 143

There is nevertheless a limit beyond which this spirit of amity and forbearance can in no instance be justified. If it was proper to rely on amicable negotiation for an indemnity for losses, it would not have been so to have permitted the inability of Spain to fulfill her engagements and to sustain her authority in the Floridas to be perverted by foreign adventurers and savages to purposes so destructive to the lives of our fellow citizens and the highest interests of the United States.

The right of self defense never ceases. It is among the most sacred, and alike necessary to nations and to individuals, and whether the attack be made by Spain herself or by those who abuse her power, its obligation is not the less strong.

The invaders of Amelia Island had assumed a popular and respected title under which they might approach and wound us. As their object was distinctly seen, and the duty imposed on the Executive by an existing law was profoundly felt, that mask was not permitted to protect them. It was thought incumbent on the United States to suppress the establishment, and it was accordingly done. The combination in Florida for the unlawful purposes stated, the acts perpetrated by that combination, and, above all, the incitement of the Indians to massacre our fellow citizens of every age and of both sexes, merited a like treatment and received it.

In pursuing these savages to an imaginary line in the woods it would have been the height of folly to have suffered that line to protect them. Had that been done the war could never cease. Even if the territory had been exclusively that of Spain and her power complete over it, we had a right by the law of nations to follow the enemy on it and to subdue him there. But the territory belonged, in a certain sense at least, to the savage enemy who inhabited it; the power of Spain had ceased to exist over it, and protection was sought under her title by those who had committed on our citizens hostilities which she was bound by treaty to have prevented, but had not the power to prevent. To have stopped at that line would have given new encouragement to these savages and new vigor to the whole combination existing there in the prosecution of all its pernicious purposes.

In suppressing the establishment at Amelia Island no unfriendliness was manifested toward Spain, because the post was taken from a force which had wrested it from her. The measure, it is true, was not adopted in concert with the Spanish Government or those in authority under it, because in transactions connected with the war in which Spain and the colonies are engaged it was thought proper in doing justice to the United States to maintain a strict impartiality toward both the belligerent parties without consulting or acting in concert with either. It gives me pleasure to state that the Governments of Buenos Ayres and Venezuela, whose names were assumed, have explicitly disclaimed all participation in those measures, and even the knowledge of them until communicated by this Government, and have also expressed their satisfaction that a course of proceedings had been suppressed which if justly imputable to them would dishonor their cause.

Page 144

In authorizing Major-General Jackson to enter Florida in pursuit of the Seminoles care was taken not to encroach on the rights of Spain. I regret to have to add that in executing this order facts were disclosed respecting the conduct of the officers of Spain in authority there in encouraging the war, furnishing munitions of war and other supplies to carry it on, and in other acts not less marked which evinced their participation in the hostile purposes of that combination and justified the confidence with which it inspired the savages that by those officers they would be protected.

A conduct so incompatible with the friendly relations existing between the two countries, particularly with the positive obligations of the 5th article of the treaty of 1795, by which Spain was bound to restrain, even by force, those savages from acts of hostility against the United States, could not fail to excite surprise. The commanding general was convinced that he should fail in his object, that he should in effect accomplish nothing, if he did not deprive those savages of the resource on which they had calculated and of the protection on which they had relied in making the war. As all the documents relating to this occurrence will be laid before Congress, it is not necessary to enter into further detail respecting it.

Although the reasons which induced Major-General Jackson to take these posts were duly appreciated, there was nevertheless no hesitation in deciding on the course which it became the Government to pursue. As there was reason to believe that the commanders of these posts had violated their instructions, there was no disposition to impute to their Government a conduct so unprovoked and hostile. An order was in consequence issued to the general in command there to deliver the posts—Pensacola unconditionally to any person duly authorized to receive it, and St. Marks, which is in the heart of the Indian country, on the arrival of a competent force to defend it against those savages and their associates.

In entering Florida to suppress this combination no idea was entertained of hostility to Spain, and however justifiable the commanding general was, in consequence of the misconduct of the Spanish officers, in entering St. Marks and Pensacola to terminate it by proving to the savages and their associates that they should not be protected even there, yet the amicable relations existing between the United States and Spain could not be altered by that act alone. By ordering the restitution of the posts those relations were preserved. To a change of them the power of the Executive is deemed incompetent; it is vested in Congress only.

By this measure, so promptly taken, due respect was shown to the Government of Spain. The misconduct of her officers has not been imputed to her. She was enabled to review with candor her relations with the United States and her own situation, particularly in respect to the territory in question, with the dangers inseparable from it, and regarding the losses we have sustained for which indemnity has been so long withheld, and the injuries we have suffered through that territory, and her means of

redress, she was likewise enabled to take with honor the course best calculated to do justice to the United States and to promote her own welfare.

Page 145

Copies of the instructions to the commanding general, of his correspondence with the Secretary of War, explaining his motives and justifying his conduct, with a copy of the proceedings of the courts-martial in the trial of Arbuthnot and Ambristie, and of the correspondence between the Secretary of State and the minister plenipotentiary of Spain near this Government, and of the minister plenipotentiary of the United States at Madrid with the Government of Spain, will be laid before Congress.

The civil war which has so long prevailed between Spain and the Provinces in South America still continues, without any prospect of its speedy termination. The information respecting the condition of those countries which has been collected by the commissioners recently returned from thence will be laid before Congress in copies of their reports, with such other information as has been received from other agents of the United States.

It appears from these communications that the Government at Buenos Ayres declared itself independent in July, 1816, having previously exercised the power of an independent Government, though in the name of the King of Spain, from the year 1810; that the Banda Oriental, Entre Rios, and Paraguay, with the city of Santa Fee, all of which are also independent, are unconnected with the present Government of Buenos Ayres; that Chili has declared itself independent and is closely connected with Buenos Ayres; that Venezuela has also declared itself independent, and now maintains the conflict with various success; and that the remaining parts of South America, except Monte Video and such other portions of the eastern bank of the La Plata as are held by Portugal, are still in the possession of Spain or in a certain degree under her influence.

By a circular note addressed by the ministers of Spain to the allied powers, with whom they are respectively accredited, it appears that the allies have undertaken to mediate between Spain and the South American Provinces, and that the manner and extent of their interposition would be settled by a congress which was to have met at Aix-la-Chapelle in September last. From the general policy and course of proceeding observed by the allied powers in regard to this contest it is inferred that they will confine their interposition to the expression of their sentiments, abstaining from the application of force. I state this impression that force will not be applied with the greater satisfaction because it is a course more consistent with justice and likewise authorizes a hope that the calamities of the war will be confined to the parties only, and will be of shorter duration.

From the view taken of this subject, founded on all the information that we have been able to obtain, there is good cause to be satisfied with the course heretofore pursued by the United States in regard to this contest, and to conclude that it is proper to adhere to it, especially in the present state of affairs.

Page 146

I have great satisfaction in stating that our relations with France, Russia, and other powers continue on the most friendly basis.

In our domestic concerns we have ample cause of satisfaction. The receipts into the Treasury during the three first quarters of the year have exceeded $17 millions.

After satisfying all the demands which have been made under existing appropriations, including the final extinction of the old 6% stock and the redemption of a moiety of the Louisiana debt, it is estimated that there will remain in the Treasury on the 1st day of January next more than $2 millions.

It is ascertained that the gross revenue which has accrued from the customs during the same period amounts to $21 millions, and that the revenue of the whole year may be estimated at not less than $26 millions. The sale of the public lands during the year has also greatly exceeded, both in quantity and price, that of any former year, and there is just reason to expect a progressive improvement in that source of revenue.

It is gratifying to know that although the annual expenditure has been increased by the act of the last session of Congress providing for Revolutionary pensions to an amount about equal to the proceeds of the internal duties which were then repealed, the revenue for the ensuing year will be proportionally augmented, and that whilst the public expenditure will probably remain stationary, each successive year will add to the national resources by the ordinary increase of our population and by the gradual development of our latent sources of national prosperity.

The strict execution of the revenue laws, resulting principally from the salutary provisions of the act of the 20th of April last amending the several collection laws, has, it is presumed, secured to domestic manufactures all the relief that can be derived from the duties which have been imposed upon foreign merchandise for their protection. Under the influence of this relief several branches of this important national interest have assumed greater activity, and although it is hoped that others will gradually revive and ultimately triumph over every obstacle, yet the expediency of granting further protection is submitted to your consideration.

The measures of defense authorized by existing laws have been pursued with the zeal and activity due to so important an object, and with all the dispatch practicable in so extensive and great an undertaking. The survey of our maritime and inland frontiers has been continued, and at the points where it was decided to erect fortifications the work has been commenced, and in some instances considerable progress has been made. In compliance with resolutions of the last session, the Board of Commissioners were directed to examine in a particular manner the parts of the coast therein designated and to report their opinion of the most suitable sites for two naval depots. This work is in a train of execution. The opinion of the Board on this subject, with a plan of all the works necessary to a general system of defense so far as it has been formed,

will be laid before Congress in a report from the proper department as soon as it can be prepared.

Page 147

In conformity with the appropriations of the last session, treaties have been formed with the Quapaw tribe of Indians, inhabiting the country on the Arkansaw, and the Great and Little Osages north of the White River; with the tribes in the State of Indiana; with the several tribes within the State of Ohio and the Michigan Territory, and with the Chickasaws, by which very extensive cessions of territory have been made to the United States. Negotiations are now depending with the tribes in the Illinois Territory and with the Choctaws, by which it is expected that other extensive cessions will be made. I take great interest in stating that the cessions already made, which are considered so important to the United States, have been obtained on conditions very satisfactory to the Indians.

With a view to the security of our inland frontiers, it has been thought expedient to establish strong posts at the mouth of Yellow Stone River and at the Mandan village on the Missouri, and at the mouth of St. Peters on the Mississippi, at no great distance from our northern boundaries. It can hardly be presumed while such posts are maintained in the rear of the Indian tribes that they will venture to attack our peaceable inhabitants. A strong hope is entertained that this measure will likewise be productive of much good to the tribes themselves, especially in promoting the great object of their civilization.

Experience has clearly demonstrated that independent savage communities can not long exist within the limits of a civilized population. The progress of the latter has almost invariably terminated in the extinction of the former, especially of the tribes belonging to our portion of this hemisphere, among whom loftiness of sentiment and gallantry in action have been conspicuous. To civilize them, and even to prevent their extinction, it seems to be indispensable that their independence as communities should cease, and that the control of the United States over them should be complete and undisputed. The hunter state will then be more easily abandoned, and recourse will be had to the acquisition and culture of land and to other pursuits tending to dissolve the ties which connect them together as a savage community and to give a new character to every individual. I present this subject to the consideration of Congress on the presumption that it may be found expedient and practicable to adopt some benevolent provisions, having these objects in view, relative to the tribes within our settlements.

It has been necessary during the present year to maintain a strong naval force in the Mediterranean and in the Gulf of Mexico, and to send some public ships along the southern coast and to the Pacific Ocean. By these means amicable relations with the Barbary Powers have been preserved, our commerce has been protected, and our rights respected. The augmentation of our Navy is advancing with a steady progress toward the limit contemplated by law.

Page 148

I communicate with great satisfaction the accession of another State (Illinois) to our Union, because I perceive from the proof afforded by the additions already made the regular progress and sure consummation of a policy of which history affords no example, and of which the good effect can not be too highly estimated. By extending our Government on the principles of our Constitution over the vast territory within our limits, on the Lakes and the Mississippi and its numerous streams, new life and vigor are infused into every part of our system. By increasing the number of the States the confidence of the State governments in their own security is increased and their jealousy of the National Government proportionally diminished.

The impracticability of one consolidated Government for this great and growing nation will be more apparent and will be universally admitted. Incapable of exercising local authority except for general purposes, the General Government will no longer be dreaded. In those cases of a local nature and for all the great purposes for which it was instituted its authority will be cherished. Each Government will acquire new force and a greater freedom of action within its proper sphere.

Other inestimable advantages will follow. Our produce will be augmented to an incalculable amount in articles of the greatest value for domestic use and foreign commerce. Our navigation will in like degree be increased, and as the shipping of the Atlantic States will be employed in the transportation of the vast produce of the Western country, even those parts of the United States which are most remote from each other will be further bound together by the strongest ties which mutual interest can create.

The situation of this District, it is thought, requires the attention of Congress. By the Constitution the power of legislation is exclusively vested in the Congress of the United States. In the exercise of this power, in which the people have no participation, Congress legislate in all cases directly on the local concerns of the District. As this is a departure, for a special purpose, from the general principles of our system, it may merit consideration whether an arrangement better adapted to the principles of our Government and to the particular interests of the people may not be devised which will neither infringe the Constitution nor affect the object which the provision in question was intended to secure. The growing population, already considerable, and the increasing business of the District, which it is believed already interferes with the deliberations of Congress on great national concerns, furnish additional motives for recommending this subject to your consideration.

When we view the great blessings with which our country has been favored, those which we now enjoy, and the means which we possess of handing them down unimpaired to our latest posterity, our attention is irresistibly drawn to the source from whence they flow. Let us, then, unite in offering our most grateful acknowledgments for these blessings to the Divine Author of All Good.

Page 149

***

State of the Union Address
James Monroe
December 7, 1819

Fellow-Citizens of the Senate and House of Representatives:

The public buildings being advanced to a stage to afford accommodation for Congress, I offer you my sincere congratulations on the recommencement of your duties in the Capitol.

In bringing you to view the incidents most deserving attention which have occurred since your last session, I regret to have to state that several of our principal cities have suffered by sickness, that an unusual drought has prevailed in the Middle and Western States, and that a derangement has been felt in some of our moneyed institutions which has proportionably affected their credit. I am happy, however, to have it in my power to assure you that the health of our cities is now completely restored; that the produce of the year, though less abundant than usual, will not only be amply sufficient for home consumption, but afford a large surplus for the supply of the wants of other nations, and that the derangement in the circulating paper medium, by being left to those remedies which its obvious causes suggested and the good sense and virtue of our fellow citizens supplied, has diminished.

Having informed Congress, on the 27th of February last, that a treaty of amity, settlement, and limits had been concluded in this city between the United States and Spain, and ratified by the competent authorities of the former, full confidence was entertained that it would have been ratified by His Catholic Majesty with equal promptitude and a like earnest desire to terminate on the conditions of that treaty the differences which had so long existed between the two countries. Every view which the subject admitted of was thought to have justified this conclusion.

Great losses had been sustained by citizens of the United States from Spanish cruisers more than 20 years before, which had not been redressed. These losses had been acknowledged and provided for by a treaty as far back as the year 1802, which, although concluded at Madrid, was not then ratified by the Government of Spain, nor since, until the last year, when it was suspended by the late treaty, a more satisfactory provision to both parties, as was presumed, having been made for them. Other differences had arisen in this long interval, affecting their highest interests, which were likewise provided for by this last treaty.

The treaty itself was formed on great consideration and a thorough knowledge of all circumstances, the subject matter of every article having been for years under discussion and repeated references having been made by the minister of Spain to his

Government on the points respecting which the greatest difference of opinion prevailed. It was formed by a minister duly authorized for the purpose, who had represented his Government in the United States and been employed in this long-protracted negotiation several years, and who, it is not denied, kept strictly within the letter of his instructions. The faith of Spain was therefore pledged, under circumstances of peculiar force and solemnity, for its ratification.

Page 150

On the part of the United States this treaty was evidently acceded to in a spirit of conciliation and concession. The indemnity for injuries and losses so long before sustained, and now again acknowledged and provided for, was to be paid by them without becoming a charge on the treasury of Spain. For territory ceded by Spain other territory of great value, to which our claim was believed to be well founded, was ceded by the United States, and in a quarter more interesting to her. This cession was nevertheless received as the means of indemnifying our citizens in a considerable sum, the presumed amount of their losses.

Other considerations of great weight urged the cession of this territory by Spain. It was surrounded by the Territories of the United States on every side except on that of the ocean. Spain had lost her authority over it, and, falling into the hands of adventurers connected with the savages, it was made the means of unceasing annoyance and injury to our Union in many of its most essential interests. By this cession, then, Spain ceded a territory in reality of no value to her and obtained concessions of the highest importance by the settlement of long-standing differences with the United States affecting their respective claims and limits, and likewise relieved herself from the obligation of a treaty relating to it which she had failed to fulfill, and also from the responsibility incident to the most flagrant and pernicious abuses of her rights where she could not support her authority.

It being known that the treaty was formed under these circumstances, not a doubt was entertained that His Catholic Majesty would have ratified it without delay. I regret to have to state that this reasonable expectation has been disappointed; that the treaty was not ratified within the time stipulated and has not since been ratified. As it is important that the nature and character of this unexpected occurrence should be distinctly understood, I think it my duty to communicate to you all the facts and circumstances in my possession relating to it.

Anxious to prevent all future disagreement with Spain by giving the most prompt effect to the treaty which had been thus concluded, and particularly by the establishment of a Government in Florida which should preserve order there, the minister of the United States who had been recently appointed to His Catholic Majesty, and to whom the ratification by his Government had been committed to be exchanged for that of Spain, was instructed to transmit the latter to the Department of State as soon as obtained, by a public ship subjected to his order for the purpose.

Page 151

Unexpected delay occurring in the ratification by Spain, he requested to be informed of the cause. It was stated in reply that the great importance of the subject, and a desire to obtain explanations on certain points which were not specified, had produced the delay, and that an envoy would be dispatched to the United States to obtain such explanations of this Government. The minister of the United States offered to give full explanation on any point on which it might be desired, which proposal was declined. Having communicated this result to the Department of State in August last, he was instructed, notwithstanding the disappointment and surprise which it produced, to inform the Government of Spain that if the treaty should be ratified and transmitted here at any time before the meeting of Congress it would be received and have the same effect as if it had been ratified in due time.

This order was executed, the authorized communication was made to the Government of Spain, and by its answer, which has just been received, we are officially made acquainted for the first time with the causes which have prevented the ratification of the treaty by His Catholic Majesty. It is alleged by the minister of Spain that his Government had attempted to alter one of the principal articles of the treaty by a declaration which the minister of the United States had been ordered to present when he should deliver the ratification by his Government in exchange for that of Spain, and of which he gave notice, explanatory of the sense in which that article was understood. It is further alleged that this Government had recently tolerated or protected an expedition from the United States against the Province of Texas. These two imputed acts are stated as the reasons which have induced His Catholic Majesty to withhold his ratification from the treaty, to obtain explanations respecting which it is repeated that an envoy would be forthwith dispatched to the United States. How far these allegations will justify the conduct of the Government of Spain will appear on a view of the following facts and the evidence which supports them:

It will be seen by the documents transmitted herewith that the declaration mentioned relates to a clause in the 8th article concerning certain grants of land recently made by His Catholic Majesty in Florida, which it was understood had conveyed all the lands which until then had been ungranted; it was the intention of the parties to annul these latter grants, and that clause was drawn for that express purpose and for none other. The date of these grants was unknown, but it was understood to be posterior to that inserted in the article; indeed, it must be obvious to all that if that provision in the treaty had not the effect of annulling these grants, it would be altogether nugatory. Immediately after the treaty was concluded and ratified by this Government an intimation was received that these grants were of anterior date to that fixed on by the treaty and that they would not, of course, be affected by it. The mere possibility of such a case, so inconsistent with the intention of the parties and the meaning of the article, induced this Government to demand an explanation on the subject, which was immediately granted, and which corresponds with this statement.

Page 152

With regard to the other act alleged, that this Government had tolerated or protected an expedition against Texas, it is utterly without foundation. Every discountenance has invariably been given to any such attempt within the limits of the United States, as is fully evinced by the acts of the Government and the proceedings of the courts. There being cause, however, to apprehend, in the course of the last summer, that some adventurers entertained views of the kind suggested, the attention of the constituted authorities in that quarter was immediately drawn to them, and it is known that the project, whatever it might be, has utterly failed.

These facts will, it is presumed, satisfy every impartial mind that the Government of Spain had no justifiable cause for declining to ratify the treaty. A treaty concluded in conformity with instructions is obligatory, in good faith, in all its stipulations, according to the true intent and meaning of the parties. Each party is bound to ratify it. If either could set it aside without the consent of the other, there would be no longer any rules applicable to such transactions between nations.

By this proceeding the Government of Spain has rendered to the United States a new and very serious injury. It has been stated that a minister would be sent to ask certain explanations of this Government; but if such were desired, why were they not asked within the time limited for the ratification?

Is it contemplated to open a new negotiation respecting any of the articles or conditions of the treaty? If that were done, to what consequences might it not lead? At what time and in what manner would a new negotiation terminate? By this proceeding Spain has formed a relation between the two countries which will justify any measures on the part of the United States which a strong sense of injury and a proper regard for the rights and interests of the nation may dictate.

In the course to be pursued these objects should be constantly held in view and have their due weight. Our national honor must be maintained, and a new and a distinguished proof be afforded of that regard for justice and moderation which has invariably governed the councils of this free people. It must be obvious to all that if the United States had been desirous of making conquests, or had been even willing to aggrandize themselves in that way, they could have had no inducement to form this treaty. They would have much cause for gratulation at the course which has been pursued by Spain. An ample field for ambition is open before them, but such a career is not consistent with the principles of their Government nor the interests of the nation.

Page 153

From a full view of all circumstances, it is submitted to the consideration of Congress whether it will not be proper for the United States to carry the conditions of the treaty into effect in the same manner as if it had been ratified by Spain, claiming on their part all its advantages and yielding to Spain those secured to her. By pursuing this course we shall rest on the sacred ground of right, sanctioned in the most solemn manner by Spain herself by a treaty which she was bound to ratify, for refusing to do which she must incur the censure of other nations, even those most friendly to her, while by confining ourselves within that limit we can not fail to obtain their well-merited approbation.

We must have peace on a frontier where we have been so long disturbed; our citizens must be indemnified for losses so long since sustained, and for which indemnity has been so unjustly withheld from them. Accomplishing these great objects, we obtain all that is desirable.

But His Catholic Majesty has twice declared his determination to send a minister to the United States to ask explanations on certain points and to give them respecting his delay to ratify the treaty. Shall we act by taking the ceded territory and proceeding to execute the other conditions of the treaty before this minister arrives and is heard?

This is a case which forms a strong appeal to the candor, the magnanimity, and the honor of this people. Much is due to courtesy between nations. By a short delay we shall lose nothing, for, resting on the ground of immutable truth and justice, we can not be diverted from our purpose.

It ought to be presumed that the explanations which may be given to the minister of Spain will be satisfactory, and produce the desired result. In any event, the delay for the purpose mentioned, being a further manifestation of the sincere desire to terminate in the most friendly manner all differences with Spain, can not fail to be duly appreciated by His Catholic Majesty as well as by other powers. It is submitted, therefore, whether it will not be proper to make the law proposed for carrying the conditions of the treaty into effect, should it be adopted, contingent; to suspend its operation, upon the responsibility of the Executive, in such manner as to afford an opportunity for such friendly explanations as may be desired during the present session of Congress.

I communicate to Congress a copy of the treaty and of the instructions to the minister of the United States at Madrid respecting it; of his correspondence with the minister of Spain, and of such other documents as may be necessary to give a full view of the subject.

In the course which the Spanish Government have on this occasion thought proper to pursue it is satisfactory to know that they have not been countenanced by any other European power. On the contrary, the opinion and wishes both of France and Great Britain have not been withheld either from the United States or from Spain, and have

been unequivocal in favor of the ratification. There is also reason to believe that the sentiments of the Imperial Government of Russia have been the same, and that they have also been made known to the cabinet of Madrid.

Page 154

In the civil war existing between Spain and the Spanish Provinces in this hemisphere the greatest care has been taken to enforce the laws intended to preserve an impartial neutrality. Our ports have continued to be equally open to both parties and on the same conditions, and our citizens have been equally restrained from interfering in favor of either to the prejudice of the other. The progress of the war, however has operated manifestly in favor of the colonies. Buenos Ayres still maintains unshaken the independence which it declared in 1816, and has enjoyed since 1810. Like success has also lately attended Chili and the Provinces north of the La Plata bordering on it, and likewise Venezuela.

This contest has from its commencement been very interesting to other powers, and to none more so than to the United States. A virtuous people may and will confine themselves within the limit of a strict neutrality; but it is not in their power to behold a conflict so vitally important to their neighbors without the sensibility and sympathy which naturally belong to such a case. It has been the steady purpose of this Government to prevent that feeling leading to excess, and it is very gratifying to have it in my power to state that so strong has been the sense throughout the whole community of what was due to the character and obligations of the nation that very few examples of a contrary kind have occurred.

The distance of the colonies from the parent country and the great extent of their population and resources gave them advantages which it was anticipated at a very early period would be difficult for Spain to surmount. The steadiness, consistency, and success with which they have pursued their object, as evinced more particularly by the undisturbed sovereignty which Buenos Ayres has so long enjoyed, evidently give them a strong claim to the favorable consideration of other nations. These sentiments on the part of the United States have not been withheld from other powers, with whom it is desirable to act in concert. Should it become manifest to the world that the efforts of Spain to subdue these Provinces will be fruitless, it may be presumed that the Spanish Government itself will give up the contest. In producing such a determination it can not be doubted that the opinion of friendly powers who have taken no part in the controversy will have their merited influence.

It is of the highest importance to our national character and indispensable to the morality of our citizens that all violations of our neutrality should be prevented. No door should be left open for the evasion of our laws, no opportunity afforded to any who may be disposed to take advantage of it to compromit the interest or the honor of the nation. It is submitted, therefore, to the consideration of Congress whether it may not be advisable to revise the laws with a view to this desirable result.

It is submitted also whether it may not be proper to designate by law the several ports or places along the coast at which only foreign ships of war and privateers may be admitted. The difficulty of sustaining the regulations of our commerce and of other

important interests from abuse without such designation furnishes a strong motive for this measure.

Page 155

At the time of the negotiation for the renewal of the commercial convention between the United States and Great Britain a hope had been entertained that an article might have been agreed upon mutually satisfactory to both countries, regulating upon principles of justice and reciprocity the commercial intercourse between the United States and the British possessions as well in the West Indies as upon the continent of North America. The plenipotentiaries of the two Governments not having been able to come to an agreement on this important interest, those of the United States reserved for the consideration of this Government the proposals which had been presented to them as the ultimate offer on the part of the British Government, and which they were not authorized to accept. On their transmission here they were examined with due deliberation, the result of which was a new effort to meet the views of the British Government. The minister of the United States was instructed to make a further proposal, which has not been accepted. It was, however, declined in an amicable manner. I recommend to the consideration of Congress whether further prohibitory provisions in the laws relating to this intercourse may not be expedient. It is seen with interest that although it has not been practicable as yet to agree in any arrangement of this important branch of their commerce, such is the disposition of the parties that each will view any regulations which the other may make respecting it in the most friendly light.

By the 5th article of the convention concluded on October 20th, 1818, it was stipulated that the differences which have arisen between the two Governments with respect to the true intent and meaning of the 5th article of the treaty of Ghent, in relation to the carrying away by British officers of slaves from the United States after the exchange of the ratifications of the treaty of peace, should be referred to the decision of some friendly sovereign or state to be named for that purpose. The minister of the United States has been instructed to name to the British Government a foreign sovereign, the common friend to both parties, for the decision of this question. The answer of that Government to the proposal when received will indicate the further measures to be pursued on the part of the United States.

Although the pecuniary embarrassments which affected various parts of the Union during the latter part of the preceding year have during the present been considerably augmented, and still continue to exist, the receipts into the Treasury to the 30th of September last have amounted to $19 millions. After defraying the current expenses of the Government, including the Interest and reimbursement of the public debt payable to that period, amounting to $18.2 millions, there remained in the Treasury on that day more than $2.5 millions, which, with the sums receivable during the remainder of the year, will exceed the current demands upon the Treasury for the same period.

Page 156

The causes which have tended to diminish the public receipts could not fail to have a corresponding effect upon the revenue which has accrued upon imposts and tonnage during the three first quarters of the present year. It is, however, ascertained that the duties which have been secured during that period exceed $18 millions, and those of the whole year will probably amount to $23 millions.

For the probable receipts of the next year I refer you to the statements which will be transmitted from the Treasury, which will enable you to judge whether further provision be necessary.

The great reduction in the price of the principal articles of domestic growth which has occurred during the present year, and the consequent fall in the price of labor, apparently so favorable to the success of domestic manufactures, have not shielded them against other causes adverse to their prosperity. The pecuniary embarrassments which have so deeply affected the commercial interests of the nation have been no less adverse to our manufacturing establishments in several sections of the Union.

The great reduction of the currency which the banks have been constrained to make in order to continue specie payments, and the vitiated character of it where such reductions have not been attempted, instead of placing within the reach of these establishments the pecuniary aid necessary to avail themselves of the advantages resulting from the reduction in the prices of the raw materials and of labor, have compelled the banks to withdraw from them a portion of the capital heretofore advanced to them. That aid which has been refused by the banks has not been obtained from other sources, owing to the loss of individual confidence from the frequent failures which have recently occurred in some of our principal commercial cities.

An additional cause for the depression of these establishments may probably be found in the pecuniary embarrassments which have recently affected those countries with which our commerce has been principally prosecuted. Their manufactures, for the want of a ready or profitable market at home, have been shipped by the manufacturers to the United States, and in many instances sold at a price below their current value at the place of manufacture. Although this practice may from its nature be considered temporary or contingent, it is not on that account less injurious in its effects. Uniformity in the demand and price of an article is highly desirable to the domestic manufacturer.

It is deemed of great importance to give encouragement to our domestic manufacturers. In what manner the evils which have been adverted to may be remedied, and how far it may be practicable in other respects to afford to them further encouragement, paying due regard to the other great interests of the nation, is submitted to the wisdom of Congress.

Page 157

The survey of the coast for the establishment of fortifications is now nearly completed, and considerable progress has been made in the collection of materials for the construction of fortifications in the Gulf of Mexico and in the Chesapeake Bay. The works on the eastern bank of the Potomac below Alexandria and on the Pea Patch, in the Delaware, are much advanced, and it is expected that the fortifications at the Narrows, in the harbor of New York, will be completed the present year. To derive all the advantages contemplated from these fortifications it was necessary that they should be judiciously posted, and constructed with a view to permanence. The progress hitherto has therefore been slow; but as the difficulties in parts heretofore the least explored and known are surmounted, it will in future be more rapid. As soon as the survey of the coast is completed, which it is expected will be done early in the next spring, the engineers employed in it will proceed to examine for like purposes the northern and northwestern frontiers.

The troops intended to occupy a station at the mouth of the St. Peters, on the Mississippi, have established themselves there, and those who were ordered to the mouth of the Yellow Stone, on the Missouri, have ascended that river to the Council Bluff, where they will remain until the next spring, when they will proceed to the place of their destination. I have the satisfaction to state that this measure has been executed in amity with the Indian tribes, and that it promises to produce, in regard to them, all the advantages which were contemplated by it.

Much progress has likewise been made in the construction of ships of war and in the collection of timber and other materials for ship building. It is not doubted that our Navy will soon be augmented to the number and placed in all respects on the footing provided for by law.

The Board, consisting of engineers and naval officers, have not yet made their final report of sites for two naval depots, as instructed according to the resolutions of March 18th, 1818 and April 20th, 1818, but they have examined the coast therein designated, and their report is expected in the next month.

For the protection of our commerce in the Mediterranean, along the southern Atlantic coast, in the Pacific and Indian oceans, it has been found necessary to maintain a strong naval force, which it seems proper for the present to continue. There is much reason to believe that if any portion of the squadron heretofore stationed in the Mediterranean should be withdrawn our intercourse with the powers bordering on that sea would be much interrupted, if not altogether destroyed. Such, too, has been the growth of a spirit of piracy in the other quarters mentioned, by adventurers from every country, in abuse of the friendly flags which they have assumed, that not to protect our commerce there would be to abandon it as a prey to their rapacity.

Page 158

Due attention has likewise been paid to the suppression of the slave trade, in compliance with a law of the last session. Orders have been given to the commanders of all our public ships to seize all vessels navigated under our flag engaged in that trade, and to bring them in to be proceeded against in the manner prescribed by the law. It is hoped that these vigorous measures, supported by like acts by other nations, will soon terminate a commerce so disgraceful to the civilized world.

In the execution of the duty imposed by these acts, and of a high trust connected with it, it is with deep regret I have to state the loss which has been sustained by the death of Commodore Perry. His gallantry in a brilliant exploit in the late war added to the renown of his country. His death is deplored as a national misfortune.

***

State of the Union Address
James Monroe
November 14, 1820

Fellow-Citizens of the Senate and House of Representatives:

In communicating to you a just view of public affairs at the commencement of your present labors, I do it with great satisfaction, because, taking all circumstances into consideration which claim attention, I see much cause to rejoice in the felicity of our situation. In making this remark I do not wish to be understood to imply that an unvaried prosperity is to be seen in every interest of this great community. In the progress of a nation inhabiting a territory of such vast extent and great variety of climate, every portion of which is engaged in foreign commerce and liable to be affected in some degree by the changes which occur in the condition and regulations of foreign countries, it would be strange if the produce of our soil and the industry and enterprise of our fellow citizens received at all times and in every quarter an uniform and equal encouragement. This would be more than we would have a right to expect under circumstances the most favorable.

Pressures on certain interests, it is admitted, have been felt; but allowing to these their greatest extent, they detract but little from the force of the remarks already made. In forming a just estimate of our present situation it is proper to look at the whole in the outline as well as in the detail. A free, virtuous, and enlightened people know well the great principles and causes on which their happiness depends, and even those who suffer most occasionally in their transitory concerns find great relief under their sufferings from the blessings which they otherwise enjoy and in the consoling and animating hope which they administer.

Page 159

From whence do these pressures come? Not from a Government which is founded by, administered for, and supported by the people. We trace them to the peculiar character of the epoch in which we live, and to the extraordinary occurrences which have signalized it. The convulsions with which several of the powers of Europe have been shaken and the long and destructive wars in which all were engaged, with their sudden transition to a state of peace, presenting in the first instance unusual encouragement to our commerce and withdrawing it in the second even within its wonted limit, could not fail to be sensibly felt here. The station, too, which we had to support through this long conflict, compelled as we were finally to become a party to it with a principal power, and to make great exertions, suffer heavy losses, and to contract considerable debts, disturbing the ordinary course of affairs by augmenting to a vast amount the circulating medium, and thereby elevating at one time the price of every article above a just standard and depressing it at another below it, had likewise its due effect.

It is manifest that the pressures of which we complain have proceeded in a great measure from these causes. When, then, we take into view the prosperous and happy condition of our country in all the great circumstances which constitute the felicity of a nation—every individual in the full enjoyment of all his rights, the Union blessed with plenty and rapidly rising to greatness under a National Government which operates with complete effect in every part without being felt in any except by the ample protection which it affords, and under State governments which perform their equal share, according to a wise distribution of power between them, in promoting the public happiness—it is impossible to behold so gratifying, so glorious a spectacle without being penetrated with the most profound and grateful acknowledgments to the Supreme Author of All Good for such manifold and inestimable blessings.

Deeply impressed with these sentiments, I can not regard the pressures to which I have adverted otherwise than in the light of mild and instructive admonitions, warning us of dangers to be shunned in future, teaching us lessons of economy corresponding with the simplicity and purity of our institutions and best adapted to their support, evincing the connection and dependence which the various parts of our happy Union have on each other, thereby augmenting daily our social incorporation and adding by its strong ties new strength and vigor to the political; opening a wider range, and with new encouragement, to the industry and enterprise of our fellow citizens at home and abroad, and more especially by the multiplied proofs which it has accumulated of the great perfection of our most excellent system of Government, the powerful instrument in the hands of our All-merciful Creator in securing to us these blessings.

Page 160

Happy as our situation is, it does not exempt us from solicitude and care for the future. On the contrary, as the blessings which we enjoy are great, proportionably great should be our vigilance, zeal, and activity to preserve them. Foreign wars may again expose us to new wrongs, which would impose on us new duties for which we ought to be prepared. The state of Europe is unsettled, and how long peace may be preserved is altogether uncertain; in addition to which we have interests of our own to adjust which will require particular attention. A correct view of our relations with each power will enable you to form a just idea of existing difficulties, and of the measures of precaution best adapted to them.

Respecting our relations with Spain nothing explicit can now be communicated. On the adjournment of Congress in May last the minister plenipotentiary of the United States at Madrid was instructed to inform the Government of Spain that if His Catholic Majesty should then ratify the treaty this Government would accept the ratification so far as to submit to the decision of the Senate the question whether such ratification should be received in exchange for that of the United States heretofore given.

By letters from the minister of the United States to the Secretary of State it appears that a communication in conformity with his instructions had been made to the Government of Spain, and that the Cortes had the subject under consideration. The result of the deliberations of that body, which is daily expected, will be made known to Congress as soon as it is received. The friendly sentiment which was expressed on the part of the United States in the message of the 9th of May last is still entertained for Spain.

Among the causes of regret, however, which are inseparable from the delay attending this transaction it is proper to state that satisfactory information has been received that measures have been recently adopted by designing persons to convert certain parts of the Province of East Florida into depots for the reception of foreign goods, from whence to smuggle them into the United States. By opening a port within the limits of Florida, immediately on our boundary where there was no settlement, the object could not be misunderstood. An early accommodation of differences will, it is hoped, prevent all such fraudulent and pernicious practices, and place the relations of the two countries on a very amicable and permanent basis.

The commercial relations between the United States and the British colonies in the West Indies and on this continent have undergone no change, the British Government still preferring to leave that commerce under the restriction heretofore imposed on it on each side. It is satisfactory to recollect that the restraints resorted to by the United States were defensive only, intended to prevent a monopoly under British regulations in favor of Great Britain, as it likewise is to know that the experiment is advancing in a spirit of amity between the parties.

Page 161

The question depending between the United States and Great Britain respecting the construction of the first article of the treaty of Ghent has been referred by both Governments to the decision of the Emperor of Russia, who has accepted the umpirage.

An attempt has been made with the Government of France to regulate by treaty the commerce between the two countries on the principle of reciprocity and equality. By the last communication from the minister plenipotentiary of the United States at Paris, to whom full power had been given, we learn that the negotiation has been commenced there; but serious difficulties having occurred, the French Government had resolved to transfer it to the United States, for which purpose the minister plenipotentiary of France had been ordered to repair to this city, and whose arrival might soon be expected. It is hoped that this important interest may be arranged on just conditions and in a manner equally satisfactory to both parties. It is submitted to Congress to decide, until such arrangement is made, how far it may be proper, on the principle of the act of the last session which augmented the tonnage duty on French vessels, to adopt other measures for carrying more completely into effect the policy of that act.

The act referred to, which imposed new tonnage on French vessels, having been in force from and after the first day of July, it has happened that several vessels of that nation which had been dispatched from France before its existence was known have entered the ports of the United States, and been subject to its operation, without that previous notice which the general spirit of our laws gives to individuals in similar cases. The object of that law having been merely to countervail the inequalities which existed to the disadvantage of the United States in their commercial intercourse with France, it is submitted also to the consideration of Congress whether, in the spirit of amity and conciliation which it is no less the inclination than the policy of the United States to preserve in their intercourse with other powers, it may not be proper to extend relief to the individuals interested in those cases by exempting from the operation of the law all those vessels which have entered our ports without having had the means of previously knowing the existence of the additional duty.

The contest between Spain and the colonies, according to the most authentic information, is maintained by the latter with improved success. The unfortunate divisions which were known to exist some time since at Buenos Ayres it is understood still prevail. In no part of South America has Spain made any impression on the colonies, while in many parts, and particularly in Venezuela and New Grenada, the colonies have gained strength and acquired reputation, both for the management of the war in which they have been successful and for the order of the internal administration.

The late change in the Government of Spain, by the reestablishment of the constitution of 1812, is an event which promises to be favorable to the revolution. Under the authority of the Cortes the Congress of Angostura was invited to open a negotiation for the settlement of differences between the parties, to which it was replied that they would

willingly open the negotiation provided the acknowledgment of their independence was made its basis, but not otherwise.

Page 162

No facts are known to this Government to warrant the belief that any of the powers of Europe will take part in the contest, whence it may be inferred, considering all circumstances which must have weight in producing the result, that an adjustment will finally take place on the basis proposed by the colonies. To promote that result by friendly counsels with other powers, including Spain herself, has been the uniform policy of this Government.

In looking to the internal concerns of our country you will, I am persuaded, derive much satisfaction from a view of the several objects to which, in the discharge of your official duties, your attention will be drawn. Among these none holds a more important place than the public revenue, from the direct operation of the power by which it is raised on the people, and by its influence in giving effect to every other power of the Government. The revenue depends on the resources of the country, and the facility by which the amount required is raised is a strong proof of the extent of the resources and of the efficiency of the Government.

A few prominent facts will place this great interest in a just light before you. On September 30th, 1815, the funded and floating debt of the United States was estimated at $119,635,558. If to this sum be added the amount of 5% stock subscribed to the Bank of the United States, the amount of Mississippi stock and of the stock which was issued subsequently to that date, and as afterwards liquidated, to $158,713,049.

On September 30th, 1820, it amounted to $91,993,883, having been reduced in that interval by payments $66,879,165. During this term the expenses of the Government of the United States were likewise defrayed in every branch of the civil, military, and naval establishments; the public edifices in this city have been rebuilt with considerable additions; extensive fortifications have been commenced, and are in a train of execution; permanent arsenals and magazines have been erected in various parts of the Union; our Navy has been considerably augmented, and the ordnance, munitions of war, and stores of the Army and Navy, which were much exhausted during the war, have been replenished.

By the discharge of so large a proportion of the public debt and the execution of such extensive and important operations in so short a time a just estimate may be formed of the great extent of our national resources. The demonstration is the more complete and gratifying when it is recollected that the direct tax and excise were repealed soon after the termination of the late war, and that the revenue applied to these purposes has been derived almost wholly from other sources.

The receipts into the Treasury from every source to the 30th of September last have amounted to $16,794,107.66, whilst the public expenditures to the same period amounted to $16,871,534.72, leaving in the Treasury on that day a sum estimated at $1.95 millions. For the probable receipts of the following year I refer you to the statement which will be transmitted from the Treasury.

Page 163

The sum of $3 millions authorized to be raised by loan by an act of the last session of Congress has been obtained upon terms advantageous to the Government, indicating not only an increased confidence in the faith of the nation, but the existence of a large amount of capital seeking that mode of investment at a rate of interest not exceeding 5% per annum.

It is proper to add that there is now due to the Treasury for the sale of public lands $22,996,545. In bringing this subject to view I consider it my duty to submit to Congress whether it may not be advisable to extend to the purchasers of these lands, in consideration of the unfavorable change which has occurred since the sales, a reasonable indulgence. It is known that the purchases were made when the price of every article had risen to its greatest height, and the installments are becoming due at a period of great depression. It is presumed that some plan may be devised by the wisdom of Congress, compatible with the public interest, which would afford great relief to these purchasers.

Considerable progress has been made during the present season in examining the coast and its various bays and other inlets, in the collection of materials, and in the construction of fortifications for the defense of the Union at several of the positions at which it has been decided to erect such works. At Mobile Point and Dauphin Island, and at the Rigolets, leading to Lake Pontchartrain, materials to a considerable amount have been collected, and all the necessary preparations made for the commencement of the works. At Old Point Comfort, at the mouth of the James River, and at the Rip-Rap, on the opposite shore in the Chesapeake Bay, materials to a vast amount have been collected; and at the Old Point some progress has been made in the construction of the fortification, which is on a very extensive scale. The work at Fort Washington, on this river, will be completed early in the next spring, and that on the Pea Patch, in the Delaware, in the course of the next season. Fort Diamond, at the Narrows, in the harbor of New York, will be finished this year. The works at Boston, New York, Baltimore, Norfolk, Charleston, and Niagara have been in part repaired, and the coast of North Carolina, extending south to Cape Fear, has been examined, as have likewise other parts of the coast eastward of Boston.

Great exertions have been made to push forward these works with the utmost dispatch possible; but when their extent is considered, with the important purposes for which they are intended—the defense of the whole coast, and, in consequence, of the whole interior—and that they are to last for ages, it will be manifest that a well-digested plan, founded on military principles, connecting the whole together, combining security with economy, could not be prepared without repeated examinations of the most exposed and difficult parts, and that it would also take considerable time to collect the materials at the several points where they would be required.

Page 164

From all the light that has been shed on this subject I am satisfied that every favorable anticipation which has been formed of this great undertaking will be verified, and that when completed it will afford very great if not complete protection to our Atlantic frontier in the event of another war—protection sufficient to counterbalance in a single campaign with an enemy powerful at sea the expense of all these works, without taking into the estimate the saving of the lives of so many of our citizens, the protection of our towns and other property, or the tendency of such works to prevent war.

Our military positions have been maintained at Belle Point, on the Arkansas, at Council Bluffs, on the Missouri, at St. Peters, on the Mississippi, and at Green Bay, on the upper Lakes. Commodious barracks have already been erected at most of these posts, with such works as were necessary for their defense. Progress has also been made in opening communications between them and in raising supplies at each for the support of the troops by their own labor, particularly those most remote.

With the Indians peace has been preserved and a progress made in carrying into effect the act of Congress making an appropriation for their civilization, with the prospect of favorable results. As connected equally with both these objects, our trade with those tribes is thought to merit the attention of Congress.

In their original state game is their sustenance and war their occupation, and if they find no employment from civilized powers they destroy each other. Left to themselves their extirpation is inevitable.

By a judicious regulation of our trade with them we supply their wants, administer to their comforts, and gradually, as the game retires, draw them to us. By maintaining posts far in the interior we acquire a more thorough and direct control over them, without which it is confidently believed that a complete change in their manners can never be accomplished. By such posts, aided by a proper regulation of our trade with them and a judicious civil administration over them, to be provided for by law, we shall, it is presumed, be enabled not only to protect our own settlements from their savage incursions and preserve peace among the several tribes, but accomplish also the great purpose of their civilization.

Considerable progress has also been made in the construction of ships of war, some of which have been launched in the course of the present year.

Our peace with the powers on the coast of Barbary has been preserved, but we owe it altogether to the presence of our squadron in the Mediterranean. It has been found equally necessary to employ some of our vessels for the protection of our commerce in the Indian Sea, the Pacific, and along the Atlantic coast. The interests which we have depending in those quarters, which have been much improved of late, are of great extent and of high importance to the nation as well as to the parties concerned, and would undoubtedly suffer if such protection was not extended to them. In execution of

the law of the last session for the suppression of the slave trade some of our public ships have also been employed on the coast of Africa, where several captures have already been made of vessels engaged in that disgraceful traffic.

Page 165

***

State of the Union Address
James Monroe
December 3, 1821

Fellow-Citizens of the Senate and House of Representatives:

The progress of our affairs since the last session has been such as may justly be claimed and expected under a Government deriving all its powers from an enlightened people, and under laws formed by their representatives, on great consideration, for the sole purpose of promoting the welfare and happiness of their constituents. In the execution of those laws and of the powers vested by the Constitution in the Executive, unremitted attention has been paid to the great objects to which they extend.

In the concerns which are exclusively internal there is good cause to be satisfied with the result. The laws have had their due operation and effect.

In those relating to foreign powers, I am happy to state that peace and amity are preserved with all by a strict observance on both sides of the rights of each.

In matters touching our commercial intercourse, where a difference of opinion has existed as to the conditions on which it should be placed, each party has pursued its own policy without giving just cause of offense to the other.

In this annual communication, especially when it is addressed to a new Congress, the whole scope of our political concerns naturally comes into view, that errors, if such have been committed, may be corrected; that defects which have become manifest may be remedied; and, on the other hand, that measures which were adopted on due deliberation, and which experience has shewn are just in themselves and essential to the public welfare, should be persevered in and supported. In performing this necessary and very important duty I shall endeavor to place before you on its merits every subject that is thought to be entitled to your particular attention in as distinct and clear a light as I may be able.

By an act of March 3rd, 1815, so much of the several acts as imposed higher duties on the tonnage of foreign vessels and on the manufactures and productions of foreign nations when imported into the United States in foreign vessels than when imported in vessels of the United States were repealed so far as respected the manufactures and productions of the nation to which such vessels belonged, on the condition that the repeal should take effect only in favor of any foreign nation when the Executive should be satisfied that such discriminating duties to the disadvantage of the United States had likewise been repealed by such nation.

Page 166

By this act a proposition was made to all nations to place our commerce with each on a basis which it was presumed would be acceptable to all. Every nation was allowed to bring its manufactures and productions into our ports and to take the manufactures and productions of the United States back to their ports in their own vessels on the same conditions that they might be transported in vessels of the United States, and in return it was required that a like accommodation should be granted to the vessels of the United States in the ports of other powers. The articles to be admitted or prohibited on either side formed no part of the proposed arrangement. Each party would retain the right to admit or prohibit such articles from the other as it thought proper, and on its own conditions.

When the nature of the commerce between the United States and every other country was taken into view, it was thought that this proposition would be considered fair, and even liberal, by every power. The exports of the United States consist generally of articles of the first necessity and of rude materials in demand for foreign manufactories, of great bulk, requiring for their transportation many vessels, the return for which in the manufactures and productions of any foreign country, even when disposed of there to advantage, may be brought in a single vessel. This observation is the more especially applicable to those countries from which manufactures alone are imported, but it applies in great extent to the European dominions of every European power and in a certain extent to all the colonies of those powers. By placing, then, the navigation precisely on the same ground in the transportation of exports and imports between the United States and other countries it was presumed that all was offered which could be desired. It seemed to be the only proposition which could be devised which would retain even the semblance of equality in our favor.

Many considerations of great weight gave us a right to expect that this commerce should be extended to the colonies as well as to the European dominions of other powers. With the latter, especially with countries exclusively manufacturing, the advantage was manifestly on their side. An indemnity for that loss was expected from a trade with the colonies, and with the greater reason as it was known that the supplies which the colonies derived from us were of the highest importance to them, their labor being bestowed with so much greater profit in the culture of other articles; and because, likewise, the articles of which those supplies consisted, forming so large a proportion of the exports of the United States, were never admitted into any of the ports of Europe except in cases of great emergency to avert a serious calamity.

Page 167

When no article is admitted which is not required to supply the wants of the party admitting it, and admitted then not in favor of any particular country to the disadvantage of others, but on conditions equally applicable to all, it seems just that the articles thus admitted and invited should be carried thither in the vessels of the country affording such supply and that the reciprocity should be found in a corresponding accommodation on the other side. By allowing each party to participate in the transportation of such supplies on the payment of equal tonnage a strong proof was afforded of an accommodating spirit. To abandon to it the transportation of the whole would be a sacrifice which ought not to be expected. The demand in the present instance would be the more unreasonable in consideration of the great inequality existing in the trade with the parent country.

Such was the basis of our system as established by the act of 1815 and such its true character. In the year in which this act was passed a treaty was concluded with Great Britain, in strict conformity with its principles, in regard to her European dominions. To her colonies, however, in the West Indies and on this continent it was not extended, the British Government claiming the exclusive supply of those colonies, and from our own ports, and of the productions of the colonies in return in her own vessels. To this claim the United States could not assent, and in consequence each party suspended the intercourse in the vessels of the other by a prohibition which still exists.

The same conditions were offered to France, but not accepted. Her Government has demanded other conditions more favorable to her navigation, and which should also give extraordinary encouragement to her manufactures and productions in ports of the United States. To these it was thought improper to accede, and in consequence the restrictive regulations which had been adopted on her part, being countervailed on the part of the United States, the direct commerce between the two countries in the vessels of each party has been in great measure suspended. It is much to be regretted that, although a negotiation has been long pending, such is the diversity of views entertained on the various points which have been brought into discussion that there does not appear to be any reasonable prospect of its early conclusion.

It is my duty to state, as a cause of very great regret, that very serious differences have occurred in this negotiation respecting the construction of the 8th article of the treaty of 1803, by which Louisiana was ceded to the United States, and likewise respecting the seizure of the Apollo, in 1820, for a violation of our revenue laws. The claim of the Government of France has excited not less surprise than concern, because there does not appear to be a just foundation for it in either instance. By the 8th article of the treaty referred to it is stipulated that after the expiration of twelve years, during which time it was provided by the 7th or preceding article that the vessels of France and Spain should be admitted into the ports of the ceded territory without paying higher duties on merchandise or tonnage on the vessels than such as were paid by citizens of the United States, the ships of France should forever afterwards be placed on the footing of the most favored nation.

Page 168

By the obvious construction of this article it is presumed that it was intended that no favor should be granted to any power in those ports to which France should not be forthwith entitled, nor should any accommodation be allowed to another power on conditions to which she would not also be entitled on the same conditions. Under this construction no favor or accommodation could be granted to any power to the prejudice of France. By allowing the equivalent allowed by those powers she would always stand in those ports on the footing of the most favored nation.

But if this article should be so construed as that France should enjoy, of right, and without paying the equivalent, all the advantages of such conditions as might be allowed to other powers in return for important concessions made by them, then the whole character of the stipulations would be changed. She would not be placed on the footing of the most favored nation, but on a footing held by no other nation. She would enjoy all advantages allowed to them in consideration of like advantages allowed to us, free from every and any condition whatever.

As little cause has the Government of France to complain of the seizure of the Apollo and the removal of other vessels from the waters of the St. Marys. It will not be denied that every nation has a right to regulate its commercial system as it thinks fit and to enforce the collection of its revenue, provided it be done without an invasion of the rights of other powers. The violation of its revenue laws is an offense which all nations punish, the punishment of which gives no just cause of complaint to the power to which the offenders belong, provided it be extended to all equally.

In this case every circumstance which occurred indicated a fixed purpose to violate our revenue laws. Had the party intended to have pursued a fair trade he would have entered the port of some other power, landed his goods at the custom house according to law, and re-shipped and sent them in the vessel of such power, or of some other power which might lawfully bring them, free from such duties, to a port of the United States. But the conduct of the party in this case was altogether different. He entered the river St. Marys, the boundary line between the United States and Florida, and took his position on the Spanish side, on which in the whole extent of the river there was no town, no port or custom house, and scarcely any settlement. His purpose, therefore, was not to sell his goods to the inhabitants of Florida, but to citizens of the United States, in exchange for their productions, which could not be done without a direct and palpable breach of our laws. It is known that a regular systematic plan had been formed by certain persons for the violation of our revenue system, which made it the more necessary to check the proceeding in its commencement.

Page 169

That the unsettled bank of a river so remote from the Spanish garrisons and population could give no protection to any party in such a practice is believed to be in strict accord with the law of nations. It would not have comported with a friendly policy in Spain herself to have established a custom house there, since it could have subserved no other purpose than to elude our revenue law. But the Government of Spain did not adopt that measure. On the contrary, it is understood that the Captain-General of Cuba, to whom an application to that effect was made by these adventurers, had not acceded to it.

The condition of those Provinces for many years before they were ceded to the United States need not now be dwelt on. Inhabited by different tribes of Indians and an inroad for every kind of adventurer, the jurisdiction of Spain may be said to have been almost exclusively confined to her garrisons. It certainly could not extend to places where she had no authority. The rules, therefore, applicable to settled countries governed by laws could not be deemed so to the deserts of Florida and to the occurrences there.

It merits attention also that the territory had been ceded to the United States by a treaty the ratification of which had not been refused, and which has since been performed. Under any circumstances, therefore, Spain became less responsible for such acts committed there, and the United States more at liberty to exercise authority to prevent so great a mischief. The conduct of this Government has in every instance been conciliatory and friendly to France. The construction of our revenue law in its application to the cases which have formed the ground of such serious complaint on her part and the order to the collector of St. Marys, in accord with it, were given two years before these cases occurred, and in reference to a breach which was attempted by the subjects of another power. The application, therefore, to the cases in question was inevitable. As soon as the treaty by which these Provinces were ceded to the United States was ratified, and all danger of further breach of our revenue laws ceased, an order was given for the release of the vessel which had been seized and for the dismission of the libel which had been instituted against her.

The principles of this system of reciprocity, founded on the law of March 3rd, 1815, have been since carried into effect with the Kingdoms of the Netherlands, Sweden, Prussia, and with Hamburg, Lubeck, and Oldenburg, with a provision made by subsequent laws in regard to the Netherlands, Prussia, Hamburg, and Bremen that such produce and manufactures as could only be, or most usually were, first shipped from the ports of those countries, the same being imported in vessels wholly belonging to their subjects, should be considered and admitted as their own manufactures and productions.

Page 170

The Government of Norway has by an ordinance opened the ports of that part of the dominions of the King of Sweden to the vessels of the United States upon the payment of no other or higher duties than are paid by Norwegian vessels, from whatever place arriving and with whatever articles laden. They have requested the reciprocal allowance for the vessels of Norway in the ports of the United States. As this privilege is not within the scope of the act of March 3rd, 1815, and can only be granted by Congress, and as it may involve the commercial relations of the United States with other nations, the subject is submitted to the wisdom of Congress.

I have presented thus fully to your view our commercial relations with other powers, that, seeing them in detail with each power, and knowing the basis on which they rest, Congress may in its wisdom decide whether any change ought to be made, and, if any, in what respect. If this basis is unjust or unreasonable, surely it ought to be abandoned; but if it be just and reasonable, and any change in it will make concessions subversive of equality and tending in its consequences to sap the foundations of our prosperity, then the reasons are equally strong for adhering to the ground already taken, and supporting it by such further regulations as may appear to be proper, should any additional support be found necessary.

The question concerning the construction of the first article of the treaty of Ghent has been, by a joint act of the representatives of the United States and of Great Britain at the Court of St. Petersburg, submitted to the decision of His Imperial Majesty the Emperor of Russia. The result of that submission has not yet been received. The commissioners under the 5th article of that treaty not having been able to agree upon their decision, their reports to the two Governments, according to the provisions of the treaty, may be expected at an early day.

With Spain the treaty of February 22nd, 1819, has been partly carried into execution. Possession of East and West Florida has been given to the United States, but the officers charged with that service by an order from His Catholic Majesty, delivered by his minister to the Secretary of State, and transmitted by a special agent to the Captain-General of Cuba, to whom it was directed and in whom the Government of those Provinces was vested, have not only omitted, in contravention of the order of their Sovereign, the performance of the express stipulation to deliver over the archives and documents relating to the property and sovereignty of those Provinces, all of which it was expected would have been delivered either before or when the troops were withdrawn, but defeated since every effort of the United States to obtain them, especially those of the greatest importance. This omission has given rise to several incidents of a painful nature, the character of which will be fully disclosed by the documents which will be hereafter communicated.

Page 171

In every other circumstance of the law of the 3rd of March last, for carrying into effect that treaty, has been duly attended to. For the execution of that part which preserved in force, for the Government of the inhabitants for the term specified, all the civil, military, and judicial powers exercised by the existing Government of those Provinces an adequate number of officers, as was presumed, were appointed, and ordered to their respective stations. Both Provinces were formed into one Territory, and a governor appointed for it; but in consideration of the pre-existing division and of the distance and difficulty of communication between Pensacola, the residence of the governor of West Florida, and St. Augustine, that of the governor of East Florida, at which places the inconsiderable population of each Province was principally collected, two secretaries were appointed, the one to reside at Pensacola and the other at St. Augustine.

Due attention was likewise paid to the execution of the laws of the United States relating to the revenue and the slave trade, which were extended to these Provinces. The whole Territory was divided into three collection districts, that part lying between the river St. Marys and Cape Florida forming one, that from the Cape to the Apalachicola another, and that from the Apalachicola to the Perdido the third. To these districts the usual number of revenue officers were appointed; and to secure the due operation of these laws one judge and a district attorney were appointed to reside at Pensacola, and likewise one judge and a district attorney to reside at St. Augustine, with a specified boundary between them; and one marshal for the whole, with authority to appoint a deputy.

In carrying this law into effect, and especially that part relating to the powers of the existing Government of those Provinces, it was thought important, in consideration of the short term for which it was to operate and the radical change which would be made at the approaching session of Congress, to avoid expense, to make no appointment which should not be absolutely necessary to give effect to those powers, to withdraw none of our citizens from their pursuits, whereby to subject the Government to claims which could not be gratified and the parties to losses which it would be painful to witness.

It has been seen with much concern that in the performance of these duties a collision arose between the governor of the Territory and the judge appointed for the western district. It was presumed that the law under which this transitory Government was organized, and the commissions which were granted to the officers who were appointed to execute each branch of the system, and to which the commissions were adapted, would have been understood in the same sense by them in which they were understood by the Executive. Much allowance is due to officers employed in each branch of this system, and the more so as there is good cause to believe

Page 172

that each acted under the conviction that he possessed the power which he undertook to exercise. Of the officer holding the principal station, I think it proper to observe that he accepted it with reluctance, in compliance with the invitation given him, and from a high sense of duty to his country, being willing to contribute to the consummation of an event which would insure complete protection to an important part of our Union, which had suffered much from incursion and invasion, and to the defense of which his very gallant and patriotic services had been so signally and usefully devoted.

From the intrinsic difficulty of executing laws deriving their origin from different sources, and so essentially different in many important circumstances, the advantage, and indeed the necessity, of establishing as soon as practicable a well-organized Government over that Territory on the principles of our system is apparent. This subject is therefore recommended to the early consideration of Congress.

In compliance with an injunction of the law of the 3rd of March last, three commissioners have also been appointed and a board organized for carrying into effect the 11th article of the treaty above recited, making provision for the payment of such of our citizens as have well-founded claims on Spain of the character specified by that treaty. This board has entered on its duties and made some progress therein. The commissioner and surveyor of His Catholic Majesty, provided for by the 4th article of the treaty, have not yet arrived in the United States, but are soon expected. As soon as they do arrive corresponding appointments will be made and every facility be afforded for the due execution of this service.

The Government of His Most Faithful Majesty since the termination of the last session of Congress has been removed from Rio de Janeiro to Lisbon, where a revolution similar to that which had occurred in the neighboring Kingdom of Spain had in like manner been sanctioned by the accepted and pledged faith of the reigning monarch. The diplomatic intercourse between the United States and the Portuguese dominions, interrupted by this important event, has not yet been resumed, but the change of internal administration having already materially affected the commercial intercourse of the United States with the Portuguese dominions, the renewal of the public missions between the two countries appears to be desirable at an early day.

It is understood that the colonies in South America have had great success during the present year in the struggle for their independence. The new Government of Colombia has extended its territories and considerably augmented its strength, and at Buenos Ayres, where civil dissensions had for some time before prevailed, greater harmony and better order appear to have been established. Equal success has attended their efforts in the Provinces on the Pacific. It has long been manifest that it would be impossible

Page 173

for Spain to reduce these colonies by force, and equally so that no conditions short of their independence would be satisfactory to them. It may therefore be presumed, and it is earnestly hoped, that the Government of Spain, guided by enlightened and liberal councils, will find it to comport with its interests and due to its magnanimity to terminate this exhausting controversy on that basis. To promote this result by friendly counsel with the Government of Spain will be the object of the Government of the United States.

In conducting the fiscal operations of the year it has been found necessary to carry into full effect the act of the last session of Congress authorizing a loan of $5 millions. This sum has been raised at an average premium of $5.59 per centum upon stock bearing an interest at the rate of 5% per annum, redeemable at the option of the Government after January 1st, 1835.

There has been issued under the provisions of this act $4,735,296.30 of 5% stock, and there has been or will be redeemed during the year $3,197,030.71 of Louisiana 6% deferred stock and Mississippi stock. There has therefore been an actual increase of the public debt contracted during the year of $1,538,266.69.

The receipts into the Treasury from the first of January to the 30th of September last have amounted to $16,219,197.70, which, with the balance of $1,198,461.21 in the Treasury on the former day, make the aggregate sum of $17,417,658.91. The payments from the Treasury during the same period have amounted to $15,655,288.47, leaving in the Treasury on the last-mentioned day the sum of $1,762,370.44. It is estimated that the receipts of the 4th quarter of the year will exceed the demands which will be made on the Treasury during the same period, and that the amount in the Treasury on the 30th of September last will be increased on the first day of January next.

At the close of the last session it was anticipated that the progressive diminution of the public revenue in 1819 and 1820, which had been the result of the languid state of our foreign commerce in those years, had in the latter year reached its extreme point of depression. It has, however, been ascertained that that point was reached only at the termination of the first quarter of the present year. From that time until the 30th of September last the duties secured have exceeded those of the corresponding quarters of the last year $1.172 millions, whilst the amount of debentures issued during the three first quarters of this year is $952,000 less than that of the same quarters of the last year.

There are just grounds to believe that the improvement which has occurred in the revenue during the last-mentioned period will not only be maintained, but that it will progressively increase through the next and several succeeding years, so as to realize the results which were presented upon that subject by the official reports of the Treasury at the commencement of the last session of Congress.

Page 174

Under the influence of the most unfavorable circumstances the revenue for the next and subsequent years to the year 1825 will exceed the demands at present authorized by law.

It may fairly be presumed that under the protection given to domestic manufactures by the existing laws we shall become at no distant period a manufacturing country on an extensive scale. Possessing as we do the raw materials in such vast amount, with a capacity to augment them to an indefinite extent; raising within the country aliment of every kind to an amount far exceeding the demand for home consumption, even in the most unfavorable years, and to be obtained always at a very moderate price; skilled also, as our people are, in the mechanic arts and in every improvement calculated to lessen the demand for and the price of labor, it is manifest that their success in every branch of domestic industry may and will be carried, under the encouragement given by the present duties, to an extent to meet any demand which under a fair competition may be made upon it.

A considerable increase of domestic manufactures, by diminishing the importation of foreign, will probably tend to lessen the amount of the public revenue. As, however, a large proportion of the revenue which is derived from duties is raised from other articles than manufactures, the demand for which will increase with our population, it is believed that a fund will still be raised from that source adequate to the greater part of the public expenditures, especially as those expenditures, should we continue to be blessed with peace, will be diminished by the completion of the fortifications, dock yards, and other public works, by the augmentation of the Navy to the point to which it is proposed to carry it, and by the payment of the public debt, including pensions for military services.

It can not be doubted that the more complete our internal resources and the less dependent we are on foreign powers for every national as well as domestic purpose the greater and more stable will be the public felicity. By the increase of domestic manufactures will the demand for the rude materials at home be increased, and thus will the dependence of the several parts of our Union on each other and the strength of the Union itself be proportionably augmented.

In this process, which is very desirable, and inevitable under the existing duties, the resources which obviously present themselves to supply a deficiency in the revenue, should it occur, are the interests which may derive the principal benefit from the change. If domestic manufactures are raised by duties on foreign, the deficiency in the fund necessary for public purposes should be supplied by duties on the former.

Page 175

At the last session it seemed doubtful whether the revenue derived from the present sources would be adequate to all the great purposes of our Union, including the construction of our fortifications, the augmentation of the Navy, and the protection of our commerce against the dangers to which it is exposed. Had the deficiency been such as to subject us to the necessity either to abandon those measures of defense or to resort to the other means for adequate funds, the course presented to the adoption of a virtuous and enlightened people appeared to be a plain one. It must be gratifying to all to know that this necessity does not exist. Nothing, however, in contemplation of such important objects, which can be easily provided for, should be left to hazard. It is thought that the revenue may receive an augmentation from the existing sources, and in a manner to aid our manufactures, without hastening prematurely the result which has been suggested. It is believed that a moderate additional duty on certain articles would have that effect, without being liable to any serious objection.

The examination of the whole coast, for the construction of permanent fortifications, from St. Croix to the Sabine, with the exception of part of the territory lately acquired, will be completed in the present year, as will be the survey of the Mississippi, under the resolution of the House of Representatives, from the mouth of the Ohio to the ocean, and likewise of the Ohio from Louisville to the Mississippi. A progress corresponding with the sums appropriated has also been made in the construction of these fortifications at the ports designated. As they will form a system of defense for the whole maritime frontier, and in consequence for the interior, and are to last for ages, the greatest care has been taken to fix the position of each work and to form it on such a scale as will be adequate to the purpose intended by it. All the inlets and assailable parts of our Union have been minutely examined, and positions taken with a view to the best effect, observing in every instance a just regard for economy. Doubts, however, being entertained as to the propriety of the position and extent of the work at Dauphine Island, further progress in it was suspended soon after the last session of Congress, and an order given to the Board of Engineers and Naval Commissioners to make a further and more minute examination of it in both respects, and to report the result without delay.

Due progress has been made in the construction of vessels of war according to the law providing for the gradual augmentation of the Navy, and to the extent of existing appropriations. The vessels authorized by the act of 1820 have all been completed and are now in actual service. None of the larger ships have been or will be launched for the present, the object being to protect all which may not be required for immediate service from decay by suitable buildings erected over them.

Page 176

A squadron has been maintained, as heretofore, in the Mediterranean, by means whereof peace has been preserved with the Barbary Powers. This squadron has been reduced the present year to as small a force as is compatible with the fulfillment of the object intended by it. From past experience and the best information respecting the views of those powers it is distinctly understood that should our squadron be withdrawn they would soon recommence their hostilities and depredations upon our commerce. Their fortifications have lately been rebuilt and their maritime force increased.

It has also been found necessary to maintain a naval force on the Pacific for the protection of the very important interests of our citizens engaged in commerce and the fisheries in that sea. Vessels have likewise been employed in cruising along the Atlantic coast, in the Gulf of Mexico, on the coast of Africa, and in the neighboring seas. In the latter many piracies have been committed on our commerce, and so extensive was becoming the range of those unprincipled adventurers that there was cause to apprehend, without a timely and decisive effort to suppress them, the worst consequences would ensue. Fortunately, a considerable check has been given to that spirit by our cruisers, who have succeeded in capturing and destroying several of their vessels. Nevertheless, it is considered an object of high importance to continue these cruises until the practice is entirely suppressed.

Like success has attended our efforts to suppress the slave trade. Under the flag of the United States and the sanction of their papers the trade may be considered as entirely suppressed, and if any of our citizens are engaged in it under the flags and papers of other powers, it is only from a respect of those powers that these offenders are not seized and brought home to receive the punishment which the laws inflict. If every other power should adopt the same policy and pursue the same vigorous means for carrying it into effect, the trade could no longer exist.

Deeply impressed with the blessings which we enjoy, and of which we have such manifold proofs, my mind is irresistibly drawn to that Almighty Being, the great source from whence they proceed and to whom our most grateful acknowledgments are due.

***

State of the Union Address
James Monroe
December 3, 1822

Fellow-Citizens of the Senate and House of Representatives:

Many causes unite to make your present meeting peculiarly interesting to out constituents. The operation of our laws on the various subjects to which they apply, with the amendments which they occasionally require, imposes annually an important duty on the representatives of a free people.

Our system has happily advanced to such maturity that I am not aware that your cares in that respect will be augmented. Other causes exist which are highly interesting to the whole civilized world and to no portion of it more so, in certain views, than to the United States. Of these causes and of their bearing on the interests of our Union I shall communicate the sentiments which I have formed with that freedom which a sense of duty dictates. It is proper, however, to invite your attention in the first instance to those concerns respecting which legislative provision is thought to be particularly urgent.

Page 177

On the 24th of June last a convention of navigation and commerce was concluded in this city between the United States and France by ministers duly authorized for the purpose. The sanction of the Executive having been given to this convention under a conviction that, taking all its stipulations into view, it rested essentially on a basis of reciprocal and equal advantage, I deemed it my duty, in compliance with the authority vested in the Executive by the second section of the act of the last session of the 6th of May, concerning navigation, to suspend by proclamation until the end of the next session of Congress the operation of the act entitled “An act to impose a new tonnage duty on French ships and vessels, and for other purposes”, and to suspend likewise all other duties on French vessels or the goods imported in them which exceeded the duties on American vessels and on similar goods imported in them. I shall submit this convention forthwith to the Senate for its advice and consent as to the ratification.

Since your last session the prohibition which had been imposed on the commerce between the United States and the British colonies in the West Indies and on this continent has likewise been removed. Satisfactory evidence having been adduced that the ports of those colonies had been opened to the vessels of the United States by an act of the British Parliament bearing date on the 24th of June last, on the conditions specified therein, I deemed it proper, in compliance with the provision of the first section of the act of the last session above recited, to declare, by proclamation bearing date on the 24th of August last, that the ports of the United States should thenceforward and until the end of the next session of Congress be opened to the vessels of Great Britain employed in that trade, under the limitation specified in that proclamation.

A doubt was entertained whether the act of Congress applied to the British colonies on this continent as well as to those in the West Indies, but as the act of Parliament opened the intercourse equally with both, and it was the manifest intention of Congress, as well as the obvious policy of the United States, that the provisions of the act of Parliament should be met in equal extent on the part of the United States, and as also the act of Congress was supposed to vest in the President some discretion in the execution of it, I thought it advisable to give it a corresponding construction.

Should the constitutional sanction of the Senate be given to the ratification of the convention with France, legislative provisions will be necessary to carry it fully into effect, as it likewise will be to continue in force, on such conditions as may be deemed just and proper, the intercourse which has been opened between the United States and the British colonies. Every light in the possession of the Executive will in due time be communicated on both subjects.

Page 178

Resting essentially on a basis of reciprocal and equal advantage, it has been the object of the Executive in transactions with other powers to meet the propositions of each with a liberal spirit, believing that thereby the interest of our country would be most effectually promoted. This course has been systematically pursued in the late occurrences with France and Great Britain, and in strict accord with the views of the Legislature. A confident hope is entertained that by the arrangement thus commenced with each all differences respecting navigation and commerce with the dominions in question will be adjusted, and a solid foundation be laid for an active and permanent intercourse which will prove equally advantageous to both parties.

The decision of His Imperial Majesty the Emperor of Russia on the question submitted to him by the United States and Great Britain, concerning the construction of the first article of the treaty of Ghent, has been received. A convention has since been concluded between the parties, under the mediation of His Imperial Majesty, to prescribe the mode by which that article shall be carried into effect in conformity with that decision. I shall submit this convention to the Senate for its advice and consent as to the ratification, and, if obtained, shall immediately bring the subject before Congress for such provisions as may require the interposition of the Legislature.

In compliance with an act of the last session a Territorial Government has been established in Florida on the principles of our system. By this act the inhabitants are secured in the full enjoyment of their rights and liberties, and to admission into the Union, with equal participation in the Government with the original States on the conditions heretofore prescribed to other Territories. By a clause in the 9th article of the treaty with Spain, by which that Territory was ceded to the United States, it is stipulated that satisfaction shall be made for the injuries, if any, which by process of law shall be established to have been suffered by the Spanish officers and individual Spanish inhabitants by the late operations of our troops in Florida. No provision having yet been made to carry that stipulation into effect, it is submitted to the consideration of Congress whether it will not be proper to vest the competent power in the district court at Pensacola, or in some tribunal to be specially organized for the purpose.

The fiscal operations of the year have been more successful than had been anticipated at the commencement of the last session of Congress.

The receipts into the Treasury during the three first quarters of the year have exceeded the sum of $14.745 millions. The payments made at the Treasury during the same period have exceeded $12.279 millions, leaving the Treasury on the 30th day of September last, including $1,168,592.24 which were in the Treasury on the first day of January last, a sum exceeding $4.128 millions.

Page 179

Besides discharging all demands for the current service of the year, including the interest and reimbursement of the public debt, the 6% stock of 1796, amounting to $80,000, has been redeemed. It is estimated that, after defraying the current expenses of the present quarter and redeeming the $2 millions of 6% stock of 1820, there will remain in the Treasury on the first of January next nearly $3 millions. It is estimated that the gross amount of duties which have been secured from the first of January to the 30th of September last has exceeded $19.5 millions, and the amount for the whole year will probably not fall short of $23 millions.

Of the actual force in service under the present military establishment, the posts at which it is stationed, and the condition of each post, a report from the Secretary of War which is now communicated will give a distinct idea. By like reports the state of the Academy at West Point will be seen, as will be the progress which has been made on the fortifications along the coast and at the national armories and arsenals.

The organization of the several corps composing the Army is such as to admit its expansion to a great extent in case of emergency, the officers carrying with them all the light which they possess to the new corps to which they might be appointed.

With the organization of the staff there is equal cause to be satisfied. By the concentration of every branch with its chief in this city, in the presence of the Department, and with a grade in the chief military station to keep alive and cherish a military spirit, the greatest promptitude in the execution of orders, with the greatest economy and efficiency, are secured. The same view is taken of the Military Academy. Good order is preserved in it, and the youth are well instructed in every science connected with the great objects of the institution. They are also well trained and disciplined in the practical parts of the profession. It has been always found difficult to control the ardor inseparable from that early age in such manner as to give it a proper direction. The rights of manhood are too often claimed prematurely, in pressing which too far the respect which is due to age and the obedience necessary to a course of study and instruction in every such institution are sometimes lost sight of. The great object to be accomplished is the restraint of that ardor by such wise regulations and Government as, by directing all the energies of the youthful mind to the attainment of useful knowledge, will keep it within a just subordination and at the same time elevate it to the highest purposes. This object seems to be essentially obtained in this institution, and with great advantage to the Union.

Page 180

The Military Academy forms the basis, in regard to science, on which the military establishment rests. It furnishes annually, after due examination and on the report of the academic staff, many well-informed youths to fill the vacancies which occur in the several corps of the Army, while others who retire to private life carry with them such attainments as, under the right reserved to the several States to appoint the officers and to train the militia, will enable them, by affording a wider field for selection, to promote the great object of the power vested in Congress of providing for the organizing, arming, and disciplining the militia. Thus by the mutual and harmonious cooperation of the two governments in the execution of a power divided between them, an object always to be cherished, the attainment of a great result, on which our liberties may depend, can not fail to be secured. I have to add that in proportion as our regular force is small should the instruction and discipline of the militia, the great resource on which we rely, be pushed to the utmost extent that circumstances will admit.

A report from the Secretary of the Navy will communicate the progress which has been made in the construction of vessels of war, with other interesting details respecting the actual state of the affairs of that Department. It has been found necessary for the protection of our commerce to maintain the usual squadrons on the Mediterranean, the Pacific, and along the Atlantic coast, extending the cruises of the latter into the West Indies, where piracy, organized into a system, has preyed on the commerce of every country trading thither. A cruise has also been maintained on the coast of Africa, when the season would permit, for the suppression of the slave trade, and orders have been given to the commanders of all our public ships to seize our own vessels, should they find any engaging in that trade, and to bring them in for adjudication.

In the West Indies piracy is of recent date, which may explain the cause why other powers have not combined against it. By the documents communicated it will be seen that the efforts of the United States to suppress it have had a very salutary effect. The benevolent provision of the act under which the protection has been extended alike to the commerce of other nations can not fail to be duly appreciated by them.

In compliance with the act of the last session entitled “An act to abolish the United States trading establishments”, agents were immediately appointed and instructed, under the direction of the Secretary of the Treasury, to close the business of the trading houses among the Indian tribes and to settle the accounts of the factors and sub-factors engaged in that trade, and to execute in all other respects the injunction of that act in the mode prescribed therein. A final report of their proceedings shall be communicated to Congress as soon as it is received.

Page 181

It is with great regret I have to state that a serious malady has deprived us of many valuable citizens of Pensacola and checked the progress of some of those arrangements which are important to the Territory. This effect has been sensibly felt in respect to the Indians who inhabit that Territory, consisting of the remnants of the several tribes who occupy the middle ground between St. Augustine and Pensacola, with extensive claims but undefined boundaries. Although peace is preserved with those Indians, yet their position and claims tend essentially to interrupt the intercourse between the eastern and western parts of the Territory, on which our inhabitants are principally settled. It is essential to the growth and prosperity of the Territory, as well as to the interests of the Union, that those Indians should be removed, by special compact with them, to some other position or concentration within narrower limits where they are. With the limited means in the power of the Executive, instructions were given to the governor to accomplish this object so far as it might be practicable, which was prevented by the distressing malady referred to. To carry it fully into effect in either mode additional funds will be necessary, to the provision of which the powers of Congress are competent. With a view to such provision as may be deemed proper, the subject is submitted to your consideration, and in the interim further proceedings are suspended.

It appearing that so much of the act entitled “An act regulating the staff of the Army”, which passed on April 14, 1818, as relates to the commissariat will expire in April next, and the practical operation of that department having evinced its great utility, the propriety of its renewal is submitted to your consideration.

The view which has been taken of the probable productiveness of the lead mines, connected with the importance of the material to the public defense, makes it expedient that they should be managed with peculiar care. It is therefore suggested whether it will not comport with the public interest to provide by law for the appointment of an agent skilled in mineralogy to superintend them, under the direction of the proper department.

It is understood that the Cumberland road, which was constructed at great expense, has already suffered from the want of that regular superintendence and of those repairs which are indispensable to the preservation of such a work. This road is of incalculable advantage in facilitating the intercourse between the Western and the Atlantic States. Through the whole country from the northern extremity of Lake Erie to the Mississippi, and from all the waters which empty into each, finds an easy and direct communication to the seat of Government, and thence to the Atlantic. The facility which it affords to all military and commercial operations, and also to those of the Post Office Department, can not be estimated too highly. This great work is likewise an ornament and an honor to the nation.

Page 182

Believing that a competent power to adopt and execute a system of internal improvement has not been granted to Congress, but that such a power, confined to great national purposes and with proper limitations, would be productive of eminent advantage to our Union, I have thought it advisable that an amendment of the Constitution to that effect should be recommended to the several States.

A bill which assumed the right to adopt and execute such a system having been presented for my signature at the last session, I was compelled, from the view which I had taken of the powers of the General Government, to negative it, on which occasion I thought it proper to communicate the sentiments which I had formed, on mature consideration, on the whole subject. To that communication, in all the views in which the great interest to which it relates may be supposed to merit your attention, I have now to refer. Should Congress, however, deem it improper to recommend such an amendment, they have, according to my judgment, the right to keep the road in repair by providing for the superintendence of it and appropriating the money necessary for repairs. Surely if they had the right to appropriate money to make the road they have a right to appropriate it to preserve the road from ruin. From the exercise of this power no danger is to be apprehended.

Under our happy system the people are the sole and exclusive fountain of power. Each Government originates from them, and to them alone, each to its proper constituents, are they respectively and solely responsible for the faithful discharge of their duties within their constitutional limits; and that the people will confine their public agents of every station to the strict line of their constitutional duties there is no cause of doubt.

Having, however, communicated my sentiments to Congress at the last session fully in the document to which I have referred, respecting the right of appropriation as distinct from the right of jurisdiction and sovereignty over the territory in question, I deem it improper to enlarge on the subject here.

From the best information I have been able to obtain it appears that our manufactures, though depressed immediately after the peace, have considerably increased, and are still increasing, under the encouragement given them by the tariff of 1816 and by subsequent laws. Satisfied I am, whatever may be the abstract doctrine in favor of unrestricted commerce, provided all nations would concur in it and it was not liable to be interrupted by war, which has never occurred and can not be expected, that there are other strong reasons applicable to our situation and relations with other countries which impose on us the obligation to cherish and sustain our manufactures.

Satisfied, however, I likewise am that the interest of every part of our Union, even of those most benefitted by manufactures, requires that this subject should be touched with the greatest caution, and a critical knowledge of the effect to be produced by the slightest change. On full consideration of the subject in all its relations I am persuaded that a further augmentation may now be made of the duties on certain foreign articles in

favor of our own and without affecting injuriously any other interest. For more precise details I refer you to the communications which were made to Congress during the last session.

Page 183

So great was the amount of accounts for moneys advanced during the late war, in addition to others of a previous date which in the regular operations of the Government necessarily remained unsettled, that it required a considerable length of time for their adjustment. By a report from the first Comptroller of the Treasury it appears that on March 4th, 1817, the accounts then unsettled amounted to $103,068,876.41, of which on September 30th, 1822, $93,175,396.56 had been settled, leaving on that day a balance unsettled of $9,893,479.85. That there have been drawn from the Treasury, in paying the public debt and sustaining the Government in all its operations and disbursements, since March 4th, 1817, $157,199,380.96, the accounts for which have been settled to the amount of $137,501,451.12, leaving a balance unsettled of $19,697,929.84. For precise details respecting each of these balances I refer to the report of the Comptroller and the documents which accompany it.

From this view it appears that our commercial differences with France and Great Britain have been placed in a train of amicable arrangement on conditions fair and honorable in both instances to each party; that our finances are in a very productive state, our revenue being at present fully competent to all the demands upon it; that our military force is well organized in all its branches and capable of rendering the most important service in case of emergency that its number will admit of; that due progress has been made, under existing appropriations, in the construction of fortifications and in the operations of the Ordnance Department; that due progress has in like manner been made in the construction of ships of war; that our Navy is in the best condition, felt and respected in every sea in which it is employed for the protection of our commerce; that our manufactures have augmented in amount and improved in quality; that great progress has been made in the settlement of accounts and in the recovery of the balances due by individuals, and that the utmost economy is secured and observed in every Department of the Administration. Other objects will likewise claim your attention, because from the station which the United States hold as a member of the great community of nations they have rights to maintain, duties to perform, and dangers to encounter.

A strong hope was entertained that peace would ere this have been concluded between Spain and the independent governments south of the United States in this hemisphere. Long experience having evinced the competency of those governments to maintain the independence which they had declared, it was presumed that the considerations which induced their recognition by the United States would have had equal weight with other powers, and that Spain herself, yielding to those magnanimous feelings of which her history furnishes so many examples, would have terminated on that basis a controversy so unavailing and at the same time so destructive. We still cherish the hope that this result will not long be postponed.

Page 184

Sustaining our neutral position and allowing to each party while the war continues equal rights, it is incumbent on the United States to claim of each with equal rigor the faithful observance of our rights according to the well-known law of nations. From each, therefore, a like cooperation is expected in the suppression of the piratical practice which has grown out of this war and of blockades of extensive coasts on both seas, which, considering the small force employed to sustain them, have not the slightest foundation to rest on.

Europe is still unsettled, and although the war long menaced between Russia and Turkey has not broken out, there is no certainty that the differences between those powers will be amicably adjusted. It is impossible to look to the oppressions of the country respecting which those differences arose without being deeply affected. The mention of Greece fills the mind with the most exalted sentiments and arouses in our bosoms the best feelings of which our nature is susceptible. Superior skill and refinement in the arts, heroic gallantry in action, disinterested patriotism, enthusiastic zeal and devotion in favor of public and personal liberty are associated with our recollections of ancient Greece. That such a country should have been overwhelmed and so long hidden, as it were, from the world under a gloomy despotism has been a cause of unceasing and deep regret to generous minds for ages past. It was natural, therefore, that the reappearance of those people in their original character, contending in favor of their liberties, should produce that great excitement and sympathy in their favor which have been so signally displayed throughout the United States. A strong hope is entertained that these people will recover their independence and resume their equal station among the nations of the earth.

A great effort has been made in Spain and Portugal to improve the condition of the people, and it must be very consoling to all benevolent minds to see the extraordinary moderation with which it has been conducted. That it may promote the happiness of both nations is the ardent wish of this whole people, to the expression of which we confine ourselves; for whatever may be the feelings or sentiments which every individual under our Government has a right to indulge and express, it is nevertheless a sacred maxim, equally with the Government and people, that the destiny of every independent nation in what relates to such improvements of right belongs and ought to be left exclusively to themselves.

Whether we reason from the late wars or from those menacing symptoms which now appear in Europe, it is manifest that if a convulsion should take place in any of those countries it will proceed from causes which have no existence and are utterly unknown in these States, in which there is but one order, that of the people, to whom the sovereignty exclusively belongs.

Page 185

Should war break out in any of those countries who can foretell the extent to which it may be carried or the desolation which it may spread? Exempt as we are from these causes, our internal tranquillity is secure; and distant as we are from the troubled scene, and faithful to first principles in regard to other powers, we might reasonably presume that we should not be molested by them. This, however, ought not to be calculated on as certain. Unprovoked injuries are often inflicted and even the peculiar felicity of our situation might with some be a cause for excitement and aggression.

The history of the late wars in Europe furnishes a complete demonstration that no system of conduct, however correct in principle, can protect neutral powers from injury from any party; that a defenseless position and distinguished love of peace are the surest invitations to war, and that there is no way to avoid it other than by being always prepared and willing for just cause to meet it. If there be a people on earth whose more especial duty it is to be at all times prepared to defend the rights with which they are blessed, and to surpass all others in sustaining the necessary burthens, and in submitting to sacrifices to make such preparations, it is undoubtedly the people of these States.

When we see that a civil war of the most frightful character rages from the Adriatic to the Black Sea; that strong symptoms of war appear in other parts, proceeding from causes which, should it break out, may become general and be of long duration; that the war still continues between Spain and the independent governments, her late Provinces, in this hemisphere; that it is likewise menaced between Portugal and Brazil, in consequence of the attempt of the latter to dismember itself from the former, and that a system of piracy of great extent is maintained in the neighboring seas, which will require equal vigilance and decision to suppress it, the reasons for sustaining the attitude which we now hold and for pushing forward all our measures of defense with the utmost vigor appear to me to acquire new force.

The United States owe to the world a great example, and, by means thereof, to the cause of liberty and humanity a generous support. They have so far succeeded to the satisfaction of the virtuous and enlightened of every country. There is no reason to doubt that their whole movement will be regulated by a sacred regard to principle, all our institutions being founded on that basis. The ability to support our own cause under any trial to which it may be exposed is the great point on which the public solicitude rests.

It has been often charged against free governments that they have neither the foresight nor the virtue to provide at the proper season for great emergencies; that their course is improvident and expensive; that war will always find them unprepared, and, whatever may be its calamities, that its terrible warnings will be disregarded and forgotten as soon as peace returns. I have full confidence that this charge so far as relates to the United States will be shewn to be utterly destitute of truth.

Page 186

***

State of the Union Address
James Monroe
December 2, 1823

Fellow-Citizens of the Senate and House of Representatives:

Many important subjects will claim your attention during the present session, of which I shall endeavor to give, in aid of your deliberations, a just idea in this communication. I undertake this duty with diffidence, from the vast extent of the interests on which I have to treat and of their great importance to every portion of our Union. I enter on it with zeal from a thorough conviction that there never was a period since the establishment of our Revolution when, regarding the condition of the civilized world and its bearing on us, there was greater necessity for devotion in the public servants to their respective duties, or for virtue, patriotism, and union in our constituents.

Meeting in you a new Congress, I deem it proper to present this view of public affairs in greater detail than might otherwise be necessary. I do it, however, with peculiar satisfaction, from a knowledge that in this respect I shall comply more fully with the sound principles of our Government.

The people being with us exclusively the sovereign, it is indispensable that full information be laid before them on all important subjects, to enable them to exercise that high power with complete effect. If kept in the dark, they must be incompetent to it. We are all liable to error, and those who are engaged in the management of public affairs are more subject to excitement and to be led astray by their particular interests and passions than the great body of our constituents, who, living at home in the pursuit of their ordinary avocations, are calm but deeply interested spectators of events and of the conduct of those who are parties to them.

To the people every department of the Government and every individual in each are responsible, and the more full their information the better they can judge of the wisdom of the policy pursued and of the conduct of each in regard to it. From their dispassionate judgment much aid may always be obtained, while their approbation will form the greatest incentive and most gratifying reward for virtuous actions, and the dread of their censure the best security against the abuse of their confidence. Their interests in all vital questions are the same, and the bond, by sentiment as well as by interest, will be proportionably strengthened as they are better informed of the real state of public affairs, especially in difficult conjunctures. It is by such knowledge that local prejudices and jealousies are surmounted, and that a national policy extending its fostering care and protection to all the great interests of our Union, is formed and steadily adhered to.

A precise knowledge of our relations with foreign powers as respects our negotiations and transactions with each is thought to be particularly necessary. Equally necessary is it that we should form a just estimate of our resources, revenue, and progress in every kind of improvement connected with the national prosperity and public defense. It is by rendering justice to other nations that we may expect it from them. It is by our ability to resent injuries and redress wrongs that we may avoid them.

Page 187

The commissioners under the 5th article of the treaty of Ghent, having disagreed in their opinions respecting that portion of the boundary between the Territories of the United States and of Great Britain the establishment of which had been submitted to them, have made their respective reports in compliance with that article, that the same might be referred to the decision of a friendly power. It being manifest, however, that it would be difficult, if not impossible, for any power to perform that office without great delay and much inconvenience to itself, a proposal has been made by this Government, and acceded to by that of Great Britain, to endeavor to establish that boundary by amicable negotiation.

It appearing from long experience that no satisfactory arrangement could be formed of the commercial intercourse between the United States and the British colonies in this hemisphere by legislative acts while each party pursued its own course without agreement or concert with the other, a proposal has been made to the British Government to regulate this commerce by treaty, as it has been to arrange in like manner the just claim of the citizens of the United States inhabiting the States and Territories bordering on the lakes and rivers which empty into the St. Lawrence to the navigation of that river to the ocean. For these and other objects of high importance to the interests of both parties a negotiation has been opened with the British Government which it is hoped will have a satisfactory result.

The commissioners under the 6th and 7th articles of the treaty of Ghent having successfully closed their labors in relation to the 6th, have proceeded to the discharge of those relating to the 7th. Their progress in the extensive survey required for the performance of their duties justifies the presumption that it will be completed in the ensuing year.

The negotiation which had been long depending with the French Government on several important subjects, and particularly for a just indemnity for losses sustained in the late wars by the citizens of the United States under unjustifiable seizures and confiscations of their property, has not as yet had the desired effect. As this claim rests on the same principle with others which have been admitted by the French Government, it is not perceived on what just ground it can be rejected. A minister will be immediately appointed to proceed to France and resume the negotiation on this and other subjects which may arise between the two nations.

At the proposal of the Russian Imperial Government, made through the minister of the Emperor residing here, a full power and instructions have been transmitted to the minister of the United States at St. Petersburg to arrange by amicable negotiation the respective rights and interests of the two nations on the North West coast of this continent. A similar proposal had been made by His Imperial Majesty to the Government

Page 188

of Great Britain, which has likewise been acceded to. The Government of the United States has been desirous by this friendly proceeding of manifesting the great value which they have invariably attached to the friendship of the Emperor and their solicitude to cultivate the best understanding with his Government. In the discussions to which this interest has given rise and in the arrangements by which they may terminate the occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers.

Since the close of the last session of Congress the commissioners and arbitrators for ascertaining and determining the amount of indemnification which may be due to citizens of the United States under the decision of His Imperial Majesty the Emperor of Russia, in conformity to the convention concluded at St. Petersburg on July 12th, 1822, have assembled in this city, and organized themselves as a board for the performance of the duties assigned to them by that treaty. The commission constituted under the 11th article of the treaty of February 22nd, 1819, between the United States and Spain is also in session here, and as the term of three years limited by the treaty for the execution of the trust will expire before the period of the next regular meeting of Congress, the attention of the Legislature will be drawn to the measures which may be necessary to accomplish the objects for which the commission was instituted.

In compliance with a resolution of the House of Representatives adopted at their last session, instructions have been given to all the ministers of the United States accredited to the powers of Europe and America to propose the proscription of the African slave trade by classing it under the denomination, and inflicting on its perpetrators the punishment, of piracy. Should this proposal be acceded to, it is not doubted that this odious and criminal practice will be promptly and entirely suppressed. It is earnestly hoped that it will be acceded to, from the firm belief that it is the most effectual expedient that can be adopted for the purpose.

At the commencement of the recent war between France and Spain it was declared by the French Government that it would grant no commissions to privateers, and that neither the commerce of Spain herself nor of neutral nations should be molested by the naval force of France, except in the breach of a lawful blockade. This declaration, which appears to have been faithfully carried into effect, concurring with principles proclaimed and cherished by the United States from the first establishment of their independence, suggested the hope that the time had arrived when the proposal for adopting it as a permanent and invariable

Page 189

rule in all future maritime wars might meet the favorable consideration of the great European powers. Instructions have accordingly been given to our ministers with France, Russia, and Great Britain to make those proposals to their respective Governments, and when the friends of humanity reflect on the essential amelioration to the condition of the human race which would result from the abolition of private war on the sea and on the great facility by which it might be accomplished, requiring only the consent of a few sovereigns, an earnest hope is indulged that these overtures will meet with an attention animated by the spirit in which they were made, and that they will ultimately be successful.

The ministers who were appointed to the Republics of Colombia and Buenos Ayres during the last session of Congress proceeded shortly afterwards to their destinations. Of their arrival there official intelligence has not yet been received. The minister appointed to the Republic of Chile will sail in a few days. An early appointment will also be made to Mexico. A minister has been received from Colombia, and the other Governments have been informed that ministers, or diplomatic agents of inferior grade, would be received from each, accordingly as they might prefer the one or the other.

The minister appointed to Spain proceeded soon after his appointment for Cadiz, the residence of the Sovereign to whom he was accredited. In approaching that port the frigate which conveyed him was warned off by the commander of the French squadron by which it was blockaded and not permitted to enter, although apprised by the captain of the frigate of the public character of the person whom he had on board, the landing of whom was the sole object of his proposed entry. This act, being considered an infringement of the rights of ambassadors and of nations, will form a just cause of complaint to the Government of France against the officer by whom it was committed.

The actual condition of the public finances more than realizes the favorable anticipations that were entertained of it at the opening of the last session of Congress. On the first of January there was a balance in the Treasury of $4,237,427.55. From that time to the 30th of September the receipts amounted to upward of $16.1 millions, and the expenditures to $11.4 millions. During the 4th quarter of the year it is estimated that the receipts will at least equal the expenditures, and that there will remain in the Treasury on the first day of January next a surplus of nearly $9 millions.

On January 1st, 1825, a large amount of the war debt and a part of the Revolutionary debt become redeemable. Additional portions of the former will continue to become redeemable annually until the year 1835. it is believed, however, that if the United States remain at peace the whole of that debt may be redeemed by the ordinary revenue of those years during that period under the provision of the act of March 3rd, 1817, creating the sinking fund, and in that case the only part of the debt that will remain after the year 1835 will be the $7 millions of 5% stock subscribed to the Bank of the

United States, and the 3% Revolutionary debt, amounting to $13,296,099.06, both of which are redeemable at the pleasure of the Government.

Page 190

The state of the Army in its organization and discipline has been gradually improving for several years, and has now attained a high degree of perfection. The military disbursements have been regularly made and the accounts regularly and promptly rendered for settlement. The supplies of various descriptions have been of good quality, and regularly issued at all of the posts. A system of economy and accountability has been introduced into every branch of the service which admits of little additional improvement. This desirable state has been attained by the act reorganizing the staff of the Army, passed on April 14th, 1818.

The moneys appropriated for fortifications have been regularly and economically applied, and all the works advanced as rapidly as the amount appropriated would admit. Three important works will be completed in the course of this year—that is, Fort Washington, Fort Delaware, and the fort at the Rigolets, in Louisiana.

The Board of Engineers and the Topographical Corps have been in constant and active service in surveying the coast and projecting the works necessary for its defense.

The Military Academy has attained a degree of perfection in its discipline and instruction equal, as is believed, to any institution of its kind in any country.

The money appropriated for the use of the Ordnance Department has been regularly and economically applied. The fabrication of arms at the national armories and by contract with the Department has been gradually improving in quality and cheapness. It is believed that their quality is now such as to admit of but little improvement.

The completion of the fortifications renders it necessary that there should be a suitable appropriation for the purpose of fabricating the cannon and carriages necessary for those works.

Under the appropriation of $5,000 for exploring the Western waters for the location of a site for a Western armory, a commission was constituted, consisting of Colonel McRee, Colonel Lee, and Captain Talcott, who have been engaged in exploring the country. They have not yet reported the result of their labors, but it is believed that they will be prepared to do it at an early part of the session of Congress.

During the month of June last General Ashley and his party, who were trading under a license from the Government, were attacked by the Ricarees while peaceably trading with the Indians at their request. Several of the party were killed and wounded and their property taken or destroyed.

Colonel Leavenworth, who commanded Fort Atkinson, at the Council Bluffs, the most western post, apprehending that the hostile spirit of the Ricarees would extend to other tribes in that quarter, and that thereby the lives of the traders on the Missouri and the peace of the frontier would be endangered, took immediate measures to check the evil.

With a detachment of the regiment stationed at the Bluffs he successfully attacked the Ricaree village, and it is hoped that such an impression has been made on them as well as on the other tribes on the Missouri as will prevent a recurrence of future hostility.

Page 191

The report of the Secretary of War, which is herewith transmitted, will exhibit in greater detail the condition of the Department in its various branches, and the progress which has been made in its administration during the three first quarters of the year.

I transmit a return of the militia of the several States according to the last reports which have been made by the proper officers in each to the Department of War. By reference to this return it will be seen that it is not complete, although great exertions have been made to make it so. As the defense and even the liberties of the country must depend in times of imminent danger on the militia, it is of the highest importance that it be well organized, armed, and disciplined throughout the Union.

The report of the Secretary of War shews the progress made during the three first quarters of the present year by the application of the fund appropriated for arming the militia. Much difficulty is found in distributing the arms according to the act of Congress providing for it from the failure of the proper departments in many of the States to make regular returns. The act of May 12, 1820 provides that the system of tactics and regulations of the various corps of the Regular Army shall be extended to the militia. This act has been very imperfectly executed from the want of uniformity in the organization of the militia, proceeding from the defects of the system itself, and especially in its application to that main arm of the public defense. It is thought that this important subject in all its branches merits the attention of Congress.

The report of the Secretary of the Navy, which is now communicated, furnishes an account of the administration of that Department for the three first quarters of the present year, with the progress made in augmenting the Navy, and the manner in which the vessels in commission have been employed.

The usual force has been maintained in the Mediterranean Sea, the Pacific Ocean, and along the Atlantic coast, and has afforded the necessary protection to our commerce in those seas.

In the West Indies and the Gulf of Mexico our naval force has been augmented by the addition of several small vessels provided for by the “act authorizing an additional naval force for the suppression of piracy”, passed by Congress at their last session. That armament has been eminently successful in the accomplishment of its object. The piracies by which our commerce in the neighborhood of the island of Cuba had been afflicted have been repressed and the confidence of our merchants in a great measure restored.

The patriotic zeal and enterprise of Commodore Porter, to whom the command of the expedition was confided, has been fully seconded by the officers and men under his command. And in reflecting with high satisfaction on the honorable manner in which they have sustained the reputation of their country and its Navy, the sentiment is alloyed only by a concern that in the fulfillment of that arduous service the diseases incident to

the season and to the climate in which it was discharged have deprived the nation of many useful lives, and among them of several officers of great promise.

Page 192

In the month of August a very malignant fever made its appearance at Thompsons Island, which threatened the destruction of our station there. Many perished, and the commanding officer was severely attacked. Uncertain as to his fate and knowing that most of the medical officers had been rendered incapable of discharging their duties, it was thought expedient to send to that post an officer of rank and experience, with several skilled surgeons, to ascertain the origin of the fever and the probability of its recurrence there in future seasons; to furnish every assistance to those who were suffering, and, if practicable, to avoid the necessity of abandoning so important a station. Commodore Rodgers, with a promptitude which did him honor, cheerfully accepted that trust, and has discharged it in the manner anticipated from his skill and patriotism. Before his arrival Commodore Porter, with the greater part of the squadron, had removed from the island and returned to the United States in consequence of the prevailing sickness. Much useful information has, however, been obtained as to the state of the island and great relief afforded to those who had been necessarily left there.

Although our expedition, cooperating with an invigorated administration of the government of the island of Cuba, and with the corresponding active exertions of a British naval force in the same seas, have almost entirely destroyed the unlicensed piracies from that island, the success of our exertions has not been equally effectual to suppress the same crime, under other pretenses and colors, in the neighboring island of Porto Rico. They have been committed there under the abusive issue of Spanish commissions.

At an early period of the present year remonstrances were made to the governor of that island, by an agent who was sent for the purpose, against those outrages on the peaceful commerce of the United States, of which many had occurred. That officer, professing his own want of authority to make satisfaction for our just complaints, answered only by a reference of them to the Government of Spain. The minister of the United States to that court was specially instructed to urge the necessity of immediate and effectual interposition of that Government, directing restitution and indemnity for wrongs already committed and interdicting the repetition of them. The minister, as has been seen, was debarred access to the Spanish Government, and in the mean time several new cases of flagrant outrage have occurred, and citizens of the United States in the island of Porto Rico have suffered, and others been threatened with assassination for asserting their unquestionable rights even before the lawful tribunals of the country.

The usual orders have been given to all our public ships to seize American vessels in the slave trade and bring them in for adjudication, and I have the gratification to state that not one so employed has been discovered, and there is good reason to believe that our flag is now seldom, if at all, disgraced by that traffic.

Page 193

It is a source of great satisfaction that we are always enabled to recur to the conduct of our Navy with price and commendation. As a means of national defense it enjoys the public confidence, and is steadily assuming additional importance. It is submitted whether a more efficient and equally economical organization of it might not in several respects be effected. It is supposed that higher grades than now exist by law would be useful. They would afford well-merited rewards to those who have long and faithfully served their country, present the best incentives to good conduct, and the best means of insuring a proper discipline; destroy the inequality in that respect between military and naval services, and relieve our officers from many inconveniences and mortifications which occur when our vessels meet those of other nations, ours being the only service in which such grades do not exist.

A report of the Post Master-General, which accompanies this communication, will shew the present state of the Post-Office Department and its general operations for some years past.

There is established by law 88,600 miles of post roads, on which the mail is now transported 85,700 miles, and contracts have been made for its transportation on all the established routes, with one or two exceptions. There are 5,240 post offices in the Union, and as many post masters. The gross amount of postage which accrued from July 1st, 1822 to July 1st, 1823 was $1,114,345.12. During the same period the expenditures of the Post-Office Department amounted to $1,169,885.51 and consisted of the following items, viz: Compensation to post masters, $353,995.98; incidental expenses, $30,866.37; transportation of the mail, $784,600.08; payments into the Treasury, $423.08. On the first of July last there was due to the Department from post masters $135,245.28; from late post masters and contractors, $256,749.31; making a total amount of balances due to the Department of $391,994.59.

These balances embrace all delinquencies of post masters and contractors which have taken place since the organization of the Department. There was due by the Department to contractors on the first of July last $26,548.64.

The transportation of the mail within five years past has been greatly extended, and the expenditures of the Department proportionably increased. Although the postage which has accrued within the last three years has fallen short of the expenditures $262,821.46, it appears that collections have been made from the outstanding balances to meet the principal part of the current demands.

It is estimated that not more than $250,000 of the above balances can be collected, and that a considerable part of this sum can only be realized by a resort to legal process. Some improvements in the receipts for postage is expected. A prompt attention to the collection of moneys received by post masters, it is believed, will enable the Department to continue its operations without aid from the Treasury, unless the expenditures shall be increased by the establishment of new mail routes.

Page 194

A revision of some parts of the post office law may be necessary; and it is submitted whether it would not be proper to provide for the appointment of post masters, where the compensation exceeds a certain amount, by nomination to the Senate, as other officers of the General Government are appointed.

Having communicated my views to Congress at the commencement of the last session respecting the encouragement which ought to be given to our manufactures and the principle on which it should be founded, I have only to add that those views remain unchanged, and that the present state of those countries with which we have the most immediate political relations and greatest commercial intercourse tends to confirm them. Under this impression I recommend a review of the tariff for the purpose of affording such additional protection to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country.

The actual state of the public accounts furnishes additional evidence of the efficiency of the present system of accountability in relation to the public expenditure. Of the moneys drawn from the Treasury since March 4th, 1817, the sum remaining unaccounted for on the 30th of September last is more than $1.5 millions less than on the 30th of September preceding; and during the same period a reduction of nearly $1 million has been made in the amount of the unsettled accounts for moneys advanced previously to March 4th, 1817. It will be obvious that in proportion as the mass of accounts of the latter description is diminished by settlement the difficulty of settling the residue is increased from the consideration that in many instances it can be obtained only by legal process. For more precise details on this subject I refer to a report from the first Comptroller of the Treasury.

The sum which was appropriated at the last session for the repairs of the Cumberland road has been applied with good effect to that object. A final report has not been received from the agent who was appointed to superintend it. As soon as it is received it shall be communicated to Congress.

Many patriotic and enlightened citizens who have made the subject an object of particular investigation have suggested an improvement of still greater importance. They are of the opinion that the waters of the Chesapeake and Ohio may be connected together by one continued canal, and at an expense far short of the value and importance of the object to be obtained. If this could be accomplished it is impossible to calculate the beneficial consequences which would result from it.

A great portion of the produce of the very fertile country through which it would pass would find a market through that channel. Troops might be moved with great facility in war, with cannon and every kind of munition, and in either direction. Connecting the Atlantic with the Western country in a line passing through the seat of the National Government, it would contribute essentially to strengthen the bond of union itself.

Page 195

Believing as I do that Congress possess the right to appropriate money for such a national object (the jurisdiction remaining to the States through which the canal would pass), I submit it to your consideration whether it may not be advisable to authorize by an adequate appropriation the employment of a suitable number of the officers of the Corps of Engineers to examine the unexplored ground during the next season and to report their opinion thereon. It will likewise be proper to extend their examination to the several routes through which the waters of the Ohio may be connected by canals with those of Lake Erie.

As the Cumberland road will require annual repairs, and Congress have not thought it expedient to recommend to the States an amendment to the Constitution for the purpose of vesting in the United States a power to adopt and execute a system of internal improvement, it is also submitted to your consideration whether it may not be expedient to authorize the Executive to enter into an arrangement with the several States through which the road passes to establish tolls, each within its limits, for the purpose of defraying the expense of future repairs and of providing also by suitable penalties for its protection against future injuries.

The act of Congress of May 7th, 1822, appropriated the sum of $22,700 for the purpose of erecting two piers as a shelter for vessels from ice near Cape Henlopen, Delaware Bay. To effect the object of the act the officers of the Board of Engineers, with Commodore Bainbridge, were directed to prepare plans and estimates of piers sufficient to answer the purpose intended by the act. It appears by their report, which accompanies the documents from the War Department, that the appropriation is not adequate to the purpose intended; and as the piers would be of great service both to the navigation of the Delaware Bay and the protection of vessels on the adjacent parts of the coast, I submit for the consideration of Congress whether additional and sufficient appropriations should not be made.

The Board of Engineers were also directed to examine and survey the entrance of the harbor of the port of Presqu'isle, in Pennsylvania, in order to make an estimate of the expense of removing the obstructions to the entrance, with a plan of the best mode of effecting the same, under the appropriation for that purpose by act of Congress passed 3rd of March last. The report of the Board accompanies the papers from the War Department, and is submitted for the consideration of Congress.

A strong hope has been long entertained, founded on the heroic struggle of the Greeks, that they would succeed in their contest and resume their equal station among the nations of the earth. It is believed that the whole civilized world take a deep interest in their welfare. Although no power has declared in their favor, yet none according to our information, has taken part against them. Their cause and

Page 196

their name have protected them from dangers which might ere this have overwhelmed any other people. The ordinary calculations of interest and of acquisition with a view to aggrandizement, which mingles so much in the transactions of nations, seem to have had no effect in regard to them. From the facts which have come to our knowledge there is good cause to believe that their enemy has lost forever all dominion over them; that Greece will become again an independent nation. That she may obtain that rank is the object of our most ardent wishes.

It was stated at the commencement of the last session that a great effort was then making in Spain and Portugal to improve the condition of the people of those countries, and that it appeared to be conducted with extraordinary moderation. It need scarcely be remarked that the result has been so far very different from what was then anticipated. Of events in that quarter of the globe, with which we have so much intercourse and from which we derive our origin, we have always been anxious and interested spectators.

The citizens of the United States cherish sentiments the most friendly in favor of the liberty and happiness of their fellow men on that side of the Atlantic. In the wars of the European powers in matters relating to themselves we have never taken any part, nor does it comport with our policy so to do.

It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our defense. With the movements in this hemisphere we are of necessity more immediately connected, and by causes which must be obvious to all enlightened and impartial observers.

The political system of the allied powers is essentially different in this respect from that of America. This difference proceeds from that which exists in their respective Governments; and to the defense of our own, which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of their most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole nation is devoted.

We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered and shall not interfere, but with the Governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States.

In the war between those new Governments and Spain we declared our neutrality at the time of their recognition, and to this we have adhered, and shall continue to adhere, provided no change shall occur which, in the judgment of the competent authorities of this Government, shall make a corresponding change on the part of the United States indispensable to their security.

Page 197

The late events in Spain and Portugal shew that Europe is still unsettled. Of this important fact no stronger proof can be adduced than that the allied powers should have thought it proper, on any principle satisfactory to themselves, to have interposed by force in the internal concerns of Spain. To what extent such interposition may be carried, on the same principle, is a question in which all independent powers whose governments differ from theirs are interested, even those most remote, and surely none more so than the United States.

Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is, not to interfere in the internal concerns of any of its powers; to consider the government de facto as the legitimate government for us; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to injuries from none.

But in regard to those continents circumstances are eminently and conspicuously different. It is impossible that the allied powers should extend their political system to any portion of either continent without endangering our peace and happiness; nor can anyone believe that our southern brethren, if left to themselves, would adopt it of their own accord. It is equally impossible, therefore, that we should behold such interposition in any form with indifference. If we look to the comparative strength and resources of Spain and those new Governments, and their distance from each other, it must be obvious that she can never subdue them. It is still the true policy of the United States to leave the parties to themselves, in the hope that other powers will pursue the same course.

If we compare the present condition of our Union with its actual state at the close of our Revolution, the history of the world furnishes no example of a progress in improvement in all the important circumstances which constitute the happiness of a nation which bears any resemblance to it. At the first epoch our population did not exceed 3,000,000. By the last census it amounted to about 10,000,000, and, what is more extraordinary, it is almost altogether native, for the immigration from other countries has been inconsiderable.

At the first epoch half the territory within our acknowledged limits was uninhabited and a wilderness. Since then new territory has been acquired of vast extent, comprising within it many rivers, particularly the Mississippi, the navigation of which to the ocean was of the highest importance to the original States. Over this territory our population has expanded in every direction, and new States have been established almost equal in number to those which formed the first bond of our Union. This expansion of our population and accession of new States to our Union have had the happiest effect on all its highest interests.

Page 198

That it has eminently augmented our resources and added to our strength and respectability as a power is admitted by all, but it is not in these important circumstances only that this happy effect is felt. It is manifest that by enlarging the basis of our system and increasing the number of States the system itself has been greatly strengthened in both its branches. Consolidation and disunion have thereby been rendered equally impracticable.

Each Government, confiding in its own strength, has less to apprehend from the other, and in consequence each, enjoying a greater freedom of action, is rendered more efficient for all the purposes for which it was instituted.

It is unnecessary to treat here of the vast improvement made in the system itself by the adoption of this Constitution and of its happy effect in elevating the character and in protecting the rights of the nation as well as individuals. To what, then, do we owe these blessings? It is known to all that we derive them from the excellence of our institutions. Ought we not, then, to adopt every measure which may be necessary to perpetuate them?

***

State of the Union Address
James Monroe
December 7, 1824

Fellow-Citizens of the Senate and House of Representatives:

The view which I have now to present to you of our affairs, foreign and domestic, realizes the most sanguine anticipations which have been entertained of the public prosperity. If we look to the whole, our growth as a nation continues to be rapid beyond example; if to the States which compose it, the same gratifying spectacle is exhibited. Our expansion over the vast territory within our limits has been great, without indicating any decline in those sections from which the emigration has been most conspicuous. We have daily gained strength by a native population in every quarter—a population devoted to our happy system of government and cherishing the bond of union with internal affection.

Experience has already shewn that the difference of climate and of industry, proceeding from that cause, inseparable from such vast domains, and which under other systems might have a repulsive tendency, can not fail to produce with us under wise regulations the opposite effect. What one portion wants the other may supply; and this will be most sensibly felt by the parts most distant from each other, forming thereby a domestic market and an active intercourse between the extremes and throughout every portion of our Union.

Thus by a happy distribution of power between the National and State Governments, Governments which rest exclusively on the sovereignty of the people and are fully adequate to the great purposes for which they were respectively instituted, causes which might otherwise lead to dismemberment operate powerfully to draw us closer together.

Page 199

In every other circumstance a correct view of the actual state of our Union must be equally gratifying to our constituents. Our relations with foreign powers are of a friendly character, although certain interesting differences remain unsettled with some. Our revenue under the mild system of impost and tonnage continues to be adequate to all the purposes of the Government. Our agriculture, commerce, manufactures, and navigation flourish. Our fortifications are advancing in the degree authorized by existing appropriations to maturity, and due progress is made in the augmentation of the Navy to the limit prescribed for it by law. For these blessings we owe to Almighty God, from whom we derive them, and with profound reverence, our most grateful and unceasing acknowledgments.

In adverting to our relations with foreign powers, which are always an object of the highest importance, I have to remark that of the subjects which have been brought into discussion with them during the present Administration some have been satisfactorily terminated, others have been suspended, to be resumed hereafter under circumstances more favorable to success, and others are still in negotiation, with the hope that they may be adjusted with mutual accommodation to the interests and to the satisfaction of the respective parties. It has been the invariable object of this Government to cherish the most friendly relations with every power, and on principles and conditions which might make them permanent. A systematic effort has been made to place our commerce with each power on a footing of perfect reciprocity, to settle with each in a spirit of candor and liberality all existing differences, and to anticipate and remove so far as it might be practicable all causes of future variance.

It having been stipulated by the 7th article of the convention of navigation and commerce which was concluded on June 24th, 1822, between the United States and France, that the said convention should continue in force for two years from the first of October of that year, and for an indefinite term afterwards, unless one of the parties should declare its intention to renounce it, in which event it should cease to operate at the end of six months from such declaration, and no such intention having been announced, the convention having been found advantageous to both parties, it has since remained, and still remains, in force.

At the time when that convention was concluded many interesting subjects were left unsettled, and particularly our claim to indemnity for spoliations which were committed on our commerce in the late wars. For these interests and claims it was in the contemplation of the parties to make provision at a subsequent day by a more comprehensive and definitive treaty. The object has been duly attended to since by the Executive, but as yet it has not been accomplished.

It is hoped that a favorable opportunity will present itself for opening a negotiation which may embrace and arrange all existing differences and every other concern in which they have a common interest upon the accession of the present King of France, an event which has occurred since the close of the last session of Congress.

Page 200

With Great Britain our commercial intercourse rests on the same footing that it did at the last session. By the convention of 1815, the commerce between the United States and the British dominions in Europe and the East Indies was arranged on a principle of reciprocity. That convention was confirmed and continued in force, with slight exceptions, by a subsequent treaty for the term of ten years from October 20th, 1818, the date of the latter.

The trade with the British colonies in the West Indies has not as yet been arranged, by treaty or otherwise, to our satisfaction. An approach to that result has been made by legislative acts, whereby many serious impediments which had been raised by the parties in defense of their respective claims were removed. An earnest desire exists, and has been manifested on the part of this Government, to place the commerce with the colonies, likewise, on a footing of reciprocal advantage, and it is hoped that the British Government, seeing the justice of the proposal and its importance to the colonies, will ere long accede to it.

The commissioners who were appointed for the adjustment of the boundary between the territories of the United States and those of Great Britain, specified in the 5th article of the treaty of Ghent, having disagreed in their decision, and both Governments having agreed to establish that boundary by amicable negotiation between them, it is hoped that it may be satisfactorily adjusted in that mode. The boundary specified by the 6th article has been established by the decision of the commissioners. From the progress made in that provided for by the 7th, according to a report recently received, there is good cause to presume that it will be settled in the course of the ensuing year.

It is a cause of serious regret that no arrangement has yet been finally concluded between the two Governments to secure by joint cooperation the suppression of the slave trade. It was the object of the British Government in the early stages of the negotiation to adopt a plan for the suppression which should include the concession of the mutual right of search by the ships of war of each party of the vessels of the other for suspected offenders. This was objected to by this Government on the principle that as the right of search was a right of war of a belligerent toward a neutral power it might have an ill effect to extend it by treaty, to an offense which had been made comparatively mild, to a time of peace.

Anxious, however, for the suppression of this trade, it was thought advisable, in compliance with a resolution of the House of Representatives, founded on an act of Congress, to propose to the British Government an expedient which should be free from that objection and more effectual for the object, by making it piratical. In that mode the enormity of the crime would place the offenders out of the protection of their Government, and involve no question of search or other question between the parties touching their respective rights. It was believed, also, that it would completely suppress the trade in the vessels of both parties, and by their respective citizens and subjects in those of other powers, with whom it was hoped that the odium which would thereby be

attached to it would produce a corresponding arrangement, and by means thereof its entire extirpation forever.

Page 201

A convention to this effect was concluded and signed in London on March 13th, 1824, by plenipotentiaries duly authorized by both Governments, to the ratification of which certain obstacles have arisen which are not yet entirely removed. The difference between the parties still remaining has been reduced to a point not of sufficient magnitude, as is presumed, to be permitted to defeat an object so near to the heart of both nations and so desirable to the friends of humanity throughout the world. As objections, however, to the principle recommended by the House of Representatives, or at least to the consequences inseparable from it, and which are understood to apply to the law, have been raised, which may deserve a reconsideration of the whole subject, I have thought it proper to suspend the conclusion of a new convention until the definitive sentiments of Congress may be ascertained. The documents relating to the negotiation are with that intent submitted to your consideration.

Our commerce with Sweden has been placed on a footing of perfect reciprocity by treaty, and with Russia, the Netherlands, Prussia, the free Hanseatic cities, the Dukedom of Oldenburg, and Sardinia by internal regulations on each side, founded on mutual agreement between the respective Governments.

The principles upon which the commercial policy of the United States is founded are to be traced to an early period. They are essentially connected with those upon which their independence was declared, and owe their origin to the enlightened men who took the lead in our affairs at that important epoch. They are developed in their first treaty of commerce with France of February 6th, 1778, and by a formal commission which was instituted Immediately after the conclusion of their Revolutionary struggle, for the purpose of negotiating treaties of commerce with every European power. The first treaty of the United States with Prussia, which was negotiated by that commission, affords a signal illustration of those principles. The act of Congress of March 3rd, 1815, adopted immediately after the return of a general peace, was a new overture to foreign nations to establish our commercial relations with them on the basis of free and equal reciprocity. That principle has pervaded all the acts of Congress and all the negotiations of the Executive on the subject.

A convention for the settlement of important questions in relation to the North West coast of this continent and its adjoining seas was concluded and signed at St. Petersburg on the 5th day of April last by the minister plenipotentiary of the United States and plenipotentiaries of the Imperial Government of Russia. It will immediately be laid before the Senate for the exercise of the constitutional authority of that body with reference to its ratification. It is proper to add that the manner in which this negotiation was invited and conducted on the part of the Emperor has been very satisfactory.

Page 202

The great and extraordinary changes which have happened in the Governments of Spain and Portugal within the last two years, without seriously affecting the friendly relations which under all of them have been maintained with those powers by the United States, have been obstacles to the adjustment of the particular subjects of discussion which have arisen with each. A resolution of the Senate adopted at their last session called for information as to the effect produced upon our relations with Spain by the recognition on the part of the United States of the independent South American Governments. The papers containing that information are now communicated to Congress.

A charge d'affaires has been received from the independent Government of Brazil. That country, heretofore a colonial possession of Portugal, had some years since been proclaimed by the Sovereign of Portugal himself an independent Kingdom. Since his return to Lisbon a revolution in Brazil has established a new Government there with an imperial title, at the head of which is placed a prince, in whom the regency had been vested by the King at the time of his departure. There is reason to expect that by amicable negotiation the independence of Brazil will ere long be recognized by Portugal herself.

With the remaining powers of Europe, with those on the coast of Barbary, and with all the new South American States our relations are of a friendly character. We have ministers plenipotentiary residing with the Republics of Colombia and Chile, and have received ministers of the same rank from Columbia, Guatemala, Buenos Ayres, and Mexico. Our commercial relations with all those States are mutually beneficial and increasing. With the Republic of Colombia a treaty of commerce has been formed, of which a copy is received and the original daily expected. A negotiation for a like treaty would have been commenced with Buenos Ayres had it not been prevented by the indisposition and lamented decease of Mr. Rodney, our minister there, and to whose memory the most respectful attention has been shewn by the Government of that Republic. An advantageous alteration in our treaty with Tunis has been obtained by our consular agent residing there, the official document of which when received will be laid before the Senate.

The attention of the Government has been drawn with great solicitude to other subjects, and particularly to that relating to a state of maritime war, involving the relative rights of neutral and belligerent in such wars. Most of the difficulties which we have experienced and of the losses which we have sustained since the establishment of our independence have proceeded from the unsettled state of those rights and the extent to which the belligerent claim has been carried against the neutral party.

Page 203

It is impossible to look back on the occurrences of the late wars in Europe, and to behold the disregard which was paid to our rights as a neutral power, and the waste which was made of our commerce by the parties to those wars by various acts of their respective Governments, and under the pretext by each that the other had set the example, without great mortification and a fixed purpose never to submit to the like in future. An attempt to remove those causes of possible variance by friendly negotiation and on just principles which should be applicable to all parties could, it was presumed, be viewed by none other than as a proof of an earnest desire to preserve those relations with every power.

In the late war between France and Spain a crisis occurred in which it seemed probable that all controvertible principles involved in such wars might be brought into discussion and settled to the satisfaction of all parties. Propositions having this object in view have been made to the Governments of Great Britain, France, Russia, and of other powers, which have been received in a friendly manner by all, but as yet no treaty has been formed with either for its accomplishment. The policy will, it is presumed, be persevered in, and in the hope that it may be successful.

It will always be recollected that with one of the parties to those wars and from whom we received those injuries, we sought redress by war. From the other, by whose then reigning Government our vessels were seized in port as well as at sea and their cargoes confiscated, indemnity has been expected, but has not yet been rendered. It was under the influence of the latter that our vessels were likewise seized by the Governments of Spain, Holland, Denmark, Sweden, and Naples, and from whom indemnity has been claimed and is still expected, with the exception of Spain, by whom it has been rendered.

With both parties we had abundant cause of war, but we had no alternative but to resist that which was most powerful at sea and pressed us nearest at home. With this all differences were settled by a treaty, founded on conditions fair and honorable to both, and which has been so far executed with perfect good faith. It has been earnestly hoped that the other would of its own accord, and from a sentiment of justice and conciliation, make to our citizens the indemnity to which they are entitled, and thereby remove from our relations any just cause of discontent on our side.

It is estimated that the receipts into the Treasury during the current year, exclusive of loans, will exceed $18.5 millions, which, with the sum remaining in the Treasury at the end of the last year, amounting to $9,463,922.81 will, after discharging the current disbursements of the year, the interest on the public debt, and upward of $11,633,011.52 of the principal, leave a balance of more than $3 millions in the Treasury on the first day of January next.

A larger amount of the debt contracted during the late war, bearing an interest of 6%, becoming redeemable in the course of the ensuing year than could be discharged by

the ordinary revenue, the act of the 26th of May authorized a loan of $5 millions at 4.5% to meet the same. By this arrangement an annual saving will accrue to the public of $75,000.

Page 204

Under the act of the 24th of May last a loan of $5 millions was authorized, In order to meet the awards under the Florida treaty, which was negotiated at par with the Bank of the United States at 4.5%, the limit of interest fixed by the act. By this provision the claims of our citizens who had sustained so great a loss by spoliations, and from whom indemnity had been so long withheld, were promptly paid. For these advances the public will be amply repaid at no distant day by the sale of the lands in Florida. Of the great advantages resulting from the acquisition of the Territory in other respects too high an estimate can not be formed.

It is estimated that the receipts into the Treasury during the year 1825 will be sufficient to meet the disbursements of the year, including the sum of $10 millions, which is annually appropriated by the act of constituting the sinking fund to the payment of the principal and interest of the public debt.

The whole amount of the public debt on the first of January next may be estimated at $86 millions, inclusive of $2.5 millions of the loan authorized by the act of the 26th of May last. In this estimate is included a stock of $7 millions, issued for the purchase of that amount of the capital stock of the Bank of the United States, and which, as the stock of the bank still held by the Government will at least be fully equal to its reimbursement, ought not to be considered as constituting a part of the public debt.

Estimating, then, the whole amount of the public debt at $79 millions and regarding the annual receipts and expenditures of the Government, a well-founded hope may be entertained that, should no unexpected event occur, the whole of the public debt may be discharged in the course of ten years, and the Government be left at liberty thereafter to apply such portion of the revenue as may not be necessary for current expenses to such other objects as may be most conducive to the public security and welfare. That the sums applicable to these objects will be very considerable may be fairly concluded when it is recollected that a large amount of the public revenue has been applied since the late war to the construction of the public buildings in this city; to the erection of fortifications along the coast and of arsenals in different parts of the Union; to the augmentation of the Navy; to the extinguishment of the Indian title to large tracts of fertile territory; to the acquisition of Florida; to pensions to Revolutionary officers and soldiers, and to invalids of the late war.

On many of these objects the expense will annually be diminished and cease at no distant period on most of them.

Page 205

On the 1st of January, 1817, the public debt amounted to $123,491,965.16, and, notwithstanding the large sums which have been applied to these objects, it has been reduced since that period $37,446,961.78. The last portion of the public debt will be redeemable on January 1st, 1835, and, while there is the best reason to believe that the resources of the Government will be continually adequate to such portions of it as may become due in the interval, it is recommended to Congress to seize every opportunity which may present itself to reduce the rate of interest on every part thereof. The high state of the public credit and the great abundance of money are at this time very favorable to such a result. It must be very gratifying to our fellow citizens to witness this flourishing state of the public finances when it is recollected that no burthen whatever has been imposed upon them.

The military establishment in all its branches, in the performance of the various duties assigned to each, justifies the favorable view which was presented of the efficiency of its organization at the last session. All the appropriations have been regularly applied to the objects intended by Congress, and so far as the disbursements have been made the accounts have been rendered and settled without loss to the public.

The condition of the Army itself, as relates to the officers and men, in science and discipline is highly respectable. The Military Academy, on which the Army essentially rests, and to which it is much indebted for this state of improvement, has attained, in comparison with any other institution of a like kind, a high degree of perfection.

Experience, however, has shewn that the dispersed condition of the corps of artillery is unfavorable to the discipline of that important branch of the military establishment. To remedy this inconvenience, eleven companies have been assembled at the fortification erected at Old Point Comfort as a school for artillery instruction, with intention as they shall be perfected in the various duties of that service to order them to other posts, and, to supply their places with other companies for instruction in like manner. In this mode a complete knowledge of the science and duties of this arm will be extended throughout the whole corps of artillery. But to carry this object fully into effect will require the aid of Congress, to obtain which the subject is now submitted to your consideration.

Of the progress which has been made in the construction of fortifications for the permanent defense of our maritime frontier, according to the plan decided on and to the extent of the existing appropriations, the report of the Secretary of War, which is herewith communicated, will give a detailed account. Their final completion can not fail to give great additional security to that frontier, and to diminish proportionably the expense of defending it in the event of war.

Page 206

The provisions in several acts of Congress of the last session for the improvement of the navigation of the Mississippi and the Ohio, of the harbor of Presqu'isle, on Lake Erie, and the repair of the Plymouth beach are in a course of regular execution; and there is reason to believe that the appropriation in each instance will be adequate to the object. To carry these improvements fully into effect, the superintendence of them has been assigned to officers of the Corps of Engineers.

Under the act of 30th April last, authorizing the President to cause a survey to be made, with the necessary plans and estimates, of such roads and canals as he might deem of national importance in a commercial or military point of view, or for the transportation of the mail, a board has been instituted, consisting of two distinguished officers of the Corps of Engineers and a distinguished civil engineer, with assistants, who have been actively employed in carrying into effect the object of the act. They have carefully examined the route between the Potomac and the Ohio rivers; between the latter and Lake Erie; between the Alleghany and the Susquehannah; and the routes between the Delaware and the Raritan, Barnstable and Buzzards Bay, and between Boston Harbor and Narraganset Bay. Such portion of the Corps of Topographical Engineers as could be spared from the survey of the coast has been employed in surveying the very important route between the Potomac and the Ohio. Considerable progress has been made in it, but the survey can not be completed until the next season. It is gratifying to add, from the view already taken, that there is good cause to believe that this great national object may be fully accomplished.

It is contemplated to commence early in the next season the execution of the other branch of the act—that which relates to roads—and with the survey of a route from this city, through the Southern States, to New Orleans, the importance of which can not be too highly estimated. All the officers of both the corps of engineers who could be spared from other services have been employed in exploring and surveying the routes for canals. To digest a plan for both objects for the great purposes specified will require a thorough knowledge of every part of our Union and of the relation of each part to the others and of all to the seat of the General Government. For such a digest it will be necessary that the information be full, minute, and precise.

With a view to these important objects, I submit to the consideration of the Congress the propriety of enlarging both the corps of engineers—the military and topographical. It need scarcely be remarked that the more extensively these corps are engaged in the improvement of their country, in the execution of the powers of Congress, and in aid of the States in such improvements as lie beyond that limit, when such aid is desired, the happier the effect will be in many views of which the subject is perceptible.

Page 207

By profiting of their science the works will always be well executed, and by giving to the officers such employment our Union will derive all the advantage, in peace as well as in war, from their talents and services which they can afford. In this mode, also, the military will be incorporated with the civil, and unfounded and injurious distinctions and prejudices of every kind be done away. To the corps themselves this service can not fail to be equally useful, since by the knowledge they would thus acquire they would be eminently better qualified in the event of war for the great purposes for which they were instituted.

Our relations with the Indian tribes within our limits have not been materially changed during the year. The hostile disposition evinced by certain tribes on the Missouri during the last year still continues, and has extended in some degree to those on the Upper Mississippi and the Upper Lakes. Several parties of our citizens have been plundered and murdered by those tribes. In order to establish relations of friendship with them, Congress at the last session made an appropriation for treaties with them and for the employment of a suitable military escort to accompany and attend the commissioners at the places appointed for the negotiations. This object has not been effected. The season was too far advanced when the appropriation was made and the distance too great to permit it, but measures have been taken, and all the preparations will be completed to accomplish it at an early period in the next season.

Believing that the hostility of the tribes, particularly on the Upper Mississippi and the Lakes, is in no small degree owing to the wars which are carried on between the tribes residing in that quarter, measures have been taken to bring about a general peace among them, which, if successful, will not only tend to the security of our citizens, but be of great advantage to the Indians themselves.

With the exception of the tribes referred to, our relations with all the others are on the same friendly footing, and it affords me great satisfaction to add that they are making steady advances in civilization and the improvement of their condition. Many of the tribes have already made great progress in the arts of civilized life. This desirable result has been brought about by the humane and persevering policy of the Government, and particularly by means of the appropriation for the civilization of the Indians. There have been established under the provisions of this act 32 schools, containing 916 scholars, who are well instructed in several branches of literature, and likewise in agriculture and the ordinary arts of life.

Under the appropriation to authorize treaties with the Creeks and Quaupaw Indians commissioners have been appointed and negotiations are now pending, but the result is not yet known.

For more full information respecting the principle which has been adopted for carrying into effect the act of Congress authorizing surveys, with plans and estimates for canals and roads, and on every other branch of duty incident to the Department of War, I refer you to the report of the Secretary.

Page 208

The squadron in the Mediterranean has been maintained in the extent which was proposed in the report of the Secretary of the Navy of the last year, and has afforded to our commerce the necessary protection in that sea. Apprehending, however, that the unfriendly relations which have existed between Algiers and some of the powers of Europe might be extended to us, it has been thought expedient to augment the force there, and in consequence the North Carolina, a ship of the line, has been prepared, and will sail in a few days to join it.

The force employed in the Gulf of Mexico and in the neighboring seas for the suppression of piracy has likewise been preserved essentially in the state in which it was during the last year. A persevering effort has been made for the accomplishment of that object, and much protection has thereby been afforded to our commerce, but still the practice is far from being suppressed. From every view which has been taken of the subject it is thought that it will be necessary rather to augment than to diminish our force in that quarter.

There is reason to believe that the piracies now complained of are committed by bands of robbers who inhabit the land, and who, by preserving good intelligence with the towns and seizing favorable opportunities, rush forth and fall on unprotected merchant vessels, of which they make an easy prey. The pillage thus taken they carry to their lurking places, and dispose of afterwards at prices tending to seduce the neighboring population.

This combination is understood to be of great extent, and is the more to be deprecated because the crime of piracy is often attended with the murder of the crews, these robbers knowing if any survived their lurking places would be exposed and they be caught and punished. That this atrocious practice should be carried to such extent is cause of equal surprise and regret. It is presumed that it must be attributed to the relaxed and feeble state of the local governments, since it is not doubted, from the high character of the governor of Cuba, who is well known and much respected here, that if he had the power he would promptly suppress it. Whether those robbers should be pursued on the land, the local authorities be made responsible for these atrocities, or any other measure be resorted to to suppress them, is submitted to the consideration of Congress.

In execution of the laws for the suppression of the slave trade a vessel has been occasionally sent from that squadron to the coast of Africa with orders to return thence by the usual track of the slave ships, and to seize any of our vessels which might be engaged in that trade. None have been found, and it is believed that none are thus employed. It is well known, however, that the trade still exists under other flags.

The health of our squadron while at Thompsons Island has been much better during the present than it was the last season. Some improvements have been made and others are contemplated there which, it is believed, will have a very salutary effect.

Page 209

On the Pacific, our commerce has much increased, and on that coast, as well as on that sea, the United States have many important interests which require attention and protection. It is thought that all the considerations which suggested the expediency of placing a squadron on that sea operate with augmented force for maintaining it there, at least in equal extent.

For detailed information respecting the state of our maritime force on each sea, the improvement necessary to be made on either in the organization of the naval establishment generally, and of the laws for its better government I refer you to the report of the Secretary of the Navy, which is herewith communicated.

The revenue of the Post Office Department has received a considerable augmentation in the present year. The current receipts will exceed the expenditures, although the transportation of the mail within the year has been much increased. A report of the Post Master General, which is transmitted, will furnish in detail the necessary information respecting the administration and present state of this Department.

In conformity with a resolution of Congress of the last session, an invitation was given to General Lafayette to visit the United States, with an assurance that a ship of war should attend at any port of France which he might designate, to receive and convey him across the Atlantic, whenever it might be convenient for him to sail. He declined the offer of the public ship from motives of delicacy, but assured me that he had long intended and would certainly visit our Union in the course of the present year.

In August last he arrived at New York, where he was received with the warmth of affection and gratitude to which his very important and disinterested services and sacrifices in our Revolutionary struggle so eminently entitled him. A corresponding sentiment has since been manifested in his favor throughout every portion of our Union, and affectionate invitations have been given him to extend his visits to them. To these he has yielded all the accommodation in his power. At every designated point of rendezvous the whole population of the neighboring country has been assembled to greet him, among whom it has excited in a peculiar manner the sensibility of all to behold the surviving members of our Revolutionary contest, civil and military, who had shared with him in the toils and dangers of the war, many of them in a decrepit state. A more interesting spectacle, it is believed, was never witnessed, because none could be founded on purer principles, none proceed from higher or more disinterested motives. That the feelings of those who had fought and bled with him in a common cause should have been much excited was natural.

There are, however, circumstances attending these interviews which pervaded the whole community and touched the breasts of every age, even the youngest among us. There was not an individual present who had not some relative who had not partaken in those scenes, nor an infant who had not heard the relation of them. But the circumstance which was most sensibly felt, and which his presence brought forcibly to

the recollection of all, was the great cause in which we were engaged and the blessings which we have derived from our success in it.

Page 210

The struggle was for independence and liberty, public and personal, and in this we succeeded. The meeting with one who had borne so distinguished a part in that great struggle, and from such lofty and disinterested motives, could not fail to affect profoundly every individual and of every age. It is natural that we should all take a deep interest in his future welfare, as we do. His high claims on our Union are felt, and the sentiment universal that they should be met in a generous spirit. Under these impressions I invite your attention to the subject, with a view that, regarding his very important services, losses, and sacrifices, a provision may be made and tendered to him which shall correspond with the sentiments and be worthy the character of the American people.

In turning our attention to the condition of the civilized world, in which the United States have always taken a deep interest, it is gratifying to see how large a portion of it is blessed with peace. The only wars which now exist within that limit are those between Turkey and Greece, in Europe, and between Spain and the new Governments, our neighbors, in this hemisphere. In both these wars the cause of independence, of liberty and humanity, continues to prevail.

The success of Greece, when the relative population of the contending parties is considered, commands our admiration and applause, and that it has had a similar effect with the neighboring powers is obvious. The feeling of the whole civilized world is excited in a high degree in their favor. May we not hope that these sentiments, winning on the hearts of their respective Governments, may lead to a more decisive result; that they may produce an accord among them to replace Greece on the ground which she formerly held, and to which her heroic exertions at this day so eminently entitle her?

With respect to the contest to which our neighbors are a party, it is evident that Spain as a power is scarcely felt in it. These new States had completely achieved their independence before it was acknowledged by the United States, and they have since maintained it with little foreign pressure. The disturbances which have appeared in certain portions of that vast territory have proceeded from internal causes, which had their origin in their former Governments and have not yet been thoroughly removed.

It is manifest that these causes are daily losing their effect, and that these new States are settling down under Governments elective and representative in every branch, similar to our own. In this course we ardently wish them to persevere, under a firm conviction that it will promote their happiness. In this, their career, however, we have not interfered, believing that every people have a right to institute for themselves the government which, in their judgment, may suit them best.

Our example is before them, of the good effect of which, being our neighbors, they are competent judges, and to their judgment we leave it, in the expectation that other powers will pursue the same policy. The deep interest which we take in their independence, which we have acknowledged, and in their enjoyment of all the rights

incident thereto, especially in the very important one of instituting their own Governments, has been declared, and is known to the world.

Page 211

Separated as we are from Europe by the great Atlantic Ocean, we can have no concern in the wars of the European Governments nor in the causes which produce them. The balance of power between them, into whichever scale it may turn in its various vibrations, can not affect us. It is the interest of the United States to preserve the most friendly relations with every power and on conditions fair, equal, and applicable to all.

But in regard to our neighbors our situation is different. It is impossible for the European Governments to interfere in their concerns, especially in those alluded to, which are vital, without affecting us; indeed, the motive which might induce such interference in the present state of the war between the parties, if a war it may be called, would appear to be equally applicable to us. It is gratifying to know that some of the powers with whom we enjoy a very friendly intercourse, and to whom these views have been communicated, have appeared to acquiesce in them.

The augmentation of our population with the expansion of our Union and increased number of States have produced effects in certain branches of our system which merit the attention of Congress. Some of our arrangements, and particularly the judiciary establishment, were made with a view to the original thirteen States only. Since then the United States have acquired a vast extent of territory; eleven new States have been admitted into the Union, and Territories have been laid off for three others, which will likewise be admitted at no distant day.

An organization of the Supreme Court which assigns the judges any portion of the duties which belong to the inferior, requiring their passage over so vast a space under any distribution of the States that may now be made, if not impracticable in the execution, must render it impossible for them to discharge the duties of either branch with advantage to the Union. The duties of the Supreme Court would be of great importance if its decisions were confined to the ordinary limits of other tribunals, but when it is considered that this court decides, and in the last resort, on all the great questions which arise under our Constitution, involving those between the United States individually, between the States and the United States, and between the latter and foreign powers, too high an estimate of their importance can not be formed. The great interests of the nation seem to require that the judges of the Supreme Court should be exempted from every other duty than those which are incident to that high trust. The organization of the inferior courts would of course be adapted to circumstances. It is presumed that such an one might be formed as would secure an able and faithful discharge of their duties, and without any material augmentation of expense.

The condition of the aborigines within our limits, and especially those who are within the limits of any of the States, merits likewise particular attention. Experience has shown that unless the tribes be civilized they can never be incorporated into our system in any form whatever. It has likewise shown that in the regular augmentation of our population with the extension of our settlements their situation will become deplorable, if their extinction is not menaced.

Page 212

Some well-digested plan which will rescue them from such calamities is due to their rights, to the rights of humanity, and to the honor of the nation. Their civilization is indispensable to their safety, and this can be accomplished only by degrees. The process must commence with the infant state, through whom some effect may be wrought on the parental. Difficulties of the most serious character present themselves to the attainment of this very desirable result on the territory on which they now reside. To remove them from it by force, even with a view to their own security and happiness, would be revolting to humanity and utterly unjustifiable. Between the limits of our present States and Territories and the Rocky Mountains and Mexico there is a vast territory to which they might be invited with inducements which might be successful. It is thought if that territory should be divided into districts by previous agreement with the tribes now residing there and civil governments be established in each, with schools for every branch of instruction in literature and the arts of civilized life, that all the tribes now within our limits might gradually be drawn there. The execution of this plan would necessarily be attended with expense, and that not inconsiderable, but it is doubted whether any other can be devised which would be less liable to that objection or more likely to succeed.

In looking to the interests which the United States have on the Pacific Ocean and on the western coast of this continent, the propriety of establishing a military post at the mouth of the Columbia River, or at some other point in that quarter within our acknowledged limits, is submitted to the consideration of Congress. Our commerce and fisheries on that sea and along the coast have much increased and are increasing. It is thought that a military post, to which our ships of war might resort, would afford protection to every interest, and have a tendency to conciliate the tribes to the North West, with whom our trade is extensive. It is thought also that by the establishment of such a post the intercourse between our Western States and Territories and the Pacific and our trade with the tribes residing in the interior on each side of the Rocky Mountains would be essentially promoted. To carry this object into effect the appropriation of an adequate sum to authorize the employment of a frigate, with an officer of the Corps of Engineers, to explore the mouth of the Columbia River and the coast contiguous thereto, to enable the Executive to make such establishment at the most suitable point, is recommended to Congress.

It is thought that attention is also due to the improvement of this city. The communication between the public buildings and in various other parts and the grounds around those buildings require it. It is presumed also that the completion of the canal from the Tiber to the Eastern Branch would have a very salutary effect. Great exertions have been made and expenses incurred by the citizens in improvements of various kinds; but those which are suggested belong exclusively to the Government, or are of a nature to require expenditures beyond their resources. The public lots which are still for sale would, it is not doubted, be more than adequate for these purposes.

Page 213

From the view above presented it is manifest that the situation of the United States is in the highest degree prosperous and happy. There is no object which as a people we can desire which we do not possess or which is not within our reach. Blessed with governments the happiest which the world ever knew, with no distinct orders in society or divided interests in any portion of the vast territory over which their dominion extends, we have every motive to cling together which can animate a virtuous and enlightened people. The great object is to preserve these blessings, and to hand them down to the latest posterity.

Our experience ought to satisfy us that our progress under the most correct and provident policy will not be exempt from danger. Our institutions form an important epoch in the history of the civilized world. On their preservation and in their utmost purity everything will depend. Extending as our interests do to every part of the inhabited globe and to every sea to which our citizens are carried by their industry and enterprise, to which they are invited by the wants of others, and have a right to go, we must either protect them in the enjoyment of their rights or abandon them in certain events to waste and desolation.

Our attitude is highly interesting as relates to other powers, and particularly to our southern neighbors. We have duties to perform with regard to all to which we must be faithful. To every kind of danger we should pay the most vigilant and unceasing attention, remove the cause where it may be practicable, and be prepared to meet it when inevitable.

Against foreign danger the policy of the Government seems to be already settled. The events of the late war admonished us to make our maritime frontier impregnable by a well-digested chain of fortifications, and to give efficient protection to our commerce by augmenting our Navy to a certain extent, which has been steadily pursued, and which it is incumbent upon us to complete as soon as circumstances will permit. In the event of war it is on the maritime frontier that we shall be assailed. It is in that quarter, therefore, that we should be prepared to meet the attack. It is there that our whole force will be called into action to prevent the destruction of our towns and the desolation and pillage of the interior.

To give full effect to this policy great improvements will be indispensable. Access to those works by every practicable communication should be made easy and in every direction. The intercourse between every part of our Union should also be promoted and facilitated by the exercise of those powers which may comport with a faithful regard to the great principles of our Constitution. With respect to internal causes, those great principles point out with equal certainty the policy to be pursued.

Page 214

Resting on the people as our Governments do, State and National, with well-defined powers, it is of the highest importance that they severally keep within the limits prescribed to them. Fulfilling that sacred duty, it is of equal importance that the movement between them be harmonious, and in case of any disagreement, should any such occur, a calm appeal be made to the people, and that their voice be heard and promptly obeyed. Both Governments being instituted for the common good, we can not fail to prosper while those who made them are attentive to the conduct of their representatives and control their measures. In the pursuit of these great objects let a generous spirit and national views and feelings be indulged, and let every part recollect that by cherishing that spirit and improving the condition of the others in what relates to their welfare the general interest will not only be promoted, but the local advantage be reciprocated by all.

I can not conclude this communication, the last of the kind which I shall have to make, without recollecting with great sensibility and heart felt gratitude the many instances of the public confidence and the generous support which I have received from my fellow citizens in the various trusts with which I have been honored. Having commenced my service in early youth, and continued it since with few and short intervals, I have witnessed the great difficulties to which our Union has been surmounted. From the present prosperous and happy state I derive a gratification which I can not express. That these blessings may be preserved and perpetuated will be the object of my fervent and unceasing prayers to the Supreme Ruler of the Universe.

***

State of the Union Address
John Quincy Adams
December 6, 1825

Fellow Citizens of the Senate and of the House of Representatives:

In taking a general survey of the concerns of our beloved country, with reference to subjects interesting to the common welfare, the first sentiment which impresses itself upon the mind is of gratitude to the Omnipotent Disposer of All Good for the continuance of the signal blessings of His providence, and especially for that health which to an unusual extent has prevailed within our borders, and for that abundance which in the vicissitudes of the seasons has been scattered with profusion over our land. Nor ought we less to ascribe to Him the glory that we are permitted to enjoy the bounties of His hand in peace and tranquillity—in peace with all the other nations of the earth, in tranquillity among our selves. There has, indeed, rarely been a period in the history of civilized man in which the general condition of the Christian nations has been marked so extensively by peace and prosperity.

Europe, with a few partial and unhappy exceptions, has enjoyed ten years of peace, during which all her Governments, what ever the theory of their constitutions may have been, are successively taught to feel that the end of their institution is the happiness of the people, and that the exercise of power among men can be justified only by the blessings it confers upon those over whom it is extended.

Page 215

During the same period our intercourse with all those nations has been pacific and friendly; it so continues. Since the close of your last session no material variation has occurred in our relations with any one of them. In the commercial and navigation system of Great Britain important changes of municipal regulation have recently been sanctioned by acts of Parliament, the effect of which upon the interests of other nations, and particularly upon ours, has not yet been fully developed. In the recent renewal of the diplomatic missions on both sides between the two Governments assurances have been given and received of the continuance and increase of the mutual confidence and cordiality by which the adjustment of many points of difference had already been effected, and which affords the surest pledge for the ultimate satisfactory adjustment of those which still remain open or may hereafter arise.

The policy of the United States in their commercial intercourse with other nations has always been of the most liberal character. In the mutual exchange of their respective productions they have abstained altogether from prohibitions; they have interdicted themselves the power of laying taxes upon exports, and when ever they have favored their own shipping by special preferences or exclusive privileges in their own ports it has been only with a view to countervail similar favors and exclusions granted by the nations with whom we have been engaged in traffic to their own people or shipping, and to the disadvantage of ours. Immediately after the close of the last war a proposal was fairly made by the act of Congress of March 3rd, 1815, to all the maritime nations to lay aside the system of retaliating restrictions and exclusions, and to place the shipping of both parties to the common trade on a footing of equality in respect to the duties of tonnage and impost. This offer was partially and successively accepted by Great Britain, Sweden, the Netherlands, the Hanseatic cities, Prussia, Sardinia, the Duke of Oldenburg, and Russia. It was also adopted, under certain modifications, in our late commercial convention with France, and by the act of Congress of January 1st, 1824, it has received a new confirmation with all the nations who had acceded to it, and has been offered again to all those who are or may here after be willing to abide in reciprocity by it. But all these regulations, whether established by treaty or by municipal enactments, are still subject to one important restriction.

The removal of discriminating duties of tonnage and of impost is limited to articles of the growth, produce, or manufacture of the country to which the vessel belongs or to such articles as are most usually first shipped from her ports. It will deserve the serious consideration of Congress whether even this remnant of restriction may not be safely abandoned, and whether the general tender of equal competition made in the act of January 8th, 1824, maynot be extended to include all articles of merchandise not prohibited, of what country so ever they may be the produce or manufacture. Propositions of this effect have already been made to us by more than one European Government, and it is probable that if once established by legislation or compact with any distinguished maritime state it would recommend itself by the experience of its advantages to the general accession of all.

Page 216

The convention of commerce and navigation between the United States and France, concluded on June 24th, 1822, was, in the understanding and intent of both parties, as appears upon its face, only a temporary arrangement of the points of difference between them of the most immediate and pressing urgency. It was limited in the first instance to two years from January 10th, 1822, but with a proviso that it should further continue in force ’til the conclusion of a general and definitive treaty of commerce, unless terminated by a notice, six months in advance, of either of the parties to the other. Its operation so far as it extended has been mutually advantageous, and it still continues in force by common consent. But it left unadjusted several objects of great interest to the citizens and subjects of both countries, and particularly a mass of claims to considerable amount of citizens of the United States upon the Government of France of indemnity for property taken or destroyed under circumstances of the most aggravated and outrageous character. In the long period during which continual and earnest appeals have been made to the equity and magnanimity of France in behalf of these claims their justice has not been, as it could not be, denied.

It was hoped that the accession of a new Sovereign to the throne would have afforded a favorable opportunity for presenting them to the consideration of his Government. They have been presented and urged hither to without effect. The repeated and earnest representations of our minister at the Court of France remain as yet even without an answer. Were the demands of nations upon the justice of each other susceptible of adjudication by the sentence of an impartial tribunal, those to which I now refer would long since have been settled and adequate indemnity would have been obtained.

There are large amounts of similar claims upon the Netherlands, Naples, and Denmark. For those upon Spain prior to 1819 indemnity was, after many years of patient forbearance, obtained; and those upon Sweden have been lately compromised by a private settlement, in which the claimants themselves have acquiesced. The Governments of Denmark and of Naples have been recently reminded of those yet existing against them, nor will any of them be forgotten while a hope may be indulged of obtaining justice by the means within the constitutional power of the Executive, and without resorting to those means of self-redress which, as well as the time, circumstances, and occasion which may require them, are within the exclusive competency of the Legislature.

Page 217

It is with great satisfaction that I am enabled to bear witness to the liberal spirit with which the Republic of Colombia has made satisfaction for well-established claims of a similar character, and among the documents now communicated to Congress will be distinguished a treaty of commerce and navigation with that Republic, the ratifications of which have been exchanged since the last recess of the Legislature. The negotiation of similar treaties with all of the independent South American States has been contemplated and may yet be accomplished. The basis of them all, as proposed by the United States, has been laid in two principles—the one of entire and unqualified reciprocity, the other the mutual obligation of the parties to place each other permanently upon the footing of the most favored nation. These principles are, indeed, indispensable to the effectual emancipation of the American hemisphere from the thralldom of colonizing monopolies and exclusions, an event rapidly realizing in the progress of human affairs, and which the resistance still opposed in certain parts of Europe to the acknowledgment of the Southern American Republics as independent States will, it is believed, contribute more effectually to accomplish. The time has been, and that not remote, when some of those States might, in their anxious desire to obtain a nominal recognition, have accepted of a nominal independence, clogged with burdensome conditions, and exclusive commercial privileges granted to the nation from which they have separated to the disadvantage of all others. They are all now aware that such concessions to any European nation would be incompatible with that independence which they have declared and maintained.

Among the measures which have been suggested to them by the new relations with one another, resulting from the recent changes in their condition, is that of assembling at the Isthmus of Panama a congress, at which each of them should be represented, to deliberate upon objects important to the welfare of all. The Republics of Colombia, of Mexico, and of Central America have already deputed plenipotentiaries to such a meeting, and they have invited the United States to be also represented there by their ministers. The invitation has been accepted, and ministers on the part of the United States will be commissioned to attend at those deliberations, and to take part in them so far as may be compatible with that neutrality from which it is neither our intention nor the desire of the other American States that we should depart.

The commissioners under the 7th article of the treaty of Ghent have so nearly completed their arduous labors that, by the report recently received from the agent on the part of the United States, there is reason to expect that the commission will be closed at their next session, appointed for May 22 of the ensuing year.

The other commission, appointed to ascertain the indemnities due for slaves carried away from the United States after the close of the late war, have met with some difficulty, which has delayed their progress in the inquiry. A reference has been made to the British Government on the subject, which, it may be hoped, will tend to hasten the decision of the commissioners, or serve as a substitute for it.

Page 218

Among the powers specifically granted to Congress by the Constitution are those of establishing uniform laws on the subject of bankruptcies throughout the United States and of providing for organizing, arming, and disciplining the militia and for governing such part of them as may be employed in the services of the United States. The magnitude and complexity of the interests affected by legislation upon these subjects may account for the fact that, long and often as both of them have occupied the attention and animated the debates of Congress, no systems have yet been devised for fulfilling to the satisfaction of the community the duties prescribed by these grants of power.

To conciliate the claim of the individual citizen to the enjoyment of personal liberty, with the effective obligation of private contracts, is the difficult problem to be solved by a law of bankruptcy. These are objects of the deepest interest to society, affecting all that is precious in the existence of multitudes of persons, many of them in the classes essentially dependent and helpless, of the age requiring nurture, and of the sex entitled to protection from the free agency of the parent and the husband. The organization of the militia is yet more indispensable to the liberties of the country. It is only by an effective militia that we can at once enjoy the repose of peace and bid defiance to foreign aggression; it is by the militia that we are constituted an armed nation, standing in perpetual panoply of defense in the presence of all the other nations of the earth. To this end it would be necessary, if possible, so to shape its organization as to give it a more united and active energy. There are laws establishing an uniform militia throughout the United States and for arming and equipping its whole body. But it is a body of dislocated members, without the vigor of unity and having little of uniformity but the name. To infuse into this most important institution the power of which it is susceptible and to make it available for the defense of the Union at the shortest notice and at the smallest expense possible of time, of life, and of treasure are among the benefits to be expected from the persevering deliberations of Congress.

Among the unequivocal indications of our national prosperity is the flourishing state of our finances. The revenues of the present year, from all their principal sources, will exceed the anticipations of the last. The balance in the Treasury on the first of January last was a little short of $2,000,000, exclusive of $2,500,000, being the moiety of the loan of $5,000,000 authorized by the act of May 26th, 1824. The receipts into the Treasury from the first of January to the 30th of September, exclusive of the other moiety of the same loan, are estimated at $16,500,000, and it is expected that those of the current quarter will exceed $5,000,000, forming an aggregate of receipts of nearly $22,000,000, independent of the loan. The expenditures of the year will not exceed that sum more than $2,000,000. By those expenditures nearly $8,000,000 of the principal of the public debt that have been discharged.

Page 219

More than $1,500,000 has been devoted to the debt of gratitude to the warriors of the Revolution; a nearly equal sum to the construction of fortifications and the acquisition of ordnance and other permanent preparations of national defense; $500,000 to the gradual increase of the Navy; an equal sum for purchases of territory from the Indians and payment of annuities to them; and upward of $1,000,000 for objects of internal improvement authorized by special acts of the last Congress. If we add to these $4,000,000 for payment of interest upon the public debt, there remains a sum of $7,000,000, which have defrayed the whole expense of the administration of Government in its legislative, executive, and judiciary departments, including the support of the military and naval establishments and all the occasional contingencies of a government coextensive with the Union.

The amount of duties secured on merchandise imported since the commencement of the year is about $25,500,000, and that which will accrue during the current quarter is estimated at $5,500,000; from these $31,000,000, deducting the draw-backs, estimated at less than $7,000,000, a sum exceeding $24,000,000 will constitute the revenue of the year, and will exceed the whole expenditures of the year. The entire amount of the public debt remaining due on the first of January next will be short of $81,000,000.

By an act of Congress of the 3d of March last a loan of $12,000,000 was authorized at 4.5%, or an exchange of stock to that amount of 4.5% for a stock of 6%, to create a fund for extinguishing an equal amount of the public debt, bearing an interest of 6%, redeemable in 1826. An account of the measures taken to give effect to this act will be laid before you by the Secretary of the Treasury. As the object which it had in view has been but partially accomplished, it will be for the consideration of Congress whether the power with which it clothed the Executive should not be renewed at an early day of the present session, and under what modifications.

The act of Congress of the 3d of March last, directing the Secretary of the Treasury to subscribe, in the name and for the use of the United States, for 1,500 shares of the capital stock of the Chesapeake and Delaware Canal Company, has been executed by the actual subscription for the amount specified; and such other measures have been adopted by that officer, under the act, as the fulfillment of its intentions requires. The latest accounts received of this important undertaking authorize the belief that it is in successful progress.

Page 220

The payments into the Treasury from the proceeds of the sales of the public lands during the present year were estimated at $1,000,000. The actual receipts of the first two quarters have fallen very little short of that sum; it is not expected that the second half of the year will be equally productive, but the income of the year from that source may now be safely estimated at $1,500,000. The act of Congress of May 18th, 1824, to provide for the extinguishment of the debt due to the United States by the purchasers of public lands, was limited in its operation of relief to the purchaser to the 10th of April last. Its effect at the end of the quarter during which it expired was to reduce that debt from $10,000,000 to $7,000,000 By the operation of similar prior laws of relief, from and since that of March 2d, 1821, the debt had been reduced from upward of $22,000,000 to $10,000,000.

It is exceedingly desirable that it should be extinguished altogether; and to facilitate that consummation I recommend to Congress the revival for one year more of the act of May 18th, 1824, with such provisional modification as may be necessary to guard the public interests against fraudulent practices in the resale of the relinquished land.

The purchasers of public lands are among the most useful of our fellow citizens, and since the system of sales for cash alone has been introduced great indulgence has been justly extended to those who had previously purchased upon credit. The debt which had been contracted under the credit sales had become unwieldy, and its extinction was alike advantageous to the purchaser and to the public. Under the system of sales, matured as it has been by experience, and adapted to the exigencies of the times, the lands will continue as they have become, an abundant source of revenue; and when the pledge of them to the public creditor shall have been redeemed by the entire discharge of the national debt, the swelling tide of wealth with which they replenish the common Treasury may be made to reflow in unfailing streams of improvement from the Atlantic to the Pacific Ocean.

The condition of the various branches of the public service resorting from the Department of War, and their administration during the current year, will be exhibited in the report of the Secretary of War and the accompanying documents herewith communicated. The organization and discipline of the Army are effective and satisfactory. To counteract the prevalence of desertion among the troops it has been suggested to withhold from the men a small portion of their monthly pay until the period of their discharge; and some expedient appears to be necessary to preserve and maintain among the officers so much of the art of horsemanship as could scarcely fail to be found wanting on the possible sudden eruption of a war, which should take us unprovided with a single corps of cavalry.

Page 221

The Military Academy at West Point, under the restrictions of a severe but paternal superintendence, recommends itself more and more to the patronage of the nation, and the numbers of meritorious officers which it forms and introduces to the public service furnishes the means of multiplying the undertakings of the public improvements to which their acquirements at that institution are peculiarly adapted. The school of artillery practice established at Fortress Monroe Hampton, Virginia is well suited to the same purpose, and may need the aid of further legislative provision to the same end. The reports of the various officers at the head of the administrative branches of the military service, connected with the quartering, clothing, subsistence, health, and pay of the Army, exhibit the assiduous vigilance of those officers in the performance of their respective duties, and the faithful accountability which has pervaded every part of the system.

Our relations with the numerous tribes of aboriginal natives of this country, scattered over its extensive surface and so dependent even for their existence upon our power, have been during the present year highly interesting. An act of Congress of May 25th, 1824, made an appropriation to defray the expenses of making treaties of trade and friendship with the Indian tribes beyond the Mississippi. An act of March 3d, 1825, authorized treaties to be made with the Indians for their consent to the making of a road from the frontier of Missouri to that of New Mexico, and another act of the same date provided for defraying the expenses of holding treaties with the Sioux, Chippeways, Menomenees, Sauks, Foxes, *etc*., for the purpose of establishing boundaries and promoting peace between said tribes.

The first and last objects of these acts have been accomplished, and the second is yet in a process of execution. The treaties which since the last session of Congress have been concluded with the several tribes will be laid before the Senate for their consideration conformably to the Constitution. They comprise large and valuable acquisitions of territory, and they secure an adjustment of boundaries and give pledges of permanent peace between several tribes which had been long waging bloody wars against each other.

On the 12th of February last a treaty was signed at the Indian Springs between commissioners appointed on the part of the United States and certain chiefs and individuals of the Creek Nation of Indians, which was received at the seat of Government only a very few days before the close of the last session of Congress and of the late Administration. The advice and consent of the Senate was given to it on the 3d of March, too late for it to receive the ratification of the then President of the United States; it was ratified on the 7th of March, under the unsuspecting impression that it had been negotiated in good faith and in the confidence inspired by the recommendation of the Senate. The subsequent transactions in relation to this treaty will form the subject of a separate communication.

Page 222

The appropriations made by Congress for public works, as well in the construction of fortifications as for purposes of internal improvement, so far as they have been expended, have been faithfully applied. Their progress has been delayed by the want of suitable officers for superintending them. An increase of both the corps of engineers, military and topographical, was recommended by my predecessor at the last session of Congress. The reasons upon which that recommendation was founded subsist in all their force and have acquired additional urgency since that time. The Military Academy at West Point will furnish from the cadets there officers well qualified for carrying this measure into effect.

The Board of Engineers for Internal Improvement, appointed for carrying into execution the act of Congress of April 30th, 1824, “to procure the necessary surveys, plans, and estimates on the subject of roads and canals”, have been actively engaged in that service from the close of the last session of Congress. They have completed the surveys necessary for ascertaining the practicability of a canal from the Chesapeake Bay to the Ohio River, and are preparing a full report on that subject, which, when completed, will be laid before you. The same observation is to be made with regard to the two other objects of national importance upon which the Board have been occupied, namely, the accomplishment of a national road from this city to New Orleans, and the practicability of uniting the waters of Lake Memphramagog with Connecticut River and the improvement of the navigation of that river. The surveys have been made and are nearly completed. The report may be expected at an early period during the present session of Congress.

The acts of Congress of the last session relative to the surveying, marking, or laying out roads in the Territories of Florida, Arkansas, and Michigan, from Missouri to Mexico, and for the continuation of the Cumberland road, are, some of them, fully executed, and others in the process of execution. Those for completing or commencing fortifications have been delayed only so far as the Corps of Engineers has been inadequate to furnish officers for the necessary superintendence of the works. Under the act confirming the statutes of Virginia and Maryland incorporating the Chesapeake and Ohio Canal Company, three commissioners on the part of the United States have been appointed for opening books and receiving subscriptions, in concert with a like number of commissioners appointed on the part of each of those States. A meeting of the commissioners has been postponed, to await the definitive report of the board of engineers.

The light-houses and monuments for the safety of our commerce and mariners, the works for the security of Plymouth Beach and for the preservation of the islands in Boston Harbor, have received the attention required by the laws relating to those objects respectively. The continuation of the Cumberland road, the most important of them all, after surmounting no inconsiderable difficulty in fixing upon the direction of the road, has commenced under the most promising of auspices, with the improvements of

recent invention in the mode of construction, and with advantage of a great reduction in the comparative cost of the work.

Page 223

The operation of the laws relating to the Revolutionary pensioners may deserve the renewed consideration of Congress. The act of March 18th, 1818, while it made provision for many meritorious and indigent citizens who had served in the War of Independence, opened a door to numerous abuses and impositions. To remedy this the act of May 1st, 1820, exacted proofs of absolute indigence, which many really in want were unable and all susceptible of that delicacy which is allied to many virtues must be deeply reluctant to give. The result has been that some among the least deserving have been retained, and some in whom the requisites both of worth and want were combined have been stricken from the list. As the numbers of these venerable relics of an age gone by diminish; as the decays of body, mind, and estate of those that survive must in the common course of nature increase, should not a more liberal portion of indulgence be dealt out to them? May not the want in most instances be inferred from the demand when the service can be proved, and may not the last days of human infirmity be spared the mortification of purchasing a pittance of relief only by the exposure of its own necessities? I submit to Congress the expediency of providing for individual cases of this description by special enactment, or of revising the act of May 1st, 1820, with a view to mitigate the rigor of its exclusions in favor of persons to whom charity now bestowed can scarcely discharge the debt of justice.

The portion of the naval force of the Union in actual service has been chiefly employed on three stations—the Mediterranean, the coasts of South America bordering on the Pacific Ocean, and the West Indies. An occasional cruiser has been sent to range along the African shores most polluted by the traffic of slaves; one armed vessel has been stationed on the coast of our eastern boundary, to cruise along the fishing grounds in Hudsons Bay and on the coast of Labrador, and the first service of a new frigate has been performed in restoring to his native soil and domestic enjoyments the veteran hero whose youthful blood and treasure had freely flowed in the cause of our country's independence, and whose whole life has been a series of services and sacrifices to the improvement of his fellow men.

The visit of General Lafayette, alike honorable to himself and to our country, closed, as it had commenced, with the most affecting testimonials of devoted attachment on his part, and of unbounded gratitude of this people to him in return. It will form here-after a pleasing incident in the annals of our Union, giving to real history the intense interest of romance and signally marking the unpurchasable tribute of a great nation's social affections to the disinterested champion of the liberties of human-kind.

Page 224

The constant maintenance of a small squadron in the Mediterranean is a necessary substitute for the humiliating alternative of paying tribute for the security of our commerce in that sea, and for a precarious peace, at the mercy of every caprice of four Barbary States, by whom it was liable to be violated. An additional motive for keeping a respectable force stationed there at this time is found in the maritime war raging between the Greeks and the Turks, and in which the neutral navigation of this Union is always in danger of outrage and depredation. A few instances have occurred of such depredations upon our merchant vessels by privateers or pirates wearing the Grecian flag, but without real authority from the Greek or any other Government. The heroic struggles of the Greeks themselves, in which our warmest sympathies as free men and Christians have been engaged, have continued to be maintained with vicissitudes of success adverse and favorable.

Similar motives have rendered expedient the keeping of a like force on the coasts of Peru and Chile on the Pacific. The irregular and convulsive character of the war upon the shores has been extended to the conflicts upon the ocean. An active warfare has been kept up for years with alternate success, though generally to the advantage of the American patriots. But their naval forces have not always been under the control of their own Governments. Blockades, unjustifiable upon any acknowledged principles of international law, have been proclaimed by officers in command, and though disavowed by the supreme authorities, the protection of our own commerce against them has been made cause of complaint and erroneous imputations against some of the most gallant officers of our Navy. Complaints equally groundless have been made by the commanders of the Spanish royal forces in those seas; but the most effective protection to our commerce has been the flag and the firmness of our own commanding officers.

The cessation of the war by the complete triumph of the patriot cause has removed, it is hoped, all cause of dissension with one party and all vestige of force of the other. But an unsettled coast of many degrees of latitude forming a part of our own territory and a flourishing commerce and fishery extending to the islands of the Pacific and to China still require that the protecting power of the Union should be displayed under its flag as well upon the ocean as upon the land.

The objects of the West India Squadron have been to carry into execution the laws for the suppression of the African slave trade; for the protection of our commerce against vessels of piratical character, though bearing commissions from either of the belligerent parties; for its protection against open and unequivocal pirates. These objects during the present year have been accomplished more effectually than at any former period. The African slave trade has long been excluded from the use of our flag, and if some few citizens of our country have continued to set the laws of the Union as well as those of nature and humanity at defiance by persevering in that abominable traffic, it has been only by sheltering themselves under the banners of other nations less earnest for the total extinction of the trade of ours.

Page 225

The active, persevering, and unremitted energy of Captain Warrington and of the officers and men under his command on that trying and perilous service have been crowned with signal success, and are entitled to the approbation of their country. But experience has shown that not even a temporary suspension or relaxation from assiduity can be indulged on that station without reproducing piracy and murder in all their horrors; nor is it probably that for years to come our immensely valuable commerce in those seas can navigate in security without the steady continuance of an armed force devoted to its protection.

It were, indeed, a vain and dangerous illusion to believe that in the present or probable condition of human society a commerce so extensive and so rich as ours could exist and be pursued in safety without the continual support of a military marine—the only arm by which the power of this Confederacy can be estimated or felt by foreign nations, and the only standing military force which can never be dangerous to our own liberties at home. A permanent naval peace establishment, therefore, adapted to our present condition, and adaptable to that gigantic growth with which the nation is advancing in its career, is among the subjects which have already occupied the foresight of the last Congress, and which will deserve your serious deliberations. Our Navy, commenced at an early period of our present political organization upon a scale commensurate with the incipient energies, the scanty resources, and the comparative indigence of our infancy, was even then found adequate to cope with all the powers of Barbary, save the first, and with one of the principle maritime powers of Europe.

At a period of further advancement, but with little accession of strength, it not only sustained with honor the most unequal of conflicts, but covered itself and our country with unfading glory. But it is only since the close of the late war that by the numbers and force of the ships of which it was composed it could deserve the name of a navy. Yet it retains nearly the same organization as when it consisted only of five frigates. The rules and regulations by which it is governed earnestly call for revision, and the want of a naval school of instruction, corresponding with the Military Academy at West Point, for the formation of scientific and accomplished officers, is felt with daily increasing aggravation.

The act of Congress of May 26th, 1824, authorizing an examination and survey of the harbor of Charleston, in South Carolina, of St. Marys, in Georgia, and of the coast of Florida, and for other purposes, has been executed so far as the appropriation would admit. Those of the 3d of March last, authorizing the establishment of a navy yard and depot on the coast of Florida, in the Gulf of Mexico, and authorizing the building of ten sloops of war, and for other purposes, are in the course of execution, for the particulars of which and other objects connected with this Department I refer to the report of the Secretary of the Navy, herewith communicated.

Page 226

A report from the Post Master General is also submitted, exhibiting the present flourishing condition of that Department. For the first time for many years the receipts for the year ending on the first of July last exceeded the expenditures during the same period to the amount of more than $45,000. Other facts equally creditable to the administration of this Department are that in two years from July 1st, 1823, an improvement of more than $185,000 in its pecuniary affairs has been realized; that in the same interval the increase of the transportation of the mail has exceeded 1,500,000 miles annually, and that 1,040 new post offices have been established. It hence appears that under judicious management the income from this establishment may be relied on as fully adequate to defray its expenses, and that by the discontinuance of post roads altogether unproductive, others of more useful character may be opened, 'til the circulation of the mail shall keep pace with the spread of our population, and the comforts of friendly correspondence, the exchanges of internal traffic, and the lights of the periodical press shall be distributed to the remotest corners of the Union, at a charge scarcely perceptible to any individual, and without the cost of a dollar to the public Treasury.

Upon this first occasion of addressing the Legislature of the Union, with which I have been honored, in presenting to their view the execution so far as it has been effected of the measures sanctioned by them for promoting the internal improvement of our country, I can not close the communication without recommending to their calm and persevering consideration the general principle in a more enlarged extent. The great object of the institution of civil government is the improvement of the condition of those who are parties to the social compact, and no government, in what ever form constituted, can accomplish the lawful ends of its institution but in proportion as it improves the condition of those over whom it is established. Roads and canals, by multiplying and facilitating the communications and intercourse between distant regions and multitudes of men, are among the most important means of improvement. But moral, political, intellectual improvement are duties assigned by the Author of Our Existence to social no less than to individual man.

For the fulfillment of those duties governments are invested with power, and to the attainment of the end—the progressive improvement of the condition of the governed—-the exercise of delegated powers is a duty as sacred and indispensable as the usurpation of powers not granted is criminal and odious.

Page 227

Among the first, perhaps the very first, instrument for the improvement of the condition of men is knowledge, and to the acquisition of much of the knowledge adapted to the wants, the comforts, and enjoyments of human life public institutions and seminaries of learning are essential. So convinced of this was the first of my predecessors in this office, now first in the memory, as, living, he was first in the hearts, of our country-men, that once and again in his addresses to the Congresses with whom he cooperated in the public service he earnestly recommended the establishment of seminaries of learning, to prepare for all the emergencies of peace and war—a national university and a military academy. With respect to the latter, had he lived to the present day, in turning his eyes to the institution at West Point he would have enjoyed the gratification of his most earnest wishes; but in surveying the city which has been honored with his name he would have seen the spot of earth which he had destined and bequeathed to the use and benefit of his country as the site for a university still bare and barren.

In assuming her station among the civilized nations of the earth it would seem that our country had contracted the engagement to contribute her share of mind, of labor, and of expense to the improvement of those parts of knowledge which lie beyond the reach of individual acquisition, and particularly to geographical and astronomical science. Looking back to the history only of the half century since the declaration of our independence, and observing the generous emulation with which the Governments of France, Great Britain, and Russia have devoted the genius, the intelligence, the treasures of their respective nations to the common improvement of the species in these branches of science, is it not incumbent upon us to inquire whether we are not bound by obligations of a high and honorable character to contribute our portion of energy and exertion to the common stock? The voyages of discovery prosecuted in the course of that time at the expense of those nations have not only redounded to their glory, but to the improvement of human knowledge.

We have been partakers of that improvement and owe for it a sacred debt, not only of gratitude, but of equal or proportional exertion in the same common cause. Of the cost of these undertakings, if the mere expenditures of outfit, equipment, and completion of the expeditions were to be considered the only charges, it would be unworthy of a great and generous nation to take a second thought. One hundred expeditions of circumnavigation like those of Cook and La Prouse would not burden the exchequer of the nation fitting them out so much as the ways and means of defraying a single campaign in war. But if we take into account the lives of those benefactors of man-kind of which their services in the cause of their species were the purchase, how shall the cost of those heroic enterprises be estimated, and what compensation can be made to them or to their countries for them? Is it not by bearing them in affectionate remembrance? Is it not still more by imitating their example—by enabling country-men of our own to pursue the same career and to hazard their lives in the same cause?

Page 228

In inviting the attention of Congress to the subject of internal improvements upon a view thus enlarged it is not my desire to recommend the equipment of an expedition for circumnavigating the globe for purposes of scientific research and inquiry. We have objects of useful investigation nearer home, and to which our cares may be more beneficially applied. The interior of our own territories has yet been very imperfectly explored. Our coasts along many degrees of latitude upon the shores of the Pacific Ocean, though much frequented by our spirited commercial navigators, have been barely visited by our public ships. The River of the West, first fully discovered and navigated by a country-man of our own, still bears the name of the ship in which he ascended its waters, and claims the protection of our armed national flag at its mouth. With the establishment of a military post there or at some other point of that coast, recommended by my predecessor and already matured in the deliberations of the last Congress, I would suggest the expediency of connecting the equipment of a public ship for the exploration of the whole north-west coast of this continent.

The establishment of an uniform standard of weights and measures was one of the specific objects contemplated in the formation of our Constitution, and to fix that standard was on of the powers delegated by express terms in that instrument to Congress. The Governments of Great Britain and France have scarcely ceased to be occupied with inquiries and speculations on the same subject since the existence of our Constitution, and with them it has expanded into profound, laborious, and expensive researches into the figure of the earth and the comparative length of the pendulum vibrating seconds in various latitudes from the equator to the pole. These researches have resulted in the composition and publication of several works highly interesting to the cause of science. The experiments are yet in the process of performance. Some of them have recently been made on our own shores, within the walls of one of our own colleges, and partly by one of our own fellow citizens. It would be honorable to our country if the sequel of the same experiments should be countenanced by the patronage of our Government, as they have hitherto been by those of France and Britain.

Connected with the establishment of an university, or separate from it, might be undertaken the erection of an astronomical observatory, with provision for the support of an astronomer, to be in constant attendance of observation upon the phenomena of the heavens, and for the periodical publication of his observances. It is with no feeling of pride as an American that the remark may be made that on the comparatively small territorial surface of Europe there are existing upward of 130 of these light-houses of the skies, while throughout the whole American hemisphere there is not one. If we reflect a moment upon the discoveries which

Page 229

in the last four centuries have been made in the physical constitution of the universe by the means of these buildings and of observers stationed in them, shall we doubt of their usefulness to every nation? And while scarcely a year passes over our heads without bringing some new astronomical discovery to light, which we must fain receive at second hand from Europe, are we not cutting ourselves off from the means of returning light for light while we have neither observatory nor observer upon our half of the globe and the earth revolves in perpetual darkness to our unsearching eyes?

When, on October 25th, 1791, the first President of the United States announced to Congress the result of the first enumeration of the inhabitants of this Union, he informed them that the returns gave the pleasing assurance that the population of the United States bordered on 4,000,000 persons. At the distance of 30 years from that time the last enumeration, five years since completed, presented a population bordering on 10,000,000. Perhaps of all the evidence of a prosperous and happy condition of human society the rapidity of the increase of population is the most unequivocal. But the demonstration of our prosperity rests not alone upon this indication.

Our commerce, our wealth, and the extent of our territories have increased in corresponding proportions, and the number of independent communities associated in our Federal Union has since that time nearly doubled. The legislative representation of the States and people in the two Houses of Congress has grown with the growth of their constituent bodies. The House, which then consisted of 65 members, now numbers upward of 200. The Senate, which consisted of 26 members, has now 48. But the executive and, still more, the judiciary departments are yet in a great measure confined to their primitive organization, and are now not adequate to the urgent wants of a still growing community.

The naval armaments, which at an early period forced themselves upon the necessities of the Union, soon led to the establishment of a Department of the Navy. But the Departments of Foreign Affairs and of the Interior, which early after the formation of the Government had been united in one, continue so united to this time, to the unquestionable detriment of the public service. The multiplication of our relations with the nations and Governments of the Old World has kept pace with that of our population and commerce, while within the last ten years a new family of nations in our own hemisphere has arisen among the inhabitants of the earth, with whom our intercourse, commercial and political, would of itself furnish occupation to an active and industrious department.

Page 230

The constitution of the judiciary, experimental and imperfect as it was even in the infancy of our existing Government, is yet more inadequate to the administration of national justice at our present maturity. Nine years have elapsed since a predecessor in this office, now not the last, the citizen who, perhaps, of all others throughout the Union contributed most to the formation and establishment of our Constitution, in his valedictory address to Congress, immediately preceding his retirement from public life, urgently recommended the revision of the judiciary and the establishment of an additional executive department. The exigencies of the public service and its unavoidable deficiencies, as now in exercise, have added yearly cumulative weight to the considerations presented by him as persuasive to the measure, and in recommending it to your deliberations I am happy to have the influence of this high authority in aid of the undoubting convictions of my own experience.

The laws relating to the administration of the Patent Office are deserving of much consideration and perhaps susceptible of some improvement. The grant of power to regulate the action of Congress upon this subject has specified both the end to be obtained and the means by which it is to be effected, “to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”. If an honest pride might be indulged in the reflection that on the records of that office are already found inventions the usefulness of which has scarcely been transcended in the annals of human ingenuity, would not its exultation be allayed by the inquiry whether the laws have effectively insured to the inventors the reward destined to them by the Constitution—-even a limited term of exclusive right to their discoveries?

On December 24th, 1799, it was resolved by Congress that a marble monument should be erected by the United States in the Capitol at the city of Washington; that the family of General Washington should be requested to permit his body to be deposited under it, and that the monument be so designed as to commemorate the great events of his military and political life. In reminding Congress of this resolution and that the monument contemplated by it remains yet without execution, I shall indulge only the remarks that the works at the Capitol are approaching to completion; that the consent of the family, desired by the resolution, was requested and obtained; that a monument has been recently erected in this city over the remains of another distinguished patriot of the Revolution, and that a spot has been reserved within the walls where you are deliberating for the benefit of this and future ages, in which the mortal remains may be deposited of him whose spirit hovers over you and listens with delight to every act of the representatives of his nation which can tend to exalt and adorn his and their country.

Page 231

The Constitution under which you are assembled is a charter of limited powers. After full and solemn deliberation upon all or any of the objects which, urged by an irresistible sense of my own duty, I have recommended to your attention should you come to the conclusion that, however desirable in themselves, the enactment of laws for effecting them would transcend the powers committed to you by that venerable instrument which we are all bound to support, let no consideration induce you to assume the exercise of powers not granted to you by the people.

But if the power to exercise exclusive legislation in all cases what so ever over the District of Columbia; if the power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; if the power to regulate commerce with foreign nations and among the several States and with the Indian tribes, to fix the standard of weights and measures, to establish post offices and post roads, to declare war, to raise and support armies, to provide and maintain a navy, to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States, and to make all laws which shall be necessary and proper for carrying these powers into execution—if these powers and others enumerated in the Constitution may be effectually brought into action by laws promoting the improvement of agriculture, commerce, and manufactures, the cultivation and encouragement of the mechanic and of the elegant arts, the advancement of literature, and the progress of the sciences, ornamental and profound, to refrain from exercising them for the benefit of the people themselves would be to hide in the earth the talent committed to our charge—would be treachery to the most sacred of trusts.

The spirit of improvement is abroad upon the earth. It stimulates the hearts and sharpens the faculties not of our fellow citizens alone, but of the nations of Europe and of their rulers. While dwelling with pleasing satisfaction upon the superior excellence of our political institutions, let us not be unmindful that liberty is power; that the nation blessed with the largest portion of liberty must in proportion to its numbers be the most powerful nation upon earth, and that the tenure of power by man is, in the moral purposes of his Creator, upon condition that it shall be exercised to ends of beneficence, to improve the condition of himself and his fellow men.

While foreign nations less blessed with that freedom which is power than ourselves are advancing with gigantic strides in the career of public improvement, were we to slumber in indolence or fold up our arms and proclaim to the world that we are palsied by the will of our constituents, would it not be to cast away the bounties of Providence and doom ourselves to perpetual inferiority? In the course of the year now drawing

Page 232

to its close we have beheld, under the auspices and at the expense of one State of this Union, a new university unfolding its portals to the sons of science and holding up the torch of human improvement to eyes that seek the light. We have seen under the persevering and enlightened enterprise of another State the waters of our Western lakes mingle with those of the ocean. If undertakings like these have been accomplished in the compass of a few years by the authority of single members of our Confederation, can we, the representative authorities of the whole Union, fall behind our fellow servants in the exercise of the trust committed to us for the benefit of our common sovereign by the accomplishment of works important to the whole and to which neither the authority nor the resources of any one State can be adequate?

Finally, fellow citizens, I shall await with cheering hope and faithful cooperation the result of your deliberations, assured that, without encroaching upon the powers reserved to the authorities of the respective States or to the people, you will, with a due sense of your obligations to your country and of the high responsibilities weighing upon yourselves, give efficacy to the means committed to you for the common good. And may He who searches the hearts of the children of men prosper your exertions to secure the blessings of peace and promote the highest welfare of your country.

JOHN QUINCY ADAMS

***

State of the Union Address
John Quincy Adams
December 5, 1826

Fellow Citizens of the Senate and of the House of Representatives:

The assemblage of the representatives of our Union in both Houses of the Congress at this time occurs under circumstances calling for the renewed homage of our grateful acknowledgments to the Giver of All Good. With the exceptions incidental to the most felicitous condition of human existence, we continue to be highly favored in all the elements which contribute to individual comfort and to national prosperity. In the survey of our extensive country we have generally to observe abodes of health and regions of plenty. In our civil and political relations we have peace without and tranquillity within our borders. We are, as a people, increasing with unabated rapidity in population, wealth, and national resources, and whatever differences of opinion exist among us with regard to the mode and the means by which we shall turn the beneficence of Heaven to the improvement of our own condition, there is yet a spirit animating us all which will not suffer the bounties of Providence to be showered upon us in vain, but will receive them

with grateful hearts, and apply them with unwearied hands to the advancement of the general good.

Of the subjects recommended to Congress at their last session, some were then definitively acted upon. Others, left unfinished, but partly matured, will recur to your attention without needing a renewal of notice from me. The purpose of this communication will be to present to your view the general aspect of our public affairs at this moment and the measures which have been taken to carry into effect the intentions of the Legislature as signified by the laws then and heretofore enacted.

Page 233

In our intercourse with the other nations of the earth we have still the happiness of enjoying peace and a general good understanding, qualified, however, in several important instances by collisions of interest and by unsatisfied claims of justice, to the settlement of which the constitutional interposition of the legislative authority may become ultimately indispensable.

By the decease of the Emperor Alexander of Russia, which occurred contemporaneously with the commencement of the last session of Congress, the United States have been deprived of a long tried, steady, and faithful friend. Born to the inheritance of absolute power and trained in the school of adversity, from which no power on earth, however absolute, is exempt, that monarch from his youth had been taught to feel the force and value of public opinion and to be sensible that the interests of his own Government would best be promoted by a frank and friendly intercourse with this Republic, as those of his people would be advanced by a liberal intercourse with our country. A candid and confidential interchange of sentiments between him and the Government of the United States upon the affairs of Southern America took place at a period not long preceding his demise, and contributed to fix that course of policy which left to the other Governments of Europe no alternative but that of sooner or later recognizing the independence of our southern neighbors, of which the example had by the United States already been set.

The ordinary diplomatic communications between his successor, the Emperor Nicholas, and the United States have suffered some interruption by the illness, departure, and subsequent decease of his minister residing here, who enjoyed, as he merited, the entire confidence of his new sovereign, as he had eminently responded to that of his predecessor. But we have had the most satisfactory assurances that the sentiments of the reigning Emperor toward the United States are altogether conformable to those which had so long and constantly animated his imperial brother, and we have reason to hope that they will serve to cement that harmony and good understanding between the two nations which, founded in congenial interests, can not but result in the advancement of the welfare and prosperity of both.

Our relations of commerce and navigation with France are, by the operation of the convention of June 24th, 1822, with that nation, in a state of gradual and progressive improvement. Convinced by all our experience, no less than by the principles of fair and liberal reciprocity which the United States have constantly tendered to all the nations of the earth as the rule of commercial intercourse which they would universally prefer, that fair and equal competition is most conducive to the interests of both parties, the United States in the negotiation of that convention earnestly contended for a mutual renunciation of discriminating duties and charges in the ports of the two countries.

Page 234

Unable to obtain the immediate recognition of this principle in its full extent, after reducing the duties of discrimination so far as was found attainable it was agreed that at the expiration of two years from October 1st, 1822, when the convention was to go into effect, unless a notice of six months on either side should be given to the other that the convention itself must terminate, those duties should be reduced one quarter, and that this reduction should be yearly repeated, until all discrimination should cease, while the convention itself should continue in force. By the effect of this stipulation three quarters of the discriminating duties which had been levied by each party upon the vessels of the other in its ports have already been removed; and on the first of next October, should the convention be still in force, the remaining one quarter will be discontinued. French vessels laden with French produce will be received in our ports on the same terms as our own, and ours in return will enjoy the same advantages in the ports of France.

By these approximations to an equality of duties and of charges not only has the commerce between the two countries prospered, but friendly dispositions have been on both sides encouraged and promoted. They will continue to be cherished and cultivated on the part of the United States. It would have been gratifying to have had it in my power to add that the claims upon the justice of the French Government, involving the property and the comfortable subsistence of many of our fellow citizens, and which have been so long and so earnestly urged, were in a more promising train of adjustment than at your last meeting; but their condition remains unaltered.

With the Government of the Netherlands the mutual abandonment of discriminating duties had been regulated by legislative acts on both sides. The act of Congress of April 20th, 1818, abolished all discriminating duties of impost and tonnage upon the vessels and produce of the Netherlands in the ports of the United States upon the assurance given by the Government of the Netherlands that all such duties operating against the shipping and commerce of the United States in that Kingdom had been abolished. These reciprocal regulations had continued in force several years when the discriminating principle was resumed by the Netherlands in a new and indirect form by a bounty of 10% in the shape of a return of duties to their national vessels, and in which those of the United States are not permitted to participate. By the act of Congress of January 7th, 1824, all discriminating duties in the United States were again suspended, so far as related to the vessels and produce of the Netherlands, so long as the reciprocal exemption should be extended to the vessels and produce of the United States in the Netherlands. But the same act provides that in the event of a restoration of discriminating duties to operate against the shipping and commerce of the United States in any of the foreign countries referred to therein the suspension of discriminating duties in favor of the navigation of such foreign country should cease and all the provisions of the acts imposing discriminating foreign tonnage and impost duties in the United States should revive and be in full force with regard to that nation.

Page 235

In the correspondence with the Government of the Netherlands upon this subject they have contended that the favor shown to their own shipping by this bounty upon their tonnage is not to be considered a discriminating duty; but it can not be denied that it produces all the same effects. Had the mutual abolition been stipulated by treaty, such a bounty upon the national vessels could scarcely have been granted consistent with good faith. Yet as the act of Congress of January 7th, 1824 has not expressly authorized the Executive authority to determine what shall be considered as a revival of discriminating duties by a foreign government to the disadvantage of the United States, and as the retaliatory measure on our part, however just and necessary, may tend rather to that conflict of legislation which we deprecate than to that concert to which we invite all commercial nations, as most conducive to their interest and our own, I have thought it more consistent with the spirit of our institutions to refer to the subject again to the paramount authority of the Legislature to decide what measure the emergency may require than abruptly by proclamation to carry into effect the minatory provisions of the act of 1824.

During the last session of Congress treaties of amity, navigation, and commerce were negotiated and signed at this place with the Government of Denmark, in Europe, and with the Federation of Central America, in this hemisphere. These treaties then received the constitutional sanction of the Senate, by the advice and consent to their ratification. They were accordingly ratified on the part of the United States, and during the recess of Congress have been also ratified by the other respective contracting parties. The ratifications have been exchanged, and they have been published by proclamations, copies of which are herewith communicated to Congress.

These treaties have established between the contracting parties the principles of equality and reciprocity in their broadest and most liberal extent, each party admitting the vessels of the other into its ports, laden with cargoes the produce or manufacture of any quarter of the globe, upon the payment of the same duties of tonnage and impost that are chargeable upon their own. They have further stipulated that the parties shall hereafter grant no favor of navigation or commerce to any other nation which shall not upon the same terms be granted to each other, and that neither party will impose upon articles of merchandise the produce or manufacture of the other any other or higher duties than upon the like articles being the produce or manufacture of any other country. To these principles there is in the convention with Denmark an exception with regard to the colonies of that Kingdom in the arctic seas, but none with regard to her colonies in the West Indies.

In the course of the last summer the term to which our last commercial treaty with Sweden was limited has expired. A continuation of it is in the contemplation of the Swedish Government, and is believed to be desirable on the part of the United States. It has been proposed by the King of Sweden that pending the negotiation of renewal the expired treaty should be mutually considered as still in force, a measure which will

require the sanction of Congress to be carried into effect on our part, and which I therefore recommend to your consideration.

Page 236

With Prussia, Spain, Portugal, and, in general, all the European powers between whom and the United States relations of friendly intercourse have existed their condition has not materially varied since the last session of Congress. I regret not to be able to say the same of our commercial intercourse with the colonial possessions of Great Britain in America. Negotiations of the highest importance to our common interests have been for several years in discussion between the two Governments, and on the part of the United States have been invariably pursued in the spirit of candor and conciliation. Interests of great magnitude and delicacy had been adjusted by the conventions of 1815 and 1818, while that of 1822, mediated by the late Emperor Alexander, had promised a satisfactory compromise of claims which the Government of the United States, in justice to the rights of a numerous class of their citizens, was bound to sustain.

But with regard to the commercial intercourse between the United States and the British colonies in America, it has been hitherto found impracticable to bring the parties to an understanding satisfactory to both. The relative geographical position and the respective products of nature cultivated by human industry had constituted the elements of a commercial intercourse between the United States and British America, insular and continental, important to the inhabitants of both countries; but it had been interdicted by Great Britain upon a principle heretofore practiced upon by the colonizing nations of Europe, of holding the trade of their colonies each in exclusive monopoly to herself.

After the termination of the late war this interdiction had been revived, and the British Government declined including this portion of our intercourse with her possessions in the negotiation of the convention of 1815. The trade was then carried on exclusively in British vessels ’til the act of Congress, concerning navigation, of 1818 and the supplemental act of 1820 met the interdict by a corresponding measure on the part of the United States. These measures, not of retaliation, but of necessary self defense, were soon succeeded by an act of Parliament opening certain colonial ports to the vessels of the United States coming directly from them, and to the importation from them of certain articles of our produce burdened with heavy duties, and excluding some of the most valuable articles of our exports. The United States opened their ports to British vessels from the colonies upon terms as exactly corresponding with those of the act of Parliament as in the relative position of the parties could be made, and a negotiation was commenced by mutual consent, with the hope on our part that a reciprocal spirit of accommodation and a common sentiment of the importance of the trade to the interests of the inhabitants of the two countries between whom it must be carried on would ultimately bring the parties to a compromise with which both might

Page 237

be satisfied. With this view the Government of the United States had determined to sacrifice something of that entire reciprocity which in all commercial arrangements with foreign powers they are entitled to demand, and to acquiesce in some inequalities disadvantageous to ourselves rather than to forego the benefit of a final and permanent adjustment of this interest to the satisfaction of Great Britain herself. The negotiation, repeatedly suspended by accidental circumstances, was, however, by mutual agreement and express assent, considered as pending and to be speedily resumed.

In the mean time another act of Parliament, so doubtful and ambiguous in its import as to have been misunderstood by the officers in the colonies who were to carry it into execution, opens again certain colonial ports upon new conditions and terms, with a threat to close them against any nation which may not accept those terms as prescribed by the British Government. This act, passed July, 1825, not communicated to the Government of the United States, not understood by the British officers of the customs in the colonies where it was to be enforced, was never the less submitted to the consideration of Congress at their last session. With the knowledge that a negotiation upon the subject had long been in progress and pledges given of its resumption at an early day, it was deemed expedient to await the result of that negotiation rather than to subscribe implicitly to terms the import of which was not clear and which the British authorities themselves in this hemisphere were not prepared to explain.

Immediately after the close of the last session of Congress one of our most distinguished citizens was dispatched as envoy extraordinary and minister plenipotentiary to Great Britain, furnished with instructions which we could not doubt would lead to a conclusion of this long controverted interest upon terms acceptable to Great Britain. Upon his arrival, and before he had delivered his letters of credence, he was bet by an order of the British council excluding from and after the first of December now current the vessels of the United States from all the colonial British ports excepting those immediately bordering on our territories. In answer to his expostulations upon a measure thus unexpected he is informed that according to the ancient maxims of policy of European nations having colonies their trade is an exclusive possession of the mother country; that all participation in it by other nations is a boon or favor not forming a subject of negotiation, but to be regulated by the legislative acts of the power owning the colony; that the British Government therefore declines negotiating concerning it, and that as the United States did not forthwith accept purely and simply the terms offered by the act of Parliament of July, 1825, Great Britain would not now admit the vessels of the United States even upon the terms on which she has opened them to the navigation of other nations.

Page 238

We have been accustomed to consider the trade which we have enjoyed with the British colonies rather as an interchange of mutual benefits than as a mere favor received; that under every circumstance we have given an ample equivalent. We have seen every other nation holding colonies negotiate with other nations and grant them freely admission to the colonies by treaty, and so far are the other colonizing nations of Europe now from refusing to negotiate for trade with their colonies that we ourselves have secured access to the colonies of more than one of them by treaty. The refusal, however, of Great Britain to negotiate leaves to the United States no other alternative than that of regulating or interdicting altogether the trade on their part, according as either measure may effect the interests of our own country, and with that exclusive object I would recommend the whole subject to your calm and candid deliberations.

It is hoped that our unavailing exertions to accomplish a cordial good understanding on this interest will not have an unpropitious effect upon the other great topics of discussion between the two Governments. Our north-eastern and north-western boundaries are still unadjusted. The commissioners under the 7th article of the treaty of Ghent have nearly come to the close of their labors; nor can we renounce the expectation, enfeebled as it is, that they may agree upon their report to the satisfaction or acquiescence of both parties. The commission for liquidating the claims for indemnity for slaves carried away after the close of the war has been sitting, with doubtful prospects of success. Propositions of compromise have, however, passed between the two Governments, the result of which we flatter ourselves may yet prove unsatisfactory. Our own dispositions and purposes toward Great Britain are all friendly and conciliatory; nor can we abandon but with strong reluctance the belief that they will ultimately meet a return, not of favors, which we neither as nor desire, but of equal reciprocity and good will.

With the American Governments of this hemisphere we continue to maintain an intercourse altogether friendly, and between their nations and ours that commercial interchange of which mutual benefit is the source of mutual comfort and harmony the result is in a continual state of improvement. The war between Spain and them since the total expulsion of the Spanish military force from their continental territories has been little more than nominal, and their internal tranquillity, though occasionally menaced by the agitations which civil wars never fail to leave behind them, has not been affected by any serious calamity.

Page 239

The congress of ministers from several of those nations which assembled at Panama, after a short session there, adjourned to meet again at a more favorable season in the neighborhood of Mexico. The decease of one of our ministers on his way to the Isthmus, and the impediments of the season, which delayed the departure of the other, deprived United States of the advantage of being represented at the first meeting of the congress. There is, however, no reason to believe that any transactions of the congress were of a nature to affect injuriously the interests of the United States or to require the interposition of our ministers had they been present. Their absence has, indeed, deprived United States of the opportunity of possessing precise and authentic information of the treaties which were concluded at Panama; and the whole result has confirmed me in the conviction of the expediency to the United States of being represented at the congress. The surviving member of the mission, appointed during your last session, has accordingly proceeded to his destination, and a successor to his distinguished and lamented associate will be nominated to the Senate. A treaty of amity, navigation, and commerce has in the course of the last summer been concluded by our minister plenipotentiary at Mexico with the united states of that Confederacy, which will also be laid before the Senate for their advice with regard to its ratification.

In adverting to the present condition of our fiscal concerns and to the prospects of our revenue the first remark that calls our attention is that they are less exuberantly prosperous than they were at the corresponding period of the last year. The severe shock so extensively sustained by the commercial and manufacturing interests in Great Britain has not been without a perceptible recoil upon ourselves. A reduced importation from abroad is necessarily succeeded by a reduced return to the Treasury at home. The net revenue of the present year will not equal that of the last, and the receipts of that which is to come will fall short of those in the current year. The diminution, however, is in part attributable to the flourishing condition of some of our domestic manufactures, and so far is compensated by an equivalent more profitable to the nation.

It is also highly gratifying to perceive that the deficiency in the revenue, while it scarcely exceeds the anticipations of the last year's estimate from the Treasury, has not interrupted the application of more than $11 millions during the present year to the discharge of the principal and interest of the debt, nor the reduction of upward of $7,000,000 of the capital of the debt itself. The balance in the Treasury on the first of January last was $5,201,650.43; the receipts from that time to the 30th of September last were $19,585,932.50; the receipts of the current quarter, estimated at $6,000,000, yield, with the sums already received, a revenue of about $25,500,000

Page 240

for the year; the expenditures for the first 3 quarters of the year have amounted to $18,714,226.66; the expenditures of the current quarter are expected, including the $2,000,000 of the principal of the debt to be paid, to balance the receipts; so that the expense of the year, amounting to upward of $1,000,000 less than its income, will leave a proportionally increased balance in the Treasury on January 1st, 1827, over that of the first of January last; instead of $5,200,000 there will be $6,400,000.

The amount of duties secured on merchandise imported from the commence of the year 'til September 30 is estimated at $21,250,000, and the amount that will probably accrue during the present quarter is estimated at $4,250,000, making for the whole year $25,500,000, from which the draw-backs being deducted will leave a clear revenue from the customs receivable in the year 1827 of about $20,400,000, which, with the sums to be received from the proceeds of public lands, the bank dividends, and other incidental receipts, will form an aggregate of about $23,000,000, a sum falling short of the whole expenses of the present year little more than the portion of those expenditures applied to the discharge of the public debt beyond the annual appropriation of $10,000,000 by the act of March 3d, 1817. At the passage of that act the public debt amounted to $123,500,000. On the first of January next it will be short of $74,000,000. In the lapse of these 10 years $50,000,000 of public debt, with the annual charge of upward of $3,000,000 of interest upon them, have been extinguished. At the passage of tat act, of the annual appropriation of $10,000,000, $7,000,000 were absorbed in the payment of interest, and not more than $3,000,000 went to reduce the capital of the debt. Of the same $10,000,000, at this time scarcely $4,000,000 are applicable to the interest and upward of $6,000,000 are effective in melting down the capital.

Yet our experience has proved that a revenue consisting so largely of imposts and tonnage ebbs and flows to an extraordinary extent, with all the fluctuations incident to the general commerce of the world. It is within our recollection that even in the compass of the same last ten years the receipts of the Treasury were not adequate to the expenditures of the year, and that in two successive years it was found necessary to resort to loans to meet the engagements of the nation. The returning tides of the succeeding years replenished the public coffers until they have again begun to feel the vicissitude of a decline. To produce these alternations of fullness and exhaustion the relative operation of abundant or unfruitful seasons, the regulations of foreign governments, political revolutions, the prosperous or decaying condition of manufactures, commercial speculations, and many other causes, not always to be traced, variously combine.

Page 241

We have found the alternate swells and diminutions embracing periods of from two to three years. The last period of depression to United States was from 1819 to 1822. The corresponding revival was from 1823 to the commencement of the present year. Still, we have no cause to apprehend a depression comparable to that of the former period, or even to anticipate a deficiency which will intrench upon the ability to apply the annual $10 millions to the reduction of the debt. It is well for us, however, to be admonished of the necessity of abiding by the maxims of the most vigilant economy, and of resorting to all honorable and useful expedients for pursuing with steady and inflexible perseverance the total discharge of the debt.

Besides the $7,000,000 of the loans of 1813 which will have been discharged in the course of the present year, there are $9,000,000 which by the terms of the contracts would have been and are now redeemable. $13,000,000 more of the loan of 1814 will become redeemable from and after the expiration of the present month, and $9,000,000 other from and after the close of the ensuing year. They constitute a mass of $31,000,000, all bearing an interest of 6%, more than $20,000,000 of which will be immediately redeemable, and the rest within little more than a year. Leaving of this amount $15,000,000 to continue at the interest of 6%, but to be paid off as far as shall be found practicable in the years 1827 and 1828, there is scarcely a doubt that the remaining $16,000,000 might within a few months be discharged by a loan at not exceeding 5%, redeemable in the years 1829 and 1830. By this operation a sum of nearly $500,000 may be saved to the nation, and the discharge of the whole $31,000,000 within the four years may be greatly facilitated if not wholly accomplished.

By an act of Congress of March 3d, 1825, a loan for the purpose now referred to, or a subscription to stock, was authorized, at an interest not exceeding 4.5%. But at that time so large a portion of the floating capital of the country was absorbed in commercial speculations and so little was left for investment in the stocks that the measure was but partially successful. At the last session of Congress the condition of the funds was still unpropitious to the measure; but the change so soon afterwards occurred that, had the authority existed to redeem the $9 millions now redeemable by an exchange of stocks or a loan at 5%, it is morally certain that it might have been effected, and with it a yearly saving of $90,000.

With regard to the collection of the revenue of imposts, certain occurrences have within the last year been disclosed in one or two of our principal ports, which engaged the attention of Congress at their last session and may hereafter require further consideration. Until within a very few years the execution of the laws for raising the revenue, like that of all our other laws, has been insured more by the moral sense

Page 242

of the community than by the rigors of a jealous precaution or by penal sanction. Confiding in the exemplary punctuality and unsullied integrity of our importing merchants, a gradual relaxation from the provisions of the collection laws, a close adherence to which have caused inconvenience and expense to them, had long become habitual, and indulgences had been extended universally because they had never been abused. It may be worthy of your serious consideration whether some further legislative provision may not be necessary to come in aid of this state of unguarded security.

From the reports herewith communicated of the Secretaries of War and of the Navy, with the subsidiary documents annexed to them, will be discovered the present condition and administration of our military establishment on the land and on the sea. The organization of the Army having undergone no change since its reduction to the present peace establishment in 1821, it remains only to observe that it is yet found adequate to all the purposes for which a permanent armed force in time of peace can be needed or useful. It may be proper to add that, from a difference of opinion between the late President of the United States and the Senate with regard to the construction of the act of Congress of March 2d, 1821, to reduce and fix the military peace establishment of the United States, it remains hitherto so far without execution that no colonel has been appointed to command one of the regiments of artillery. A supplementary or explanatory act of the Legislature appears to be the only expedient practicable for removing the difficulty of this appointment.

In a period of profound peace the conduct of the mere military establishment forms but a very inconsiderable portion of the duties devolving upon the administration of the Department of War. It will be seen by the returns from the subordinate departments of the Army that every branch of the service is marked with order, regularity, and discipline; that from the commanding general through all the gradations of superintendence the officers feel themselves to have been citizens before they were soldiers, and that the glory of a republican army must consist in the spirit of freedom, by which it is animated, and of patriotism, by which it is impelled. It may be confidently stated that the moral character of the Army is in a state of continual improvement, and that all the arrangements for the disposal of its parts have a constant reference to that end.

But to the War Department are attributed other duties, having, indeed, relation to a future possible condition of war, but being purely defensive, and in their tendency contributing rather to the security and permanency of peace—the erection of the fortifications provided for by Congress, and adapted to secure our shores from hostile invasion; the distribution of the fund of public gratitude and justice to the pensioners of the Revolutionary war; the maintenance of our relations of peace and protection with the Indian tribes, and the internal improvements and surveys for the location of roads and

canals, which during the last three sessions of Congress have engaged so much of their attention, and may engross so large a share of their future benefactions to our country.

Page 243

By the act of April 30th, 1824, suggested and approved by my predecessor, the sum of $30,000 was appropriated for the purpose of causing to be made the necessary surveys, plans, and estimates of the routes of such roads and canals as the President of the United States might deem of national importance in a commercial or military point of view, or necessary for the transportation of the public mail. The surveys, plans, and estimates for each, when completed, will be laid before Congress.

In execution of this act a board of engineers was immediately instituted, and have been since most assiduously and constantly occupied in carrying it into effect. The first object to which their labors were directed, by order of the late President, was the examination of the country between the tide waters of the Potomac, the Ohio, and Lake Erie, to ascertain the practicability of a communication between them, to designate the most suitable route for the same, and to form plans and estimates in detail of the expense of execution.

On March 2d, 1825, they made their first report, which was immediately communicated to Congress, and in which they declared that having maturely considered the circumstances observed by them personally, and carefully studied the results of such of the preliminary surveys as were then completed, they were decidedly of opinion that the communication was practicable.

At the last session of Congress, before the board of engineers were enabled to make up their second report containing a general plan and preparatory estimate for the work, the Committee of the House of Representatives upon Roads and Canals closed the session with a report expressing the hope that the plan and estimate of the board of engineers might at this time be prepared, and that the subject be referred to the early and favorable consideration of Congress at their present session. That expected report of the board of engineers is prepared, and will forthwith be laid before you.

Under the resolution of Congress authorizing the Secretary of War to have prepared a complete system of cavalry tactics, and a system of exercise and instruction of field artillery, for the use of the militia of the United States, to be reported to Congress at the present session, a board of distinguished officers of the Army and of the militia has been convened, whose report will be submitted to you with that of the Secretary of War. The occasion was thought favorable for consulting the same board, aided by the results of a correspondence with the governors of the several States and Territories and other citizens of intelligence and experience, upon the acknowledged defective condition of our militia system, and of the improvements of which it is susceptible. The report of the board upon this subject is also submitted for your consideration.

Page 244

In the estimates of appropriations for the ensuing year upward of $5 millions will be submitted for the expenditures to be paid from the Department of War. Less than two fifths of this will be applicable to the maintenance and support of the Army. $1,500,000, in the form of pensions, goes as a scarcely adequate tribute to the services and sacrifices of a former age, and a more than equal sum invested in fortifications, or for the preparations of internal improvement, provides for the quiet, the comfort, and happier existence of the ages to come. The appropriations to indemnify those unfortunate remnants of another race unable alike to share in the enjoyments and to exist in the presence of civilization, though swelling in recent years to a magnitude burdensome to the Treasury, are generally not without their equivalents in profitable value, or serve to discharge the Union from engagements more burdensome than debt.

In like manner the estimate of appropriations for the Navy Department will present an aggregate sum of upward of $3,000,000. About half of these, however, covers the current expenditures of the Navy in actual service, and half constitutes a fund of national property, the pledge of our future glory and defense. It was scarcely one short year after the close of the late war, and when the burden of its expenses and charges was weighing heaviest upon the country, that Congress, by the act of April 29th, 1816, appropriated $1,000,000 annually for eight years to the gradual increase of the Navy. At a subsequent period this annual appropriation was reduced to $500,000 for six years, of which the present year is the last. A yet more recent appropriation the last two years, for building ten sloops of war, has nearly restored the original appropriation of 1816 of $1,000,000 for every year.

The result is before United States all. We have 12 line-of-battle ships, 20 frigates, and sloops of war in proportion, which, with a few months preparation, may present a line of floating fortifications along the whole range of our coast ready to meet any invader who might attempt to set foot upon our shores. Combining with a system of fortifications upon the shores themselves, commenced about the same time under the auspices of my immediate predecessor, and hitherto systematically pursued, it has placed in our possession the most effective sinews of war and has left us at once an example and a lesson from which our own duties may be inferred.

The gradual increase of the Navy was the principle of which the act of April 29th, 1816, was the first development. It was the introduction of a system to act upon the character and history of our country for an indefinite series of ages. It was a declaration of that Congress to their constituents and to posterity that it was the destiny and the duty of these confederated States to become in regular process of time and by no petty advances a great naval power. That which

Page 245

they proposed to accomplish in eight years is rather to be considered as the measure of their means that the limitation of their design. They looked forward for a term of years sufficient for the accomplishment of a definite portion of their purpose, and they left to their successors to fill up the canvas of which they had traced the large and prophetic outline. The ships of the line and frigates which they had in contemplation will be shortly completed. The time which they had allotted for the accomplishment of the work has more than elapsed. It remains for your consideration how their successors may contribute their portion of toil and of treasure for the benefit of the succeeding age in the gradual increase of our Navy.

There is perhaps no part of the exercise of the constitutional powers of the Federal Government which has given more general satisfaction to the people of the Union than this. The system has not been thus vigorously introduced and hitherto sustained to be now departed from or abandoned. In continuing to provide for the gradual increase of the Navy it may not be necessary or expedient to add for the present any more to the number of our ships; but should you deem it advisable to continue the yearly appropriation of $0.5 millions to the same objects, it may be profitably expended in a providing a supply of timber to be seasoned and other materials for future use in the construction of docks or in laying the foundations of a school for naval education, as to the wisdom of Congress either of those measures may appear to claim the preference.

Of the small portions of this Navy engaged in actual service during the peace, squadrons have continued to be maintained in the Pacific Ocean, in the West India seas, and in the Mediterranean, to which has been added a small armament to cruise on the eastern coast of South America. In all they have afforded protection to our commerce, have contributed to make our country advantageously known to foreign nations, have honorably employed multitudes of our sea men in the service of their country, and have inured numbers of youths of the rising generation to lives of manly hardihood and of nautical experience and skill.

The piracies with which the West India seas were for several years infested have been totally suppressed, but in the Mediterranean they have increased in a manner afflictive to other nations, and but for the continued presence of our squadron would probably have been distressing to our own.

The war which has unfortunately broken out between the Republic of Buenos Ayres and the Brazilian Government has given rise to very great irregularities among the naval officers of the latter, by whom principles in relation to blockades and to neutral navigation have been brought forward to which we can not subscribe and which our own commanders have found it necessary to resist. From the friendly disposition toward the United States constantly manifested by the Emperor of Brazil, and the very useful and friendly commercial intercourse between the United States and his

dominions, we have reason to believe that the just reparation demanded for the injuries sustained by several of our citizens from some of his officers will not be withheld. Abstracts from the recent dispatches of the commanders of our several squadrons are communicated with the report of the Secretary of the Navy to Congress.

Page 246

A report from the Post Master General is likewise communicated, presenting in a highly satisfactory manner the result of a vigorous, efficient, and economical administration of that Department. The revenue of the office, even of the year including the latter half of 1824 and the first half of 1825, had exceeded its expenditures by a sum of more than $45,000. That of the succeeding year has been still more productive. The increase of the receipts in the year preceding the first of July last over that of the year before exceeds $136,000, and the excess of the receipts over the expenditures of the year has swollen from $45,000 to yearly $80,000.

During the same period contracts for additional transportation of the mail in stages for about 260,000 miles have been made, and for 70,000 miles annually on horse back. 714 new post offices have been established within the year, and the increase of revenue within the last three years, as well as the augmentation of the transportation by mail, is more than equal to the whole amount of receipts and of mail conveyance at the commencement of the present century, when the seat of the General Government was removed to this place. When we reflect that the objects effected by the transportation of the mail are among the choicest comforts and enjoyments of social life, it is pleasing to observe that the dissemination of them to every corner of our country has out-stripped in their increase even the rapid march of our population.

By the treaties with France and Spain, respectively ceding Louisiana and the Floridas to the United States, provision was made for the security of land titles derived from the Governments of those nations. Some progress has been made under the authority of various acts of Congress in the ascertainment and establishment of those titles, but claims to a very large extent remain unadjusted. The public faith no less than the just rights of individuals and the interest of the community itself appears to require further provision for the speedy settlement of those claims, which I therefore recommend to the care and attention of the Legislature.

In conformity with the provisions of the act of May 20th, 1825, to provide for erecting a penitentiary in the District of Columbia, and for other purposes, three commissioners were appointed to select a site for the erection of a penitentiary for the District, and also a site in the county of Alexandria for a county jail, both of which objects have been effected. The building of the penitentiary has been commenced, and is in such a degree of forwardness as to promise that it will be completed before the meeting of the next Congress. This consideration points to the expediency of maturing at the present session a system for the regulation and government of the penitentiary, and of defining a system for the regulation and government of the penitentiary, and of defining the class of offenses which shall be punishable by confinement in this edifice.

Page 247

In closing this communication I trust that it will not be deemed inappropriate to the occasion and purposes upon which we are here assembled to indulge a momentary retrospect, combining in a single glance the period of our origin as a national confederation with that of our present existence, at the precise interval of half a century from each other. Since your last meeting at this place the 50th anniversary of the day when our independence was declared has been celebrated throughout our land, and on that day, while every heart was bounding with joy and every voice was tuned to gratulation, amid the blessings of freedom and independence which the sires of a former age had handed down to their children, two of the principal actors in that solemn scene—the hand that penned the ever memorable Declaration and the voice that sustained it in debate—were by one summons, at the distance of 700 miles from each other, called before the Judge of All to account for their deeds done upon earth. They departed cheered by the benedictions of their country, to whom they left the inheritance of their fame and the memory of their bright example.

If we turn our thoughts to the condition of their country, in the contrast of the first and last day of that half century, how resplendent and sublime is the transition from gloom to glory! Then, glancing through the same lapse of time, in the condition of the individuals we see the first day marked with the fullness and vigor of youth, in the pledge of their lives, their fortunes, and their sacred honor to the cause of freedom and of man-kind; and on the last, extended on the bed of death, with but sense and sensibility left to breathe a last aspiration to Heaven of blessing upon their country, may we not humbly hope that to them too it was a pledge of transition from gloom to glory, and that while their mortal vestments were sinking into the clod of the valley their emancipated spirits were ascending to the bosom of their God!

JOHN QUINCY ADAMS

***

State of the Union Address
John Quincy Adams
December 4, 1827

Fellow Citizens of the Senate and of the House of Representatives:

A revolution of the seasons has nearly been completed since the representatives of the people and States of this Union were last assembled at this place to deliberate and to act upon the common important interests of their constituents. In that interval the never slumbering eye of a wise and beneficent Providence has continued its guardian care over the welfare of our beloved country; the blessing of health has continued generally to prevail throughout the land; the blessing of peace with our brethren of the human race has been enjoyed without interruption; internal quiet has left our fellow citizens in

the full enjoyment of all their rights and in the free exercise of all their faculties, to pursue the impulse of their nature and the obligation

Page 248

of their duty in the improvement of their own condition; the productions of the soil, the exchanges of commerce, the vivifying labors of human industry, have combined to mingle in our cup a portion of enjoyment as large and liberal as the indulgence of Heaven has perhaps ever granted to the imperfect state of man upon earth; and as the purest of human felicity consists in its participation with others, it is no small addition to the sum of our national happiness at this time that peace and prosperity prevail to a degree seldom experienced over the whole habitable globe, presenting, though as yet with painful exceptions, a foretaste of that blessed period of promise when the lion shall lie down with the lamb and wars shall be no more.

To preserve, to improve, and to perpetuate the sources and to direct in their most effective channels the streams which contribute to the public weal is the purpose for which Government was instituted. Objects of deep importance to the welfare of the Union are constantly recurring to demand the attention of the Federal Legislature, and they call with accumulated interest at the first meeting of the two Houses after their periodical renovation. To present to their consideration from time to time subjects in which the interests of the nation are most deeply involved, and for the regulation of which the legislative will is alone competent, is a duty prescribed by the Constitution, to the performance of which the first meeting of the new Congress is a period eminently appropriate, and which it is now my purpose to discharge.

Our relations of friendship with the other nations of the earth, political and commercial, have been preserved unimpaired, and the opportunities to improve them have been cultivated with anxious and unremitting attention. A negotiation upon subjects of high and delicate interest with the Government of Great Britain has terminated in the adjustment of some of the questions at issue upon satisfactory terms and the postponement of others for future discussion and agreement.

The purposes of the convention concluded at St. Petersburg on July 12th, 1822, under the mediation of the late Emperor Alexander, have been carried into effect by a subsequent convention, concluded at London on November 13th, 1826, the ratifications of which were exchanged at that place on February 6th, 1827. A copy of the proclamations issued on March 19th, 1827, publishing this convention, is herewith communicated to Congress. The sum of $1,204,960, therein stipulated to be paid to the claimants of indemnity under the first article of the treaty of Ghent, has been duly received, and the commission instituted, conformably to the act of Congress of March 2d, 1827, for the distribution of the indemnity of the persons entitled to receive it are now in session and approaching the consummation of their labors. This final disposal of one of the most painful topics of collision between the United States and Great Britain not only affords an occasion of gratulation to ourselves, but has had the happiest effect in promoting a friendly disposition and in softening asperities upon other objects of discussion; nor ought it to pass without the tribute of a frank and cordial

acknowledgment of the magnanimity with which an honorable nation, by the reparation of their own wrongs, achieves a triumph more glorious than any field of blood can ever bestow.

Page 249

The conventions of March 7th, 1815, and of October 20th, 1818, will expire by their own limitation on October 20th, 1828. These have regulated the direct commercial intercourse between the United States and Great Britain upon terms of the most perfect reciprocity; and they effected a temporary compromise of the respective rights and claims to territory westward of the Rocky Mountains. These arrangements have been continued for an indefinite period of time after the expiration of the above mentioned conventions, leaving each party the liberty of terminating them by giving twelve months' notice to the other.

The radical principle of all commercial intercourse between independent nations is the mutual interest of both parties. It is the vital spirit of trade itself; nor can it be reconciled to the nature of man or to the primary laws of human society that any traffic should long be willingly pursued of which all the advantages are on one side and all the burdens on the other. Treaties of commerce have been found by experience to be among the most effective instruments for promoting peace and harmony between nations whose interests, exclusively considered on either side, are brought into frequent collisions by competition. In framing such treaties it is the duty of each party not simply to urge with unyielding pertinacity that which suits its own interest, but to concede liberally to that which is adapted to the interest of the other.

To accomplish this, little more is generally required than a simple observance of the rule of reciprocity, and were it possible for the states-men of one nation by stratagem and management to obtain from the weakness or ignorance of another an over-reaching treaty, such a compact would prove an incentive to war rather than a bond of peace.

Our conventions with Great Britain are founded upon the principles of reciprocity. The commercial intercourse between the two countries is greater in magnitude and amount than between any two other nations on the globe. It is for all purposes of benefit or advantage to both as precious, and in all probability far more extensive, than if the parties were still constituent parts of one and the same nation. Treaties between such States, regulating the intercourse of peace between them and adjusting interests of such transcendent importance to both, which have been found in a long experience of years mutually advantageous, should not be lightly cancelled or discontinued. Two conventions for continuing in force those above mentioned have been concluded between the plenipotentiaries of the two Governments on August 6th, 1827, and will be forthwith laid before the Senate for the exercise of their constitutional authority concerning them.

Page 250

In the execution of the treaties of peace of November, 1782 and September, 1783, between the United States and Great Britain, and which terminated the war of our independence, a line of boundary was drawn as the demarcation of territory between the two countries, extending over nearly 20 degrees of latitude, and ranging over seas, lakes, and mountains, then very imperfectly explored and scarcely opened to the geographical knowledge of the age. In the progress of discovery and settlement by both parties since that time several questions of boundary between their respective territories have arisen, which have been found of exceedingly difficult adjustment.

At the close of the last war with Great Britain four of these questions pressed themselves upon the consideration of the negotiators of the treaty of Ghent, but without the means of concluding a definitive arrangement concerning them. They were referred to three separate commissions consisting, of two commissioners, one appointed by each party, to examine and decide upon their respective claims. In the event of a disagreement between the commissioners, one appointed by each party, to examine and decide upon their respective claims. In the event of a disagreement between the commissioners it was provided that they should make reports to their several Governments, and that the reports should finally be referred to the decision of a sovereign the common friend of both.

Of these commissions two have already terminated their sessions and investigations, one by entire and the other by partial agreement. The commissioners of the 5th article of the treaty of Ghent have finally disagreed, and made their conflicting reports to their own Governments. But from these reports a great difficulty has occurred in making up a question to be decided by the arbitrator. This purpose has, however, been effected by a 4th convention, concluded at London by the plenipotentiaries of the two Governments on September 29th, 1827. It will be submitted, together with the others, to the consideration of the Senate.

While these questions have been pending incidents have occurred of conflicting pretensions and of dangerous character upon the territory itself in dispute between the two nations. By a common understanding between the Governments it was agreed that no exercise of exclusive jurisdiction by either party while the negotiation was pending should change the state of the question of right to be definitively settled. Such collision has, never the less, recently taken place by occurrences the precise character of which has not yet been ascertained. A communication from the governor of the State of Maine, with accompanying documents, and a correspondence between the Secretary of State and the minister of Great Britain on this subject are now communicated. Measures have been taken to ascertain the state of the facts more correctly by the employment of a special agent to visit the spot where the alleged outrages have occurred, the result of those inquiries, when received, will be transmitted to Congress.

Page 251

While so many of the subjects of high interest to the friendly relations between the two countries have been so far adjusted, it is a matter of regret that their views respecting the commercial intercourse between the United States and the British colonial possessions have not equally approximated to a friendly agreement.

At the commencement of the last session of Congress they were informed of the sudden and unexpected exclusion by the British Government of access in vessels of the United States to all their colonial ports except those immediately bordering upon our own territories. In the amicable discussions which have succeeded the adoption of this measure which, as it affected harshly the interests of the United States, became subject of expostulation on our part, the principles upon which its justification has been placed have been of a diversified character. It has been at once ascribed to a mere recurrence to the old, long established principle of colonial monopoly and at the same time to a feeling of resentment because the offers of an act of Parliament opening the colonial ports upon certain conditions had not been grasped at with sufficient eagerness by an instantaneous conformity to them.

At a subsequent period it has been intimated that the new exclusion was in resentment because a prior act of Parliament, of 1822, opening certain colonial ports, under heavy and burdensome restrictions, to vessels of the United States, had not been reciprocated by an admission of British vessels from the colonies, and their cargoes, without any restriction or discrimination what ever. But be the motive for the interdiction what it may, the British Government have manifested no disposition, either by negotiation or by corresponding legislative enactments, to recede from it, and we have been given distinctly to understand that neither of the bills which were under the consideration of Congress at their last session would have been deemed sufficient in their concessions to have been rewarded by any relaxation from the British interdict. It is one of the inconveniences inseparably connected with the attempt to adjust by reciprocal legislation interests of this nature that neither party can know what would be satisfactory to the other, and that after enacting a statute for the avowed and sincere purpose of conciliation it will generally be found utterly inadequate to the expectation of the other party, and will terminate in mutual disappointment.

The session of Congress having terminated without any act upon the subject, a proclamation was issued on March 17, 1827, conformably to the provisions of the 6th section of the act of March 3rd, 1823 declaring the fact that the trade and intercourse authorized by the British act of Parliament of June 24th, 1822, between the United States and the British enumerated colonial ports had been by the subsequent acts of Parliament of July 5th, 1825, and the order of council of July 27th, 1826 prohibited. The effect of this proclamation, by the terms of the act under which it was issued, has been that each and every provision of the act concerning navigation of April 18th, 1818, and of the act supplementary thereto of May 15th, 1820, revived and is in full force.

Page 252

Such, then is the present condition of the trade that, useful as it is to both parties it can, with a single momentary exception, be carried on directly by the vessels of neither. That exception itself is found in a proclamation of the governor of the island of St. Christopher and of the Virgin Islands, inviting for three months from August 28th, 1827 the importation of the articles of the produce of the United States which constitute their export portion of this trade in the vessels of all nations.

That period having already expired, the state of mutual interdiction has again taken place. The British Government have not only declined negotiation upon this subject, but by the principle they have assumed with reference to it have precluded even the means of negotiation. It becomes not the self respect of the United States either to solicit gratuitous favors or to accept as the grant of a favor that for which an ample equivalent is exacted. It remains to be determined by the respective Governments whether the trade shall be opened by acts of reciprocal legislation. It is, in the mean time, satisfactory to know that apart from the inconvenience resulting from a disturbance of the usual channels of trade no loss has been sustained by the commerce, the navigation, or the revenue of the United States, and none of magnitude is to be apprehended from this existing state of mutual interdict.

With the other maritime and commercial nations of Europe our intercourse continues with little variation. Since the cessation by the convention of June 24th, 1822, of all discriminating duties upon the vessels of the United States and of France in either country our trade with that nation has increased and is increasing. A disposition on the part of France has been manifested to renew that negotiation, and in acceding to the proposal we have expressed the wish that it might be extended to other subjects upon which a good understanding between the parties would be beneficial to the interests of both.

The origin of the political relations between the United States and France is coeval with the first years of our independence. The memory of it is interwoven with that of our arduous struggle for national existence. Weakened as it has occasionally been since that time, it can by us never be forgotten, and we should hail with exultation the moment which should indicate a recollection equally friendly in spirit on the part of France.

A fresh effort has recently been made by the minister of the United States residing at Paris to obtain a consideration of the just claims of citizens of the United States to the reparation of wrongs long since committed, many of them frankly acknowledged and all of them entitled upon every principle of justice to a candid examination. The proposal last made to the French Government has been to refer the subject which has formed an obstacle to this consideration to the determination of a sovereign the common friend of both. To this offer no definitive answer has yet been received, but the gallant and honorable spirit which has at all times been the pride and glory of France will not ultimately permit the demands of innocent sufferers to be extinguished in the mere consciousness of the power to reject them.

Page 253

A new treaty of amity, navigation, and commerce has been concluded with the Kingdom of Sweden, which will be submitted to the Senate for their advice with regard to its ratification. At a more recent date a minister plenipotentiary from the Hanseatic Republics of Hamburg, Lubeck, and Bremen has been received, charged with a special mission for the negotiation of a treaty of amity and commerce between that ancient and renowned league and the United States. This negotiation has accordingly been commenced, and is now in progress, the result of which will, if successful, be also submitted to the Senate for their consideration.

Since the accession of the Emperor Nicholas to the imperial throne of all the Russias the friendly dispositions toward the United States so constantly manifested by his predecessor have continued unabated, and have been recently testified by the appointment of a minister plenipotentiary to reside at this place. From the interest taken by this Sovereign in behalf of the suffering Greeks and from the spirit with which others of the great European powers are cooperating with him the friends of freedom and of humanity may indulge the hope that they will obtain relief from that most unequal of conflicts which they have so long and so gallantly sustained; that they will enjoy the blessing of self government, which by their sufferings in the cause of liberty they have richly earned, and that their independence will be secured by those liberal institutions of which their country furnished the earliest examples in the history of man-kind, and which have consecrated to immortal remembrance the very soil for which they are now again profusely pouring forth their blood. The sympathies which the people and Government of the United States have so warmly indulged with their cause have been acknowledged by their Government in a letter of thanks, which I have received from their illustrious President, a translation of which is now communicated to Congress, the representatives of that nation to whom this tribute of gratitude was intended to be paid, and to whom it was justly due.

In the American hemisphere the cause of freedom and independence has continued to prevail, and if signalized by none of those splendid triumphs which had crowned with glory some of the preceding years it has only been from the banishment of all external force against which the struggle had been maintained. The shout of victory has been superseded by the expulsion of the enemy over whom it could have been achieved.

Our friendly wishes and cordial good will, which have constantly followed the southern nations of America in all the vicissitudes of their war of independence, are succeeded by a solicitude equally ardent and cordial that by the wisdom and purity of their institutions they may secure to themselves the choicest blessings of social order and the best rewards of virtuous liberty. Disclaiming alike all right and all intention of interfering in those concerns which it is the prerogative of their independence to regulate as to them shall seem fit, we hail with joy every indication of their prosperity, of their harmony, of their persevering and inflexible homage to those principles of freedom and of equal rights which are alone suited to the genius and temper of the American nations.

Page 254

It has been, therefore, with some concern that we have observed indications of intestine divisions in some of the Republics of the south, and appearances of less union with one another than we believe to be the interest of all. Among the results of this state of things has been that the treaties concluded at Panama do not appear to have been ratified by the contracting parties, and that the meeting of the congress at Tacubaya has been indefinitely postponed. In accepting the invitations to be represented at this congress, while a manifestation was intended on the part of the United States of the most friendly disposition toward the southern Republics by whom it had been proposed, it was hoped that it would furnish an opportunity for bringing all the nations of this hemisphere to the common acknowledgment and adoption of the principles in the regulation of their internal relations which would have secured a lasting peace and harmony between them and have promoted the cause of mutual benevolence throughout the globe. But as obstacles appear to have arisen to the reassembling of the congress, one of the two ministers commissioned on the part of the United States has returned to the bosom of his country, while the minister charged with the ordinary mission to Mexico remains authorized to attend the conferences of the congress when ever they may be resumed.

A hope was for a short time entertained that a treaty of peace actually signed between the Government of Buenos Ayres and of Brazil would supersede all further occasion for those collisions between belligerent pretensions and neutral rights which are so commonly the result of maritime war, and which have unfortunately disturbed the harmony of the relations between the United States and the Brazilian Governments. At their last session Congress were informed that some of the naval officers of that Empire had advanced and practiced upon principles in relation to blockades and to neutral navigation which we could not sanction, and which our commanders found it necessary to resist. It appears that they have not been sustained by the Government of Brazil itself. Some of the vessels captured under the assumed authority of these erroneous principles have been restored, and we trust that our just expectations will be realized that adequate indemnity will be made to all the citizens of the United States who have suffered by the unwarranted captures which the Brazilian tribunals themselves have pronounced unlawful.

In the diplomatic discussions at Rio de Janeiro of these wrongs sustained by citizens of the United States and of others which seemed as if emanating immediately from that Government itself the charge d'affaires of the United States, under an impression that his representations in behalf of the rights and interests of his country-men were totally disregarded and useless, deemed it his duty, without waiting for instructions, to terminate his official functions, to demand his pass-ports, and return to the United States. This movement, dictated by an honest zeal for the honor and interests of his country— motives which operated exclusively on the mind of the officer who resorted to it—has not been disapproved by me.

Page 255

The Brazilian Government, however, complained of it as a measure for which no adequate intentional cause had been given by them, and upon an explicit assurance through their charge d'affaires residing here that a successor to the late representative of the United States near that Government, the appointment of whom they desired, should be received and treated with the respect due to his character, and that indemnity should be promptly made for all injuries inflicted on citizens of the United States or their property contrary to the laws of nations, a temporary commission as charge d'affaires to that country has been issued, which it is hopes will entirely restore the ordinary diplomatic intercourse between the two Governments and the friendly relations between their respective nations.

Turning from the momentous concerns of our Union in its intercourse with foreign nations to those of the deepest interest in the administration of our internal affairs, we find the revenues of the present year corresponding as nearly as might be expected with the anticipations of the last, and presenting an aspect still more favorable in the promise of the next.

The balance in the Treasury on January 1st, 1827 was $6,358,686.18. The receipts from that day to September 30th, 1827, as near as the returns of them yet received can show, amount to $16,886,581.32. The receipts of the present quarter, estimated at $4,515,000, added to the above form an aggregate of $21,400,000 of receipts.

The expenditures of the year may perhaps amount to $22,300,000 presenting a small excess over the receipts. But of these $22,000,000, upward of $6,000,000 have been applied to the discharge of the principal of the public debt, the whole amount of which, approaching $74,000,000 on January 1st, 1827, will on January 1st, 1828 fall short of $67,500,000. The balance in the Treasury on January 1st, 1828 it is expected will exceed $5,450,000, a sum exceeding that of January 1st, 1825, though falling short of that exhibited on January 1st, 1827.

It was foreseen that the revenue of the present year 1827 would not equal that of the last, which had itself been less than that of the next preceding year. But the hope has been realized which was entertained, that these deficiencies would in no wise interrupt the steady operation of the discharge of the public debt by the annual $10,000,000 devoted to that object by the act of March 3d, 1817.

The amount of duties secured on merchandise imported from the commencement of the year until September 30th, 1827 is $21,226,000, and the probably amount of that which will be secured during the remainder of the year is $5,774,000, forming a sum total of $27,000,000. With the allowances for draw-backs and contingent deficiencies which may occur, though not specifically foreseen, we may safely estimate the receipts of the ensuing year at $22,300,000—a revenue for the next equal to the expenditure of the present year.

Page 256

The deep solicitude felt by our citizens of all classes throughout the Union for the total discharge of the public debt will apologize for the earnestness with which I deem it my duty to urge this topic upon the consideration of Congress—of recommending to them again the observance of the strictest economy in the application of the public funds. The depression upon the receipts of the revenue which had commenced with the year 1826 continued with increased severity during the two first quarters of the present year.

The returning tide began to flow with the third quarter, and, so far as we can judge from experience, may be expected to continue through the course of the ensuing year. In the mean time an alleviation from the burden of the public debt will in the three years have been effected to the amount of nearly $16,000,000, and the charge of annual interest will have been reduced upward of $1,000,000. But among the maxims of political economy which the stewards of the public moneys should never suffer without urgent necessity to be transcended is that of keeping the expenditures of the year within the limits of its receipts.

The appropriations of the two last years, including the yearly $10,000,000 of the sinking fund, have each equaled the promised revenue of the ensuing year. While we foresee with confidence that the public coffers will be replenished from the receipts as fast as they will be drained by the expenditures, equal in amount to those of the current year, it should not be forgotten that they could ill suffer the exhaustion of larger disbursements.

The condition of the Army and of all the branches of the public service under the superintendence of the Secretary of War will be seen by the report from that officer and the documents with which it is accompanied.

During the last summer a detachment of the Army has been usefully and successfully called to perform their appropriate duties. At the moment when the commissioners appointed for carrying into execution certain provisions of the treaty of August 19th, 1825, with various tribes of the North Western Indians were about to arrive at the appointed place of meeting the unprovoked murder of several citizens and other acts of unequivocal hostility committed by a party of the Winnebago tribe, one of those associated in the treaty, followed by indications of a menacing character among other tribes of the same region, rendered necessary an immediate display of the defensive and protective force of the Union in that quarter.

It was accordingly exhibited by the immediate and concerted movements of the governors of the State of Illinois and of the Territory of Michigan, and competent levies of militia, under their authority, with a corps of 700 men of United States troops, under the command of General Atkinson, who, at the call of Governor Cass, immediately repaired to the scene of danger from their station at St. Louis. Their presence dispelled the alarms of our fellow citizens on those disorders, and overawed the hostile purposes of the Indians. The perpetrators of the murders were surrendered to the authority and

operation of our laws, and every appearance of purposed hostility from those Indian tribes has subsided.

Page 257

Although the present organization of the Army and the administration of its various branches of service are, upon the whole, satisfactory, they are yet susceptible of much improvement in particulars, some of which have been heretofore submitted to the consideration of Congress, and others are now first presented in the report of the Secretary of War.

The expediency of providing for additional numbers of officers in the two corps of engineers will in some degree depend upon the number and extent of the objects of national importance upon which Congress may think it proper that surveys should be made conformably to the act of April 30th, 1824. Of the surveys which before the last session of Congress had been made under the authority of that act, reports were made —Of the Board of Internal Improvement, on the Chesapeake and Ohio Canal. On the continuation of the national road from Cumberland to the tide waters within the District of Columbia. On the continuation of the national road from Canton to Zanesville. On the location of the national road from Zanesville to Columbus. On the continuation of the same to the seat of government in Missouri. On a post road from Baltimore to Philadelphia. Of a survey of Kennebec River (in part). On a national road from Washington to Buffalo. On the survey of Saugatuck Harbor and River. On a canal from Lake Pont Chartrain to the Mississippi River. On surveys at Edgartown, Newburyport, and Hyannis Harbor. On survey of La Plaisance Bay, in the Territory of Michigan. And reports are now prepared and will be submitted to Congress—On surveys of the peninsula of Florida, to ascertain the practicability of a canal to connect the waters of the Atlantic with the Gulf of Mexico across that peninsula; and also of the country between the bays of Mobile and of Pensacola, with the view of connecting them together by a canal. On surveys of a route for a canal to connect the waters of James and Great Kenhawa rivers. On the survey of the Swash, in Pamlico Sound, and that of Cape Fear, below the town of Wilmington, in North Carolina. On the survey of the Muscle Shoals, in the Tennessee River, and for a route for a contemplated communication between the Hiwassee and Coosa rivers, in the State of Alabama. Other reports of surveys upon objects pointed out by the several acts of Congress of the last and preceding sessions are in the progress of preparation, and most of them may be completed before the close of this session. All the officers of both corps of engineers, with several other persons duly qualified, have been constantly employed upon these services from the passage of the act of April 30th, 1824, to this time.

Page 258

Were no other advantage to accrue to the country from their labors than the fund of topographical knowledge which they have collected and communicated, that alone would have been a profit to the Union more than adequate to all the expenditures which have been devoted to the object; but the appropriations for the repair and continuation of the Cumberland road, for the construction of various other roads, for the removal of obstructions from the rivers and harbors, for the erection of light houses, beacons, piers, and buoys, and for the completion of canals undertaken by individual associations, but needing the assistance of means and resources more comprehensive than individual enterprise can command, may be considered rather as treasures laid up from the contributions of the present age for the benefit of posterity than as unrequited applications of the accruing revenues of the nation.

To such objects of permanent improvement to the condition of the country, of real addition to the wealth as well as to the comfort of the people by whose authority and resources they have been effected, from $3,000,000 to $4,000,000 of the annual income of the nation have, by laws enacted at the three most recent sessions of Congress, been applied, without intrenching upon the necessities of the Treasury, without adding a dollar to the taxes or debts of the community, without suspending even the steady and regular discharge of the debts contracted in former days, which within the same three years have been diminished by the amount of nearly $16,000,000.

The same observations are in a great degree applicable to the appropriations made for fortifications upon the coasts and harbors of the United States, for the maintenance of the Military Academy at West Point, and for the various objects under the superintendence of the Department of the Navy. The report from the Secretary of the Navy and those from the subordinate branches of both the military departments exhibit to Congress in minute detail the present condition of the public establishments dependent upon them, the execution of the acts of Congress relating to them, and the views of the officers engaged in the several branches of the service concerning the improvements which may tend to their perfection.

The fortification of the coasts and the gradual increase and improvement of the Navy are parts of a great system of national defense which has been upward of ten years in progress, and which for a series of years to come will continue to claim the constant and persevering protection and superintendence of the legislative authority. Among the measures which have emanated from these principles the act of the last session of Congress for the gradual improvement of the Navy holds a conspicuous place. The collection of timber for the future construction of vessels of war, the preservation and reproduction of the species of timber peculiarly adapted to that purpose, the construction of dry docks for the use of the Navy, the erection of a marine railway for the repair of the public ships, and the improvement of the navy yards for the preservation of the public property deposited in them have all received from the Executive the attention required by that act, and will continue to receive it, steadily proceeding toward the execution of all its purposes.

Page 259

The establishment of a naval academy, furnishing the means of theoretic instruction to the youths who devote their lives to the service of their country upon the ocean, still solicits the sanction of the Legislature. Practical seamanship and the art of navigation may be acquired on the cruises of the squadrons which from time to time are dispatched to distant seas, but a competent knowledge even of the art of ship building, the higher mathematics, and astronomy; the literature which can place our officers on a level of polished education with the officers of other maritime nations; the knowledge of the laws, municipal and national, which in their intercourse with foreign states and their governments are continually called into operation, and, above all, that acquaintance with the principles of honor and justice, with the higher obligations of morals and of general laws, human and divine, which constitutes the great distinction between the warrior-patriot and the licensed robber and pirate—these can be systematically taught and eminently acquired only in a permanent school, stationed upon the shore and provided with the teachers, the instruments, and the books conversant with and adapted to the communication of the principles of these respective sciences to the youthful and inquiring mind.

The report from the Post Master General exhibits the condition of that Department as highly satisfactory for the present and still more promising for the future. Its receipts for the year ending July 1st, 1827 amounted to $1,473,551, and exceeded its expenditures by upward of $100,000. It can not be an over sanguine estimate to predict that in less than ten years, of which half have elapsed, the receipts will have been more than doubled.

In the mean time a reduced expenditure upon established routes has kept pace with increased facilities of public accommodation and additional services have been obtained at reduced rates of compensation. Within the last year the transportation of the mail in stages has been greatly augmented. The number of post offices has been increased to 7,000, and it may be anticipated that while the facilities of intercourse between fellow citizens in person or by correspondence will soon be carried to the door of every villager in the Union, a yearly surplus of revenue will accrue which may be applied as the wisdom of Congress under the exercise of their constitutional powers may devise for the further establishment and improvement of the public roads, or by adding still further to the facilities in the transportation of the mails. Of the indications of the prosperous condition of our country, none can be more pleasing than those presented by the multiplying relations of personal and intimate intercourse between the citizens of the Union dwelling at the remotest distances from each other.

Page 260

Among the subjects which have heretofore occupied the earnest solicitude and attention of Congress is the management and disposal of that portion of the property of the nation which consists of the public lands. The acquisition of them, made at the expense of the whole Union, not only in treasury but in blood, marks a right of property in them equally extensive. By the report and statements from the General Land Office now communicated it appears that under the present Government of the United States a sum little short of $33,000,000 has been paid from the common Treasury for that portion of this property which has been purchased from France and Spain, and for the extinction of the aboriginal titles. The amount of lands acquired is near 260,000,000 acres, of which on January 1st, 1826, about 139,000,000 acres had been surveyed, and little more than 19,000,000 acres had been sold. The amount paid into the Treasury by the purchasers of the public lands sold is not yet equal to the sums paid for the whole, but leaves a small balance to be refunded. The proceeds of the sales of the lands have long been pledged to the creditors of the nation, a pledge from which we have reason to hope that they will in a very few years be redeemed.

The system upon which this great national interest has been managed was the result of long, anxious, and persevering deliberation. Matured and modified by the progress of our population and the lessons of experience, it has been hitherto eminently successful. More than nine tenths of the lands still remain the common property of the Union, the appropriation and disposal of which are sacred trusts in the hands of Congress.

Of the lands sold, a considerable part were conveyed under extended credits, which in the vicissitudes and fluctuations in the value of lands and of their produce became oppressively burdensome to the purchasers. It can never be the interest or the policy of the nation to wring from its own citizens the reasonable profits of their industry and enterprise by holding them to the rigorous import of disastrous engagements. In March, 1821, a debt of $22,000,000, due by purchasers of the public lands, had accumulated, which they were unable to pay. An act of Congress of March 2nd, 1821, came to their relief, and has been succeeded by others, the latest being the act of May 4th, 1826, the indulgent provisions of which expired on July 4th, 1827. The effect of these laws has been to reduce the debt from the purchasers to a remaining balance of about $4,300,000 due, more than three fifths of which are for lands within the State of Alabama. I recommend to Congress the revival and continuance for a further term of the beneficent accommodations to the public debtors of that statute, and submit to their consideration, in the same spirit of equity, the remission, under proper discriminations, of the forfeitures of partial payments on account of purchases of the public lands, so far as to allow of their application to other payments.

Page 261

There are various other subjects of deep interest to the whole Union which have heretofore been recommended to the consideration of Congress, as well by my predecessors as, under the impression of the duties devolving upon me, by myself. Among these are the debt, rather of justice than gratitude, to the surviving warriors of the Revolutionary war; the extension of the judicial administration of the Federal Government to those extensive since the organization of the present judiciary establishment, now constitute at least one third of its territory, power, and population; the formation of a more effective and uniform system for the government of the militia, and the amelioration in some form or modification of the diversified and often oppressive codes relating to insolvency. Amidst the multiplicity of topics of great national concernment which may recommend themselves to the calm and patriotic deliberations of the Legislature, it may suffice to say that on these and all other measures which may receive their sanction my hearty cooperation will be given, conformably to the duties enjoined upon me and under the sense of all the obligations prescribed by the Constitution.

JOHN QUINCY ADAMS

***

State of the Union Address
John Quincy Adams
December 2, 1828

Fellow Citizens of the Senate and of the House of Representatives:

If the enjoyment in profusion of the bounties of Providence forms a suitable subject of mutual gratulation and grateful acknowledgment, we are admonished at this return of the season when the representatives of the nation are assembled to deliberate upon their concerns to offer up the tribute of fervent and grateful hearts for the never failing mercies of Him who ruleth over all. He has again favored us with healthful seasons and abundant harvests; He has sustained us in peace with foreign countries and in tranquillity within our borders; He has preserved us in the quiet and undisturbed possession of civil and religious liberty; He has crowned the year with His goodness, imposing on us no other condition than of improving for our own happiness the blessings bestowed by His hands, and, in the fruition of all His favors, of devoting his faculties with which we have been endowed by Him to His glory and to our own temporal and eternal welfare.

In the relations of our Federal Union with our brethren of the human race the changes which have occurred since the close of your last session have generally tended to the preservation of peace and to the cultivation of harmony. Before your last separation a war had unhappily been kindled between the Empire of Russia, one of those with which

our intercourse has been no other than a constant exchange of good offices, and that of the Ottoman Porte, a nation from which geographical distance, religious opinions and maxims of government on their part little suited to the formation of those bonds of mutual benevolence which result from the benefits of commerce had department us in a state, perhaps too much prolonged, of coldness and alienation.

Page 262

The extensive, fertile, and populous dominions of the Sultan belong rather to the Asiatic than the European division of the human family. They enter but partially into the system of Europe, nor have their wars with Russia and Austria, the European States upon which they border, for more than a century past disturbed the pacific relations of those States with the other great powers of Europe. Neither France nor Prussia nor Great Britain has ever taken part in them, nor is it to be expected that they will at this time. The declaration of war by Russia has received the approbation or acquiescence of her allies, and we may indulge the hope that its progress and termination will be signalized by the moderation and forbearance no less than by the energy of the Emperor Nicholas, and that it will afford the opportunity for such collateral agency in behalf of the suffering Greeks as will secure to them ultimately the triumph of humanity and of freedom.

The state of our particular relations with France has scarcely varied in the course of the present year. The commercial intercourse between the two countries has continued to increase for the mutual benefit of both. The claims of indemnity to numbers of our fellow citizens for depredations upon their property, heretofore committed during the revolutionary governments, remain unadjusted, and still form the subject of earnest representation and remonstrance. Recent advices from the minister of the United States at Paris encourage the expectation that the appeal to the justice of the French Government will ere long receive a favorable consideration.

The last friendly expedient has been resorted to for the decision of the controversy with Great Britain relating to the north-eastern boundary of the United States. By an agreement with the British Government, carrying into effect the provisions of the 5th article of the treaty of Ghent, and the convention of September 29th, 1827, His Majesty the King of the Netherlands has by common consent been selected as the umpire between the parties. The proposal to him to accept the designation for the performance of this friendly office will be made at an early day, and the United States, relying upon the justice of their cause, will cheerfully commit the arbitrament of it to a prince equally distinguished for the independence of his spirit, his indefatigable assiduity to the duties of his station, and his inflexible personal probity.

Our commercial relations with Great Britain will deserve the serious consideration of Congress and the exercise of a conciliatory and forbearing spirit in the policy of both Governments. The state of them has been materially changed by the act of Congress, passed at their last session, in alteration of several acts imposing duties on imports, and by acts of more recent date of the British Parliament. The effect of the interdiction of direct trade, commenced by Great Britain and reciprocated by the United States, has

Page 263

been, as was to be foreseen, only to substitute different channels for an exchange of commodities indispensable to the colonies and profitable to a numerous class of our fellow citizens. The exports, the revenue, the navigation of the United States have suffered no diminution by our exclusion from direct access to the British colonies. The colonies pay more dearly for the necessaries of life which their Government burdens with the charges of double voyages, freight, insurance, and commission, and the profits of our exports are somewhat impaired and more injuriously transferred from one portion of our citizens to another.

The resumption of this old and otherwise exploded system of colonial exclusion has not secured to the shipping interest of Great Britain the relief which, at the expense of the distant colonies and of the United States, it was expected to afford. Other measures have been resorted to more pointedly bearing upon the navigation of the United States, and more pointedly bearing upon the navigation of the United States, and which, unless modified by the construction given to the recent acts of Parliament, will be manifestly incompatible with the positive stipulations of the commercial convention existing between the two countries. That convention, however, may be terminated with 12 months' notice, at the option of either party.

A treaty of amity, navigation, and commerce between the United States and His Majesty the Emperor of Austria, King of Hungary and Bohemia, has been prepared for signature by the Secretary of State and by the Baron de Lederer, intrusted with full powers of the Austrian Government. Independently of the new and friendly relations which may be thus commenced with one of the most eminent and powerful nations of the earth, the occasion has been taken in it, as in other recent treaties concluded by the United States, to extend those principles of liberal intercourse and of fair reciprocity which intertwine with the exchanges of commerce the principles of justice and the feelings of mutual benevolence.

This system, first proclaimed to the world in the first commercial treaty ever concluded by the United States—that of February 6th, 1778, with France—has been invariably the cherished policy of our Union. It is by treaties of commerce alone that it can be made ultimately to prevail as the established system of all civilized nations. With this principle our fathers extended the hand of friendship to every nation of the globe, and to this policy our country has ever since adhered. What ever of regulation in our laws has ever been adopted unfavorable to the interest of any foreign nation has been essentially defensive and counteracting to similar regulations of theirs operating against us.

Page 264

Immediately after the close of the War of Independence commissioners were appointed by the Congress of the Confederation authorized to conclude treaties with every nation of Europe disposed to adopt them. Before the wars of the French Revolution such treaties had been consummated with the United Netherlands, Sweden, and Prussia. During those wars treaties with Great Britain and Spain had been effected, and those with Prussia and France renewed. In all these some concessions to the liberal principles of intercourse proposed by the United States had been obtained; but as in all the negotiations they came occasionally in collision with previous internal regulations or exclusive and excluding compacts of monopoly with which the other parties had been trammeled, the advances made in them toward the freedom of trade were partial and imperfect. Colonial establishments, chartered companies, and ship building influence pervaded and encumbered the legislation of all the great commercial states; and the United States, in offering free trade and equal privilege to all, were compelled to acquiesce in many exceptions with each of the parties to their treaties, accommodated to their existing laws and anterior agreements.

The colonial system by which this whole hemisphere was bound has fallen into ruins, totally abolished by revolutions converting colonies into independent nations throughout the two American continents, excepting a portion of territory chiefly at the northern extremity of our own, and confined to the remnants of dominion retained by Great Britain over the insular archipelago, geographically the appendages of our part of the globe. With all the rest we have free trade, even with the insular colonies of all the European nations, except Great Britain. Her Government also had manifested approaches to the adoption of a free and liberal intercourse between her colonies and other nations, though by a sudden and scarcely explained revulsion the spirit of exclusion has been revived for operation upon the United States alone.

The conclusion of our last treaty of peace with Great Britain was shortly afterwards followed by a commercial convention, placing the direct intercourse between the two countries upon a footing of more equal reciprocity than had ever before been admitted. The same principle has since been much further extended by treaties with France, Sweden, Denmark, the Hanseatic cities, Prussia, in Europe, and with the Republics of Colombia and of Central America, in this hemisphere. The mutual abolition of discriminating duties and charges upon the navigation and commercial intercourse between the parties is the general maxim which characterizes them all. There is reason to expect that it will at no distant period be adopted by other nations, both of Europe and America, and to hope that by its universal prevalence one of the fruitful sources of wars of commercial competition will be extinguished.

Page 265

Among the nations upon whose Governments many of our fellow citizens have had long-pending claims of indemnity for depredations upon their property during a period when the rights of neutral commerce were disregarded was that of Denmark. They were soon after the events occurred the subject of a special mission from the United States, at the close of which the assurance was given by His Danish Majesty that at a period of more tranquillity and of less distress they would be considered, examined, and decided upon in a spirit of determined purpose for the dispensation of justice. I have much pleasure in informing Congress that the fulfillment of this honorable promise is now in progress; that a small portion of the claims has already been settled to the satisfaction of the claimants, and that we have reason to hope that the remainder will shortly be placed in a train of equitable adjustment. This result has always been confidently expected, from the character of personal integrity and of benevolence which the Sovereign of the Danish dominions has through every vicissitude of fortune maintained.

The general aspect of the affairs of our neighboring American nations of the south has been rather of approaching than of settled tranquillity. Internal disturbances have been more frequent among them than their common friends would have desired. Our intercourse with all has continued to be that of friendship and of mutual good will. Treaties of commerce and of boundaries with the United Mexican States have been negotiated, but, from various successive obstacles, not yet brought to a final conclusion.

The civil war which unfortunately still prevails in the Republics of Central America has been unpropitious to the cultivation of our commercial relations with them; and the dissensions and revolutionary changes in the Republics of Colombia and of Peru have been seen with cordial regret by us, who would gladly contribute to the happiness of both. It is with great satisfaction, however, that we have witnessed the recent conclusion of a peace between the Governments of Buenos Ayres and of Brazil, and it is equally gratifying to observe that indemnity has been obtained for some of the injuries which our fellow citizens had sustained in the latter of those countries. The rest are in a train of negotiation, which we hope may terminate to mutual satisfaction, and that it may be succeeded by a treaty of commerce and navigation, upon liberal principles, propitious to a great and growing commerce, already important to the interests of our country.

The condition and prospects of the revenue are more favorable than our most sanguine expectations had anticipated. The balance in the Treasury on January 1st, 1828, exclusive of the moneys received under the convention of November 13th, 1826, with Great Britain, was $5,861,972.83. The receipts into the Treasury from January 1st, 1828 to September 30th, 1828, so far as they have been ascertained to form the basis of an estimate, amount to $18,633,580.27, which, with the receipts of the present quarter, estimated at $5,461,283.40, form an aggregate of receipts during the year of $24,094,863.67. The expenditures of the year may probably amount to $25,637,111.63, and leave in the Treasury on January 1st, 1829 the sum of $5,125,638.14.

Page 266

The receipts of the present year have amounted to near $2,000,000 more than was anticipated at the commencement of the last session of Congress.

The amount of duties secured on importations from the first of January to the 30th of September was about $22,997,000, and that of the estimated accruing revenue is $5,000,000, forming an aggregate for the year of near $28,000,000. This is $1,000,000 more than the estimate last December for the accruing revenue of the present year, which, with allowances for draw-backs and contingent deficiencies, was expected to produce an actual revenue of $22,300,000. Had these only been realized the expenditures of the year would have been also proportionally reduced, for of these $24,000,000 received upward of $9,000,000 have been applied to the extinction of public debt, bearing an interest of 6% a year, and of course reducing the burden of interest annually payable in future by the amount of more than $500,000. The payments on account of interest during the current year exceed $3,000,000, presenting an aggregate of more than $12,000,000 applied during the year to the discharge of the public debt, the whole of which remaining due on January 1st, 1829 will amount only to $58,362,135.78.

That the revenue of the ensuing year will not fall short of that received in the one now expiring there are indications which can scarcely prove deceptive. In our country an uniform experience of 40 years has shown that what ever the tariff of duties upon articles imported from abroad has been, the amount of importations has always borne an average value nearly approaching to that of the exports, though occasionally differing in the balance, some times being more and some times less. It is, indeed, a general law of prosperous commerce that the real value of exports should by a small, and only a small, balance exceed that of imports, that balance being a permanent addition to the wealth of the nation.

The extent of the prosperous commerce of the nation must be regulated by the amount of its exports, and an important addition to the value of these will draw after it a corresponding increase of importations. It has happened in the vicissitudes of the seasons that the harvests of all Europe have in the late summer and autumn fallen short of their usual average. A relaxation of the interdict upon the importation of grain and flour from abroad has ensued, a propitious market has been opened to the granaries of our country, and a new prospect of reward presented to the labors of the husband-man, which for several years has been denied. This accession to the profits of agriculture in the middle and western portions of our Union is accidental and temporary. It may continue only for a single year. It may be, as has been often experienced in the revolutions of time, but the first of several scanty harvests in succession. We may consider it certain that for the approaching year it has added an item of large amount to the value of our exports and that it will produce a corresponding increase of importations. It may therefore confidently be foreseen that the revenue of 1829 will equal and probably exceed that of 1828, and will afford the means of extinguishing $10,000,000 more of the principal of the public debt.

Page 267

This new element of prosperity to that part of our agricultural industry which is occupied in producing the first article of human subsistence is of the most cheering character to the feelings of patriotism. Proceeding from a cause which humanity will view with concern, the sufferings of scarcity in distant lands, it yields a consolatory reflection that this scarcity is in no respect attributable to us; that it comes from the dispensation of Him who ordains all in wisdom and goodness, and who permits evil itself only as an instrument of good; that, far from contributing to this scarcity, our agency will be applied only to the alleviation of its severity, and that in pouring forth from the abundance of our own garners the supplies which will partially restore plenty to those who are in need we shall ourselves reduce our stores and add to the price of our own bread, so as in some degree to participate in the wants which it will be the good fortune of our country to relieve.

The great interests of an agricultural, commercial, and manufacturing nation are so linked in union together that no permanent cause of prosperity to one of them can operate without extending its influence to the others. All these interests are alike under the protecting power of the legislative authority, and the duties of the representative bodies are to conciliate them in harmony together.

So far as the object of taxation is to raise a revenue for discharging the debts and defraying the expenses of the community, its operation should be adapted as much as possible to suit the burden with equal hand upon all in proportion with their ability of bearing it without oppression. But the legislation of one nation is some times intentionally made to bear heavily upon the interests of another. That legislation, adapted, as it is meant to be, to the special interests of its own people, will often press most unequally upon the several component interests of its neighbors.

Thus the legislation of Great Britain, when, as has recently been avowed, adapted to the depression of a rival nation, will naturally abound with regulations to interdict upon the productions of the soil or industry of the other which come in competition with its own, and will present encouragement, perhaps even bounty, to the raw material of the other State which it can not produce itself, and which is essential for the use of its manufactures, competitors in the markets of the world with those of its commercial rival.

Such is the state of commercial legislation of Great Britain as it bears upon our interests. It excludes with interdicting duties all importation (except in time of approaching famine) of the great staple of production of our Middle and Western States; it proscribes with equal rigor the bulkier lumber and live stock of the same portion and also of the Northern and Eastern part of our Union. It refuses even the rice of the South unless aggravated with a charge of duty upon the Northern carrier who brings it to them. But the cotton, indispensable for their looms, they will receive almost duty free to weave it into a fabric for our own wear, to the destruction of our own manufactures, which they are enabled thus to under-sell.

Page 268

Is the self-protecting energy of this nation so helpless that there exists in the political institutions of our country no power to counter-act the bias of this foreign legislation; that the growers of grain must submit to this exclusion from the foreign markets of their produce; that the shippers must dismantle their ships, the trade of the North stagnate at the wharves, and the manufacturers starve at their looms, while the whole people shall pay tribute to foreign industry to be clad in a foreign garb; that the Congress of the Union are impotent to restore the balance in favor of native industry destroyed by the statutes of another realm?

More just and generous sentiments will, I trust, prevail. If the tariff adopted at the last session of Congress shall be found by experience to bear oppressively upon the interests of any one section of the Union, it ought to be, and I can not doubt will be, so modified as to alleviate its burden. To the voice of just complaint from any portion of their constituents the representatives of the States and of the people will never turn away their ears.

But so long as the duty of the foreign shall operate only as a bounty upon the domestic article; while the planter and the merchant and the shepherd and the husbandman shall be found thriving in their occupations under the duties imposed for the protection of domestic manufactures, they will not repine at the prosperity shared with themselves by their fellow citizens of other professions, nor denounce as violations of the Constitution the deliberate acts of Congress to shield from the wrongs of foreigns the native industry of the Union.

While the tariff of the last session of Congress was a subject of legislative deliberation it was foretold by some of its opposers that one of its necessary consequences would be to impair the revenue. It is yet too soon to pronounce with confidence that this prediction was erroneous. The obstruction of one avenue of trade not unfrequently opens an issue to another. The consequence of the tariff will be to increase the exportation and to diminish the importation of some specific articles; but by the general law of trade the increase of exportation of one article will be followed by an increased importation of others, the duties upon which will supply the deficiencies which the diminished importation would otherwise occasion. The effect of taxation upon revenue can seldom be foreseen with certainty. It must abide the test of experience.

As yet no symptoms of diminution are perceptible in the receipts of the Treasury. As yet little addition of cost has even been experienced upon the articles burdened with heavier duties by the last tariff. The domestic manufacturer supplies the same or a kindred article at a diminished price, and the consumer pays the same tribute to the labor of his own country-man which he must otherwise have paid to foreign industry and toil.

Page 269

The tariff of the last session was in its details not acceptable to the great interests of any portion of the Union, not even to the interest which it was specially intended to subserve. Its object was to balance the burdens upon native industry imposed by the operation of foreign laws, but not to aggravate the burdens of one section of the Union by the relief afforded to another. To the great principle sanctioned by that act—one of those upon which the Constitution itself was formed—I hope and trust the authorities of the Union will adhere. But if any of the duties imposed by the act only relieve the manufacturer by aggravating the burden of the planter, let a careful revisal of its provisions, enlightened by the practical experience of its effects, be directed to retain those which impart protection to native industry and remove or supply the place of those which only alleviate one great national interest by the depression of another.

The United States of America and the people of every State of which they are composed are each of them sovereign powers. The legislative authority of the whole is exercised by Congress under authority granted them in the common Constitution. The legislative power of each State is exercised by assemblies deriving their authority from the constitution of the State. Each is sovereign within its own province. The distribution of power between them presupposes that these authorities will move in harmony with each other. The members of the State and General Governments are all under oath to support both, and allegiance is due to the one and to the other. The case of a conflict between these two powers has not been supposed, nor has any provision been made for it in our institutions; as a virtuous nation of ancient times existed more than five centuries without a law for the punishment of parricide.

More than once, however, in the progress of our history have the people and the legislatures of one or more States, in moments of excitement, been instigated to this conflict; and the means of effecting this impulse have been allegations that the acts of Congress to be resisted were unconstitutional. The people of no one State have ever delegated to their legislature the power of pronouncing an act of Congress unconstitutional, but they have delegated to them powers by the exercise of which the execution of the laws of Congress within the State may be resisted. If we suppose the case of such conflicting legislation sustained by the corresponding executive and judicial authorities, patriotism and philanthropy turn their eyes from the condition in which the parties would be placed, and from that of the people of both, which must be its victims.

The reports from the Secretary of War and the various subordinate offices of the resort of that Department present an exposition of the public administration of affairs connected with them through the course of the current year. The present state of the Army and the distribution of the force of which it is composed will be seen from the report of the Major General. Several alterations in the disposal of the troops have been found expedient in the course of the year, and the discipline of the Army, though not entirely free from exception, has been generally good.

Page 270

The attention of Congress is particularly invited to that part of the report of the Secretary of War which concerns the existing system of our relations with the Indian tribes. At the establishment of the Federal Government under the present Constitution of the United States the principle was adopted of considering them as foreign and independent powers and also as proprietors of lands. They were, moreover, considered as savages, whom it was our policy and our duty to use our influence in converting to Christianity and in bringing within the pale of civilization.

As independent powers, we negotiated with them by treaties; as proprietors, we purchased of them all the lands which we could prevail upon them to sell; as brethren of the human race, rude and ignorant, we endeavored to bring them to the knowledge of religion and letters. The ultimate design was to incorporate in our own institutions that portion of them which could be converted to the state of civilization. In the practice of European States, before our Revolution, they had been considered as children to be governed; as tenants at discretion, to be dispossessed as occasion might require; as hunters to be indemnified by trifling concessions for removal from the grounds from which their game was extirpated. In changing the system it would seem as if a full contemplation of the consequences of the change had not been taken.

We have been far more successful in the acquisition of their lands than in imparting to them the principles or inspiring them with the spirit of civilization. But in appropriating to ourselves their hunting grounds we have brought upon ourselves the obligation of providing them with subsistence; and when we have had the rare good fortune of teaching them the arts of civilization and the doctrines of Christianity we have unexpectedly found them forming in the midst of ourselves communities claiming to be independent of ours and rivals of sovereignty within the territories of the members of our Union. This state of things requires that a remedy should be provided—a remedy which, while it shall do justice to those unfortunate children of nature, may secure to the members of our confederation their rights of sovereignty and of soil. As the outline of a project to that effect, the views presented in the report of the Secretary of War are recommended to the consideration of Congress.

The report from the Engineer Department presents a comprehensive view of the progress which has been made in the great systems promotive of the public interest, commenced and organized under authority of Congress, and the effects of which have already contributed to the security, as they will hereafter largely contribute to the honor and dignity, of the nation.

Page 271

The first of these great systems is that of fortifications, commenced immediately after the close of our last war, under the salutary experience which the events of that war had impressed upon our country-men of its necessity. Introduced under the auspices of my immediate predecessor, it has been continued with the persevering and liberal encouragement of the Legislature, and, combined with corresponding exertions for the gradual increase and improvement of the Navy, prepares for our extensive country a condition of defense adapted to any critical emergency which the varying course of events may bring forth. Our advances in these concerted systems have for the last ten years been steady and progressive, and in a few years more will be so completed as to leave no cause for apprehension that our sea coast will ever again offer a theater of hostile invasion.

The next of these cardinal measures of policy is the preliminary to great and lasting works of public improvement in the surveys of roads, examination for the course of canals, and labors for the removal of the obstructions of rivers and harbors, first commenced by the act of Congress of April 30th, 1824.

The report exhibits in one table the funds appropriated at the last and preceding sessions of Congress for all these fortifications, surveys, and works of public improvement, the manner in which these funds have been applied, the amount expended upon the several works under construction, and the further sums which may be necessary to complete them; in a second, the works projected by the Board of Engineers which have not been commenced, and the estimate of their cost; in a third, the report of the annual Board of Visitors at the Military Academy at West Point.

For thirteen fortifications erecting on various points of our Atlantic coast, from Rhode Island to Louisiana, the aggregate expenditure of the year has fallen little short of $1,000,000. For the preparation of five additional reports of reconnoissances and surveys since the last session of Congress, for the civil construction upon 37 different public works commenced, eight others for which specific appropriations have been made by acts of Congress, and twenty other incipient surveys under the authority given by the act of April 30th, 1824, about $1,000,000 more has been drawn from the Treasury.

To these $2,000,000 is to be added the appropriation of $250,000 to commence the erection of a break-water near the mouth of the Delaware River, the subscriptions to the Delaware and Chesapeake, the Louisville and Portland, the Dismal Swamp, and the Chesapeake and Ohio canals, the large donations of lands to the States of Ohio, Indiana, Illinois, and Alabama for objects of improvements within those States, and the sums appropriated for light-houses, buoys, and piers on the coast; and a full view will be taken of the munificence of the nation in the application of its resources to the improvement of its own condition.

Page 272

Of these great national under-takings the Academy at West Point is among the most important in itself and the most comprehensive in its consequences. In that institution a part of the revenue of the nation is applied to defray the expense of educating a competent portion of her youth chiefly to the knowledge and the duties of military life. It is the living armory of the nation. While the other works of improvement enumerated in the reports now presented to the attention of Congress are destined to ameliorate the face of nature, to multiply the facilities of communication between the different parts of the Union, to assist the labors, increase the comforts, and enhance the enjoyments of individuals, the instruction acquired at West Point enlarges the dominion and expands the capacities of the mind. Its beneficial results are already experienced in the composition of the Army, and their influence is felt in the intellectual progress of society. The institution is susceptible still of great improvement from benefactions proposed by several successive Boards of Visitors, to whose earnest and repeated recommendations I cheerfully add my own.

With the usual annual reports from the Secretary of the Navy and the Board of Commissioners will be exhibited to the view of Congress the execution of the laws relating to that department of the public service. The repression of piracy in the West Indian and in the Grecian seas has been effectually maintained, with scarcely any exception. During the war between the Governments of Buenos Ayres and of Brazil frequent collisions between the belligerent acts of power and the rights of neutral commerce occurred. Licentious blockades, irregularly enlisted or impressed sea men, and the property of honest commerce seized with violence, and even plundered under legal pretenses, are disorders never separable from the conflicts of war upon the ocean.

With a portion of them the correspondence of our commanders on the eastern aspect of the South American coast and among the islands of Greece discover how far we have been involved. In these the honor of our country and the rights of our citizens have been asserted and vindicated. The appearance of new squadrons in the Mediterranean and the blockade of the Dardanelles indicate the danger of other obstacles to the freedom of commerce and the necessity of keeping our naval force in those seas. To the suggestions repeated in the report of the Secretary of the Navy, and tending to the permanent improvement of this institution, I invite the favorable consideration of Congress.

A resolution of the House of Representatives requesting that one of our small public vessels should be sent to the Pacific Ocean and South Sea to examine the coasts, islands, harbors, shoals, and reefs in those seas, and to ascertain their true situation and description, has been put in a train of execution. The vessel is nearly ready to depart. The successful accomplishment of the expedition may be greatly facilitated by suitable legislative provisions, and particularly by an appropriation to defray its necessary expense. The addition of a 2nd, and perhaps a 3rd, vessel, with a slight aggravation of the cost, would contribute much to the safety of the citizens embarked on this under-taking, the results of which may be of the deepest interest to our country.

Page 273

With the report of the Secretary of the Navy will be submitted, in conformity to the act of Congress of March 3d, 1827, for the gradual improvement of the Navy of the United States, statements of the expenditures under that act and of the measures for carrying the same into effect. Every section of that statute contains a distinct provision looking to the great object of the whole—the gradual improvement of the Navy. Under its salutary sanction stores of ship timber have been procured and are in process of seasoning and preservation for the future uses of the Navy. Arrangements have been made for the preservation of the live oak timber growing on the lands of the United States, and for its reproduction, to supply at future and distant days the waste of that most valuable material for ship building by the great consumption of it yearly for the commercial as well as for the military marine of our country.

The construction of the two dry docks at Charlestown and at Norfolk is making satisfactory progress toward a durable establishment. The examinations and inquiries to ascertain the practicability and expediency of a marine railway at Pensacola, though not yet accomplished, have been postponed but to be more effectually made. The navy yards of the United States have been examined, and plans for their improvement and the preservation of the public property therein at Portsmouth, Charlestown, Philadelphia, Washington, and Gosport, and to which two others are to be added, have been prepared and received my sanction; and no other portion of my public duties has been performed with a more intimate conviction of its importance to the future welfare and security of the Union.

With the report from the Post Master General is exhibited a comparative view of the gradual increase of that establishment, from five to five years, since 1792 ’til this time in the number of post offices, which has grown from less than 200 to nearly 8,000; in the revenue yielded by them, which from $67,000 has swollen to upward of $1,500,000, and in the number of miles of post roads, which from 5,642 have multiplied to 114,536. While in the same period of time the population of the Union has about thrice doubled, the rate of increase of these offices is nearly 40, and of the revenue and of traveled miles from 20 to 25 for one. The increase of revenue within the last five years has been nearly equal to the whole revenue of the Department in 1812.

The expenditures of the Department during the year which ended on July 1st, 1828 have exceeded the receipts by a sum of about $25,000. The excess has been occasioned by the increase of mail conveyances and facilities to the extent of near 800,000 miles. It has been supplied by collections from the post masters of the arrearages of preceding years. While the correct principle seems to be that the income levied by the Department should defray all its expenses, it has never been the policy of this Government to raise from this establishment any revenue to be applied to any other purposes. The suggestion of the Post Master General that the insurance of the safe transmission of moneys by the mail might be assumed by the Department for a moderate and competent remuneration will deserve the consideration of Congress.

Page 274

A report from the commissioner of the public buildings in this city exhibits the expenditures upon them in the course of the current year. It will be seen that the humane and benevolent intentions of Congress in providing, by the act of May 20th, 1826, for the erection of a penitentiary in this District have been accomplished. The authority of further legislation is now required for the removal to this tenement of the offenders against the laws sentenced to atone by personal confinement for their crimes, and to provide a code for their employment and government while thus confined.

The commissioners appointed, conformably to the act of March 2d, 1827, to provide for the adjustment of claims of persons entitled to indemnification under the first article of the treaty of Ghent, and for the distribution among such claimants of the sum paid by the Government of Great Britain under the convention of November 13th, 1826, closed their labors on August 30th, 1828 last by awarding to the claimants the sum of $1,197,422.18, leaving a balance of $7,537.82, which was distributed ratably amongst all the claimants to whom awards had been made, according to the directions of the act.

The exhibits appended to the report from the Commissioner of the General Land Office present the actual condition of that common property of the Union. The amount paid into the Treasury from the proceeds of lands during the year 1827 and for the first half of 1828 falls little short of $2,000,000. The propriety of further extending the time for the extinguishment of the debt due to the United States by the purchasers of the public lands, limited by the act of March 21st, 1828 to July 4th, 1829, will claim the consideration of Congress, to whose vigilance and careful attention the regulation, disposal, and preservation of this great national inheritance has by the people of the United States been intrusted.

Among the important subjects to which the attention of the present Congress has already been invited, and which may occupy their further and deliberate discussion, will be the provision to be made for taking the 5th census of enumeration of the inhabitants of the United States. The Constitution of the United States requires that this enumeration should be made within every term of ten years, and the date from which the last enumeration commenced was the first Monday of August of the year 1820.

The laws under which the former enumerations were taken were enacted at the session of Congress immediately preceding the operation; but considerable inconveniences were experienced from the delay of legislation to so late a period. That law, like those of the preceding enumerations, directed that the census should be taken by the marshals of the several districts and Territories of the Union under instructions from the Secretary of State. The preparation and transmission to the marshals of those instructions required more time than was then allowed between the passage of the law and the day when the enumeration was to commence. The term of six months limited for the returns of the marshals was also found even then too short, and must be more so now, when an additional population of at least 3,000,000 must be presented upon the returns.

Page 275

As they are to be made at the short session of Congress, it would, as well as from other considerations, be more convenient to commence the enumeration from an earlier period of the year than the first of August. The most favorable season would be the spring.

On a review of the former enumerations it will be found that the plan for taking every census has contained many improvements upon that of its predecessor. The last is still susceptible of much improvement. The 3rd Census was the first at which any account was taken of the manufactures of the country. It was repeated at the last enumeration, but the returns in both cases were necessarily very imperfect. They must always be so, resting, of course, only upon the communications voluntarily made by individuals interested in some of the manufacturing establishments. Yet they contained much valuable information, and may by some supplementary provision of the law be rendered more effective.

The columns of age, commencing from infancy, have hitherto been confined to a few periods, all under the number of 45 years. Important knowledge would be obtained by extending these columns, in intervals of ten years, to the utmost boundaries of human life. The labor of taking them would be a trifling addition to that already prescribed, and the result would exhibit comparative tables of longevity highly interesting to the country. I deem it my duty further to observe that much of the imperfections in the returns of the last and perhaps of preceding enumerations proceeded from the inadequateness of the compensations allowed to the marshals and their assistants in taking them.

In closing this communication it only remains for me to assure the Legislature of my continued earnest wish for the adoption of measures recommended by me heretofore and yet to be acted on by them, and of the cordial concurrence on my part in every constitutional provision which may receive their sanction during the session tending to the general welfare.

JOHN QUINCY ADAMS

***

State of the Union Address
Andrew Jackson
December 8, 1829

Fellow Citizens of the Senate and of the House of Representatives:

It affords me pleasure to tender my friendly greetings to you on the occasion of your assembling at the seat of Government to enter upon the important duties to which you have been called by the voice of our country-men. The task devolves on me, under a

provision of the Constitution, to present to you, as the Federal Legislature of 24 sovereign States and 12,000,000 happy people, a view of our affairs, and to propose such measures as in the discharge of my official functions have suggested themselves as necessary to promote the objects of our Union.

In communicating with you for the first time it is to me a source of unfeigned satisfaction, calling for mutual gratulation and devout thanks to a benign Providence, that we are at peace with all man-kind, and that our country exhibits the most cheering evidence of general welfare and progressive improvement. Turning our eyes to other nations, our great desire is to see our brethren of the human race secured in the blessings enjoyed by ourselves, and advancing in knowledge, in freedom, and in social happiness.

Page 276

Our foreign relations, although in their general character pacific and friendly, present subjects of difference between us and other powers of deep interest as well to the country at large as to many of our citizens. To effect an adjustment of these shall continue to be the object of my earnest endeavors, and not with standing the difficulties of the task, I do not allow myself to apprehend unfavorable results. Blessed as our country is with every thing which constitutes national strength, she is fully adequate to the maintenance of all her interests. In discharging the responsible trust confided to the Executive in this respect it is my settled purpose to ask nothing that is not clearly right and to submit to nothing that is wrong; and I flatter myself that, supported by the other branches of the Government and by the intelligence and patriotism of the people, we shall be able, under the protection of Providence, to cause all our just rights to be respected.

Of the unsettled matters between the United States and other powers, the most prominent are those which have for years been the subject of negotiation with England, France, and Spain. The late periods at which our ministers to those Governments left the United States render it impossible at this early day to inform you of what has been done on the subjects with which they have been respectively charged. Relying upon the justice of our views in relation to the points committed to negotiation and the reciprocal good feeling which characterizes our intercourse with those nations, we have the best reason to hope for a satisfactory adjustment of existing differences.

With Great Britain, alike distinguished in peace and war, we may look forward to years of peaceful, honorable, and elevated competition. Every thing in the condition and history of the two nations is calculated to inspire sentiments of mutual respect and to carry conviction to the minds of both that it is their policy to preserve the most cordial relations. Such are my own views, and it is not to be doubted that such are also the prevailing sentiments of our constituents. Although neither time nor opportunity has been afforded for a full development of the policy which the present cabinet of Great Britain designs to pursue toward this country, I indulge the hope that it will be of a just and pacific character; and if this anticipation be realized we may look with confidence to a speedy and acceptable adjustment of our affairs.

Under the convention for regulating the reference to arbitration of the disputed points of boundary under the 5th article of the treaty of Ghent, the proceedings have hitherto been conducted in that spirit of candor and liberality which ought ever to characterize the acts of sovereign States seeking to adjust by the most unexceptionable means important and delicate subjects of contention. The first sentiments of the parties have been exchanged, and the final replication

Page 277

on our part is in a course of preparation. This subject has received the attention demanded by its great and peculiar importance to a patriotic member of this Confederacy. The exposition of our rights already made is such as, from the high reputation of the commissioners by whom it has been prepared, we had a right to expect. Our interests at the Court of the Sovereign who has evinced his friendly disposition by assuming the delicate task of arbitration have been committed to a citizen of the State of Maine, whose character, talents, and intimate acquaintance with the subject eminently qualify him for so responsible a trust. With full confidence in the justice of our cause and in the probity, intelligence, and uncompromising independence of the illustrious arbitrator, we can have nothing to apprehend from the result.

From France, our ancient ally, we have a right to expect that justice which becomes the sovereign of a powerful, intelligent, and magnanimous people. The beneficial effects produced by the commercial convention of 1822, limited as are its provisions, are too obvious not to make a salutary impression upon the minds of those who are charged with the administration of her Government. Should this result induce a disposition to embrace to their full extent the wholesome principles which constitute our commercial policy, our minister to that Court will be found instructed to cherish such a disposition and to aid in conducting it to useful practical conclusions. The claims of our citizens for depredations upon their property, long since committed under the authority, and in many instances by the express direction, of the then existing Government of France, remain unsatisfied, and must therefore continue to furnish a subject of unpleasant discussion and possible collision between the two Governments. I cherish, however, a lively hope, founded as well on the validity of those claims and the established policy of all enlightened governments as on the known integrity of the French Monarch, that the injurious delays of the past will find redress in the equity of the future. Our minister has been instructed to press these demands on the French Government with all the earnestness which is called for by their importance and irrefutable justice, and in a spirit that will evince the respect which is due to the feelings of those from whom the satisfaction is required.

Our minister recently appointed to Spain has been authorized to assist in removing evils alike injurious to both countries, either by concluding a commercial convention upon liberal and reciprocal terms or by urging the acceptance in their full extent of the mutually beneficial provisions of our navigation acts. He has also been instructed to make a further appeal to the justice of Spain, in behalf of our citizens, for indemnity for spoliations upon our commerce committed under her authority—an appeal which the pacific and liberal course observed on our part and a due confidence in the honor of that Government authorize us to expect will not be made in vain.

Page 278

With other European powers our intercourse is on the most friendly footing. In Russia, placed by her territorial limits, extensive population, and great power high in the rank of nations, the United States have always found a steadfast friend. Although her recent invasion of Turkey awakened a lively sympathy for those who were exposed to the desolation of war, we can not but anticipate that the result will prove favorable to the cause of civilization and to the progress of human happiness. The treaty of peace between these powers having been ratified, we can not be insensible to the great benefit to be derived by the commerce of the United States from unlocking the navigation of the Black Sea, a free passage into which is secured to all merchant vessels bound to ports of Russia under a flag at peace with the Porte. This advantage, enjoyed upon conditions by most of the powers of Europe, has hitherto been withheld from us. During the past summer an antecedent but unsuccessful attempt to obtain it was renewed under circumstances which promised the most favorable results. Although these results have fortunately been thus in part attained, further facilities to the enjoyment of this new field for the enterprise of our citizens are, in my opinion, sufficiently desirable to insure to them our most zealous attention.

Our trade with Austria, although of secondary importance, has been gradually increasing, and is now so extended as to deserve the fostering care of the Government. A negotiation, commenced and nearly completed with that power by the late Administration, has been consummated by a treaty of amity, navigation, and commerce, which will be laid before the Senate.

During the recess of Congress our diplomatic relations with Portugal have been resumed. The peculiar state of things in that country caused a suspension of the recognition of the representative who presented himself until an opportunity was had to obtain from our official organ there information regarding the actual and, as far as practicable, prospective condition of the authority by which the representative in question was appointed. This information being received, the application of the established rule of our Government in like cases was no longer withheld.

Considerable advances have been made during the present year in the adjustment of claims of our citizens upon Denmark for spoliations, but all that we have a right to demand from that Government in their behalf has not yet been conceded. From the liberal footing, however, upon which this subject has, with the approbation of the claimants, been placed by the Government, together with the uniformly just and friendly disposition which has been evinced by His Danish Majesty, there is a reasonable ground to hope that this single subject of difference will speedily be removed.

Our relations with the Barbary Powers continue, as they have long been, of the most favorable character. The policy of keeping an adequate force in the Mediterranean, as security for the continuance of this tranquillity, will be persevered in, as well as a similar one for the protection of our commerce and fisheries in the Pacific.

Page 279

The southern Republics of our own hemisphere have not yet realized all the advantages for which they have been so long struggling. We trust, however, that the day is not distant when the restoration of peace and internal quiet, under permanent systems of government, securing the liberty and promoting the happiness of the citizens, will crown with complete success their long and arduous efforts in the cause of self-government, and enable us to salute them as friendly rivals in all that is truly great and glorious.

The recent invasion of Mexico, and the effect thereby produced upon her domestic policy, must have a controlling influence upon the great question of South American emancipation. We have seen the fell spirit of civil dissension rebuked, and perhaps for ever stifled, in that Republic by the love of independence. If it be true, as appearances strongly indicate, the spirit of independence is the master spirit, and if a corresponding sentiment prevails in the other States, this devotion to liberty can not be without a proper effect upon the counsels of the mother country. The adoption by Spain of a pacific policy toward her former colonies—an event consoling to humanity, and a blessing to the world, in which she herself can not fail largely to participate—may be most reasonably expected.

The claims of our citizens upon the South American Governments generally are in a train of settlement, while the principal part of those upon Brazil have been adjusted, and a decree in council ordering bonds to be issued by the minister of the treasury for their amount has received the sanction of His Imperial Majesty. This event, together with the exchange of the ratifications of the treaty negotiated and concluded in 1828, happily terminates all serious causes of difference with that power.

Measures have been taken to place our commercial relations with Peru upon a better footing than that upon which they have hitherto rested, and if met by a proper disposition on the part of that Government important benefits may be secured to both countries.

Deeply interested as we are in the prosperity of our sister Republics, and more particularly in that of our immediate neighbor, it would be most gratifying to me were I permitted to say that the treatment which we have received at her hands has been as universally friendly as the early and constant solicitude manifested by the United States for her success gave us a right to expect. But it becomes my duty to inform you that prejudices long indulged by a portion of the inhabitants of Mexico against the envoy extraordinary and minister plenipotentiary of the United States have had an unfortunate influence upon the affairs of the two countries, and have diminished that usefulness to his own which was justly to be expected from his talents and zeal. To this cause, in a great degree, is to be imputed the failure of several measures equally interesting to both parties, but particularly that of the Mexican

Page 280

Government to ratify a treaty negotiated and concluded in its own capital and under its own eye. Under these circumstances it appeared expedient to give to Mr. Poinsett the option either to return or not, as in his judgment the interest of his country might require, and instructions to that end were prepared; but before they could be dispatched a communication was received from the Government of Mexico, through its charge d'affaires here, requesting the recall of our minister. This was promptly complied with, and a representative of a rank corresponding with that of the Mexican diplomatic agent near this Government was appointed. Our conduct toward that Republic has been uniformly of the most friendly character, and having thus removed the only alleged obstacle to harmonious intercourse, I can not but hope that an advantageous change will occur in our affairs.

In justice to Mr. Poinsett it is proper to say that my immediate compliance with the application for his recall and the appointment of a successor are not to be ascribed to any evidence that the imputation of an improper interference by him in the local politics of Mexico was well founded, nor to a want of confidence in his talents or integrity, and to add that the truth of the charges has never been affirmed by the federal Government of Mexico in its communications with us.

I consider it one of the most urgent of my duties to bring to your attention the propriety of amending that part of the Constitution which relates to the election of President and Vice-President. Our system of government was by its framers deemed an experiment, and they therefore consistently provided a mode of remedying its defects.

To the people belongs the right of electing their Chief Magistrate; it was never designed that their choice should in any case be defeated, either by the intervention of electoral colleges or by the agency confided, under certain contingencies, to the House of Representatives. Experience proves that in proportion as agents to execute the will of the people are multiplied there is danger of their wishes being frustrated. Some may be unfaithful; all are liable to err. So far, therefore, as the people can with convenience speak, it is safer for them to express their own will.

The number of aspirants to the Presidency and the diversity of the interests which may influence their claims leave little reason to expect a choice in the first instance, and in that event the election must devolve on the House of Representatives, where it is obvious the will of the people may not be always ascertained, or, if ascertained, may not be regarded. From the mode of voting by States the choice is to be made by 24 votes, and it may often occur that one of these will be controlled by an individual Representative. Honors and offices are at the disposal of the successful candidate. Repeated ballotings may make it apparent that a single individual holds the cast in his hand. May he not be tempted to name his reward?

Page 281

But even without corruption, supposing the probity of the Representative to be proof against the powerful motives by which it may be assailed, the will of the people is still constantly liable to be misrepresented. One may err from ignorance of the wishes of his constituents; another from a conviction that it is his duty to be governed by his own judgment of the fitness of the candidates; finally, although all were inflexibly honest, all accurately informed of the wishes of their constituents, yet under the present mode of election a minority may often elect a President, and when this happens it may reasonably be expected that efforts will be made on the part of the majority to rectify this injurious operation of their institutions. But although no evil of this character should result from such a perversion of the first principle of our system—that the majority is to govern—it must be very certain that a President elected by a minority can not enjoy the confidence necessary to the successful discharge of his duties.

In this as in all other matters of public concern policy requires that as few impediments as possible should exist to the free operation of the public will. Let us, then, endeavor so to amend our system that the office of Chief Magistrate may not be conferred upon any citizen but in pursuance of a fair expression of the will of the majority.

I would therefore recommend such an amendment of the Constitution as may remove all intermediate agency in the election of the President and Vice-President. The mode may be so regulated as to preserve to each State its present relative weight in the election, and a failure in the first attempt may be provided for by confining the second to a choice between the two highest candidates. In connection with such an amendment it would seem advisable to limit the service of the Chief Magistrate to a single term of either four or six years. If, however, it should not be adopted, it is worthy of consideration whether a provision disqualifying for office the Representatives in Congress on whom such an election may have devolved would not be proper.

While members of Congress can be constitutionally appointed to offices of trust and profit it will be the practice, even under the most conscientious adherence to duty, to select them for such stations as they are believed to be better qualified to fill than other citizens; but the purity of our Government would doubtless be promoted by their exclusion from all appointments in the gift of the President, in whose election they may have been officially concerned. The nature of the judicial office and the necessity of securing in the Cabinet and in diplomatic stations of the highest rank the best talents and political experience should, perhaps, except these from the exclusion.

Page 282

There are, perhaps, few men who can for any great length of time enjoy office and power without being more or less under the influence of feelings unfavorable to the faithful discharge of their public duties. Their integrity may be proof against improper considerations immediately addressed to themselves, but they are apt to acquire a habit of looking with indifference upon the public interests and of tolerating conduct from which an unpracticed man would revolt. Office is considered as a species of property, and government rather as a means of promoting individual interests than as an instrument created solely for the service of the people. Corruption in some and in others a perversion of correct feelings and principles divert government from its legitimate ends and make it an engine for the support of the few at the expense of the many. The duties of all public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance; and I can not but believe that more is lost by the long continuance of men in office than is generally to be gained by their experience. I submit, therefore, to your consideration whether the efficiency of the Government would not be promoted and official industry and integrity better secured by a general extension of the law which limits appointments to four years.

In a country where offices are created solely for the benefit of the people no one man has any more intrinsic right to official station than another. Offices were not established to give support to particular men at the public expense. No individual wrong is, therefore, done by removal, since neither appointment to nor continuance in office is a matter of right. The incumbent became an officer with a view to public benefits, and when these require his removal they are not to be sacrificed to private interests. It is the people, and they alone, who have a right to complain when a bad officer is substituted for a good one. He who is removed has the same means of obtaining a living that are enjoyed by the millions who never held office. The proposed limitation would destroy the idea of property now so generally connected with official station, and although individual distress may be some times produced, it would, by promoting that rotation which constitutes a leading principle in the republican creed, give healthful action to the system.

No very considerable change has occurred during the recess of Congress in the condition of either our agriculture, commerce, or manufactures. The operation of the tariff has not proved so injurious to the two former or as beneficial to the latter as was anticipated. Importations of foreign goods have not been sensibly diminished, while domestic competition, under an illusive excitement, has increased the production much beyond the demand for home consumption. The consequences have been low prices, temporary embarrassment, and partial loss. That such of our manufacturing establishments as are based upon capital and are prudently managed will survive the shock and be ultimately profitable there is no good reason to doubt.

Page 283

To regulate its conduct so as to promote equally the prosperity of these three cardinal interests is one of the most difficult tasks of Government; and it may be regretted that the complicated restrictions which now embarrass the intercourse of nations could not by common consent be abolished, and commerce allowed to flow in those channels to which individual enterprise, always its surest guide, might direct it. But we must ever expect selfish legislation in other nations, and are therefore compelled to adapt our own to their regulations in the manner best calculated to avoid serious injury and to harmonize the conflicting interests of our agriculture, our commerce, and our manufactures. Under these impressions I invite your attention to the existing tariff, believing that some of its provisions require modification.

The general rule to be applied in graduating the duties upon articles of foreign growth or manufacture is that which will place our own in fair competition with those of other countries; and the inducements to advance even a step beyond this point are controlling in regard to those articles which are of primary necessity in time of war. When we reflect upon the difficulty and delicacy of this operation, it is important that it should never be attempted but with the utmost caution. Frequent legislation in regard to any branch of industry, affecting its value, and by which its capital may be transferred to new channels, must always be productive of hazardous speculation and loss.

In deliberating, therefore, on these interesting subjects local feelings and prejudices should be merged in the patriotic determination to promote the great interests of the whole. All attempts to connect them with the party conflicts of the day are necessarily injurious, and should be discountenanced. Our action upon them should be under the control of higher and purer motives. Legislation subjected to such influences can never be just, and will not long retain the sanction of a people whose active patriotism is not bounded by sectional limits nor insensible to that spirit of concession and forbearance which gave life to our political compact and still sustains it. Discarding all calculations of political ascendancy, the North, the South, the East, and the West should unite in diminishing any burthen of which either may justly complain.

The agricultural interest of our country is so essentially connected with every other and so superior in importance to them all that it is scarcely necessary to invite to it your particular attention. It is principally as manufactures and commerce tend to increase the value of agricultural productions and to extend their application to the wants and comforts of society that they deserve the fostering care of Government.

Page 284

Looking forward to the period, not far distant, when a sinking fund will no longer be required, the duties on those articles of importation which can not come in competition with our own productions are the first that should engage the attention of Congress in the modification of the tariff. Of these, tea and coffee are the most important. They enter largely into the consumption of the country, and have become articles of necessity to all classes. A reduction, therefore, of the existing duties will be felt as a common benefit, but like all other legislation connected with commerce, to be efficacious and not injurious it should be gradual and certain.

The public prosperity is evinced in the increased revenue arising from the sales of the public lands and in the steady maintenance of that produced by imposts and tonnage, not withstanding the additional duties imposed by the act of May 19th, 1828, and the unusual importations in the early part of that year.

The balance in the Treasury on January 1st, 1829 was $5,972,435.81. The receipts of the current year are estimated at $24,602,230 and the expenditures for the same time at $26,164,595, leaving a balance in the Treasury on January 1st, 1830 of $4,410,070.81.

There will have been paid on account of the public debt during the present year the sum of $12,405,005.80, reducing the whole debt of the Government on January 1st, 1830 to $48,565,406.50, including $7 millions of the 5% stock subscribed to the Bank of the United States. The payment on account of public debt made on July 1st, 1829 was $8,715,462.87. It was apprehended that the sudden withdrawal of so large a sum from the banks in which it was deposited, at a time of unusual pressure in the money market, might cause much injury to the interests dependent on bank accommodations. But this evil was wholly averted by an early anticipation of it at the Treasury, aided by the judicious arrangements of the officers of the Bank of the United States.

This state of the finances exhibits the resources of the nation in an aspect highly flattering to its industry and auspicious of the ability of Government in a very short time to extinguish the public debt. When this shall be done our population will be relieved from a considerable portion of its present burthens, and will find not only new motives to patriotic affection, but additional means for the display of individual enterprise. The fiscal power of the States will also be increased, and may be more extensively exerted in favor of education and other public objects, while ample means will remain in the Federal Government to promote the general weal in all the modes permitted to its authority.

After the extinction of the public debt it is not probable that any adjustment of the tariff upon principles satisfactory to the people of the Union will until a remote period, if ever, leave the Government without a considerable surplus in the Treasury beyond what may be required for its current service. As, then, the period approaches when the application of the revenue to the payment of debt will cease, the disposition of the surplus will

present a subject for the serious deliberation of Congress; and it may be fortunate for the country that it is yet to be decided.

Page 285

Considered in connection with the difficulties which have heretofore attended appropriations for purposes of internal improvement, and with those which this experience tells us will certainly arise when ever power over such subjects may be exercised by the Central Government, it is hoped that it may lead to the adoption of some plan which will reconcile the diversified interests of the States and strengthen the bonds which unite them. Every member of the Union, in peace and in war, will be benefited by the improvement of inland navigation and the construction of high ways in the several States. Let us, then, endeavor to attain this benefit in a mode which will be satisfactory to all. That hitherto adopted has by many of our fellow citizens been deprecated as an infraction of the Constitution, while by others it has been viewed as inexpedient. All feel that it has been employed at the expense of harmony in the legislative councils.

To avoid these evils it appears to me that the most safe, just, and federal disposition which could be made of the surplus revenue would be its apportionment among the several States according to their ratio of representation, and should this measure not be found warranted by the Constitution that it would be expedient to propose to the States an amendment authorizing it. I regard an appeal to the source of power in cases of real doubt, and where its exercise is deemed indispensable to the general welfare, as among the most sacred of all our obligations.

Upon this country more than any other has, in the providence of God, been cast the special guardianship of the great principle of adherence to written constitutions. If it fail here, all hope in regard to it will be extinguished.

That this was intended to be a government of limited and specific, and not general, powers must be admitted by all, and it is our duty to preserve for it the character intended by its framers. If experience points out the necessity for an enlargement of these powers, let us apply for it to those for whose benefit it is to be exercised, and not under-mine the whole system by a resort to over-strained constructions. The scheme has worked well. It has exceeded the hopes of those who devised it, and become an object of admiration to the world. We are responsible to our country and to the glorious cause of self-government for the preservation of so great a good.

The great mass of legislation relating to our internal affairs was intended to be left where the Federal Convention found it—in the State governments. Nothing is clearer, in my view, than that we are chiefly indebted for the success of the Constitution under which we are now acting to the watchful and auxiliary operation of the State authorities. This is not the reflection of a day, but belongs to the most deeply rooted convictions of my mind. I can not, therefore, too strongly or too earnestly, for my own sense of its importance, warn you against all encroachments upon the legitimate sphere of State sovereignty. Sustained by its healthful and invigorating influence the federal system can never fall.

Page 286

In the collection of the revenue the long credits authorized on goods imported from beyond the Cape of Good Hope are the chief cause of the losses at present sustained. If these were shortened to 6, 9, and 12 months, and ware-houses provided by Government sufficient to receive the goods offered in deposit for security and for debenture, and if the right of the United States to a priority of payment out of the estates of its insolvent debtors were more effectually secured, this evil would in a great measure be obviated. An authority to construct such houses is therefore, with the proposed alteration of the credits, recommended to your attention.

It is worthy of notice that the laws for the collection and security of the revenue arising from imposts were chiefly framed when the rates of duties on imported goods presented much less temptation for illicit trade than at present exists. There is reason to believe that these laws are in some respects quite insufficient for the proper security of the revenue and the protection of the interests of those who are disposed to observe them. The injurious and demoralizing tendency of a successful system of smuggling is so obvious as not to require comment, and can not be too carefully guarded against. I therefore suggest to Congress the propriety of adopting efficient measures to prevent this evil, avoiding, however, as much as possible, every unnecessary infringement of individual liberty and embarrassment of fair and lawful business.

On an examination of the records of the Treasury I have been forcibly struck with the large amount of public money which appears to be outstanding. Of the sum thus due from individuals to the Government a considerable portion is undoubtedly desperate, and in many instances has probably been rendered so by remissness in the agents charged with its collection. By proper exertions a great part, however, may yet be recovered; and what ever may be the portions respectively belonging to these two classes, it behooves the Government to ascertain the real state of the fact. This can be done only by the prompt adoption of judicious measures for the collection of such as may be made available. It is believed that a very large amount has been lost through the inadequacy of the means provided for the collection of debts due to the public, and that this inadequacy lies chiefly in the want of legal skill habitually and constantly employed in the direction of the agents engaged in the service. It must, I think, be admitted that the supervisory power over suits brought by the public, which is now vested in an accounting officer of the Treasury, not selected with a view to his legal knowledge, and encumbered as he is with numerous other duties, operates unfavorably to the public interest.

Page 287

It is important that this branch of the public service should be subjected to the supervision of such professional skill as will give it efficiency. The expense attendant upon such a modification of the executive department would be justified by the soundest principles of economy. I would recommend, therefore, that the duties now assigned to the agent of the Treasury, so far as they relate to the superintendence and management of legal proceedings on the part of the United States, be transferred to the Attorney General, and that this officer be placed on the same footing in all respects as the heads of the other Departments, receiving like compensation and having such subordinate officers provided for his Department as may be requisite for the discharge of these additional duties. The professional skill of the Attorney General, employed in directing the conduct of marshals and district attorneys, would hasten the collection of debts now in suit and hereafter save much to the Government. It might be further extended to the superintendence of all criminal proceedings for offenses against the United States. In making this transfer great care should be taken, however, that the power necessary to the Treasury Department be not impaired, one of its greatest securities consisting in control over all accounts until they are audited or reported for suit.

In connection with the foregoing views I would suggest also an inquiry whether the provisions of the act of Congress authorizing the discharge of the persons of the debtors to the Government from imprisonment may not, consistently with the public interest, be extended to the release of the debt where the conduct of the debtor is wholly exempt from the imputation of fraud. Some more liberal policy than that which now prevails in reference to this unfortunate class of citizens is certainly due to them, and would prove beneficial to the country. The continuance of the liability after the means to discharge it have been exhausted can only serve to dispirit the debtor; or, where his resources are but partial, the want of power in the Government to compromise and release the demand instigates to fraud as the only resource for securing a support to his family. He thus sinks into a state of apathy, and becomes a useless drone in society or a vicious member of it, if not a feeling witness of the rigor and inhumanity of his country. All experience proves that oppressive debt is the bane of enterprise, and it should be the care of a republic not to exert a grinding power over misfortune and poverty.

Since the last session of Congress numerous frauds on the Treasury have been discovered, which I thought it my duty to bring under the cognizance of the United States court for this district by a criminal prosecution. It was my opinion and that of able counsel who were consulted that the cases came within the penalties of the act of the 17th Congress approved March 3d, 1823, providing for punishment of frauds committed

Page 288

on the Government of the United States. Either from some defect in the law or in its administration every effort to bring the accused to trial under its provisions proved ineffectual, and the Government was driven to the necessity of resorting to the vague and inadequate provisions of the common law. It is therefore my duty to call your attention to the laws which have been passed for the protection of the Treasury. If, indeed, there be no provision by which those who may be unworthily intrusted with its guardianship can be punished for the most flagrant violation of duty, extending even to the most fraudulent appropriation of the public funds to their own use, it is time to remedy so dangerous an omission; or if the law has been perverted from its original purposes, and criminals deserving to be punished under its provisions have been rescued by legal subtleties, it ought to be made so plain by amendatory provisions as to baffle the arts of perversion and accomplish the ends of its original enactment.

In one of the most flagrant causes the court decided that the prosecution was barred by the statute which limits prosecutions for fraud to two years. In this case all the evidences of the fraud, and, indeed, all knowledge that a fraud had been committed, were in possession of the party accused until after the two years had elapsed. Surely the statute ought not to run in favor of any man while he retains all the evidences of his crime in his own possession, and least of all in favor of a public officer who continues to defraud the Treasury and conceal the transaction for the brief term of two years. I would therefore recommend such an alteration of the law as will give the injured party and the Government two years after the disclosure of the fraud or after the accused is out of office to commence their prosecution.

In connection with this subject I invite the attention of Congress to a general and minute inquiry into the condition of the Government, with a view to ascertain what offices can be dispensed with, what expenses retrenched, and what improvements may be made in the organization of its various parts to secure the proper responsibility of public agents and promote efficiency and justice in all its operations.

The report of the Secretary of War will make you acquainted with the condition of our Army, fortifications, arsenals, and Indian affairs. The proper discipline of the Army, the training and equipment of the militia, the education bestowed at West Point, and the accumulation of the means of defense applicable to the naval force will tend to prolong the peace we now enjoy, and which every good citizen, more especially those who have felt the miseries of even a successful warfare, must ardently desire to perpetuate.

The returns from the subordinate branches of this service exhibit a regularity and order highly creditable to its character. Both officers and soldiers seem imbued with a proper sense of duty, and conform to the restraints of exact discipline with that cheerfulness which becomes the profession of arms. There is need, however, of further legislation to

obviate the inconveniences specified in the report under consideration, to some of which it is proper that I should call your particular attention.

Page 289

The act of Congress of March 2d, 1821, to reduce and fix the military establishment, remaining unexecuted as it regards the command of one of the regiments of artillery, can not now be deemed a guide to the Executive in making the proper appointment. An explanatory act, designating the class of officers out of which the grade is to be filled—-whether from the military list as existing prior to the act of 1821 or from it as it has been fixed by that act—would remove this difficulty. It is also important that the laws regulating the pay and emoluments of officers generally should be more specific than they now are. Those, for example, in relation to the Pay Master and Surgeon General assign to them an annual salary of $2.500, but are silent as to allowances which in certain exigencies of the service may be deemed indispensable to the discharge of their duties. This circumstance has been the authority for extending to them various allowances at different times under former Administrations, but no uniform rule has been observed on the subject. Similar inconveniences exist in other cases, in which the construction put upon the laws by the public accountants may operate unequally, produce confusion, and expose officers to the odium of claiming what is not their due.

I recommend to your fostering care, as one of our safest means of national defense, the Military Academy. This institution has already exercised the happiest influence upon the moral and intellectual character of our Army; and such of the graduates as from various causes may not pursue the profession of arms will be scarcely less useful as citizens. Their knowledge of the military art will be advantageously employed in the militia service, and in a measure secure to that class of troops the advantages which in this respect belong to standing armies.

I would also suggest a review of the pension law, for the purpose of extending its benefits to every Revolutionary soldier who aided in establishing our liberties, and who is unable to maintain himself in comfort. These relics of the War of Independence have strong claims upon their country's gratitude and bounty. The law is defective in not embracing within its provisions all those who were during the last war disabled from supporting themselves by manual labor. Such an amendment would add but little to the amount of pensions, and is called for by the sympathies of the people as well as by considerations of sound policy.

It will be perceived that a large addition to the list of pensioners has been occasioned by an order of the late Administration, departing materially from the rules which had previously prevailed. Considering it an act of legislation, I suspended its operation as soon as I was informed that it had commenced. Before this period, however, applications under the new regulation had been preferred to the number of 154, of which, on March 27, the date of its revocation, 87 were admitted. For the amount there was neither estimate nor appropriation; and besides this deficiency, the regular allowances, according to the rules which have heretofore governed the Department, exceed the estimate of its late Secretary by about $50,000, for which an appropriation is asked.

Page 290

Your particular attention is requested to that part of the report of the Secretary of War which relates to the money held in trust for the Seneca tribe of Indians. It will be perceived that without legislative aid the Executive can not obviate the embarrassments occasioned by the diminution of the dividends on that fund, which originally amounted to $100,000, and has recently been invested in United States 3% stock.

The condition and ulterior destiny of the Indian tribes within the limits of some of our States have become objects of much interest and importance. It has long been the policy of Government to introduce among them the arts of civilization, in the hope of gradually reclaiming them from a wandering life. This policy has, however, been coupled with another wholly incompatible with its success. Professing a desire to civilize and settle them, we have at the same time lost no opportunity to purchase their lands and thrust them farther into the wilderness. By this means they have not only been kept in a wandering state, but been led to look upon us as unjust and indifferent to their fate. Thus, though lavish in its expenditures upon the subject, Government has constantly defeated its own policy, and the Indians in general, receding farther and farther to the west, have retained their savage habits. A portion, however, of the Southern tribes, having mingled much with the whites and made some progress in the arts of civilized life, have lately attempted to erect an independent government within the limits of Georgia and Alabama. These States, claiming to be the only sovereigns within their territories, extended their laws over the Indians, which induced the latter to call upon the United States for protection.

Under these circumstances the question presented was whether the General Government had a right to sustain those people in their pretensions. The Constitution declares that “no new State shall be formed or erected within the jurisdiction of any other State” without the consent of its legislature. If the General Government is not permitted to tolerate the erection of a confederate State within the territory of one of the members of this Union against her consent, much less could it allow a foreign and independent government to establish itself there.

Georgia became a member of the Confederacy which eventuated in our Federal Union as a sovereign State, always asserting her claim to certain limits, which, having been originally defined in her colonial charter and subsequently recognized in the treaty of peace, she has ever since continued to enjoy, except as they have been circumscribed by her own voluntary transfer of a portion of her territory to the United States in the articles of cession of 1802. Alabama was admitted into the Union on the same footing with the original States, with boundaries which were prescribed by Congress.

Page 291

There is no constitutional, conventional, or legal provision which allows them less power over the Indians within their borders than is possessed by Maine or New York. Would the people of Maine permit the Penobscot tribe to erect an independent government within their State? And unless they did would it not be the duty of the General Government to support them in resisting such a measure? Would the people of New York permit each remnant of the six Nations within her borders to declare itself an independent people under the protection of the United States? Could the Indians establish a separate republic on each of their reservations in Ohio? And if they were so disposed would it be the duty of this Government to protect them in the attempt? If the principle involved in the obvious answer to these questions be abandoned, it will follow that the objects of this Government are reversed, and that it has become a part of its duty to aid in destroying the States which it was established to protect.

Actuated by this view of the subject, I informed the Indians inhabiting parts of Georgia and Alabama that their attempt to establish an independent government would not be countenanced by the Executive of the United States, and advised them to emigrate beyond the Mississippi or submit to the laws of those States.

Our conduct toward these people is deeply interesting to our national character. Their present condition, contrasted with what they once were, makes a most powerful appeal to our sympathies. Our ancestors found them the uncontrolled possessors of these vast regions. By persuasion and force they have been made to retire from river to river and from mountain to mountain, until some of the tribes have become extinct and others have left but remnants to preserve for a while their once terrible names. Surrounded by the whites with their arts of civilization, which by destroying the resources of the savage doom him to weakness and decay, the fate of the Mohegan, the Narragansett, and the Delaware is fast over-taking the Choctaw, the Cherokee, and the Creek. That this fate surely awaits them if they remain within the limits of the States does not admit of a doubt. Humanity and national honor demand that every effort should be made to avert so great a calamity. It is too late to inquire whether it was just in the United States to include them and their territory within the bounds of new States, whose limits they could control. That step can not be retraced. A State can not be dismembered by Congress or restricted in the exercise of her constitutional power. But the people of those States and of every State, actuated by feelings of justice and a regard for our national honor, submit to you the interesting question whether something can not be done, consistently with the rights of the States, to preserve this much-injured race. As a means of effecting this end I suggest for your consideration the propriety of setting apart

Page 292

an ample district west of the Mississippi, and without the limits of any State or Territory now formed, to be guaranteed to the Indian tribes as long as they shall occupy it, each tribe having a distinct control over the portion designated for its use. There they may be secured in the enjoyment of governments of their own choice, subject to no other control from the United States than such as may be necessary to preserve peace on the frontier and between the several tribes. There the benevolent may endeavor to teach them the arts of civilization, and, by promoting union and harmony among them, to raise up an interesting commonwealth, destined to perpetuate the race and to attest the humanity and justice of this Government.

This emigration should be voluntary, for it would be as cruel as unjust to compel the aborigines to abandon the graves of their fathers and seek a home in a distant land. But they should be distinctly informed that if they remain within the limits of the States they must be subject to their laws. In return for their obedience as individuals they will without doubt be protected in the enjoyment of those possessions which they have improved by their industry. But it seems to me visionary to suppose that in this state of things claims can be allowed on tracts of country on which they have neither dwelt nor made improvements, merely because they have seen them from the mountain or passed them in the chase. Submitting to the laws of the States, and receiving, like other citizens, protection in their persons and property, they will ere long become merged in the mass of our population.

The accompanying report of the Secretary of the Navy will make you acquainted with the condition and useful employment of that branch of our service during the present year. Constituting as it does the best standing security of this country against foreign aggression, it claims the especial attention of Government. In this spirit the measures which since the termination of the last war have been in operation for its gradual enlargement were adopted, and it should continue to be cherished as the off-spring of our national experience. It will be seen, however, that not withstanding the great solicitude which has been manifested for the perfect organization of this arm and the liberality of the appropriations which that solicitude has suggested, this object has in many important respects not been secured.

In time of peace we have need of no more ships of war than are requisite to the protection of our commerce. Those not wanted for this object must lay in the harbors, where without proper covering they rapidly decay, and even under the best precautions for their preservation must soon become useless. Such is already the case with many of our finest vessels, which, though unfinished, will now require immense sums of money to be restored to the condition in which they were when committed to their proper element.

Page 293

On this subject there can be but little doubt that our best policy would be to discontinue the building of ships of the first and second class, and look rather to the possession of ample materials, prepared for the emergencies of war, than to the number of vessels which we can float in a season of peace, as the index of our naval power. Judicious deposits in navy yards of timber and other materials, fashioned under the hands of skillful work-men and fitted for prompt application to their various purposes, would enable us at all times to construct vessels as fast as they can be manned, and save the heavy expense of repairs, except to such vessels as must be employed in guarding our commerce.

The proper points for the establishment of these yards are indicated with so much force in the report of the Navy Board that in recommending it to your attention I deem it unnecessary to do more than express my hearty concurrence in their views. The yard in this District, being already furnished with most of the machinery necessary for ship building, will be competent to the supply of the two selected by the Board as the best for the concentration of materials, and, from the facility and certainty of communication between them, it will be useless to incur at those depots the expense of similar machinery, especially that used in preparing the usual metallic and wooden furniture of vessels.

Another improvement would be effected by dispensing altogether with the Navy Board as now constituted, and substituting in its stead bureaux similar to those already existing in the War Department. Each member of the Board, transferred to the head of a separate bureau charged with specific duties, would feel in its highest degree that wholesome responsibility which can not be divided without a far more than proportionate diminution of its force. Their valuable services would become still more so when separately appropriated to distinct portions of the great interests of the Navy, to the prosperity of which each would be impelled to devote himself by the strongest motives. Under such an arrangement every branch of this important service would assume a more simple and precise character, its efficiency would be increased, and scrupulous economy in the expenditure of public money promoted.

I would also recommend that the Marine Corps be merged in the artillery or infantry, as the best mode of curing the many defects in its organization. But little exceeding in number any of the regiments of infantry, that corps has, besides its lieutenant-colonel commandant, five brevet lieutenant-colonels, who receive the full pay and emoluments of their brevet rank, without rendering proportionate service. Details for marine service could as well be made from the artillery or infantry, there being no peculiar training requisite for it.

Page 294

With these improvements, and such others as zealous watchfulness and mature consideration may suggest, there can be little doubt that under an energetic administration of its affairs the Navy may soon be made every thing that the nation wishes it to be. Its efficiency in the suppression of piracy in the West India seas, and wherever its squadrons have been employed in securing the interests of the country, will appear from the report of the Secretary, to which I refer you for other interesting details. Among these I would bespeak the attention of Congress for the views presented in relation to the inequality between the Army and Navy as to the pay of officers. No such inequality should prevail between these brave defenders of their country, and where it does exist it is submitted to Congress whether it ought not to be rectified.

The report of the Post Master General is referred to as exhibiting a highly satisfactory administration of that Department. Abuses have been reformed, increased expedition in the transportation of the mail secured, and its revenue much improved. In a political point of view this Department is chiefly important as affording the means of diffusing knowledge. It is to the body politic what the veins and arteries are to the natural—-conveying rapidly and regularly to the remotest parts of the system correct information of the operations of the Government, and bringing back to it the wishes and feelings of the people. Through its agency we have secured to ourselves the full enjoyment of the blessings of a free press.

In this general survey of our affairs a subject of high importance presents itself in the present organization of the judiciary. An uniform operation of the Federal Government in the different States is certainly desirable, and existing as they do in the Union on the basis of perfect equality, each State has a right to expect that the benefits conferred on the citizens of others should be extended to hers. The judicial system of the United States exists in all its efficiency in only fifteen members of the Union; to three others the circuit courts, which constitute an important part of that system, have been imperfectly extended, and to the remaining six altogether denied. The effect has been to withhold from the inhabitants of the latter the advantages afforded (by the Supreme Court) to their fellow citizens in other States in the whole extent of the criminal and much of the civil authority of the Federal judiciary. That this state of things ought to be remedied, if it can be done consistently with the public welfare, is not to be doubted. Neither is it to be disguised that the organization of our judicial system is at once a difficult and delicate task. To extend the circuit courts equally throughout the different parts of the Union, and at the same time to avoid such a multiplication of members as would encumber the supreme appellate tribunal, is the object desired. Perhaps it might be accomplished by dividing the circuit judges into two classes, and providing that the Supreme Court should be held by these classes alternately, the Chief Justice always presiding.

Page 295

If an extension of the circuit court system to those States which do not now enjoy its benefits should be determined upon, it would of course be necessary to revise the present arrangement of the circuits; and even if that system should not be enlarged, such a revision is recommended.

A provision for taking the census of the people of the United States will, to insure the completion of that work within a convenient time, claim the early attention of Congress.

The great and constant increase of business in the Department of State forced itself at an early period upon the attention of the Executive. Thirteen years ago it was, in Mr. Madison's last message to Congress, made the subject of an earnest recommendation, which has been repeated by both of his successors; and my comparatively limited experience has satisfied me of its justness. It has arisen from many causes, not the least of which is the large addition that has been made to the family of independent nations and the proportionate extension of our foreign relations. The remedy proposed was the establishment of a home department—a measure which does not appear to have met the views of Congress on account of its supposed tendency to increase, gradually and imperceptibly, the already too strong bias of the federal system toward the exercise of authority not delegated to it. I am not, therefore, disposed to revive the recommendation, but am not the less impressed with the importance of so organizing that Department that its Secretary may devote more of his time to our foreign relations. Clearly satisfied that the public good would be promoted by some suitable provision on the subject, I respectfully invite your attention to it.

The charter of the Bank of the United States expires in 1836, and its stock holders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy in a measure involving such important principles and such deep pecuniary interests, I feel that I can not, in justice to the parties interested, too soon present it to the deliberate consideration of the Legislature and the people. Both the constitutionality and the expediency of the law creating this bank are well questioned by a large portion of our fellow citizens, and it must be admitted by all that it has failed in the great end of establishing an uniform and sound currency.

Under these circumstances, if such an institution is deemed essential to the fiscal operations of the Government, I submit to the wisdom of the Legislature whether a national one, founded upon the credit of the Government and its revenues, might not be devised which would avoid all constitutional difficulties and at the same time secure all the advantages to the Government and country that were expected to result from the present bank.

Page 296

I can not close this communication without bringing to your view the just claim of the representatives of Commodore Decatur, his officers and crew, arising from the recapture of the frigate Philadelphia under the heavy batteries of Tripoli. Although sensible, as a general rule, of the impropriety of Executive interference under a Government like ours, where every individual enjoys the right of directly petitioning Congress, yet, viewing this case as one of very peculiar character, I deem it my duty to recommend it to your favorable consideration. Besides the justice of this claim, as corresponding to those which have been since recognized and satisfied, it is the fruit of a deed of patriotic and chivalrous daring which infused life and confidence into our infant Navy and contributed as much as any exploit in its history to elevate our national character. Public gratitude, therefore, stamps her seal upon it, and the meed should not be withheld which may here after operate as a stimulus to our gallant tars.

I now commend you, fellow citizens, to the guidance of Almighty God, with a full reliance on His merciful providence for the maintenance of our free institutions, and with an earnest supplication that what ever errors it may be my lot to commit in discharging the arduous duties which have devolved on me will find a remedy in the harmony and wisdom of your counsels.

***

State of the Union Address
Andrew Jackson
December 6, 1830

Fellow Citizens of the Senate and of the House of Representatives:

The pleasure I have in congratulating you upon your return to your constitutional duties is much heightened by the satisfaction which the condition of our beloved country at this period justly inspires. The beneficent Author of All Good has granted to us during the present year health, peace, and plenty, and numerous causes for joy in the wonderful success which attends the progress of our free institutions.

With a population unparalleled in its increase, and possessing a character which combines the hardihood of enterprise with the considerateness of wisdom, we see in every section of our happy country a steady improvement in the means of social intercourse, and correspondent effects upon the genius and laws of our extended Republic.

The apparent exceptions to the harmony of the prospect are to be referred rather to inevitable diversities in the various interests which enter into the composition of so extensive a whole than any want of attachment to the Union—interests whose collisions serve only in the end to foster the spirit of conciliation and patriotism so essential to the preservation of that Union which I most devoutly hope is destined to prove imperishable.

In the midst of these blessings we have recently witnessed changes in the conditions of other nations which may in their consequences call for the utmost vigilance, wisdom, and unanimity in our councils, and the exercise of all the moderation and patriotism of our people.

Page 297

The important modifications of their Government, effected with so much courage and wisdom by the people of France, afford a happy presage of their future course, and have naturally elicited from the kindred feelings of this nation that spontaneous and universal burst of applause in which you have participated. In congratulating you, my fellow citizens, upon an event so auspicious to the dearest interests of man-kind I do no more than respond to the voice of my country, without transcending in the slightest degree that salutary maxim of the illustrious Washington which enjoins an abstinence from all interference with the internal affairs of other nations. From a people exercising in the most unlimited degree the right of self-government, and enjoying, as derived from this proud characteristic, under the favor of Heaven, much of the happiness with which they are blessed; a people who can point in triumph to their free institutions and challenge comparison with the fruits they bear, as well as with the moderation, intelligence, and energy with which they are administered— from such a people the deepest sympathy was to be expected in a struggle for the sacred principles of liberty, conducted in a spirit every way worthy of the cause, and crowned by a heroic moderation which has disarmed revolution of its terrors. Not withstanding the strong assurances which the man whom we so sincerely love and justly admire has given to the world of the high character of the present King of the French, and which if sustained to the end will secure to him the proud appellation of Patriot King, it is not in his success, but in that of the great principle which has borne him to the throne—the paramount authority of the public will—that the American people rejoice.

I am happy to inform you that the anticipations which were indulged at the date of my last communication on the subject of our foreign affairs have been fully realized in several important particulars.

An arrangement has been effected with Great Britain in relation to the trade between the United States and her West India and North American colonies which has settled a question that has for years afforded matter for contention and almost uninterrupted discussion, and has been the subject of no less than six negotiations, in a manner which promises results highly favorable to the parties.

The abstract right of Great Britain to monopolize the trade with her colonies or to exclude us from a participation therein has never been denied by the United States. But we have contended, and with reason, that if at any time Great Britain may desire the productions of this country as necessary to her colonies they must be received upon principles of just reciprocity, and, further, that it is making an invidious and unfriendly distinction to open her colonial ports to the vessels of other nations and close them against those of the United States.

Page 298

Antecedently to 1794 a portion of our productions was admitted into the colonial islands of Great Britain by particular concessions, limited to the term of one year, but renewed from year to year. In the transportation of these productions, however, our vessels were not allowed to engage, this being a privilege reserved to British shipping, by which alone our produce could be taken to the islands and theirs brought to us in return. From Newfoundland and her continental possessions all our productions, as well as our vessels, were excluded, with occasional relaxations, by which, in seasons of distress, the former were admitted in British bottoms.

By the treaty of 1794 she offered to concede to us for a limited time the right of carrying to her West India possessions in our vessels not exceeding 70 tons burthen, and upon the same terms as British vessels, any productions of the United States which British vessels might import therefrom. But this privilege was coupled with conditions which are supposed to have led to its rejection by the Senate; that is, that American vessels should land their return cargoes in the United States only, and, moreover, that they should during the continuance of the privilege be precluded from carrying molasses, sugar, coffee, cocoa, or cotton either from those islands or from the United States to any other part of the world. Great Britain readily consented to expunge this article from the treaty, and subsequent attempts to arrange the terms of the trade either by treaty stipulations or concerted legislation have failed, it has been successively suspended and allowed according to the varying legislation of the parties.

The following are the prominent points which have in later years separated the two Governments: Besides a restriction whereby all importations into her colonies in American vessels are confined to our own products carried hence, a restriction to which it does not appear that we have ever objected, a leading object on the part of Great Britain has been to prevent us from becoming the carriers of British West India commodities to any other country than our own. On the part of the United States it has been contended, first, that the subject should be regulated by treaty stipulation in preference to separate legislation; second, that our productions, when imported into the colonies in question, should not be subject to higher duties than the productions of the mother country or of her other colonial possessions, and, 3rd, that our vessels should be allowed to participate in the circuitous trade between the United States and different parts of the British dominions.

The first point, after having been for a long time strenuously insisted upon by Great Britain, was given up by the act of Parliament of July, 1825, all vessels suffered to trade with the colonies being permitted to clear from thence with any articles which British vessels might export and proceed to any part of the world, Great Britain and her dependencies alone excepted. On our part each of the above points had in succession been explicitly abandoned in negotiations preceding that of which the result is now announced.

Page 299

This arrangement secures to the United States every advantage asked by them, and which the state of the negotiation allowed us to insist upon. The trade will be placed upon a footing decidedly more favorable to this country than any on which it ever stood, and our commerce and navigation will enjoy in the colonial ports of Great Britain every privilege allowed to other nations.

That the prosperity of the country so far as it depends on this trade will be greatly promoted by the new arrangement there can be no doubt. Independently of the more obvious advantages of an open and direct intercourse, its establishment will be attended with other consequences of a higher value. That which has been carried on since the mutual interdict under all the expense and inconvenience unavoidably incident to it would have been insupportably onerous had it not been in a great degree lightened by concerted evasions in the mode of making the transshipments at what are called the neutral ports. These indirections are inconsistent with the dignity of nations that have so many motives not only to cherish feelings of mutual friendship, but to maintain such relations as will stimulate their respective citizens and subjects to efforts of direct, open, and honorable competition only, and preserve them from the influence of seductive and vitiating circumstances.

When your preliminary interposition was asked at the close of the last session, a copy of the instructions under which Mr. McLane has acted, together with the communications which had at that time passed between him and the British Government, was laid before you. Although there has not been any thing in the acts of the two Governments which requires secrecy, it was thought most proper in the then state of the negotiation to make that communication a confidential one. So soon, however, as the evidence of execution on the part of Great Britain is received the whole matter shall be laid before you, when it will be seen that the apprehension which appears to have suggested one of the provisions of the act passed at your last session, that the restoration of the trade in question might be connected with other subjects and was sought to be obtained at the sacrifice of the public interest in other particulars, was wholly unfounded, and that the change which has taken place in the views of the British Government has been induced by considerations as honorable to both parties as I trust the result will prove beneficial.

This desirable result was, it will be seen, greatly promoted by the liberal and confiding provisions of the act of Congress of the last session, by which our ports were upon the reception and annunciation by the President of the required assurance on the part of Great Britain forthwith opened to her vessels before the arrangement could be carried into effect on her part, pursuing in this act of prospective legislation a similar course to that adopted by Great Britain in

Page 300

abolishing, by her act of Parliament in 1825, a restriction then existing and permitting our vessels to clear from the colonies on their return voyages for any foreign country whatever before British vessels had been relieved from the restriction imposed by our law of returning directly from the United States to the colonies, a restriction which she required and expected that we should abolish. Upon each occasion a limited and temporary advantage has been given to the opposite party, but an advantage of no importance in comparison with the restoration of mutual confidence and good feeling, and the ultimate establishment of the trade upon fair principles.

It gives me unfeigned pleasure to assure you that this negotiation has been throughout characterized by the most frank and friendly spirit on the part of Great Britain, and concluded in a manner strongly indicative of a sincere desire to cultivate the best relations with the United States. To reciprocate this disposition to the fullest extent of my ability is a duty which I shall deem it a privilege to discharge.

Although the result is itself the best commentary on the services rendered to his country by our minister at the Court of St. James, it would be doing violence to my feelings were I to dismiss the subject without expressing the very high sense I entertain of the talent and exertion which have been displayed by him on the occasion.

The injury to the commerce of the United States resulting from the exclusion of our vessels from the Black Sea and the previous footing of mere sufferance upon which even the limited trade enjoyed by us with Turkey has hitherto been placed have for a long time been a source of much solicitude to this Government, and several endeavors have been made to obtain a better state of things. Sensible of the importance of the object, I felt it my duty to leave no proper means unemployed to acquire for our flag the same privileges that are enjoyed by the principal powers of Europe. Commissioners were consequently appointed to open a negotiation with the Sublime Porte. Not long after the member of the commission who went directly from the United States had sailed, the account of the treaty of Adrianople, by which one of the objects in view was supposed to be secured, reached this country. The Black Sea was understood to be opened to us. Under the supposition that this was the case, the additional facilities to be derived from the establishment of commercial regulations with the Porte were deemed of sufficient importance to require a prosecution of the negotiation as originally contemplated. It was therefore persevered in, and resulted in a treaty, which will be forthwith laid before the Senate.

Page 301

By its provisions a free passage is secured, without limitations of time, to the vessels of the United States to and from the Black Sea, including the navigation thereof, and our trade with Turkey is placed on the footing of the most favored nation. The latter is an arrangement wholly independent of the treaty of Adrianople, and the former derives much value, not only from the increased security which under any circumstances it would give to the right in question, but from the fact, ascertained in the course of the negotiation, that by the construction put upon that treaty by Turkey the article relating to the passage of the Bosphorus is confined to nations having treaties with the Porte. The most friendly feelings appear to be entertained by the Sultan, and an enlightened disposition is evinced by him to foster the intercourse between the two countries by the most liberal arrangements. This disposition it will be our duty and interest to cherish.

Our relations with Russia are of the most stable character. Respect for that Empire and confidence in its friendship toward the United States have been so long entertained on our part and so carefully cherished by the present Emperor and his illustrious predecessor as to have become incorporated with the public sentiment of the United States. No means will be left unemployed on my part to promote these salutary feelings and those improvements of which the commercial intercourse between the two countries is susceptible, and which have derived increased importance from our treaty with the Sublime Porte.

I sincerely regret to inform you that our minister lately commissioned to that Court, on whose distinguished talents and great experience in public affairs I place great reliance, has been compelled by extreme indisposition to exercise a privilege which, in consideration of the extent to which his constitution had been impaired in the public service, was committed to his discretion—of leaving temporarily his post for the advantage of a more genial climate.

If, as it is to be hoped, the improvement of his health should be such as to justify him in doing so, he will repair to St. Petersburg and resume the discharge of his official duties. I have received the most satisfactory assurances that in the mean time the public interest in that quarter will be preserved from prejudice by the intercourse which he will continue through the secretary of legation with the Russian cabinet.

You are apprised, although the fact has not yet been officially announced to the House of Representatives, that a treaty was in the month of March last concluded between the United States, and Denmark, by which $650 thousand are secured to our citizens as an indemnity for spoliations upon their commerce in the years 1808, 1809, 1810, and 1811. This treaty was sanctioned by the Senate at the close of its last session, and it now becomes the duty of Congress to pass the necessary laws for the organization of the board of commissioners to distribute the indemnity among the claimants. It is an agreeable circumstance in this adjustment that the terms are in conformity with the previously ascertained views of the claimants themselves, thus removing all pretense for a future agitation of the subject in any form.

Page 302

The negotiations in regard to such points in our foreign relations as remain to be adjusted have been actively prosecuted during the recess. Material advances have been made, which are of a character to promise favorable results. Our country, by the blessing of God, is not in a situation to invite aggression, and it will be our fault if she ever becomes so. Sincerely desirous to cultivate the most liberal and friendly relations with all; ever ready to fulfill our engagements with scrupulous fidelity; limiting our demands upon others to mere justice; holding ourselves ever ready to do unto them as we would wish to be done by, and avoiding even the appearance of undue partiality to any nation, it appears to me impossible that a simple and sincere application of our principles to our foreign relations can fail to place them ultimately upon the footing on which it is our wish they should rest.

Of the points referred to, the most prominent are our claims upon France for spoliations upon our commerce; similar claims upon Spain, together with embarrassments in the commercial intercourse between the two countries which ought to be removed; the conclusion of the treaty of commerce and navigation with Mexico, which has been so long in suspense, as well as the final settlement of limits between ourselves and that Republic, and, finally, the arbitrament of the question between the United States and Great Britain in regard to the north-eastern boundary.

The negotiation with France has been conducted by our minister with zeal and ability, and in all respects to my entire satisfaction. Although the prospect of a favorable termination was occasionally dimmed by counter pretensions to which the United States could not assent, he yet had strong hopes of being able to arrive at a satisfactory settlement with the late Government. The negotiation has been renewed with the present authorities, and, sensible of the general and lively confidence of our citizens in the justice and magnanimity of regenerated France, I regret the more not to have it in my power yet to announce the result so confidently anticipated. No ground, however, inconsistent with this expectation has yet been taken, and I do not allow myself to doubt that justice will soon be done us. The amount of the claims, the length of time they have remained unsatisfied, and their incontrovertible justice make an earnest prosecution of them by this Government an urgent duty. The illegality of the seizures and confiscations out of which they have arisen is not disputed, and what ever distinctions may have heretofore been set up in regard to the liability of the existing Government it is quite clear that such considerations can not now be interposed.

The commercial intercourse between the two countries is susceptible of highly advantageous improvements, but the sense of this injury has had, and must continue to have, a very unfavorable influence upon them. From its satisfactory adjustment not only a firm and cordial friendship, but a progressive development of all their relations, may be expected. It is, therefore, my earnest hope that this old and vexatious subject of difference may be speedily removed.

Page 303

I feel that my confidence in our appeal to the motives which should govern a just and magnanimous nation is alike warranted by the character of the French people and by the high voucher we possess for the enlarged views and pure integrity of the Monarch who now presides over their councils, and nothing shall be wanting on my part to meet any manifestation of the spirit we anticipate in one of corresponding frankness and liberality.

The subjects of difference with Spain have been brought to the view of that Government by our minister there with much force and propriety, and the strongest assurances have been received of their early and favorable consideration.

The steps which remained to place the matter in controversy between Great Britain and the United States fairly before the arbitrator have all been taken in the same liberal and friendly spirit which characterized those before announced. Recent events have doubtless served to delay the decision, but our minister at the Court of the distinguished arbitrator has been assured that it will be made within the time contemplated by the treaty.

I am particularly gratified in being able to state that a decidedly favorable, and, as I hope, lasting, change has been effected in our relations with the neighboring Republic of Mexico. The unfortunate and unfounded suspicions in regard to our disposition which it became my painful duty to advert to on a former occasion have been, I believe, entirely removed, and the Government of Mexico has been made to understand the real character of the wishes and views of this in regard to that country. The consequences is the establishment of friendship and mutual confidence. Such are the assurances I have received, and I see no cause to doubt their sincerity.

I had reason to expect the conclusion of a commercial treaty with Mexico in season for communication on the present occasion. Circumstances which are not explained, but which I am persuaded are not the result of an indisposition on her part to enter into it, have produced the delay.

There was reason to fear in the course of the last summer that the harmony of our relations might be disturbed by the acts of certain claimants, under Mexican grants, of territory which had hitherto been under our jurisdiction. The cooperation of the representative of Mexico near this Government was asked on the occasion and was readily afforded. Instructions and advice have been given to the governor of Arkansas and the officers in command in the adjoining Mexican State by which it is hoped the quiet of that frontier will be preserved until a final settlement of the dividing line shall have removed all ground of controversy.

The exchange of ratifications of the treaty concluded last year with Austria has not yet taken place. The delay has been occasioned by the non-arrival of the ratification of that Government within the time prescribed by the treaty. Renewed authority has been

asked for by the representative of Austria, and in the mean time the rapidly increasing trade and navigation between the two countries have been placed upon the most liberal footing of our navigation acts.

Page 304

Several alleged depredations have been recently committed on our commerce by the national vessels of Portugal. They have been made the subject of immediate remonstrance and reclamation. I am not yet possessed of sufficient information to express a definitive opinion of their character, but expect soon to receive it. No proper means shall be omitted to obtain for our citizens all the redress to which they may appear to be entitled.

Almost at the moment of the adjournment of your last session two bills—the one entitled "An act for making appropriations for building light houses, light boats, beacons, and monuments, placing buoys, and for improving harbors and directing surveys", and the other "An act to authorize a subscription for stock in the Louisville and Portland Canal Company"—were submitted for my approval. It was not possible within the time allowed for me before the close of the session to give to these bills the consideration which was due to their character and importance, and I was compelled to retain them for that purpose. I now avail myself of this early opportunity to return them to the Houses in which they respectively originated with the reasons which, after mature deliberation, compel me to withhold my approval.

The practice of defraying out of the Treasury of the United States the expenses incurred by the establishment and support of light houses, beacons, buoys, and public piers within the bays, inlets, harbors, and ports of the United States, to render the navigation thereof safe and easy, is coeval with the adoption of the Constitution, and has been continued without interruption or dispute.

As our foreign commerce increased and was extended into the interior of the country by the establishment of ports of entry and delivery upon our navigable rivers the sphere of those expenditures received a corresponding enlargement. Light houses, beacons, buoys, public piers, and the removal of sand bars, sawyers, and other partial or temporary impediments in the navigable rivers and harbors which were embraced in the revenue districts from time to time established by law were authorized upon the same principle and the expense defrayed in the same manner. That these expenses have at times been extravagant and disproportionate is very probable. The circumstances under which they are incurred are well calculated to lead to such a result unless their application is subjected to the closest scrutiny. The local advantages arising from the disbursement of public money too frequently, it is to be feared, invite appropriations for objects of this character that are neither necessary nor useful.

The number of light house keepers is already very large, and the bill before me proposes to add to it 51 more of various descriptions. From representations upon the subject which are understood to be entitled to respect I am induced to believe that there has not only been great improvidence in the past expenditures of the Government upon these objects, but that the security of navigation has in some instances been diminished by the multiplication of light houses and consequent change of lights upon the coast. It

is in this as in other respects our duty to avoid all unnecessary expense, as well as every increase of patronage not called for by the public service.

Page 305

But in the discharge of that duty in this particular it must not be forgotten that in relation to our foreign commerce the burden and benefit of protecting and accommodating it necessarily go together, and must do so as long as the public revenue is drawn from the people through the custom house. It is indisputable that whatever gives facility and security to navigation cheapens imports and all who consume them are alike interested in what ever produces this effect. If they consume, they ought, as they now do, to pay; otherwise they do not pay. The consumer in the most inland State derives the same advantage from every necessary and prudent expenditure for the facility and security of our foreign commerce and navigation that he does who resides in a maritime State. Local expenditures have not of themselves a corresponding operation.

From a bill making direct appropriations for such objects I should not have withheld my assent. The one now returned does so in several particulars, but it also contains appropriations for surveys of local character, which I can not approve. It gives me satisfaction to find that no serious inconvenience has arisen from withholding my approval from this bill; nor will it, I trust, be cause of regret that an opportunity will be thereby afforded for Congress to review its provisions under circumstances better calculated for full investigation than those under which it was passed.

In speaking of direct appropriations I mean not to include a practice which has obtained to some extent, and to which I have in one instance, in a different capacity, given my assent—that of subscribing to the stock of private associations. Positive experience and a more thorough consideration of the subject have convinced me of the impropriety as well as inexpediency of such investments. All improvements effected by the funds of the nation for general use should be open to the enjoyment of all our fellow citizens, exempt from the payment of tolls or any imposition of that character. The practice of thus mingling the concerns of the Government with those of the States or of individuals is inconsistent with the object of its institution and highly impolite. The successful operation of the federal system can only be preserved by confining it to the few and simple, but yet important, objects for which it was designed.

A different practice, if allowed to progress, would ultimately change the character of this Government by consolidating into one the General and State Governments, which were intended to be kept for ever distinct. I can not perceive how bills authorizing such subscriptions can be otherwise regarded than as bills for revenue, and consequently subject to the rule in that respect prescribed by the Constitution. If the interest of the Government in private companies is subordinate to that of individuals, the management and control of a portion of the public funds is delegated to an authority unknown to the Constitution and beyond the

Page 306

supervision of our constituents; if superior, its officers and agents will be constantly exposed to imputations of favoritism and oppression. Direct prejudice the public interest or an alienation of the affections and respect of portions of the people may, therefore, in addition to the general discredit resulting to the Government from embarking with its constituents in pecuniary stipulations, be looked for as the probable fruit of such associations. It is no answer to this objection to say that the extent of consequences like these can not be great from a limited and small number of investments, because experience in other matters teaches us—and we are not at liberty to disregard its admonitions—that unless an entire stop be put to them it will soon be impossible to prevent their accumulation until they are spread over the whole country and made to embrace many of the private and appropriate concerns of individuals.

The power which the General Government would acquire within the several States by becoming the principal stock-holder in corporations, controlling every canal and each 60 or 100 miles of every important road, and giving a proportionate vote in all their elections, is almost inconceivable, and in my view dangerous to the liberties of the people.

This mode of aiding such works is also in its nature deceptive, and in many cases conducive to improvidence in the administration of the national funds. Appropriations will be obtained with much greater facility and granted with less security to the public interest when the measure is thus disguised than when definite and direct expenditures of money are asked for. The interests of the nation would doubtless be better served by avoiding all such indirect modes of aiding particular objects. In a government like ours more especially should all public acts be, as far as practicable, simple, undisguised, and intelligible, that they may become fit subjects for the approbation to animadversion of the people.

The bill authorizing a subscription to the Louisville and Portland Canal affords a striking illustration of the difficulty of withholding additional appropriations for the same object when the first erroneous step has been taken by instituting a partnership between the Government and private companies. It proposes a third subscription on the part of the United States, when each preceding one was at the time regarded as the extent of the aid which Government was to render to that work; and the accompanying bill for light houses, *etc*., contains an appropriation for a survey of the bed of the river, with a view to its improvement by removing the obstruction which the canal is designed to avoid. This improvement, if successful, would afford a free passage of the river and render the canal entirely useless. To such improvidence is the course of legislation subject in relation to internal improvements on local matters, even with the best intentions on the part of Congress.

Page 307

Although the motives which have influenced me in this matter may be already sufficiently stated, I am, never the less, induced by its importance to add a few observations of a general character.

In my objections to the bills authorizing subscriptions to the Maysville and Rockville road companies I expressed my views fully in regard to the power of Congress to construct roads and canals within a State of to appropriate money for improvements of a local character. I at the same time intimated me belief that the right to make appropriations for such as were of a national character had been so generally acted upon and so long acquiesced in by the Federal and State Governments and the constituents of each as to justify its exercise on the ground of continued and uninterrupted usage, but that it was, never the less, highly expedient that appropriations even of that character should, with the exception made at the time, be deferred until the national debt is paid, and that in the mean while some general rule for the action of the Government in that respect ought to be established.

These suggestions were not necessary to the decision of the question then before me, and were, I readily admit, intended to awake the attention and draw forth the opinion and observations of our constituents upon a subject of the highest importance to their interests, and one destined to exert a powerful influence upon the future operations of our political system. I know of no tribunal to which a public man in this country, in a case of doubt and difficulty, can appeal with greater advantage or more propriety than the judgment of the people; and although I must necessarily in the discharge of my official duties be governed by the dictates of my own judgment, I have no desire to conceal my anxious wish to conform as far as I can to the views of those for whom I act.

All irregular expressions of public opinion are of necessity attended with some doubt as to their accuracy, but making full allowances on that account I can not, I think, deceive myself in believing that the acts referred to, as well as the suggestions which I allowed myself to make in relation to their bearing upon the future operations of the Government, have been approved by the great body of the people. That those whose immediate pecuniary interests are to be affected by proposed expenditures should shrink from the application of a rule which prefers their more general and remote interests to those which are personal and immediate is to be expected. But even such objections must from the nature of our population be but temporary in their duration, and if it were otherwise our course should be the same, for the time is yet, I hope, far distant when those intrusted with power to be exercised for the good of the whole will consider it either honest or wise to purchase local favors at the sacrifice of principle and general good.

So understanding public sentiment, and thoroughly satisfied that the best interests of our common country imperiously require that the course which I have recommended in this regard should be adopted, I have, upon the most mature consideration, determined to pursue it.

Page 308

It is due to candor, as well as to my own feelings, that I should express the reluctance and anxiety which I must at all times experience in exercising the undoubted right of the Executive to withhold his assent from bills on other grounds than their constitutionality. That this right should not be exercised on slight occasions all will admit. It is only in matters of deep interest, when the principle involved may be justly regarded as next in importance to infractions of the Constitution itself, that such a step can be expected to meet with the approbation of the people. Such an occasion do I conscientiously believe the present to be.

In the discharge of this delicate and highly responsible duty I am sustained by the reflection that the exercise of this power has been deemed consistent with the obligation of official duty by several of my predecessors, and by the persuasion, too, that what ever liberal institutions may have to fear from the encroachments of Executive power, which has been every where the cause of so much strife and bloody contention, but little danger is to be apprehended from a precedent by which that authority denies to itself the exercise of powers that bring in their train influence and patronage of great extent, and thus excludes the operation of personal interests, every where the bane of official trust.

I derive, too, no small degree of satisfaction from the reflection that if I have mistaken the interests and wishes of the people the Constitution affords the means of soon redressing the error by selecting for the place their favor has bestowed upon me a citizen whose opinions may accord with their own. I trust, in the mean time, the interests of the nation will be saved from prejudice by a rigid application of that portion of the public funds which might otherwise be applied to different objects to that highest of all our obligations, the payment of the public debt, and an opportunity be afforded for the adoption of some better rule for the operations of the Government in this matter than any which has hitherto been acted upon.

Profoundly impressed with the importance of the subject, not merely as relates to the general prosperity of the country, but to the safety of the federal system, I can not avoid repeating my earnest hope that all good citizens who take a proper interest in the success and harmony of our admirable political institutions, and who are incapable of desiring to convert an opposite state of things into means for the gratification of personal ambition, will, laying aside minor considerations and discarding local prejudices, unite their honest exertions to establish some fixed general principle which shall be calculated to effect the greatest extent of public good in regard to the subject of internal improvement, and afford the least ground for sectional discontent.

Page 309

The general grounds of my objection to local appropriations have been heretofore expressed, and I shall endeavor to avoid a repetition of what has been already urged—-the importance of sustaining the State sovereignties as far as is consistent with the rightful action of the Federal Government, and of preserving the greatest attainable harmony between them. I will now only add an expression of my conviction—a conviction which every day's experience serves to confirm—that the political creed which inculcates the pursuit of those great objects as a paramount duty is the true faith, and one to which we are mainly indebted for the present success of the entire system, and to which we must alone look for its future stability.

That there are diversities in the interests of the different States which compose this extensive Confederacy must be admitted. Those diversities arising from situation, climate, population, and pursuits are doubtless, as it is natural they should be, greatly exaggerated by jealousies and that spirit of rivalry so inseparable from neighboring communities. These circumstances make it the duty of those who are intrusted with the management of its affairs to neutralize their effects as far as practicable by making the beneficial operation of the Federal Government as equal and equitable among the several States as can be done consistently with the great ends of its institution.

It is only necessary to refer to undoubted facts to see how far the past acts of the Government upon the subject under consideration have fallen short of this object. The expenditures heretofore made for internal improvements amount to upward of $5 millions, and have been distributed in very unequal proportions amongst the States. The estimated expense of works of which surveys have been made, together with that of others projected and partially surveyed, amounts to more than $96 millions.

That such improvements, on account of particular circumstances, may be more advantageously and beneficially made in some States than in others is doubtless true, but that they are of a character which should prevent an equitable distribution of the funds amongst the several States is not to be conceded. The want of this equitable distribution can not fail to prove a prolific source of irritation among the States.

We have it constantly before our eyes that professions of superior zeal in the cause of internal improvement and a disposition to lavish the public funds upon objects of this character are daily and earnestly put forth by aspirants to power as constituting the highest claims to the confidence of the people. Would it be strange, under such circumstances, and in times of great excitement, that grants of this description should find their motives in objects which may not accord with the public good? Those who have not had occasion to see and regret the indication of a sinister influence in these matters in past times

Page 310

have been more fortunate than myself in their observation of the course of public affairs. If to these evils be added the combinations and angry contentions to which such a course of things gives rise, with their baleful influences upon the legislation of Congress touching the leading and appropriate duties of the Federal Government, it was but doing justice to the character of our people to expect the severe condemnation of the past which the recent exhibitions of public sentiment has evinced.

Nothing short of a radical change in the action of the Government upon the subject can, in my opinion, remedy the evil. If, as it would be natural to expect, the States which have been least favored in past appropriations should insist on being redressed in those here after to be made, at the expense of the States which have so largely and disproportionately participated, we have, as matters now stand, but little security that the attempt would do more than change the inequality from one quarter to another.

Thus viewing the subject, I have heretofore felt it my duty to recommend the adoption of some plan for the distribution of the surplus funds, which may at any time remain in the Treasury after the national debt shall have been paid, among the States, in proportion to the number of their Representatives, to be applied by them to objects of internal improvement.

Although this plan has met with favor in some portions of the Union, it has also elicited objections which merit deliberate consideration. A brief notice of these objections here will not, therefore, I trust, be regarded as out of place.

They rest, as far as they have come to my knowledge, on the following grounds: first, an objection to the ration of distribution; second, an apprehension that the existence of such a regulation would produce improvident and oppressive taxation to raise the funds for distribution; 3rd, that the mode proposed would lead to the construction of works of a local nature, to the exclusion of such as are general and as would consequently be of a more useful character; and, last, that it would create a discreditable and injurious dependence on the part of the State governments upon the Federal power.

Of those who object to the ration of representatives as the basis of distribution, some insist that the importations of the respective States would constitute one that would be more equitable; and others again, that the extent of their respective territories would furnish a standard which would be more expedient and sufficiently equitable. The ration of representation presented itself to my mind, and it still does, as one of obvious equity, because of its being the ratio of contribution, whether the funds to be distributed be derived from the customs or from direct taxation. It does not follow, however, that its adoption is indispensable to the establishment of the system proposed. There may be considerations appertaining to the subject which would render a departure, to some extent, from the rule of contribution proper. Nor is it absolutely necessary that the basis

of distribution be confined to one ground. It may, if in the judgment of those whose right it is to fix it it be deemed politic and just to give it that character, have regard to several.

Page 311

In my first message I stated it to be my opinion that “it is not probably that any adjustment of the tariff upon principles satisfactory to the people of the Union will until a remote period, if ever, leave the Government without a considerable surplus in the Treasury beyond what may be required for its current surplus”. I have had no cause to change that opinion, but much to confirm it. Should these expectations be realized, a suitable fund would thus be produced for the plan under consideration to operate upon, and if there be no such fund its adoption will, in my opinion, work no injury to any interest; for I can not assent to the justness of the apprehension that the establishment of the proposed system would tend to the encouragement of improvident legislation of the character supposed. What ever the proper authority in the exercise of constitutional power shall at any time here after decide to be for the general good will in that as in other respects deserve and receive the acquiescence and support of the whole country, and we have ample security that every abuse of power in that regard by agents of the people will receive a speedy and effectual corrective at their hands. The views which I take of the future, founded on the obvious and increasing improvement of all classes of our fellow citizens in intelligence and in public and private virtue, leave me without much apprehension on that head.

I do not doubt that those who come after us will be as much alive as we are to the obligation upon all the trustees of political power to exempt those for whom they act from all unnecessary burthens, and as sensible of the great truth that the resources of the nation beyond those required for immediate and necessary purposes of Government can no where be so well deposited as in the pockets of the people.

It may some times happen that the interests of particular States would not be deemed to coincide with the general interest in relation to improvements within such States. But if the danger to be apprehended from this source is sufficient to require it, a discretion might be reserved to Congress to direct to such improvements of a general character as the States concerned might not be disposed to unite in, the application of the quotas of those States, under the restriction of confining to each State the expenditure of its appropriate quota. It may, however, be assumed as a safe general rule that such improvements as serve to increase the prosperity of the respective States in which they are made, by giving new facilities to trade, and thereby augmenting the wealth and comfort of their inhabitants, constitute the surest mode of conferring permanent and substantial advantages upon the whole. The strength as well as the true glory of the Confederacy is founded on the prosperity and power of the several independent sovereignties of which it is composed and the certainty with which they can be brought into successful active cooperation through the agency of the Federal Government.

Page 312

It is, more over, within the knowledge of such as are at all conversant with public affairs that schemes of internal improvement have from time to time been proposed which, from their extent and seeming magnificence, were readily regarded as of national concernment, but which upon fuller consideration and further experience would now be rejected with great unanimity.

That the plan under consideration would derive important advantages from its certainty, and that the moneys set apart for these purposes would be more judiciously applied and economically expended under the direction of the State legislatures, in which every part of each State is immediately represented, can not, I think, be doubted. In the new States particularly, where a comparatively small population is scattered over an extensive surface, and the representation in Congress consequently very limited, it is natural to expect that the appropriations made by the Federal Government would be more likely to be expended in the vicinity of those numbers through whose immediate agency they were obtained than if the funds were placed under the control of the legislature, in which every county of the State has its own representative. This supposition does not necessarily impugn the motives of such Congressional representatives, nor is it so intended. We are all sensible of the bias to which the strongest minds and purest hearts are, under such circumstances, liable. In respect to the last objection—its probable effect upon the dignity and independence of State governments—it appears to me only necessary to state the case as it is, and as it would be if the measure proposed were adopted, to show that the operation is most likely to be the very reverse of that which the objection supposes.

In the one case the State would receive its quota of the national revenue for domestic use upon a fixed principle as a matter of right, and from a fund to the creation of which it had itself contributed its fair proportion. Surely there could be nothing derogatory in that. As matters now stand the States themselves, in their sovereign character, are not unfrequently petitioners at the bar of the Federal Legislature for such allowances out of the National Treasury as it may comport with their pleasure or sense of duty to bestow upon them. It can not require argument to prove which of the two courses is most compatible with the efficiency or respectability of the State governments.

But all these are matters for discussion and dispassionate consideration. That the desired adjustment would be attended with difficulty affords no reason why it should not be attempted. The effective operation of such motives would have prevented the adoption of the Constitution under which we have so long lived and under the benign influence of which our beloved country has so signally prospered. The framers of that sacred instrument had greater difficulties to overcome, and they did overcome them. The patriotism

Page 313

of the people, directed by a deep conviction of the importance of the Union, produced mutual concession and reciprocal forbearance. Strict right was merged in a spirit of compromise, and the result has consecrated their disinterested devotion to the general weal. Unless the American people have degenerated, the same result can be again effected when ever experience points out the necessity of a resort to the same means to uphold the fabric which their fathers have reared.

It is beyond the power of man to make a system of government like ours or any other operate with precise equality upon States situated like those which compose this Confederacy; nor is inequality always injustice. Every State can not expect to shape the measures of the General Government to suit its own particular interests. The causes which prevent it are seated in the nature of things, and can not be entirely counteracted by human means. Mutual forbearance becomes, therefore, a duty obligatory upon all, and we may, I am confident, count upon a cheerful compliance with this high injunction on the part of our constituents. It is not to be supposed that they will object to make such comparatively inconsiderable sacrifices for the preservation of rights and privileges which other less favored portions of the world have in vain waded through seas of blood to acquire.

Our course is a safe one if it be but faithfully adhered to. Acquiescence in the constitutionally expressed will of the majority, and the exercise of that will in a spirit of moderation, justice, and brotherly kindness, will constitute a cement which would for ever preserve our Union. Those who cherish and inculcate sentiments like these render a most essential service to their country, while those who seek to weaken their influence are, how ever conscientious and praise worthy their intentions, in effect its worst enemies.

If the intelligence and influence of the country, instead of laboring to foment sectional prejudices, to be made subservient to party warfare, were in good faith applied to the eradication of causes of local discontent, by the improvement of our institutions and by facilitating their adaptation to the condition of the times, this task would prove one of less difficulty. May we not hope that the obvious interests of our common country and the dictates of an enlightened patriotism will in the end lead the public mind in that direction?

After all, the nature of the subject does not admit of a plan wholly free from objection. That which has for some time been in operation is, perhaps, the worst that could exist, and every advance that can be made in its improvement is a matter eminently worthy of your most deliberate attention.

Page 314

It is very possible that one better calculated to effect the objects in view may yet be devised. If so, it is to be hoped that those who disapprove the past and dissent from what is proposed for the future will feel it their duty to direct their attention to it, as they must be sensible that unless some fixed rule for the action of the Federal Government in this respect is established the course now attempted to be arrested will be again resorted to. Any mode which is calculated to give the greatest degree of effect and harmony to our legislation upon the subject, which shall best serve to keep the movements of the Federal Government within the sphere intended by those who modeled and those who adopted it, which shall lead to the extinguishment of the national debt in the shortest period and impose the lightest burthens upon our constituents, shall receive from me a cordial and firm support.

Among the objects of great national concern I can not omit to press again upon your attention that part of the Constitution which regulates the election of President and Vice-President. The necessity for its amendment is made so clear to my mind by observation of its evils and by the many able discussions which they have elicited on the floor of Congress and elsewhere that I should be wanting to my duty were I to withhold another expression of my deep solicitude on the subject. Our system fortunately contemplates a recurrence to first principles, differing in this respect from all that have preceded it, and securing it, I trust, equally against the decay and the commotions which have marked the progress of other governments.

Our fellow citizens, too, who in proportion to their love of liberty keep a steady eye upon the means of sustaining it, do not require to be reminded of the duty they owe to themselves to remedy all essential defects in so vital a part of their system. While they are sensible that every evil attendant upon its operation is not necessarily indicative of a bad organization, but may proceed from temporary causes, yet the habitual presence, or even a single instance, of evils which can be clearly traced to an organic defect will not, I trust, be over-looked through a too scrupulous veneration for the work of their ancestors.

The Constitution was an experiment committed to the virtue and intelligence of the great mass of our country-men, in whose ranks the framers of it themselves were to perform the part of patriotic observation and scrutiny, and if they have passed from the stage of existence with an increased confidence in its general adaptation to our condition we should learn from authority so high the duty of fortifying the points in it which time proves to be exposed rather than be deterred from approaching them by the suggestions of fear or the dictates of misplaced reverence.

Page 315

A provision which does not secure to the people a direct choice of their Chief Magistrate, but has a tendency to defeat their will, presented to my mind such an inconsistence with the general spirit of our institutions that I was indeed to suggest for your consideration the substitute which appeared to me at the same time the most likely to correct the evil and to meet the views of our constituents. The most mature reflection since has added strength to the belief that the best interests of our country require the speedy adoption of some plan calculated to effect this end. A contingency which some times places it in the power of a single member of the House of Representatives to decide an election of so high and solemn a character is unjust to the people, and becomes when it occurs a source of embarrassment to the individuals thus brought into power and a cause of distrust of the representative body.

Liable as the Confederacy is, from its great extent, to parties founded upon sectional interests, and to a corresponding multiplication of candidates for the Presidency, the tendency of the constitutional reference to the House of Representatives is to devolve the election upon that body in almost every instance, and, what ever choice may then be made among the candidates thus presented to them, to swell the influence of particular interests to a degree inconsistent with the general good. The consequences of this feature of the Constitution appear far more threatening to the peace and integrity of the Union than any which I can conceive as likely to result from the simple legislative action of the Federal Government.

It was a leading object with the framers of the Constitution to keep as separate as possible the action of the legislative and executive branches of the Government. To secure this object nothing is more essential than to preserve the former from all temptations of private interest, and therefore so to direct the patronage of the latter as not to permit such temptations to be offered. Experience abundantly demonstrates that every precaution in this respect is a valuable safe-guard of liberty, and one which my reflections upon the tendencies of our system incline me to think should be made still stronger.

It was for this reason that, in connection with an amendment of the Constitution removing all intermediate agency in the choice of the President, I recommended some restrictions upon the re-eligibility of that officer and upon the tenure of offices generally. The reason still exists, and I renew the recommendation with an increased confidence that its adoption will strengthen those checks by which the Constitution designed to secure the independence of each department of the Government and promote the healthful and equitable administration of all the trusts which it has created.

Page 316

The agent most likely to contravene this design of the Constitution is the Chief Magistrate. In order, particularly, that his appointment may as far as possible be placed beyond the reach of any improper influences; in order that he may approach the solemn responsibilities of the highest office in the gift of a free people uncommitted to any other course than the strict line of constitutional duty, and that the securities for this independence may be rendered as strong as the nature of power and the weakness of its possessor will admit, I can not too earnestly invite your attention to the propriety of promoting such an amendment of the Constitution as will render him ineligible after one term of service.

It gives me pleasure to announce to Congress that the benevolent policy of the Government, steadily pursued for nearly 30 years, in relation to the removal of the Indians beyond the white settlements is approaching to a happy consummation. Two important tribes have accepted the provision made for their removal at the last session of Congress, and it is believed that their example will induce the remaining tribes also to seek the same obvious advantages.

The consequences of a speedy removal will be important to the United States, to individual States, and to the Indians themselves. The pecuniary advantages which it promises to the Government are the least of its recommendations. It puts an end to all possible danger of collision between the authorities of the General and State Governments on account of the Indians. It will place a dense and civilized population in large tracts of country now occupied by a few savage hunters. By opening the whole territory between Tennessee on the north and Louisiana on the south to the settlement of the whites it will incalculably strengthen the south west frontier and render the adjacent States strong enough to repel future invasions without remote aid. It will relieve the whole State of Mississippi and the western part of Alabama of Indian occupancy, and enable those States to advance rapidly in population, wealth, and power. It will separate the Indians from immediate contact with settlements of whites; free them from the power of the States; enable them to pursue happiness in their own way and under their own rude institutions; will retard the progress of decay, which is lessening their numbers, and perhaps cause them gradually, under the protection of the Government and through the influence of good counsels, to cast off their savage habits and become an interesting, civilized, and Christian community. These consequences, some of them so certain and the rest so probable, make the complete execution of the plan sanctioned by Congress at their last session an object of much solicitude.

Page 317

Toward the aborigines of the country no one can indulge a more friendly feeling than myself, or would go further in attempting to reclaim them from their wandering habits and make them a happy, prosperous people. I have endeavored to impress upon them my own solemn convictions of the duties and powers of the General Government in relation to the State authorities. For the justice of the laws passed by the States within the scope of their reserved powers they are not responsible to this Government. As individuals we may entertain and express our opinions of their acts, but as a Government we have as little right to control them as we have to prescribe laws for other nations.

With a full understanding of the subject, the Choctaw and the Chickasaw tribes have with great unanimity determined to avail themselves of the liberal offers presented by the act of Congress, and have agreed to remove beyond the Mississippi River. Treaties have been made with them, which in due season will be submitted for consideration. In negotiating these treaties they were made to understand their true condition, and they have preferred maintaining their independence in the Western forests to submitting to the laws of the States in which they now reside. These treaties, being probably the last which will ever be made with them, are characterized by great liberality on the part of the Government. They give the Indians a liberal sum in consideration of their removal, and comfortable subsistence on their arrival at their new homes. If it be their real interest to maintain a separate existence, they will there be at liberty to do so without the inconveniences and vexations to which they would unavoidably have been subject in Alabama and Mississippi.

Humanity has often wept over the fate of the aborigines of this country, and Philanthropy has been long busily employed in devising means to avert it, but its progress has never for a moment been arrested, and one by one have many powerful tribes disappeared from the earth. To follow to the tomb the last of his race and to tread on the graves of extinct nations excite melancholy reflections. But true philanthropy reconciles the mind to these vicissitudes as it does to the extinction of one generation to make room for another. In the monuments and fortifications of an unknown people, spread over the extensive regions of the West, we behold the memorials of a once powerful race, which was exterminated of has disappeared to make room for the existing savage tribes. Nor is there any thing in this which, upon a comprehensive view of the general interests of the human race, is to be regretted. Philanthropy could not wish to see this continent restored to the condition in which it was found by our forefathers. What good man would prefer a country covered with forests and ranged by a few thousand savages to our extensive Republic, studded with cities, towns, and prosperous farms, embellished with all the improvements which art can devise or industry execute, occupied by more than 12,000,000 happy people, and filled with all the blessings of liberty, civilization, and religion?

Page 318

The present policy of the Government is but a continuation of the same progressive change by a milder process. The tribes which occupied the countries now constituting the Eastern States were annihilated or have melted away to make room for the whites. The waves of population and civilization are rolling to the westward, and we now propose to acquire the countries occupied by the red men of the South and West by a fair exchange, and, at the expense of the United States, to send them to a land where their existence may be prolonged and perhaps made perpetual.

Doubtless it will be painful to leave the graves of their fathers; but what do they more than our ancestors did or than our children are now doing? To better their condition in an unknown land our forefathers left all that was dear in earthly objects. Our children by thousands yearly leave the land of their birth to seek new homes in distant regions. Does Humanity weep at these painful separations from every thing, animate and inanimate, with which the young heart has become entwined? Far from it. It is rather a source of joy that our country affords scope where our young population may range unconstrained in body or in mind, developing the power and faculties of man in their highest perfection.

These remove hundreds and almost thousands of miles at their own expense, purchase the lands they occupy, and support themselves at their new homes from the moment of their arrival. Can it be cruel in this Government when, by events which it can not control, the Indian is made discontented in his ancient home to purchase his lands, to give him a new and extensive territory, to pay the expense of his removal, and support him a year in his new abode? How many thousands of our own people would gladly embrace the opportunity of removing to the West on such conditions! If the offers made to the Indians were extended to them, they would be hailed with gratitude and joy.

And is it supposed that the wandering savage has a stronger attachment to his home than the settled, civilized Christian? Is it more afflicting to him to leave the graves of his fathers than it is to our brothers and children? Rightly considered, the policy of the General Government toward the red man is not only liberal, but generous. He is unwilling to submit to the laws of the States and mingle with their population. To save him from this alternative, or perhaps utter annihilation, the General Government kindly offers him a new home, and proposes to pay the whole expense of his removal and settlement.

In the consummation of a policy originating at an early period, and steadily pursued by every Administration within the present century—so just to the States and so generous to the Indians—the Executive feels it has a right to expect the cooperation of Congress and of all good and disinterested men. The States, moreover, have a right to demand it. It was substantially a part of the compact which made

Page 319

them members of our Confederacy. With Georgia there is an express contract; with the new States an implied one of equal obligation. Why, in authorizing Ohio, Indiana, Illinois, Missouri, Mississippi, and Alabama to form constitutions and become separate States, did Congress include within their limits extensive tracts of Indian lands, and, in some instances, powerful Indian tribes? Was it not understood by both parties that the power of the States was to be coextensive with their limits, and that with all convenient dispatch the General Government should extinguish the Indian title and remove every obstruction to the complete jurisdiction of the State governments over the soil? Probably not one of those States would have accepted a separate existence—certainly it would never have been granted by Congress—had it been understood that they were to be confined for ever to those small portions of their nominal territory the Indian title to which had at the time been extinguished.

It is, therefore, a duty which this Government owes to the new States to extinguish as soon as possible the Indian title to all lands which Congress themselves have included within their limits. When this is done the duties of the General Government in relation to the States and the Indians within their limits are at an end. The Indians may leave the State or not, as they choose. The purchase of their lands does not alter in the least their personal relations with the State government. No act of the General Government has ever been deemed necessary to give the States jurisdiction over the persons of the Indians. That they possess by virtue of their sovereign power within their own limits in as full a manner before as after the purchase of the Indian lands; nor can this Government add to or diminish it.

May we not hope, therefore, that all good citizens, and none more zealously than those who think the Indians oppressed by subjection to the laws of the States, will unite in attempting to open the eyes of those children of the forest to their true condition, and by a speedy removal to relieve them from all the evils, real or imaginary, present or prospective, with which they may be supposed to be threatened.

Among the numerous causes of congratulation the condition of our impost revenue deserves special mention, in as much as it promises the means of extinguishing the public debt sooner than was anticipated, and furnishes a strong illustration of the practical effects of the present tariff upon our commercial interests.

The object of the tariff is objected to by some as unconstitutional, and it is considered by almost all as defective in many of its parts.

Page 320

The power to impose duties on imports originally belonged to the several States. The right to adjust those duties with a view to the encouragement of domestic branches of industry is so completely incidental to that power that it is difficult to suppose the existence of the one without the other. The States have delegated their whole authority over imports to the General Government without limitation or restriction, saving the very inconsiderable reservation relating to their inspection laws. This authority having thus entirely passed from the States, the right to exercise it for the purpose of protection does not exist in them, and consequently if it be not possessed by the General Government it must be extinct. Our political system would thus present the anomaly of a people stripped of the right to foster their own industry and to counteract the most selfish and destructive policy which might be adopted by foreign nations. This sure can not be the case. This indispensable power thus surrendered by the States must be within the scope of the authority on the subject expressly delegated to Congress.

In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

The difficulties of a more expedient adjustment of the present tariff, although great, are far from being insurmountable. Some are unwilling to improve any of its parts because they would destroy the whole; others fear to touch the objectionable parts lest those they approve should be jeoparded. I am persuaded that the advocates of these conflicting views do injustice to the American people and to their representatives. The general interest is the interest of each, and my confidence is entire that to insure the adoption of such modifications of the tariff as the general interest requires it is only necessary that that interest should be understood.

It is an infirmity of our nature to mingle our interests and prejudices with the operation of our reasoning powers, and attribute to the objects of our likes and dislikes qualities they do not possess and effects they can not produce. The effects of the present tariff are doubtless over-rated, both in its evils and in its advantages. By one class of reasoners the reduced price of cotton and other agricultural products is ascribed wholly to its influence, and by another the reduced price of manufactured articles.

Page 321

The probability is that neither opinion approaches the truth, and that both are induced by that influence of interests and prejudices to which I have referred. The decrease of prices extends throughout the commercial world, embracing not only the raw material and the manufactured article, but provisions and lands. The cause must therefore be deeper and more pervading than the tariff of the United States. It may in a measure be attributable to the increased value of the precious metals, produced by a diminution of the supply and an increase in the demand, while commerce has rapidly extended itself and population has augmented. The supply of gold and silver, the general medium of exchange, has been greatly interrupted by civil convulsions in the countries from which they are principally drawn. A part of the effect, too, is doubtless owing to an increase of operatives and improvements in machinery. But on the whole it is questionable whether the reduction in the price of lands, produce, and manufactures has been greater than the appreciation of the standard of value.

While the chief object of duties should be revenue, they may be so adjusted as to encourage manufactures. In this adjustment, however, it is the duty of the Government to be guided by the general good. Objects of national importance alone ought to be protected. Of these the productions of our soil, our mines, and our work shops, essential to national defense, occupy the first rank. What ever other species of domestic industry, having the importance to which I have referred, may be expected, after temporary protection, to compete with foreign labor on equal terms merit the same attention in a subordinate degree.

The present tariff taxes some of the comforts of life unnecessarily high; it undertakes to protect interests too local and minute to justify a general exaction, and it also attempts to force some kinds of manufactures for which the country is not ripe. Much relief will be derived in some of these respects from the measures of your last session.

The best as well as fairest mode of determining whether from any just considerations a particular interest ought to receive protection would be to submit the question singly for deliberation. If after due examination of its merits, unconnected with extraneous considerations—such as a desire to sustain a general system or to purchase support for a different interest—it should enlist in its favor a majority of the representatives of the people, there can be little danger of wrong or injury in adjusting the tariff with reference to its protective effect. If this obviously just principle were honestly adhered to, the branches of industry which deserve protection would be saved from the prejudice excited against them when that protection forms part of a system by which portions of the country feel or conceive themselves to be oppressed. What is incalculably more important, the vital principle of our system—that principle which requires acquiescence in the will of the majority—would be secure from the discredit and danger to which it is exposed by the acts of majorities founded not on identity of conviction, but on combinations of small minorities entered into for the purpose of mutual assistance in measures which, resting solely on their own merits, could never be carried.

Page 322

I am well aware that this is a subject of so much delicacy, on account of the extended interests in involves, as to require that it should be touched with the utmost caution, and that while an abandonment of the policy in which it originated—a policy coeval with our Government, and pursued through successive Administrations—is neither to be expected or desired, the people have a right to demand, and have demanded, that it be so modified as to correct abuses and obviate injustice.

That our deliberations on this interesting subject should be uninfluenced by those partisan conflicts that are incident to free institutions is the fervent wish of my heart. To make this great question, which unhappily so much divides and excites the public mind, subservient to the short-sighted views of faction, must destroy all hope of settling it satisfactorily to the great body of the people and for the general interest. I can not, therefore, in taking leave of the subject, too earnestly for my own feelings or the common good warn you against the blighting consequences of such a course.

According to the estimates at the Treasury Department, the receipts in the Treasury during the present year will amount to $24,161,018, which will exceed by about $300,000 the estimate presented in the last annual report of the Secretary of the Treasury. The total expenditure during the year, exclusive of public debt, is estimated at $13,742,311, and the payment on account of public debt for the same period will have been $11,354,630, leaving a balance in the Treasury on January 1st, 1831 of $4,819,781.

In connection with the condition of our finances, it affords me pleasure to remark that judicious and efficient arrangements have been made by the Treasury Department for securing the pecuniary responsibility of the public officers and the more punctual payment of the public dues. The Revenue Cutter Service has been organized and placed on a good footing, and aided by an increase of inspectors at exposed points, and regulations adopted under the act of May, 1830, for the inspection and appraisement of merchandise, has produced much improvement in the execution of the laws and more security against the commission of frauds upon the revenue. Abuses in the allowances for fishing bounties have also been corrected, and a material saving in that branch of the service thereby effected. In addition to these improvements the system of expenditure for sick sea men belonging to the merchant service has been revised, and being rendered uniform and economical the benefits of the fund applicable to this object have been usefully extended.

The prosperity of our country is also further evinced by the increased revenue arising from the sale of public lands, as will appear from the report of the Commissioner of the General Land Office and the documents accompanying it, which are herewith transmitted. I beg leave to draw your attention to this report, and to the propriety of making early appropriations for the objects which it specifies.

Page 323

Your attention is again invited to the subjects connected with that portion of the public interests intrusted to the War Department. Some of them were referred to in my former message, and they are presented in detail in the report of the Secretary of War herewith submitted. I refer you also to the report of that officer for a knowledge of the state of the Army, fortifications, arsenals, and Indian affairs, all of which it will be perceived have been guarded with zealous attention and care. It is worthy of your consideration whether the armaments necessary for the fortifications on our maritime frontier which are now or shortly will be completed should not be in readiness sooner than the customary appropriations will enable the Department to provide them. This precaution seems to be due to the general system of fortification which has been sanctioned by Congress, and is recommended by that maxim of wisdom which tells us in peace to prepare for war.

I refer you to the report of the Secretary of the Navy for a highly satisfactory account of the manner in which the concerns of that Department have been conducted during the present year. Our position in relation to the most powerful nations of the earth, and the present condition of Europe, admonish us to cherish this arm of our national defense with peculiar care. Separated by wide seas from all those Governments whose power we might have reason to dread, we have nothing to apprehend from attempts at conquest. It is chiefly attacks upon our commerce and harrassing in-roads upon our coast against which we have to guard. A naval force adequate to the protection of our commerce, always afloat, with an accumulation of the means to give it a rapid extension in case of need, furnishes the power by which all such aggressions may be prevented or repelled. The attention of the Government has therefore been recently directed more to preserving the public vessels already built and providing materials to be placed in depot for future use than to increasing their number. With the aid of Congress, in a few years the Government will be prepared in case of emergency to put afloat a powerful navy of new ships almost as soon as old ones could be repaired.

The modifications in this part of the service suggested in my last annual message, which are noticed more in detail in the report of the Secretary of the Navy, are again recommended to your serious attention.

The report of the Post Master General in like manner exhibits a satisfactory view of the important branch of the Government under his charge. In addition to the benefits already secured by the operations of the Post Office Department, considerable improvements within the present year have been made by an increase in the accommodation afforded by stage coaches, and in the frequency and celerity of the mail between some of the most important points of the Union.

Page 324

Under the late contracts improvements have been provided for the southern section of the country, and at the same time an annual saving made of upward of $72,000. Not with standing the excess of expenditure beyond the current receipts for a few years past, necessarily incurred in the fulfillment of existing contracts and in the additional expenses between the periods of contracting to meet the demands created by the rapid growth and extension of our flourishing country, yet the satisfactory assurance is given that the future revenue of the Department will be sufficient to meets its extensive engagements. The system recently introduced that subjects its receipts and disbursements to strict regulation has entirely fulfilled its designs. It gives full assurance of the punctual transmission, as well as the security of the funds of the Department. The efficiency and industry of its officers and the ability and energy of contractors justify an increased confidence in its continued prosperity.

The attention of Congress was called on a former occasion to the necessity of such a modification in the office of Attorney General of the United States as would render it more adequate to the wants of the public service. This resulted in the establishment of the office of Solicitor of the Treasury, and the earliest measures were taken to give effect to the provisions of the law which authorized the appointment of that officer and defined his duties. But it is not believed that this provision, however useful in itself, is calculated to supersede the necessity of extending the duties and powers of the Attorney General's Office. On the contrary, I am convinced that the public interest would be greatly promoted by giving to that officer the general superintendence of the various law agents of the Government, and of all law proceedings, whether civil or criminal, in which the United States may be interested, allowing him at the same time such compensation as would enable him to devote his undivided attention to the public business. I think such a provision is alike due to the public and to the officer.

Occasions of reference from the different Executive Departments to the Attorney General are of frequent occurrence, and the prompt decision of the questions so referred tends much to facilitate the dispatch of business in those Departments. The report of the Secretary of the Treasury hereto appended shows also a branch of the public service not specifically intrusted to any officer which might be advantageously committed to the Attorney General. But independently of those considerations this office is now one of daily duty. It was originally organized and its compensation fixed with a view to occasional service, leaving to the incumbent time for the exercise of his profession in private practice. The state of things which warranted such an organization no longer exists. The frequent claims upon the services of this officer would render his absence from the seat of Government in professional attendance upon the courts injurious to the public service, and the interests of the Government could not fail to be promoted by charging him with the general superintendence of all its legal concerns.

Page 325

Under a strong conviction of the justness of these suggestions, I recommend it to Congress to make the necessary provisions for giving effect to them, and to place the Attorney General in regard to compensation on the same footing with the heads of the several Executive Departments. To this officer might also be intrusted a cognizance of the cases of insolvency in public debtors, especially if the views which I submitted on this subject last year should meet the approbation of Congress—to which I again solicit your attention.

Your attention is respectfully invited to the situation of the District of Columbia. Placed by the Constitution under the exclusive jurisdiction and control of Congress, this District is certainly entitled to a much greater share of its consideration than it has yet received. There is a want of uniformity in its laws, particularly in those of a penal character, which increases the expense of their administration and subjects the people to all the inconveniences which result from the operation of different codes in so small a territory. On different sides of the Potomac the same offense is punishable in unequal degrees, and the peculiarities of many of the early laws of Maryland and Virginia remain in force, not with standing their repugnance in some cases to the improvements which have superseded them in those States.

Besides a remedy for these evils, which is loudly called for, it is respectfully submitted whether a provision authorizing the election of a delegate to represent the wants of the citizens of this District on the floor of Congress is not due to them and to the character of our Government. No principles of freedom, and there is none more important than that which cultivates a proper relation between the governors and the governed. Imperfect as this must be in this case, yet it is believed that it would be greatly improved by a representation in Congress with the same privileges that are allowed to the other Territories of the United States.

The penitentiary is ready for the reception of convicts, and only awaits the necessary legislation to put it into operation, as one object of which I beg leave to recall your attention to the propriety of providing suitable compensation for the officers charged with its inspection.

The importance of the principles involved in the inquiry whether it will be proper to recharter the Bank of the United States requires that I should again call the attention of Congress to the subject. Nothing has occurred to lessen in any degree the dangers which many of our citizens apprehend from that institution as at present organized. In the spirit of improvement and compromise which distinguishes our country and its institutions it becomes us to inquire whether it be not possible to secure the advantages afforded by the present bank through the agency of a Bank of the United States so modified in its principles and structures as to obviate constitutional and other objections.

Page 326

It is thought practicable to organize such a bank with the necessary officers as a branch of the Treasury Department, based on the public and individual deposits, without power to make loans or purchase property, which shall remit the funds of the Government, and the expense of which may be paid, if thought advisable, by allowing its officers to sell bills of exchange to private individuals at a moderate premium. Not being a corporate body, having no stock holders, debtors, or property, and but few officers, it would not be obnoxious to the constitutional objections which are urged against the present bank; and having no means to operate on the hopes, fears, or interests of large masses of the community, it would be shorn of the influence which makes that bank formidable. The States would be strengthened by having in their hands the means of furnishing the local paper currency through their own banks, while the Bank of the United States, though issuing no paper, would check the issues of the State banks by taking their notes in deposit and for exchange only so long as they continue to be redeemed with specie. In times of public emergency the capacities of such an institution might be enlarged by legislative provisions.

These suggestions are made not so much as a recommendation as with a view of calling the attention of Congress to the possible modifications of a system which can not continue to exist in its present form without occasional collisions with the local authorities and perpetual apprehensions and discontent on the part of the States and the people.

In conclusion, fellow citizens, allow me to invoke in behalf of your deliberations that spirit of conciliation and disinterestedness which is the gift of patriotism. Under an over-ruling and merciful Providence the agency of this spirit has thus far been signalized in the prosperity and glory of our beloved country. May its influence be eternal.

***

State of the Union Address
Andrew Jackson
December 6, 1831

Fellow Citizens of the Senate and of the House of Representatives:

The representation of the people has been renewed for the 22nd time since the Constitution they formed has been in force. For near half a century the Chief Magistrates who have been successively chosen have made their annual communications of the state of the nation to its representatives. Generally these communications have been of the most gratifying nature, testifying an advance in all the improvements of social and all the securities of political life. But frequently and justly as you have been called on to be grateful for the bounties of Providence, at few periods have they been more abundantly or extensively bestowed than at the present; rarely, if

ever, have we had greater reason to congratulate each other on the continued and increasing prosperity of our beloved country.

Page 327

Agriculture, the first and most important occupation of man, has compensated the labors of the husband-man with plentiful crops of all the varied products of our extensive country. Manufactures have been established in which the funds of the capitalist find a profitable investment, and which give employment and subsistence to a numerous and increasing body of industrious and dexterous mechanics. The laborer is rewarded by high wages in the construction of works of internal improvement, which are extending with unprecedented rapidity. Science is steadily penetrating the recesses of nature and disclosing her secrets, while the ingenuity of free minds is subjecting the elements to the power of man and making each new conquest auxiliary to his comfort. By our mails, whose speed is regularly increased and whose routes are every year extended, the communication of public intelligence and private business is rendered frequent and safe; the intercourse between distant cities, which it formerly required weeks to accomplish, is now effected in a few days; and in the construction of rail roads and the application of steam power we have a reasonable prospect that the extreme parts of our country will be so much approximated and those most isolated by the obstacles of nature rendered so accessible as to remove an apprehension some times entertained that the great extent of the Union would endanger its permanent existence.

If from the satisfactory view of our agriculture, manufactures, and internal improvements we turn to the state of our navigation and trade with foreign nations and between the States, we shall scarcely find less cause for gratulation. A beneficent Providence has provided for their exercise and encouragement an extensive coast, indented by capacious bays, noble rivers, inland seas; with a country productive of every material for ship building and every commodity for gainful commerce, and filled with a population active, intelligent, well-informed, and fearless of danger. These advantages are not neglected, and an impulse has lately been given to commercial enterprise, which fills our ship yards with new constructions, encourages all the arts and branches of industry connected with them, crowds the wharves of our cities with vessels, and covers the most distant seas with our canvas.

Let us be grateful for these blessings to the beneficent Being who has conferred them, and who suffers us to indulge a reasonable hope of their continuance and extension, while we neglect not the means by which they may be preserved. If we may dare to judge of His future designs by the manner in which His past favors have been bestowed, He has made our national prosperity to depend on the preservation of our liberties, our national force on our Federal Union, and our individual happiness on the maintenance of our State rights and wise institutions. If we are prosperous at home and respected abroad, it is because we are free, united, industrious, and obedient to the laws. While we continue so we shall by the blessing of Heaven go on in the happy career we have begun, and which has brought us in the short period of our political existence from a population of 3,000,000 to 13,000,000; from 13 separate colonies to 24 united States; from weakness to strength; from a rank scarcely marked in the scale of nations to a high place in their respect.

Page 328

This last advantage is one that has resulted in a great degree from the principles which have guided our intercourse with foreign powers since we have assumed an equal station among them, and hence the annual account which the Executive renders to the country of the manner in which that branch of his duties has been fulfilled proves instructive and salutary.

The pacific and wise policy of our Government kept us in a state of neutrality during the wars that have at different periods since our political existence been carried on by other powers; but this policy, while it gave activity and extent to our commerce, exposed it in the same proportion to injuries from the belligerent nations. Hence have arisen claims of indemnity for those injuries. England, France, Spain, Holland, Sweden, Denmark, Naples, and lately Portugal had all in a greater or less degree infringed our neutral rights. Demands for reparation were made upon all. They have had in all, and continue to have in some, cases a leading influence on the nature of our relations with the powers on whom they were made.

Of the claims upon England it is unnecessary to speak further than to say that the state of things to which their prosecution and denial gave rise has been succeeded by arrangements productive of mutual good feeling and amicable relations between the two countries, which it is hoped will not be interrupted. One of these arrangements is that relating to the colonial trade which was communicated to Congress at the last session; and although the short period during which it has been in force will not enable me to form an accurate judgment of its operation, there is every reason to believe that it will prove highly beneficial. The trade thereby authorized has employed to September 30th, 1831 upward of 30 thousand tons of American and 15 thousand tons of foreign shipping in the outward voyages, and in the inward nearly an equal amount of American and 20 thousand only of foreign tonnage. Advantages, too, have resulted to our agricultural interests from the state of the trade between Canada and our Territories and States bordering or the St. Lawrence and the Lakes which may prove more than equivalent to the loss sustained by the discrimination made to favor the trade of the northern colonies with the West Indies.

After our transition from the state of colonies to that of an independent nation many points were found necessary to be settled between us and Great Britain. Among them was the demarcation of boundaries not described with sufficient precision in the treaty of peace. Some of the lines that divide the States and Territories of the United States from the British Provinces have been definitively fixed.

Page 329

That, however, which separates us from the Provinces of Canada and New Brunswick to the North and the East was still in dispute when I came into office, but I found arrangements made for its settlement over which I had no control. The commissioners who had been appointed under the provisions of the treaty of Ghent having been unable to agree, a convention was made with Great Britain by my immediate predecessor in office, with the advice and consent of the Senate, by which it was agreed “that the points of difference which have arisen in the settlement of the boundary line between the American and British dominions, as described in the 5th article of the treaty of Ghent, shall be referred, as therein provided, to some friendly sovereign or State, who shall be invited to investigate and make a decision upon such points of difference”; and the King of the Netherlands having by the late President and His Britannic Majesty been designated as such friendly sovereign, it became my duty to carry with good faith the agreement so made into full effect. To this end I caused all the measures to be taken which were necessary to a full exposition of our case to the sovereign arbiter, and nominated as minister plenipotentiary to his Court a distinguished citizen of the State most interested in the question, and who had been one of the agents previously employed for settling the controversy.

On January 10th, 1831 His Majesty the King of the Netherlands delivered to the plenipotentiaries of the United States and of Great Britain his written opinion on the case referred to him. The papers in relation to the subject will be communicated by a special message to the proper branch of the Government with the perfect confidence that its wisdom will adopt such measures as will secure an amicable settlement of the controversy without infringing any constitutional right of the States immediately interested.

It affords me satisfaction to inform you that suggestions made by my direction to the charge d’affaires of His Britannic Majesty to this Government have had their desired effect in producing the release of certain American citizens who were imprisoned for setting up the authority of the State of Maine at a place in the disputed territory under the actual jurisdiction of His Britannic Majesty. From this and the assurances I have received of the desire of the local authorities to avoid any cause of collision I have the best hopes that a good understanding will be kept up until it is confirmed by the final disposition of the subject.

The amicable relations which now subsist between the United States and Great Britain, the increasing intercourse between their citizens, and the rapid obliteration of unfriendly prejudices to which former events naturally gave rise concurred to present this as a fit period for renewing our endeavors to provide against the recurrence of causes of irritation which in the event of war between Great Britain and any other power would

Page 330

inevitably endanger our peace. Animated by the sincerest desire to avoid such a state of things, and peacefully to secure under all possible circumstances the rights and honor of the country, I have given such instructions to the minister lately sent to the Court of London as will evince that desire, and if met by a correspondent disposition, which we can not doubt, will put an end to causes of collision which, without advantage to either, tend to estrange from each other two nations who have every motive to preserve not only peace, but an intercourse of the most amicable nature.

In my message at the opening of the last session of Congress I expressed a confident hope that the justice of our claims upon France, urged as they were with perseverance and signal ability by our minister there, would finally be acknowledged. This hope has been realized. A treaty has been signed which will immediately be laid before the Senate for its approbation, and which, containing stipulations that require legislative acts, must have the concurrence of both houses before it can be carried into effect.

By it the French Government engage to pay a sum which, if not quite equal to that which may be found due to our citizens, will yet, it is believed, under all circumstances, be deemed satisfactory by those interested. The offer of a gross sum instead of the satisfaction of each individual claim was accepted because the only alternatives were a rigorous exaction of the whole amount stated to be due on each claim, which might in some instances be exaggerated by design, in other over-rated through error, and which, therefore, it would have been both ungracious and unjust to have insisted on; or a settlement by a mixed commission, to which the French negotiators were very averse, and which experience in other cases had shewn to be dilatory and often wholly inadequate to the end.

A comparatively small sum is stipulated on our part to go to the extinction of all claims by French citizens on our Government, and a reduction of duties on our cotton and their wines has been agreed on as a consideration for the renunciation of an important claim for commercial privileges under the construction they gave to the treaty for the cession of Louisiana.

Should this treaty receive the proper sanction, a source of irritation will be stopped that has for so many years in some degree alienated from each other two nations who, from interest as well as the remembrance of early associations, ought to cherish the most friendly relations; an encouragement will be given for perseverance in the demands of justice by this new proof that if steadily pursued they will be listened to, and admonition will be offered to those powers, if any, which may be inclined to evade them that they will never be abandoned; above all, a just confidence will be inspired in our fellow citizens that their Government will exert all the powers with which they have invested it in support of their just claims upon foreign nations; at the same time that the frank acknowledgment and provision for the payment of those which were addressed to our

equity, although unsupported by legal proof, affords a practical illustration of our submission to the divine rule of doing to others what we desire they should do unto us.

Page 331

Sweden and Denmark having made compensation for the irregularities committed by their vessels or in their ports to the perfect satisfaction of the parties concerned, and having renewed the treaties of commerce entered into with them, our political and commercial relations with those powers continue to be on the most friendly footing.

With Spain our differences up to February 22d, 1819 were settled by the treaty of Washington of that date, but at a subsequent period our commerce with the States formerly colonies of Spain on the continent of America was annoyed and frequently interrupted by her public and private armed ships. They captured many of our vessels prosecuting a lawful commerce and sold them and their cargoes, and at one time to our demands for restoration and indemnity opposed the allegation that they were taken in the violation of a blockade of all the ports of those States. This blockade was declaratory only, and the inadequacy of the force to maintain it was so manifest that this allegation was varied to a charge of trade in contraband of war. This, in its turn, was also found untenable, and the minister whom I sent with instructions to press for the reparation that was due to our injured fellow citizens has transmitted an answer to his demand by which the captures are declared to have been legal, and are justified because the independence of the States of America never having been acknowledged by Spain she had a right to prohibit trade with them under her old colonial laws. This ground of defense was contradictory, not only to those which had been formerly alleged, but to the uniform practice and established laws of nations, and had been abandoned by Spain herself in the convention which granted indemnity to British subjects for captures made at the same time, under the same circumstances, and for the same allegations with those of which we complain.

I, however, indulge the hope that further reflection will lead to other views, and feel confident that when His Catholic Majesty shall be convinced of the justice of the claims his desire to preserve friendly relations between the two countries, which it is my earnest endeavor to maintain, will induce him to accede to our demand. I have therefore dispatched a special messenger with instructions to our minister to bring the case once more to his consideration, to the end that if (which I can not bring myself to believe) the same decision (that can not but be deemed an unfriendly denial of justice) should be persisted in the matter may before your adjournment be laid before you, the constitutional judges of what is proper to be done when negotiation for redress of injury fails.

Page 332

The conclusion of a treaty for indemnity with France seemed to present a favorable opportunity to renew our claims of a similar nature on other powers, and particularly in the case of those upon Naples, more especially as in the course of former negotiations with that power our failure to induce France to render us justice was used as an argument against us. The desires of the merchants, who were the principal sufferers, have therefore been acceded to, and a mission has been instituted for the special purpose of obtaining for them a reparation already too long delayed. This measure having been resolved on, it was put in execution without waiting for the meeting of Congress, because the state of Europe created an apprehension of events that might have rendered our application ineffectual.

Our demands upon the Government of the two Sicilies are of a peculiar nature. The injuries on which they are founded are not denied, nor are the atrocity and perfidy under which those injuries were perpetrated attempted to be extenuated. The sole ground on which indemnity has been refused is the alleged illegality of the tenure by which the monarch who made the seizures held his crown. This defense, always unfounded in any principle of the law of nations, now universally abandoned, even by those powers upon whom the responsibility for the acts of past rulers bore the most heavily, will unquestionably be given up by His Sicilian Majesty, whose counsels will receive an impulse from that high sense of honor and regard to justice which are said to characterize him; and I feel the fullest confidence that the talents of the citizen commissioned for that purpose will place before him the just claims of our injured citizens in such as light as will enable me before your adjournment to announce that they have been adjusted and secured. Precise instructions to the effect of bringing the negotiation to a speedy issue have been given, and will be obeyed.

In the late blockade of Terceira some of the Portuguese fleet captured several of our vessels and committed other excesses, for which reparation was demanded, and I was on the point of dispatching an armed force to prevent any recurrence of a similar violence and protect our citizens in the prosecution of their lawful commerce when official assurances, on which I relied, made the sailing of the ships unnecessary. Since that period frequent promises have been made that full indemnity shall be given for the injuries inflicted and the losses sustained. In the performance there has been some, perhaps unavoidable, delay; but I have the fullest confidence that my earnest desire that this business may at once be closed, which our minister has been instructed strongly to express, will very soon be gratified. I have the better ground for this hope from the evidence of a friendly disposition which that Government has shown an actual reduction in the duty on rice the produce of our Southern States, authorizing the anticipation that this important article of our export will soon be admitted on the same footing with that produced by the most favored nation.

Page 333

With the other powers of Europe we have fortunately had no cause of discussions for the redress of injuries. With the Empire of the Russias our political connection is of the most friendly and our commercial of the most liberal kind. We enjoy the advantages of navigation and trade given to the most favored nation, but it has not yet suited their policy, or perhaps has not been found convenient from other considerations, to give stability and reciprocity to those privileges by a commercial treaty. The ill health of the minister last year charged with making a proposition for that arrangement did not permit him to remain at St. Petersburg, and the attention of that Government during the whole of the period since his departure having been occupied by the war in which it was engaged, we have been assured that nothing could have been effected by his presence. A minister will soon be nominated, as well to effect this important object as to keep up the relations of amity and good understanding of which we have received so many assurances and proofs from His Imperial Majesty and the Emperor his predecessor.

The treaty with Austria is opening to us an important trade with the hereditary dominions of the Emperor, the value of which has been hitherto little known, and of course not sufficiently appreciated. While our commerce finds an entrance into the south of Germany by means of this treaty, those we have formed with the Hanseatic towns and Prussia and others now in negotiation will open that vast country to the enterprising spirit of our merchants on the north—a country abounding in all the materials for a mutually beneficial commerce, filled with enlightened and industrious inhabitants, holding an important place in the politics of Europe, and to which we owe so many valuable citizens. The ratification of the treaty with the Porte was sent to be exchanged by the gentleman appointed our charge d'affaires to that Court. Some difficulties occurred on his arrival, but at the date of his last official dispatch he supposed they had been obviated and that there was every prospect of the exchange being speedily effected.

This finishes the connected view I have thought it proper to give of our political and commercial relations in Europe. Every effort in my power will be continued to strengthen and extend them by treaties founded on principles of the most perfect reciprocity of interest, neither asking nor conceding any exclusive advantage, but liberating as far as it lies in my power the activity and industry of our fellow citizens from the shackles which foreign restrictions may impose.

To China and the East Indies our commerce continues in its usual extent, and with increased facilities which the credit and capital of our merchants afford by substituting bills for payments in specie. A daring outrage having been committed in those seas by the plunder of one of our merchant-men engaged in the pepper trade at a port in Sumatra, and the piratical perpetrators belonging to tribes in such a state of society that the usual course of proceedings between civilized nations could not be pursued, I forthwith dispatched a frigate with orders to require immediate satisfaction for the injury and indemnity to the sufferers.

Page 334

Few changes have taken place in our connections with the independent States of America since my last communication to Congress. The ratification of a commercial treaty with the United Republics of Mexico has been for some time under deliberation in their Congress, but was still undecided at the date of our last dispatches. The unhappy civil commotions that have prevailed there were undoubtedly the cause of the delay, but as the Government is now said to be tranquillized we may hope soon to receive the ratification of the treaty and an arrangement for the demarcation of the boundaries between us. In the mean time, an important trade has been opened with mutual benefit from St. Louis, in the State of Missouri, by caravans to the interior Provinces of Mexico. This commerce is protected in its progress through the Indian countries by the troops of the United States, which have been permitted to escort the caravans beyond our boundaries to the settled part of the Mexican territory.

From Central America I have received assurances of the most friendly kind and a gratifying application for our good offices to remove a supposed indisposition toward that Government in a neighboring State. This application was immediately and successfully complied with. They gave us also the pleasing intelligence that differences which had prevailed in their internal affairs had been peaceably adjusted. Our treaty with this Republic continues to be faithfully observed, and promises a great and beneficial commerce between the two countries—a commerce of the greatest importance if the magnificent project of a ship canal through the dominions of that State from the Atlantic to the Pacific Ocean, now in serious contemplation, shall be executed.

I have great satisfaction in communicating the success which has attended the exertions of our minister in Colombia to procure a very considerable reduction in the duties on our flour in that Republic. Indemnity also has been stipulated for injuries received by our merchants from illegal seizures, and renewed assurances are given that the treaty between the two countries shall be faithfully observed.

Chili and Peru seem to be still threatened with civil commotions, and until they shall be settled disorders may naturally be apprehended, requiring the constant presence of a naval force in the Pacific Ocean to protect our fisheries and guard our commerce.

The disturbances that took place in the Empire of Brazil previously to and immediately consequent upon the abdication of the late Emperor necessarily suspended any effectual application for the redress of some past injuries suffered by our citizens from that Government, while they have been the cause of others, in which all foreigners seem to have participated. Instructions have been given to our minister there to press for indemnity due for losses occasioned by these irregularities, and to take care of our fellow citizens shall enjoy all the privileges stipulated in their favor by the treaty lately made between the two powers, all which the good intelligence that prevails between our minister at Rio Janeiro and the Regency gives us the best reason to expect.

Page 335

I should have placed Buenos Ayres in the list of South American powers in respect to which nothing of importance affecting us was to be communicated but for occurrences which have lately taken place at the Falkland Islands, in which the name of that Republic has been used to cover with a show of authority acts injurious to our commerce and to the property and liberty of our fellow citizens. In the course of the present year one of our vessels, engaged in the pursuit of a trade which we have always enjoyed without molestation, has been captured by a band acting, as they pretend, under the authority of the Government of Buenos Ayres. I have therefore given orders for the dispatch of an armed vessel to join our squadron in those seas and aid in affording all lawful protection to our trade which shall be necessary, and shall without delay send a minister to inquire into the nature of the circumstances and also of the claim, if any, that is set up by that Government to those islands. In the mean time, I submit the case to the consideration of Congress, to the end that they may clothe the Executive with such authority and means as they may deem necessary for providing a force adequate to the complete protection of our fellow citizens fishing and trading in those seas.

This rapid sketch of our foreign relations, it is hoped, fellow citizens, may be of some use in so much of your legislation as may bear on that important subject, while it affords to the country at large a source of high gratification in the contemplation of our political and commercial connection with the rest of the world. At peace with all; having subjects of future difference with few, and those susceptible of easy adjustment; extending our commerce gradually on all sides and on none by any but the most liberal and mutually beneficial means, we may, by the blessing of Providence, hope for all that national prosperity which can be derived from an intercourse with foreign nations, guided by those eternal principles of justice and reciprocal good will which are binding as well upon States as the individuals of whom they are composed.

I have great satisfaction in making this statement of our affairs, because the course of our national policy enables me to do it without any indiscreet exposure of what in other governments is usually concealed from the people. Having none but a straight-forward, open course to pursue, guided by a single principle that will bear the strongest light, we have happily no political combinations to form, no alliances to entangle us, no complicated interests to consult, and in subjecting all we have done to the consideration of our citizens and to the inspection of the world we give no advantage to other nations and lay ourselves open to no injury.

It may not be improper to add that to preserve this state of things and give confidence to the world in the integrity of our designs all our consular and diplomatic agents are strictly enjoined to examine well every cause of complaint preferred by our citizens, and while they urge with proper earnestness those that are well founded, to countenance none that are unreasonable or unjust, and to enjoin on our merchants and navigators the strictest obedience to the laws of the countries to which they resort, and a course of

conduct in their dealings that may support the character of our nation and render us respected abroad.

Page 336

Connected with this subject, I must recommend a revisal of our consular laws. Defects and omissions have been discovered in their operation that ought to be remedied and supplied. For your further information on this subject I have directed a report to be made by the Secretary of State, which I shall hereafter submit to your consideration.

The internal peace and security of our confederated States is the next principal object of the General Government. Time and experience have proved that the abode of the native Indian within their limits is dangerous to their peace and injurious to himself. In accordance with my recommendation at a former session of Congress, an appropriation of $500 thousand was made to aid the voluntary removal of the various tribes beyond the limits of the States. At the last session I had the happiness to announce that the Chickasaws and Choctaws had accepted the generous offer of the Government and agreed to remove beyond the Mississippi River, by which the whole of the State of Mississippi and the western part of Alabama will be freed from Indian occupancy and opened to a civilized population. The treaties with these tribes are in a course of execution, and their removal, it is hoped, will be completed in the course of 1832.

At the request of the authorities of Georgia the registration of Cherokee Indians for emigration has been resumed, and it is confidently expected that half, if not two-third, of that tribe will follow the wise example of their more westerly brethren. Those who prefer remaining at their present homes will hereafter be governed by the laws of Georgia, as all her citizens are, and cease to be the objects of peculiar care on the part of the General Government.

During the present year the attention of the Government has been particularly directed to those tribes in the powerful and growing State of Ohio, where considerable tracts of the finest lands were still occupied by the aboriginal proprietors. Treaties, either absolute or conditional, have been made extinguishing the whole Indian title to the reservations in that State, and the time is not distant, it is hoped, when Ohio will be no longer embarrassed with the Indian population. The same measures will be extended to Indiana as soon as there is reason to anticipate success. It is confidently believed that perseverance for a few years in the present policy of the Government will extinguish the Indian title to all lands lying within the States composing our Federal Union, and remove beyond their limits every Indian who is not willing to submit to their laws.

Thus will all conflicting claims to jurisdiction between the States and the Indian tribes be put to rest. It is pleasing to reflect that results so beneficial, not only to the States immediately concerned, but to the harmony of the Union, will have been accomplished by measures equally advantageous to the Indians. What the native savages become when surrounded by a dense population and by mixing with the whites may be seen in the miserable remnants of a few Eastern tribes, deprived of political and civil rights, forbidden to make contracts, and subjected to guardians, dragging out a wretched existence, without excitement, without hope, and almost without thought.

Page 337

But the removal of the Indians beyond the limits and jurisdiction of the States does not place them beyond the reach of philanthropic aid and Christian instruction. On the contrary, those whom philanthropy or religion may induce to live among them in their new abode will be more free in the exercise of their benevolent functions than if they had remained within the limits of the States, embarrassed by their internal regulations. Now subject to no control but the superintending agency of the General Government, exercised with the sole view of preserving peace, they may proceed unmolested in the interesting experiment of gradually advancing a community of American Indians from barbarism to the habits and enjoyments of civilized life.

Among the happiest effects of the improved relations of our Republic has been an increase of trade, producing a corresponding increase of revenue beyond the most sanguine anticipations of the Treasury Department.

The state of the public finances will be fully shown by the Secretary of the Treasury in the report which he will presently lay before you. I will here, however, congratulate you upon their prosperous condition. The revenue received in the present year will not fall short of $27,700,000, and the expenditures for all objects other than the public debt will not exceed $14,700,000. The payment on account of the principal and interest of the debt during the year will exceed $16,500,000, a greater sum than has been applied to that object out of the revenue in any year since the enlargement of the sinking fund except the two years following immediately there after. The amount which will have been applied to the public debt from March 4th, 1829 to January 1st, 1832, which is less than three years since the Administration has been placed in my hands, will exceed $40,000,000.

From the large importations of the present year it may be safely estimated that the revenue which will be received into the Treasury from that source during the next year, with the aid of that received from the public lands, will considerably exceed the amount of the receipts of the present year; and it is believed that with the means which the Government will have at its disposal from various sources, which will be fully stated by the proper Department, the whole of the public debt may be extinguished, either by redemption or purchase, within the four years of my Administration. We shall then exhibit the rare example of a great nation, abounding in all the means of happiness and security, altogether free from debt.

The confidence with which the extinguishment of the public debt may be anticipated presents an opportunity for carrying into effect more fully the policy in relation to import duties which has been recommended in my former messages. A modification of the tariff which shall produce a reduction of our revenue to the wants of the Government and an adjustment of the duties on imports with a view to equal justice

Page 338

in relation to all our national interests and to the counteraction of foreign policy so far as it may be injurious to those interests, is deemed to be one of the principal objects which demand the consideration of the present Congress. Justice to the interests of the merchant as well as the manufacturer requires that material reductions in the import duties be prospective; and unless the present Congress shall dispose of the subject the proposed reductions can not properly be made to take effect at the period when the necessity for the revenue arising from present rates shall cease. It is therefore desirable that arrangements be adopted at your present session to relieve the people from unnecessary taxation after the extinguishment of the public debt. In the exercise of that spirit of concession and conciliation which has distinguished the friends of our Union in all great emergencies, it is believed that this object may be effected without injury to any national interest.

In my annual message of December, 1829, I had the honor to recommend the adoption of a more liberal policy than that which then prevailed toward unfortunate debtors to the Government, and I deem it my duty again to invite your attention to this subject.

Actuated by similar views, Congress at their last session passed an act for the relief of certain insolvent debtors of the United States, but the provisions of that law have not been deemed such as were adequate to that relief to this unfortunate class of our fellow citizens which may be safely extended to them. The points in which the law appears to be defective will be particularly communicated by the Secretary of the Treasury, and I take pleasure in recommending such an extension of its provisions as will unfetter the enterprise of a valuable portion of our citizens and restore to them the means of usefulness to themselves and the community. While deliberating on this subject I would also recommend to your consideration the propriety of so modifying the laws for enforcing the payment of debts due either to the public or to individuals suing in the courts of the United States as to restrict the imprisonment of the person to cases of fraudulent concealment of property. The personal liberty of the citizen seems too sacred to be held, as in many cases it now is, at the will of a creditor to whom he is willing to surrender all the means he has of discharging his debt.

The reports from the Secretaries of the War and Navy Departments and from the Post Master General, which accompany this message, present satisfactory views of the operations of the Departments respectively under their charge, and suggest improvements which are worthy of and to which I invite the serious attention of Congress. Certain defects and omissions having been discovered in the operation of the laws respecting patents, they are pointed out in the accompanying report from the Secretary of State.

Page 339

I have heretofore recommended amendments of the Federal Constitution giving the election of President and Vice-President to the people and limiting the service of the former to a single term. So important do I consider these changes in our fundamental law that I can not, in accordance with my sense of duty, omit to press them upon the consideration of a new Congress. For my views more at large, as well in relation to these points as to the disqualification of members of Congress to receive an office from a President in whose election they have had an official agency, which I proposed as a substitute, I refer you to my former messages.

Our system of public accounts is extremely complicated, and it is believed may be much improved. Much of the present machinery and a considerable portion of the expenditure of public money may be dispensed with, while greater facilities can be afforded to the liquidation of claims upon the Government and an examination into their justice and legality quite as efficient as the present secured. With a view to a general reform in the system, I recommend the subject to the attention of Congress.

I deem it my duty again to call your attention to the condition of the District of Columbia. It was doubtless wise in the framers of our Constitution to place the people of this District under the jurisdiction of the General Government, but to accomplish the objects they had in view it is not necessary that this people should be deprived of all the privileges of self-government. Independently of the difficulty of inducing the representatives of distant States to turn their attention to projects of laws which are not of the highest interest to their constituents, they are not individually, nor in Congress collectively, well qualified to legislate over the local concerns of this District. Consequently its interests are much neglected, and the people are almost afraid to present their grievances, lest a body in which they are not represented and which feels little sympathy in their local relations should in its attempt to make laws for them do more harm than good.

Governed by the laws of the States whence they were severed, the two shores of the Potomac within the ten miles square have different penal codes—not the present codes of Virginia and Maryland, but such as existed in those States at the time of the cession to the United States. As Congress will not form a new code, and as the people of the District can not make one for themselves, they are virtually under two governments. Is it not just to allow them at least a Delegate in Congress, if not a local legislature, to make laws for the District, subject to the approval or rejection of Congress? I earnestly recommend the extension to them of every political right which their interests require and which may be compatible with the Constitution.

Page 340

The extension of the judiciary system of the United States is deemed to be one of the duties of the Government. One-fourth of the States in the Union do not participate in the benefits of a circuit court. To the States of Indiana, Illinois, Missouri, Alabama, Mississippi, and Louisiana, admitted into the Union since the present judicial system was organized, only a district court has been allowed. If this be sufficient, then the circuit courts already existing in 18 States ought to be abolished; if it be not sufficient, the defect ought to be remedied, and these States placed on the same footing with the other members of the Union. It was on this condition and on this footing that they entered the Union, and they may demand circuit courts as a matter not of concession, but of right. I trust that Congress will not adjourn leaving this anomaly in our system.

Entertaining the opinions heretofore expressed in relation to the Bank of the United States as at present organized, I felt it my duty in my former messages frankly to disclose them, in order that the attention of the Legislature and the people should be seasonably directed to that important subject, and that it might be considered and finally disposed of in a manner best calculated to promote the ends of the Constitution and subserve the public interests. Having thus conscientiously discharged a constitutional duty, I deem it proper on this occasion, without a more particular reference to the views of the subject then expressed to leave it for the present to the investigation of an enlightened people and their representatives.

In conclusion permit me to invoke that Power which superintends all governments to infuse into your deliberations at this important crisis of our history a spirit of mutual forbearance and conciliation. In that spirit was our Union formed, and in that spirit must it be preserved.

***

State of the Union Address
Andrew Jackson
December 4, 1832

Fellow Citizens of the Senate and of the House of Representatives:

It gives me pleasure to congratulate you upon your return to the seat of Government for the purpose of discharging your duties to the people of the United States. Although the pestilence which had traversed the Old World has entered our limits and extended its ravages over much of our land, it has pleased Almighty God to mitigate its severity and lessen the number of its victims compared with those who have fallen in most other countries over which it has spread its terrors. Not with standing this visitation, our country presents on every side marks of prosperity and happiness unequaled, perhaps, in any other portion of the world. If we fully appreciate our comparative condition, existing causes of discontent will appear unworthy of attention, and, with hearts of thankfulness to that divine Being who has filled our cup of prosperity, we shall feel our

resolution strengthened to preserve and hand down to our posterity that liberty and that union which we have received from our fathers, and which constitute the sources and the shield of all our blessings.

Page 341

The relations of our country continue to present the same picture of amicable intercourse that I had the satisfaction to hold up to your view at the opening of your last session. The same friendly professions, the same desire to participate in our flourishing commerce, the same dispositions, evinced by all nations with whom we have any intercourse. This desirable state of things may be mainly ascribed to our undeviating practice of the rule which has long guided our national policy, to require no exclusive privileges in commerce and to grant none. It is daily producing its beneficial effect in the respect shown to our flag, the protection of our citizens and their property abroad, and in the increase of our navigation and the extension of our mercantile operations. The returns which have been made out since we last met will show an increase during the last preceding year of more than 80 thousand tons in our shipping and of near $40,000,000 in the aggregate of our imports and exports.

Nor have we less reason to felicitate ourselves on the position of our political than of our commercial concerns. They remain in the state in which they were when I last addressed you—a state of prosperity and peace, the effect of a wise attention to the parting advice of the revered Father of his Country on this subject, condensed into a maxim for the use of posterity by one of his most distinguished successors—to cultivate free commerce and honest friendship with all nations, but to make entangling alliances with none. A strict adherence to this policy has kept us aloof from the perplexing questions that now agitate the European world and have more than once deluged those countries with blood. Should those scenes unfortunately recur, the parties to the contest may count on a faithful performance of the duties incumbent on us as a neutral nation, and our own citizens may equally rely on the firm assertion of their neutral rights.

With the nation that was our earliest friend and ally in the infancy of our political existence the most friendly relations have subsisted through the late revolutions of its Government, and, from the events of the last, promise a permanent duration. It has made an approximation in some of its political institutions to our own, and raised a monarch to the throne who preserves, it is said, a friendly recollection of the period during which he acquired among our citizens the high consideration that could then have been produced by his personal qualifications alone.

Our commerce with that nation is gradually assuming a mutually beneficial character, and the adjustment of the claims of our citizens has removed the only obstacle there was to an intercourse not only lucrative, but productive of literary and scientific improvement.

Page 342

From Great Britain I have the satisfaction to inform you that I continue to receive assurances of the most amicable disposition, which have on my part on all proper occasions been promptly and sincerely reciprocated. The attention of that Government has latterly been so much engrossed by matters of a deeply interesting domestic character that we could not press upon it the renewal of negotiations which had been unfortunately broken off by the unexpected recall of our minister, who had commenced them with some hopes of success. My great object was the settlement of questions which, though now dormant, might here-after be revived under circumstances that would endanger the good understanding which it is the interest of both parties to preserve inviolate, cemented as it is by a community of language, manners, and social habits, and by the high obligations we owe to our British ancestors for many of our most valuable institutions and for that system of representative government which has enabled us to preserve and improve them. The question of our North-East boundary still remains unsettled. In my last annual message I explained to you the situation in which I found that business on my coming into office, and the measures I thought it my duty to pursue for asserting the rights of the United States before the sovereign who had been chosen by my predecessor to determine the question, and also the manner in which he had disposed of it. A special message to the Senate in their executive capacity afterwards brought before them to the question whether they would advise a submission to the opinion of the sovereign arbiter. That body having considered the award as not obligatory and advised me to open a further negotiation, the proposition was immediately made to the British Government, but the circumstances to which I have alluded have hitherto prevented any answer being given to the overture. Early attention, however, has been promised to the subject, and every effort on my part will be made for a satisfactory settlement of this question, interesting to the Union generally, and particularly so to one of its members.

The claims of our citizens on Spain are not yet acknowledged. On a closer investigation of them than appears to have heretofore taken place it was discovered that some of these demands, however strong they might be upon the equity of that Government, were not such as could be made the subject of national interference; and faithful to the principle of asking nothing but what was clearly right, additional instructions have been sent to modify our demands so as to embrace those only on which, according to the laws of nations, we had a strict right to insist. An inevitable delay in procuring the documents necessary for this review of the merits of these claims retarded this operation until an unfortunate malady which has afflicted His Catholic Majesty prevented an examination of them. Being now for the first time presented in an unexceptionable form, it is confidently hoped that the application will be successful.

Page 343

I have the satisfaction to inform you that the application I directed to be made for the delivery of a part of the archives of Florida, which had been carried to The Havannah, has produced a royal order for their delivery, and that measures have been taken to procure its execution.

By the report of the Secretary of State communicated to you on June 25th, 1832 you were informed of the conditional reduction obtained by the minister of the United States at Madrid of the duties on tonnage levied on American shipping in the ports of Spain. The condition of that reduction having been complied with on our part by the act passed July 13th, 1832, I have the satisfaction to inform you that our ships now pay no higher nor other duties in the continental ports of Spain than are levied on their national vessels.

The demands against Portugal for illegal captures in the blockade of Terceira have been allowed to the full amount of the accounts presented by the claimants, and payment was promised to be made in three installments. The first of these has been paid; the second, although due, had not at the date of our last advices been received, owing, it was alleged, to embarrassments in the finances consequent on the civil war in which that nation is engaged.

The payments stipulated by the convention with Denmark have been punctually made, and the amount is ready for distribution among the claimants as soon as the board, now sitting, shall have performed their functions.

I regret that by the last advices from our charge d'affaires at Naples that Government had still delayed the satisfaction due to our citizens, but at that date the effect of the last instructions was not known. Dispatches from thence are hourly expected, and the result will be communicated to you without delay.

With the rest of Europe our relations, political and commercial, remain unchanged. Negotiations are going on to put on a permanent basis the liberal system of commerce now carried on between us and the Empire of Russia. The treaty concluded with Austria is executed by His Imperial Majesty with the most perfect good faith, and as we have no diplomatic agent at his Court he personally inquired into and corrected a proceeding of some of his subaltern officers to the injury of our consul in one of his ports.

Our treaty with the Sublime Porte is producing its expected effects on our commerce. New markets are opening for our commodities and a more extensive range for the employment of our ships. A slight augmentation of the duties on our commerce, inconsistent with the spirit of the treaty, had been imposed, but on the representation of our charge d'affaires it has been promptly withdrawn, and we now enjoy the trade and navigation of the Black Sea and of all the ports belonging to the Turkish Empire and Asia on the most perfect equality with all foreign nations.

Page 344

I wish earnestly that in announcing to you the continuance of friendship and the increase of a profitable commercial intercourse with Mexico, with Central America, and the States of the South I could accompany it with the assurance that they all are blessed with that internal tranquillity and foreign peace which their heroic devotion to the cause of their independence merits. In Mexico a sanguinary struggle is now carried on, which has caused some embarrassment to our commerce, but both parties profess the most friendly disposition toward us. To the termination of this contest we look for the establishment of that secure intercourse so necessary to nations whose territories are contiguous. How important it will be to us we may calculate from the fact that even in this unfavorable state of things our maritime commerce has increased, and an internal trade by caravans from St. Louis to Santa Fe, under the protection of escorts furnished by the Government, is carried on to great advantage and is daily increasing. The agents provided for by the treaty, with this power to designate the boundaries which it established, have been named on our part, but one of the evils of the civil war now raging there has been that the appointment of those with whom they were to cooperate has not yet been announced to us.

The Government of Central America has expelled from its territory the party which some time since disturbed its peace. Desirous of fostering a favorable disposition toward us, which has on more than one occasion been evinced by this interesting country, I made a second attempt in this year to establish a diplomatic intercourse with them; but the death of the distinguished citizen whom I had appointed for that purpose has retarded the execution of measures from which I hoped much advantage to our commerce. The union of the three States which formed the Republic of Colombia has been dissolved, but they all, it is believed, consider themselves as separately bound by the treaty which was made in their federal capacity. The minister accredited to the federation continues in that character near the Government of New Grenada, and hopes were entertained that a new union would be formed between the separate States, at least for the purposes of foreign intercourse. Our minister has been instructed to use his good offices, when ever they shall be desired, to produce the reunion so much to be wished for, the domestic tranquillity of the parties, and the security and facility of foreign commerce.

Some agitations naturally attendant on an infant reign have prevailed in the Empire of Brazil, which have had the usual effect upon commercial operations, and while they suspended the consideration of claims created on similar occasions, they have given rise to new complaints on the part of our citizens. A proper consideration for calamities and difficulties of this nature has made us less urgent and peremptory in our demands for justice than duty to our fellow citizens would under other circumstances have required. But their claims are not neglected, and will on all proper occasions be urged, and it is hoped with effect.

Page 345

I refrain from making any communication on the subject of our affairs with Buenos Ayres, because the negotiation communicated to you in my last annual message was at the date of our last advices still pending and in a state that would render a publication of the details inexpedient.

A treaty of amity and commerce has been formed with the Republic of Chili, which, if approved by the Senate, will be laid before you. That Government seems to be established, and at peace with its neighbors; and its ports being the resorts of our ships which are employed in the highly important trade of the fisheries, this commercial convention can not but be of great advantage to our fellow citizens engaged in that perilous but profitable business.

Our commerce with the neighboring State of Peru, owing to the onerous duties levied on our principal articles of export, has been on the decline, and all endeavors to procure an alteration have hitherto proved fruitless. With Bolivia we have yet no diplomatic intercourse, and the continual contests carried on between it and Peru have made me defer until a more favorable period the appointment of any agent for that purpose.

An act of atrocious piracy having been committed on one of our trading ships by the inhabitants of a settlement on the west coast of Sumatra, a frigate was dispatched with orders to demand satisfaction for the injury if those who committed it should be found to be members of a regular government, capable of maintaining the usual relations with foreign nations; but if, as it was supposed and as they proved to be, they were a band of lawless pirates, to inflict such a chastisement as would deter them and others from like aggressions. This last was done, and the effect has been an increased respect for our flag in those distant seas and additional security for our commerce.

In the view I have given of our connection with foreign powers allusions have been made to their domestic disturbances or foreign wars, to their revolutions or dissensions. It may be proper to observe that this is done solely in cases where those events affect our political relations with them, or to show their operation on our commerce. Further than this it is neither our policy nor our right to interfere. Our best wishes on all occasions, our good offices when required, will be afforded to promote the domestic tranquillity and foreign peace of all nations with whom we have any intercourse. Any intervention in their affairs further than this, even by the expression of an official opinion, is contrary to our principles of international policy, and will always be avoided.

The report which the Secretary of the Treasury will in due time lay before you will exhibit the national finances in a highly prosperous state. Owing to the continued success of our commercial enterprise, which has enabled the merchants to fulfill their engagements with the Government, the receipts from customs during the year will exceed the estimate presented at the last session, and with the other means of the Treasury will prove fully adequate not only to meet the increased expenditures resulting from the

large appropriations made by Congress, but to provide for the payment of all the public debt which is at present redeemable.

Page 346

It is now estimated that the customs will yield to the Treasury during the present year upward of $28,000,000. The public lands, however, have proved less productive than was anticipated, and according to present information will not much exceed $2,000,000. The expenditures for all objects other than the public debt are estimated to amount during the year to about $16,500,000, while a still larger sum, viz, $18,000,000, will have been applied to the principal and interest of the public debt. It is expected, however, that in consequence of the reduced rates of duty which will take effect after March 3d, 1833 there will be a considerable falling off in the revenue from customs in the year 1833. It will never the less be amply sufficient to provide for all the wants of the public service, estimated even upon a liberal scale, and for the redemption and purchase of the remainder of the public debt. On January 1st, 1833 the entire public debt of the United States, funded and unfunded, will be reduced to within a fraction of $7,000,000, of which $2,227,363 are not of right redeemable until January 1st, 1834 and $4,735,296 not until January 2d, 1835. The commissioners of the sinking funds, however, being invested with full authority to purchase the debt at the market price, and the means of the Treasury being ample, it may be hoped that the whole will be extinguished within the year 1833.

I can not too cordially congratulate Congress and my fellow citizens on the near approach of that memorable and happy event—the extinction of the public debt of this great and free nation.

Faithful to the wise and patriotic policy marked out by the legislation of the country for this object, the present Administration has devoted to it all the means which a flourishing commerce has supplied and a prudent economy preserved for the public Treasury. Within the four years for which the people have confided the Executive power to my charge $58,000,000 will have been applied to the payment of the public debt. That this has been accomplished without stinting the expenditures for all other proper objects will be seen by referring to the liberal provision made during the same period for the support and increase of our means of maritime and military defense, for internal improvements of a national character, for the removal and preservation of the Indians, and, lastly, for the gallant veterans of the Revolution.

The final removal of this great burthen from our resources affords the means of further provision for all the objects of general welfare and public defense which the Constitution authorizes, and presents the occasion for such further reductions in the revenue as may not be required for them. From the report of the Secretary of the Treasury it will be seen that after the present year such a reduction may be made to a considerable extent, and the subject is earnestly recommended to the consideration of Congress in the hope that the combined wisdom of the representatives of the people will devise such means of effecting that salutary object as may remove those burthens which shall be found to fall unequally upon any and as may promote all the great interests of the community.

Page 347

Long and patient reflection has strengthened the opinions I have heretofore expressed to Congress on this subject, and I deem it my duty on the present occasion again to urge them upon the attention of the Legislature. The soundest maxims of public policy and the principals upon which our republican institutions are founded recommend a proper adaptation of the revenue to the expenditure, and they also require that the expenditure shall be limited to what, by an economical administration, shall be consistent with the simplicity of the Government and necessary to an efficient public service.

In effecting this adjustment it is due, in justice to the interests of the different States, and even to the preservation of the Union itself, that the protection afforded by existing laws to any branches of the national industry should not exceed what may be necessary to counteract the regulations of foreign nations and to secure a supply of those articles of manufacture essential to the national independence and safety in time of war. If upon investigation it shall be found, as it is believed it will be, that the legislative protection granted to any particular interest is greater than is indispensably requisite for these objects, I recommend that it be gradually diminished, and that as far as may be consistent with these objects the whole scheme of duties be reduced to the revenue standard as soon as a just regard to the faith of the Government and to the preservation of the large capital invested in establishments of domestic industry will permit.

That manufactures adequate to the supply of our domestic consumption would in the abstract be beneficial to our country there is no reason to doubt, and to effect their establishment there is perhaps no American citizen who would not for a while be willing to pay a higher price for them. But for this purpose it is presumed that a tariff of high duties, designed for perpetual protection, which they maintain has the effect to reduce the price by domestic competition below that of the foreign article. Experience, however, our best guide on this as on other subjects, makes it doubtful whether the advantages of this system are not counter-balanced by many evils, and whether it does not tend to beget in the minds of a large portion of our country-men a spirit of discontent and jealousy dangerous to the stability of the Union.

What, then, shall be done? Large interests have grown up under the implied pledge of our national legislation, which it would seem a violation of public faith suddenly to abandon. Nothing could justify it but the public safety, which is the supreme law. But those who have vested their capital in manufacturing establishments can not expect that the people will continue permanently to pay high taxes for their benefit, when the money is not required for any legitimate purpose in the administration of the Government. Is it not enough that the high duties have been paid as long as the money arising from them could be applied to the common benefit in the extinguishment of the public debt?

Page 348

Those who take an enlarged view of the condition of our country must be satisfied that the policy of protection must be ultimately limited to those articles of domestic manufacture which are indispensable to our safety in time of war. Within this scope, on a reasonable scale, it is recommended by every consideration of patriotism and duty, which will doubtless always secure to it a liberal and efficient support. But beyond this object we have already seen the operation of the system productive of discontent. In some sections of the Republic its influence is deprecated as tending to concentrate wealth into a few hands, and as creating those germs of dependence and vice which in other countries have characterized the existence of monopolies and proved so destructive of liberty and the general good. A large portion of the people in one section of the Republic declares it not only inexpedient on these grounds, but as disturbing the equal relations of property by legislation, and therefore unconstitutional and unjust.

Doubtless these effects are in a great degree exaggerated, and may be ascribed to a mistaken view of the considerations which led to the adoption of the tariff system; but they are never the less important in enabling us to review the subject with a more thorough knowledge of all its bearings upon the great interests of the Republic, and with a determination to dispose of it so that none can with justice complain.

It is my painful duty to state that in one quarter of the United States opposition to the revenue laws has arisen to a height which threatens to thwart their execution, if not to endanger the integrity of the Union. What ever obstructions may be thrown in the way of the judicial authorities of the General Government, it is hoped they will be able peaceably to overcome them by the prudence of their own officers and the patriotism of the people. But should this reasonable reliance on the moderation and good sense of all portions of our fellow citizens be disappointed, it is believed that the laws themselves are fully adequate to the suppression of such attempts as may be immediately made. Should the exigency arise rendering the execution of the existing laws impracticable from any cause what ever, prompt notice of it will be given to Congress, with a suggestion of such views and measures as may be deemed necessary to meet it.

In conformity with principles heretofore explained, and with the hope of reducing the General Government to that simple machine which the Constitution created and of withdrawing from the States all other influence than that of its universal beneficence in preserving peace, affording an uniform currency, maintaining the inviolability of contracts, diffusing intelligence, and discharging unfelt its other super-intending functions, I recommend that provision be made to dispose of all stocks now held by it in corporations, whether created by the General or State Governments, and placing the proceeds in the Treasury. As a source of profit these stocks are of little or no value; as a means of influence among the States they are adverse to the purity of our institutions. The whole principle on which they are based is deemed by many unconstitutional, and to persist in the policy which they indicate is considered wholly inexpedient.

Page 349

It is my duty to acquaint you with an arrangement made by the Bank of the United States with a portion of the holders of the 3% stock, by which the Government will be deprived of the use of the public funds longer than was anticipated. By this arrangement, which will be particularly explained by the Secretary of the Treasury, a surrender of the certificates of this stock may be postponed until October, 1833, and thus may be continued by the failure of the bank to perform its duties.

Such measures as are within the reach of the Secretary of the Treasury have been taken to enable him to judge whether the public deposits in that institution may be regarded as entirely safe; but as his limited power may prove inadequate to this object, I recommend the subject to the attention of Congress, under the firm belief that it is worthy of their serious investigation. An inquiry into the transactions of the institution, embracing the branches as well as the principal bank, seems called for by the credit which is given throughout the country to many serious charges impeaching its character, and which if true may justly excite the apprehension that it is no longer a safe depository of the money of the people.

Among the interests which merit the consideration of Congress after the payment of the public debt, one of the most important, in my view, is that of the public lands. Previous to the formation of our present Constitution it was recommended by Congress that a portion of the waste lands owned by the States should be ceded to the United States for the purposes of general harmony and as a fund to meet the expenses of the war. The recommendation was adopted, and at different periods of time the States of Massachusetts, New York, Virginia, North and South Carolina, and Georgia granted their vacant soil for the uses for which they had been asked. As the lands may now be considered as relieved from this pledge, it is in the discretion of Congress to dispose of them in such way as best to conduce to the quiet, harmony, and general interest of the American people. In examining this question all local and sectional feelings should be discarded and the whole United States regarded as one people, interested alike in the prosperity of their common country.

It can not be doubted that the speedy settlement of these lands constitutes the true interest of the Republic. The wealth and strength of a country are its population, and the best part of that population are cultivators of the soil. Independent farmers are every where the basis of society and true friends of liberty.

In addition to these considerations questions have already arisen, and may be expected hereafter to grow out of the public lands, which involve the rights of the new States and the powers of the General Government, and unless a liberal policy be now adopted there is danger that these questions may speedily assume an importance not now generally anticipated. The influence of a great sectional interest, when brought into full action, will be found more dangerous to the harmony and union of the States than any other cause of discontent, and it is the part of wisdom and sound policy to foresee its approaches and endeavor if possible to counteract them.

Page 350

Of the various schemes which have been hitherto proposed in regard to the disposal of the public lands, none has yet received the entire approbation of the National Legislature. Deeply impressed with the importance of a speedy and satisfactory arrangement of the subject, I deem it my duty on this occasion to urge it upon your consideration, and to the propositions which have been heretofore suggested by others to contribute those reflections which have occurred to me, in the hope that they may assist you in your future deliberations.

It seems to me to be our policy that the public lands shall cease as soon as practicable to be a source of revenue, and that they be sold to settlers in limited parcels at a price barely sufficient to reimburse to the United States the expense of the present system and the cost arising under our Indian compacts. The advantages of accurate surveys and undoubted titles now secured to purchasers seem to forbid the abolition of the present system, because none can be substituted which will more perfectly accomplish these important ends. It is desirable, however, that in convenient time this machinery be withdrawn from the States, and that the right of soil and the future disposition of it be surrendered to the States respectively in which it lies.

The adventurous and hardy population of the West, besides contributing their equal share of taxation under our impost system, have in the progress of our Government, for the lands they occupy, paid into the Treasury a large proportion of $40,000,000, and of the revenue received therefrom but a small part has been expended among them. When to the disadvantage of their situation in this respect we add the consideration that it is their labor alone which gives real value to the lands, and that the proceeds arising from their sale are distributed chiefly among States which had not originally any claim to them, and which have enjoyed the undivided emolument arising from the sale of their own lands, it can not be expected that the new States will remain longer contented with the present policy after the payment of the public debt. To avert the consequences which may be apprehended from this cause, to pub an end for ever to all partial and interested legislation on the subject, and to afford to every American citizen of enterprise the opportunity of securing an independent freehold, it seems to me, therefore, best to abandon the idea of raising a future revenue out of the public lands.

In former messages I have expressed my conviction that the Constitution does not warrant the application of the funds of the General Government to objects of internal improvement which are not national in their character, and, both as a means of doing justice to all interests and putting an end to a course of legislation calculated to destroy the purity of the Government, have urged the necessity of reducing the whole subject to some fixed and certain rule. As there never will occur a period, perhaps, more propitious than the present to the accomplishment of this object, I beg leave to press the subject again upon your attention.

Page 351

Without some general and well-defined principles ascertaining those objects of internal improvement to which the means of the nation may be constitutionally applied, it is obvious that the exercise of the power can never be satisfactory. Besides the danger to which it exposes Congress of making hasty appropriations to works of the character of which they may be frequently ignorant, it promotes a mischievous and corrupting influence upon elections by holding out to the people the fallacious hope that the success of a certain candidate will make navigable their neighboring creek or river, bring commerce to their doors, and increase the value of their property. It thus favors combinations to squander the treasure of the country upon a multitude of local objects, as fatal to just legislation as to the purity of public men.

If a system compatible with the Constitution can not be devised which is free from such tendencies, we should recollect that that instrument provides within itself the mode of its amendment, and that there is, therefore, no excuse for the assumption of doubtful powers by the General Government. If those which are clearly granted shall be found incompetent to the ends of its creation, it can at any time apply for their enlargement; and there is no probability that such an application, if founded on the public interest, will ever be refused. If the propriety of the proposed grant be not sufficiently apparent to command the assent of 3/4 of the States, the best possible reason why the power should not be assumed on doubtful authority is afforded; for if more than one quarter of the States are unwilling to make the grant its exercise will be productive of discontents which will far over-balance any advantages that could be derived from it. All must admit that there is nothing so worthy of the constant solicitude of this Government as the harmony and union of the people.

Being solemnly impressed with the conviction that the extension of the power to make internal improvements beyond the limit I have suggested, even if it be deemed constitutional, is subversive of the best interests of our country, I earnestly recommend to Congress to refrain from its exercise in doubtful cases, except in relation to improvements already begun, unless they shall first procure from the States such an amendment of the Constitution as will define its character and prescribe its bounds. If the States feel themselves competent to these objects, why should this Government wish to assume the power? If they do not, then they will not hesitate to make the grant. Both Governments are the Governments of the people; improvements must be made with the money of the people, and if the money can be collected and applied by those more simple and economical political machines, the State governments, it will unquestionably be safer and better for the people than to add to the splendor, the patronage, and the power of the General Government. But if the people of the several States think otherwise they will amend the Constitution, and in their decision all ought cheerfully to acquiesce.

Page 352

For a detailed and highly satisfactory view of the operations of the War Department I refer you to the accompanying report of the Secretary of War.

The hostile incursions of the Sac and Fox Indians necessarily led to the interposition of the Government. A portion of the troops, under Generals Scott and Atkinson, and of the militia of the State of Illinois were called into the field. After a harassing warfare, prolonged by the nature of the country and by the difficulty of procuring subsistence, the Indians were entirely defeated, and the disaffected band dispersed or destroyed. The result has been creditable to the troops engaged in the service. Severe as is the lesson to the Indians, it was rendered necessary by their unprovoked aggressions, and it is to be hoped that its impression will be permanent and salutary.

This campaign has evinced the efficient organization of the Army and its capacity for prompt and active service. Its several departments have performed their functions with energy and dispatch, and the general movement was satisfactory.

Our fellow citizens upon the frontiers were ready, as they always are, in the tender of their services in the hour of danger. But a more efficient organization of our militia system is essential to that security which is one of the principal objects of all governments. Neither our situation nor our institutions require or permit the maintenance of a large regular force. History offers too many lessons of the fatal result of such a measure not to warn us against its adoption here. The expense which attends it, the obvious tendency to employ it because it exists and thus to engage in unnecessary wars, and its ultimate danger to public liberty will lead us, I trust, to place our principal dependence for protection upon the great body of the citizens of the Republic. If in asserting rights or in repelling wrongs war should come upon us, our regular force should be increased to an extent proportional to the emergency, and our present small Army is a nucleus around which such force could be formed and embodied. But for the purposes of defense under ordinary circumstances we must rely upon the electors of the country. Those by whom and for whom the Government was instituted and is supported will constitute its protection in the hour of danger as they do its check in the hour of safety.

But it is obvious that the militia system is imperfect. Much time is lost, much unnecessary expense incurred, and much public property wasted under the present arrangement. Little useful knowledge is gained by the musters and drills as now established, and the whole subject evidently requires a thorough examination. Whether a plan of classification remedying these defects and providing for a system of instruction might not be adopted is submitted to the consideration of Congress. The Constitution has vested in the General Government an independent authority upon the subject of the militia which renders its action essential to the establishment or improvement of the system, and I recommend the matter to your consideration in the conviction that the state of this important arm of the public defense requires your attention.

Page 353

I am happy to inform you that the wise and humane policy of transferring from the eastern to the western side of the Mississippi the remnants of our aboriginal tribes, with their own consent and upon just terms, has been steadily pursued, and is approaching, I trust, its consummation. By reference to the report of the Secretary of War and to the documents submitted with it you will see the progress which has been made since your last session in the arrangement of the various matters connected with our Indian relations. With one exception every subject involving any question of conflicting jurisdiction or of peculiar difficulty has been happily disposed of, and the conviction evidently gains ground among the Indians that their removal to the country assigned by the United States for their permanent residence furnishes the only hope of their ultimate prosperity.

With that portion of the Cherokees, however, living within the State of Georgia it has been found impracticable as yet to make a satisfactory adjustment. Such was my anxiety to remove all the grounds of complaint and to bring to a termination the difficulties in which they are involved that I directed the very liberal propositions to be made to them which accompany the documents herewith submitted. They can not but have seen in these offers the evidence of the strongest disposition on the part of the Government to deal justly and liberally with them. An ample indemnity was offered for their present possessions, a liberal provision for their future support and improvement, and full security for their private and political rights. What ever difference of opinion may have prevailed respecting the just claims of these people, there will probably be none respecting the liberality of the propositions, and very little respecting the expediency of their immediate acceptance. They were, however, rejected, and thus the position of these Indians remains unchanged, as do the views communicated in my message to the Senate of February 22d, 1831.

I refer you to the annual report of the Secretary of the Navy, which accompanies this message, for a detail of the operations of that branch of the service during the present year.

Besides the general remarks on some of the transactions of our Navy presented in the view which has been taken of our foreign relations, I seize this occasion to invite to your notice the increased protection which it has afforded to our commerce and citizens on distant seas without any augmentation of the force in commission. In the gradual improvement of its pecuniary concerns, in the constant progress in the collection of materials suitable for use during future emergencies, and in the construction of vessels and the buildings necessary to their preservation and repair, the present state of this branch of the service exhibits the fruits of that vigilance and care which are so indispensable to its efficiency. Various new suggestions, contained in the annexed report, as well as others heretofore to Congress, are worthy of your attention, but none more so than that urging the renewal for another term of six years of the general appropriation for the gradual improvement of the Navy.

Page 354

From the accompanying report of the Post Master General you will also perceive that that Department continues to extend its usefulness without impairing its resources or lessening the accommodations which it affords in the secure and rapid transportation of the mail.

I beg leave to call the attention of Congress to the views heretofore expressed in relation to the mode of choosing the President and Vice-President of the United States, and to those respecting the tenure of office generally. Still impressed with the justness of those views and with the belief that the modifications suggested on those subjects if adopted will contribute to the prosperity and harmony of the country, I earnestly recommend them to your consideration at this time.

I have heretofore pointed out defects in the law for punishing official frauds, especially within the District of Columbia. It has been found almost impossible to bring notorious culprits to punishment, and, according to a decision of the court for this District, a prosecution is barred by a lapse of two years after the fraud has been committed. It may happen again, as it has already happened, that during the whole two years all the evidences of the fraud may be in the possession of the culprit himself. However proper the limitation may be in relation to private citizens, it would seem that it ought not to commence running in favor of public officers until they go out of office.

The judiciary system of the United States remains imperfect. Of the 9 Western and South Western States, three only enjoy the benefits of a circuit court. Ohio, Kentucky, and Tennessee are embraced in the general system, but Indiana, Illinois, Missouri, Alabama, Mississippi, and Louisiana have only district courts. If the existing system be a good one, why should it not be extended? If it be a bad one, why is it suffered to exist? The new States were promised equal rights and privileges when they came into the Union, and such are the guaranties of the Constitution. Nothing can be more obvious than the obligation of the General Government to place all the States on the same footing in relation to the administration of justice, and I trust this duty will be neglected no longer.

On many of the subjects to which your attention is invited in this communication it is a source of gratification to reflect that the steps to be now adopted are uninfluenced by the embarrassments entailed upon the country by the wars through which it has passed. In regard to most of our great interests we may consider ourselves as just starting in our career, and after a salutary experience about to fix upon a permanent basis the policy best calculated to promote the happiness of the people and facilitate their progress toward the most complete enjoyment of civil liberty. On an occasion so interesting and important in our history, and of such anxious concern to the friends of freedom throughout the world, it is our imperious duty to lay aside all selfish and local considerations and be guided by a lofty spirit of devotion to the great principles on which our institutions are founded.

Page 355

That this Government may be so administered as to preserve its efficiency in promoting and securing these general objects should be the only aim of our ambition, and we can not, therefore, too carefully examine its structure, in order that we may not mistake its powers or assume those which the people have reserved to themselves or have preferred to assign to other agents. We should bear constantly in mind the fact that the considerations which induced the framers of the Constitution to withhold from the General Government the power to regulate the great mass of the business and concerns of the people have been fully justified by experience, and that it can not now be doubted that the genius of all our institutions prescribes simplicity and economy as the characteristics of the reform which is yet to be effected in the present and future execution of the functions bestowed upon us by the Constitution.

Limited to a general superintending power to maintain peace at home and abroad, and to prescribe laws on a few subjects of general interest not calculated to restrict human liberty, but to enforce human rights, this Government will find its strength and its glory in the faithful discharge of these plain and simple duties. Relieved by its protecting shield from the fear of war and the apprehension of oppression, the free enterprise of our citizens, aided by the State sovereignties, will work out improvements and ameliorations which can not fail to demonstrate that the great truth that the people can govern themselves is not only realized in our example, but that it is done by a machinery in government so simple and economical as scarcely to be felt. That the Almighty Ruler of the Universe may so direct our deliberations and over-rule our acts as to make us instrumental in securing a result so dear to mankind is my most earnest and sincere prayer.

***

State of the Union Address
Andrew Jackson
December 3, 1833

Fellow Citizens of the Senate and of the House of Representatives:

On your assembling to perform the high trusts which the people of the United States have confided to you, of legislating for their common welfare, it gives me pleasure to congratulate you upon the happy condition of our beloved country. By the favor of Divine Providence health is again restored to us, peace reigns within our borders, abundance crowns the labors of our fields, commerce and domestic industry flourish and increase, and individual happiness rewards the private virtue and enterprise of our citizens.

Our condition abroad is no less honorable than it is prosperous at home. Seeking nothing that is not right and determined to submit to nothing that is wrong, but desiring honest friendships and liberal intercourse with all nations, the United States have

gained throughout the world the confidence and respect which are due to a policy so just and so congenial to the character of the American people and to the spirit of their institutions.

Page 356

In bringing to your notice the particular state of our foreign affairs, it affords me high gratification to inform you that they are in a condition which promises the continuance of friendship with all nations.

With Great Britain the interesting question of our North East boundary remains still undecided. A negotiation, however, upon that subject has been renewed since the close of the last Congress, and a proposition has been submitted to the British Government with the view of establishing, in conformity with the resolution of the Senate, the line designated by the treaty of 1783. Though no definitive answer has been received, it may be daily looked for, and I entertain a hope that the overture may ultimately lead to a satisfactory adjustment of this important matter.

I have the satisfaction to inform you that a negotiation which, by desire of the House of Representatives, was opened some years ago with the British Government, for the erection of light houses on the Bahamas, has been successful. Those works, when completed, together with those which the United States have constructed on the western side of the Gulf of Florida, will contribute essentially to the safety of navigation in that sea. This joint participation in establishments interesting to humanity and beneficial to commerce is worthy of two enlightened nations, and indicates feelings which can not fail to have a happy influence upon their political relations. It is gratifying to the friends of both to perceive that the intercourse between the two people is becoming daily more extensive, and that sentiments of mutual good will have grown up befitting their common origin and justifying the hope that by wise counsels on each side not only unsettled questions may be satisfactorily terminated, but new causes of misunderstanding prevented.

Not withstanding that I continue to receive the most amicable assurances from the Government of France, and that in all other respects the most friendly relations exist between the United States and that Government, it is to be regretted that the stipulations of the convention concluded on July 4th, 1831 remain in some important parts unfulfilled.

By the second article of that convention it was stipulated that the sum payable to the United States should be paid at Paris, in six annual installments, into the hands of such person or persons as should be authorized by the Government of the United States to receive it, and by the same article the first installment was payable on February 2d, 1833. By the act of Congress of July 13th, 1832 it was made the duty of the Secretary of the Treasury to cause the several installments, with the interest thereon, to be received from the French Government and transferred to the United States in such manner as he may deem best; and by the same act of Congress the stipulations on the part of the United States in the convention were in all respects fulfilled. Not doubting that a treaty thus made and ratified by the two Governments, and faithfully executed by the United States, would be promptly complied with by the other party, and desiring to avoid the risk and expense of intermediate agencies, the Secretary of the Treasury

deemed it advisable to receive and transfer the first installment by means of a draft upon the French minister of finance.

Page 357

A draft for this purpose was accordingly drawn in favor of the cashier of the Bank of the United States for the amount accruing to the United States out of the first installment, and the interest payable with it. This bill was not drawn at Washington until five days after the installment was payable at Paris, and was accompanied by a special authority from the President authorizing the cashier or his assigns to receive the amount. The mode thus adopted of receiving the installment was officially made known to the French Government by the American charge d'affaires at Paris, pursuant to instructions from the Department of State. The bill, however, though not presented for payment until March 23d, 1833, was not paid, and for the reason assigned by the French minister of finance that no appropriation had been made by the French Chambers. It is not known to me that up to that period any appropriation had been required of the Chambers, and although a communication was subsequently made to the Chambers by direction of the King, recommending that the necessary provision should be made for carrying the convention into effect, it was at an advanced period of the session, and the subject was finally postponed until the next meeting of the Chambers.

Not withstanding it has been supposed by the French ministry that the financial stipulations of the treaty can not be carried into effect without an appropriation by the Chambers, it appears to me to be not only consistent with the character of France, but due to the character of both Governments, as well as to the rights of our citizens, to treat the convention, made and ratified in proper form, as pledging the good faith of the French Government for its execution, and as imposing upon each department an obligation to fulfill it; and I have received assurances through our charge d'affaires at Paris and the French minister plenipotentiary at Washington, and more recently through the minister of the United States at Paris, that the delay has not proceeded from any indisposition on the part of the King and his ministers to fulfill their treaty, and that measures will be presented at the next meeting of the Chambers, and with a reasonable hope of success, to obtain the necessary appropriation.

It is necessary to state, however, that the documents, except certain lists of vessels captured, condemned, or burnt at sea, proper to facilitate the examination and liquidation of the reclamations comprised in the stipulations of the convention, and which by the 6th article France engaged to communicate to the United States by the intermediary of the legation, though repeatedly applied for by the American charge d'affaires under instructions from this Government, have not yet been communicated; and this delay, it is apprehended, will necessarily prevent the completion of the duties assigned to the commissioners within the time at present prescribed by law.

The reasons for delaying to communicate these documents have not been explicitly stated, and this is the more to be regretted as it is not understood that the interposition of the Chambers is in any manner required for the delivery of those papers.

Page 358

Under these circumstances, in a case so important to the interests of our citizens and to the character of our country, and under disappointments so unexpected, I deemed it my duty, however I might respect the general assurances to which I have adverted, no longer to delay the appointment of a minister plenipotentiary to Paris, but to dispatch him in season to communicate the result of his application to the French Government at an early period of your session. I accordingly appointed a distinguished citizen for this purpose, who proceeded on his mission in August last and was presented to the King early in the month of October. He is particularly instructed as to all matters connected with the present posture of affairs, and I indulge the hope that with the representations he is instructed to make, and from the disposition manifested by the King and his ministers in their recent assurances to our minister at Paris, the subject will be early considered, and satisfactorily disposed of at the next meeting of the Chambers.

As this subject involves important interests and has attracted a considerable share of the public attention, I have deemed it proper to make this explicit statement of its actual condition, and should I be disappointed in the hope now entertained the subject will be again brought to the notice of Congress in such manner as the occasion may require.

The friendly relations which have always been maintained between the United States and Russia have been further extended and strengthened by the treaty of navigation and commerce concluded on December 6th, 1832, and sanctioned by the Senate before the close of its last session. The ratifications having been since exchanged, the liberal provisions of the treaty are now in full force, and under the encouragement which they have secured a flourishing and increasing commerce, yielding its benefits to the enterprise of both nations, affords to each the just recompense of wise measures, and adds new motives for that mutual friendship which the two countries have hitherto cherished toward each other.

It affords me peculiar satisfaction to state that the Government of Spain has at length yielded to the justice of the claims which have been so long urged in behalf of our citizens, and has expressed a willingness to provide an indemnification as soon as the proper amount can be agreed upon. Upon this latter point it is probable an understanding had taken place between the minister of the United States and the Spanish Government before the decease of the late King of Spain; and, unless that event may have delayed its completion, there is reason to hope that it may be in my power to announce to you early in your present session the conclusion of a convention upon terms not less favorable than those entered into for similar objects with other nations. That act of justice would well accord with the character of Spain, and is due to the United States from their ancient friend. It could not fail to strengthen the sentiments of amity and good will between the two nations which it is so much the wish of the United States to cherish and so truly the interest of both to maintain.

Page 359

By the first section of an act of Congress passed on July 13th, 1832 the tonnage duty on Spanish ships arriving from the ports of Spain previous to October 20th, 1817, being five cents per ton. That act was intended to give effect on our side to an arrangement made with the Spanish Government by which discriminating duties of tonnage were to be abolished in the ports of the United States and Spain on he vessels of the two nations. Pursuant to that arrangement, which was carried into effect on the part of Spain on May 20th, 1832, by a royal order dated April 29th, 1832, American vessels in the ports of Spain have paid five cents per ton, which rate of duty is also paid in those ports by Spanish ships; but as American vessels pay no tonnage duty in the ports of the United States, the duty of five cents payable in our ports by Spanish vessels under the act above mentioned is really a discriminating duty, operating to the disadvantage of Spain.

Though no complaint has yet been made on the part of Spain, we are not the less bound by the obligations of good faith to remove the discrimination, and I recommend that the act be amended accordingly. As the royal order above alluded to includes the ports of the Balearic and Canary islands as well as those of Spain, it would seem that the provisions of the act of Congress should be equally extensive, and that for the repayments of such duties as may have been improperly received an addition should be made to the sum appropriated at the last session of Congress for refunding discriminating duties.

As the arrangement referred to, however, did not embrace the islands of Cuba and Puerto Rico, discriminating duties to the prejudice of American shipping continue to be levied there. From the extent of the commerce carried on between the United States and those islands, particularly the former, this discrimination causes serious injury to one of those great national interests which it has been considered an essential part of our policy to cherish, and has given rise to complaints on the part of our merchants. Under instructions given to our minister at Madrid, earnest representations have been made by him to the Spanish Government upon this subject, and there is reason to expect, from the friendly disposition which is entertained toward this country, that a beneficial change will be produced.

The disadvantage, however, to which our shipping is subjected by the operation of these discriminating duties requires that they be met by suitable countervailing duties during your present session, power being at the same time vested in the President to modify or discontinue them as the discriminating duties on American vessels or their cargoes may be modified or discontinued at those islands. Intimations have been given to the Spanish Government that the United States may be obliged to resort to such measures as are of necessary self-defense, and there is no reason to apprehend that it would be unfavorably received. The proposed proceeding if adopted would not be permitted, however, in any degree to induce a relaxation in the efforts of our minister to effect a repeal of this irregularity by friendly negotiation, and it might serve to give force to his representations by showing the dangers to which that valuable trade is exposed

by the obstructions and burdens which a system of discriminating and countervailing duties necessarily produces.

Page 360

The selection and preparation of the Florida archives for the purpose of being delivered over to the United States, in conformity with the royal order as mentioned in my last annual message, though in progress, has not yet been completed. This delay has been produced partly by causes which were unavoidable, particularly the prevalence of the cholera at Havana; but measures have been taken which it is believed will expedite the delivery of those important records.

Congress were informed at the opening of the last session that “owing, as was alleged, to embarrassments in the finances of Portugal, consequent upon the civil war in which that nation was engaged”, payment had been made of only one installment of the amount which the Portuguese Government had stipulated to pay for indemnifying our citizens for property illegally captured in the blockade of Terceira. Since that time a postponement for two years, with interest, of the two remaining installments was requested by the Portuguese Government, and as a consideration it offered to stipulate that rice of the United States should be admitted into Portugal at the same duties as Brazilian rice. Being satisfied that no better arrangement could be made, my consent was given, and a royal order of the King of Portugal was accordingly issued on February 4th, 1833 for the reduction of the duty on rice of the United States. It would give me great pleasure if in speaking of that country, in whose prosperity the United States are so much interested, and with whom a long-subsisting, extensive, and mutually advantageous commercial intercourse has strengthened the relation of friendship, I could announce to you the restoration of its internal tranquillity.

Subsequently to the commencement of the last session of Congress the final installment payable by Denmark under the convention of March 28th, 1830 was received. The commissioners for examining the claims have since terminated their labors, and their awards have been paid at the Treasury as they have been called for. The justice rendered to our citizens by that Government is thus completed, and a pledge is thereby afforded for the maintenance of that friendly intercourse becoming the relations that the two nations mutually bear to each other.

It is satisfactory to inform you that the Danish Government have recently issued an ordinance by which the commerce with the island of St. Croix is placed on a more liberal footing than heretofore. This change can not fail to prove beneficial to the trade between the United States and that colony, and the advantages likely to flow from it may lead to greater relaxations in the colonial systems of other nations.

The ratifications of the convention with the King of the two Sicilies have been duly exchanged, and the commissioners appointed for examining the claims under it have entered upon the duties assigned to them by law. The friendship that the interests of the two nations require of them being now established, it may be hoped that each will enjoy the benefits which a liberal commerce should yield to both.

Page 361

A treaty of amity and commerce between the United States and Belgium was concluded during the last winter and received the sanction of the Senate, but the exchange of the ratifications has been hitherto delayed, in consequence, in the first instance, of some delay in the reception of the treaty at Brussels, and, subsequently, of the absence of the Belgian minister of foreign affairs at the important conferences in which his Government is engaged at London. That treaty does but embody those enlarged principles of friendly policy which it is sincerely hoped will always regulate the conduct of the two nations having such strong motives to maintain amicable relations toward each other and so sincerely desirous to cherish them.

With all the other European powers with whom the United States have formed diplomatic relations and with the Sublime Porte the best understanding prevails. From all I continue to receive assurances of good will toward the United States—assurances which it gives me no less pleasure to reciprocate than to receive. With all, the engagements which have been entered into are fulfilled with good faith on both sides. Measures have also been taken to enlarge our friendly relations and extend our commercial intercourse with other States. The system we have pursued of aiming at no exclusive advantages, of dealing with all on terms of fair and equal reciprocity, and of adhering scrupulously to all our engagements is well calculated to give success to efforts intended to be mutually beneficial.

The wars of which the southern part of this continent was so long the theater, and which were carried on either by the mother country against the States which had formerly been her colonies or by the States against each other, having terminated, and their civil dissensions having so far subsided as with few exceptions no longer to disturb the public tranquillity, it is earnestly hoped those States will be able to employ themselves without interruption in perfecting their institutions, cultivating the arts of peace, and promoting by wise councils and able exertions the public and private prosperity which their patriotic struggles so well entitle them to enjoy.

With those States our relations have under-gone but little change during the present year. No reunion having yet taken place between the States which composed the Republic of Colombia, our charge d'affaires at Bogota has been accredited to the Government of New Grenada, and we have, therefore, no diplomatic relations with Venezuela and Equator, except as they may be included in those heretofore formed with the Colombian Republic.

It is understood that representatives from the three states were about to assemble at Bogota to confer on the subject of their mutual interests, particularly that of their union, and if the result should render it necessary, measures will be taken on our part to preserve with each that friendship and those liberal commercial connections which it has been the constant desire of the United States to cultivate with their sister Republics of this hemisphere. Until the important question of reunion shall be settled, however, the different matters which have been under discussion between the United States and

the Republic of Colombia, or either of the States which composed it, are not likely to be brought to a satisfactory issue.

Page 362

In consequence of the illness of the charge d'affaires appointed to Central America at the last session of Congress, he was prevented from proceeding on his mission until the month of October. It is hoped, however, that he is by this time at his post, and that the official intercourse, unfortunately so long interrupted, has been thus renewed on the part of the two nations so amicably and advantageously connected by engagements founded on the most enlarged principles of commercial reciprocity.

It is gratifying to state that since my last annual message some of the most important claims of our fellow citizens upon the Government of Brazil have been satisfactorily adjusted, and a reliance is placed on the friendly dispositions manifested by it that justice will also be done in others. No new causes of complaint have arisen, and the trade between the two countries flourishes under the encouragement secured to it by the liberal provisions of the treaty.

It is cause of regret that, owing, probably, to the civil dissensions which have occupied the attention of the Mexican Government, the time fixed by the treaty of limits with the United States for the meeting of the commissioners to define the boundaries between the two nations has been suffered to expire without the appointment of any commissioners on the part of that Government. While the true boundary remains in doubt by either party it is difficult to give effect to those measures which are necessary to the protection and quiet of our numerous citizens residing near that frontier. The subject is one of great solicitude to the United States, and will not fail to receive my earnest attention.

The treaty concluded with Chili and approved by the Senate at its last session was also ratified by the Chilian Government, but with certain additional and explanatory articles of a nature to have required it to be again submitted to the Senate. The time limited for the exchange of the ratification, however, having since expired, the action of both Governments on the treaty will again become necessary.

The negotiations commenced with the Argentine Republic relative to the outrages committed on our vessels engaged in the fisheries at the Falkland Islands by persons acting under the color of its authority, as well as the other matters in controversy between the two Governments, have been suspended by the departure of the charge d'affaires of the United States from Buenos Ayres. It is understood, however, that a minister was subsequently appointed by that Government to renew the negotiation in the United States, but though daily expected he has not yet arrived in this country.

With Peru no treaty has yet been formed, and with Bolivia no diplomatic intercourse has yet been established. It will be my endeavor to encourage those sentiments of amity and that liberal commerce which belong to the relations in which all the independent States of this continent stand toward each other.

Page 363

I deem it proper to recommend to your notice the revision of our consular system. This has become an important branch of the public service, in as much as it is intimately connected with the preservation of our national character abroad, with the interest of our citizens in foreign countries, with the regulation and care of our commerce, and with the protection of our sea men. At the close of the last session of Congress I communicated a report from the Secretary of State upon the subject, to which I now refer, as containing information which may be useful in any inquiries that Congress may see fit to institute with a view to a salutary reform of the system.

It gives me great pleasure to congratulate you upon the prosperous condition of the finances of the country, as will appear from the report which the Secretary of the Treasury will in due time lay before you. The receipts into the Treasury during the present year will amount to more than $32,000,000. The revenue derived from customs will, it is believed, be more than $28,000,000, and the public lands will yield about $3,0900,000. The expenditures within the year for all objects, including $2,572,240.99 on account of the public debt, will not amount to $25,000,000, and a large balance will remain in the Treasury after satisfying all the appropriations chargeable on the revenue for the present year.

The measures taken by the Secretary of the Treasury will probably enable to pay off in the course of the present year the residue of the exchanged 4.5% stock, redeemable on January 1st, 1834. It has therefore been included in the estimated expenditures of this year, and forms a part of the sum above stated to have been paid on account of the public debt. The payment of this stock will reduce the whole debt of the United States, funded and unfunded, to the sum of $4,760,082.08, and as provision has already been made for the 4.5% stocks above mentioned, and charged in the expenses of the present year, the sum last stated is all that now remains of the national debt; and the revenue of the coming year, together with the balance now in the Treasury, will be sufficient to discharge it, after meeting the current expenses of the Government. Under the power given to the commissioners of the sinking fund, it will, I have no doubt, be purchased on favorable terms within the year.

From this view of the state of the finances and the public engagements yet to be fulfilled you will perceive that if Providence permits me to meet you at another session I shall have the high gratification of announcing to you that the national debt is extinguished. I can not refrain from expressing the pleasure I feel at the near approach of that desirable event. The short period of time within which the public debt will have been discharged is strong evidence of the abundant resources of the country and of the prudence and economy with which the Government has heretofore been administered. We have waged two wars since

Page 364

we became a nation, with one of the most powerful kingdoms in the world, both of them undertaken in defense of our dearest rights, been successfully prosecuted and honorably terminated; and many of those who partook in the first struggle as well as in the second will have lived to see the last item of the debt incurred in these necessary but expensive conflicts faithfully and honestly discharged. And we shall have the proud satisfaction of bequeathing to the public servants who follow us in the administration of the Government the rare blessing of a revenue sufficiently abundant, raised without injustice or oppression to our citizens, and unencumbered with any burdens but what they themselves shall think proper to impose upon it.

The flourishing state of the finances ought not, however, to encourage us to indulge in a lavish expenditure of the public treasure. The receipts of the present year do not furnish the test by which we are to estimate the income of the next. The changes made in our revenue system by the acts of Congress of 1832 and 1833, and more especially by the former, have swelled the receipts of the present year far beyond the amount to be expected in future years upon the reduced tariff of duties. The shortened credits on revenue bonds and the cash duties on woolens which were introduced by the act of 1832, and took effect on March 4th, 1832, have brought large sums into the Treasury in 1833, which, according to the credits formerly given, would not have been payable until 1834, and would have formed a part of the income of that year. These causes would of themselves produce a great diminution of the receipts in the year 1834 as compared with the present one, and they will be still more diminished by the reduced rates of duties which take place on January 1st, 1834 on some of the most important and productive articles.

Upon the best estimates that can be made the receipts of the next year, with the aid of the unappropriated amount now in the Treasury, will not be much more than sufficient to meet the expenses of the year and pay the small remnant of the national debt which yet remains unsatisfied. I can not, therefore, recommend to you any alteration in the present tariff of duties. The rate as now fixed by law on the various articles was adopted at the last session of Congress, as a matter of compromise, with unusual unanimity, and unless it is found to produce more than the necessities of the Government call for there would seem to be no reason at this time to justify a change.

But while I forbear to recommend any further reduction of the duties beyond that already provided for by the existing laws, I must earnestly and respectfully press upon Congress the importance of abstaining from all appropriations which are not absolutely required for the public interest and authorized by the powers clearly delegated to the United States. We are beginning a new era in our Government. The national

Page 365

debt, which has so long been a burden on the Treasury, will be finally discharged in the course of the ensuing year. No more memory will afterwards be needed than what may be necessary to meet the ordinary expenses of the Government. Now, then, is the proper moment to fix our system of expenditure on firm and durable principles, and I can not too strongly urge the necessity of a rigid economy and an inflexible determination not to enlarge the income beyond the real necessities of the Government and not to increase the wants of the Government by unnecessary and profuse expenditures.

If a contrary course should be pursued, it may happen that the revenue of 1834 will fall short of the demands upon it, and after reducing the tariff in order to lighten the burdens of the people, and providing for a still further reduction to take effect hereafter, it would be much to be deplored if at the end of another year we should find ourselves obliged to retrace our steps and impose additional taxes to meet unnecessary expenditures.

It is my duty on this occasion to call your attention to the destruction of the public building occupied by the Treasury Department, which happened since the last adjournment of Congress. A thorough inquiry into the causes of this loss was directed and made at the time, the result of which will be duly communicated to you. I take pleasure, however, in stating here that by the laudable exertions of the officers of the Department and many of the citizens of the District but few papers were lost, and none that will materially affect the public interest.

The public convenience requires that another building should be erected as soon as practicable, and in providing for it it will be advisable to enlarge in some manner the accommodations for the public officers of the several Departments, and to authorize the erection of suitable depositories for the safe-keeping of the public documents and records.

Since the last adjournment of Congress the Secretary of the Treasury has directed the money of the United States to be deposited in certain State banks designated by him, and he will immediately lay before you his reasons for this direction. I concur with him entirely in the view he has taken on the subject, and some months before the removal I urged upon the Department the propriety of taking that step. The near approach of the day on which the charger will expire, as well as the conduct of the bank, appeared to me to call for this measure upon the high considerations of public interest and public duty. The extent of its misconduct, however, although known to be great, was not at that time fully developed by proof. It was not until late in the month of August that I received from the Government directors an official report establishing beyond question that this great and powerful institution had been actively engaged in attempting to influence the elections of the public officers by means of its money, and that, in violation

Page 366

of the express provisions of its charter, it had by a formal resolution placed its funds at the disposition of its president to be employed in sustaining the political power of the bank. A copy of this resolution is contained in the report of the Government directors before referred to, and how ever the object may be disguised by cautious language, no one can doubt that this money was in truth intended for electioneering purposes, and the particular uses to which it was proved to have been applied abundantly show that it was so understood. Not only was the evidence complete as to the past application of the money and power of the bank to electioneering purposes, but that the resolution of the board of directors authorized the same course to be pursued in future.

It being thus established by unquestionable proof that the Bank of the United States was converted into a permanent electioneering engine, it appeared to me that the path of duty which the executive department of the Government ought to pursue was not doubtful. As by the terms of the bank charter no officer but the Secretary of the Treasury could remove the deposits, it seemed to me that this authority ought to be at once exerted to deprive that great corporation of the support and countenance of the Government in such an use of its and such an exertion of its power. In this point of the case the question is distinctly presented whether the people of the United States are to govern through representatives chosen by their unbiased suffrages or whether the money and power of a great corporation are to be secretly exerted to influence their judgment and control their decisions. It must now be determined whether the bank is to have its candidates for all offices in the country, from the highest to the lowest, or whether candidates on both sides of political questions shall be brought forward as heretofore and supported by the usual means.

At this time the efforts of the bank to control public opinion, through the distresses of some and the fears of others, are equally apparent, and, if possible, more objectionable. By a curtailment of its accommodations more rapid than any emergency requires, and even while it retains specie to an almost unprecedented amount in its vaults, it is attempting to produce great embarrassment in one portion of the community, while through presses known to have been sustained by its money it attempts by unfounded alarms to create a panic in all.

These are the means by which it seems to expect that it can force a restoration of the deposits, and as a necessary consequence extort from Congress a renewal of its charter. I am happy to know that through the good sense of our people the effort to get up a panic has hitherto failed, and that through the increased accommodations which the State banks have been enabled to afford, no public distress has followed the exertions of the bank, and it can not be doubted that the exercise of its power and the expenditure

Page 367

of its money, as well as its efforts to spread groundless alarm, will be met and rebuked as they deserve. In my own sphere of duty I should feel myself called on by the facts disclosed to order a scire facias against the bank, with a view to put an end to the chartered rights it has so palpably violated, were it not that the charter itself will expire as soon as a decision would probably be obtained from the court of last resort.

I called the attention of Congress to this subject in my last annual message, and informed them that such measures as were within the reach of the Secretary of the Treasury had been taken to enable him to judge whether the public deposits in the Bank of the United States were entirely safe; but that as his single powers might be inadequate to the object, I recommended the subject to Congress as worthy of their serious investigation, declaring it as my opinion that an inquiry into the transactions of that institution, embracing the branches as well as the principal bank, was called for by the credit which was given throughout the country to many serious charges impeaching their character, and which, if true, might justly excite the apprehension that they were no longer a safe depository for the public money. The extent to which the examination thus recommended was gone into is spread upon your journals, and is too well known to require to be stated. Such as was made resulted in a report from a majority of the Committee of Ways and Means touching certain specified points only, concluding with a resolution that the Government deposits might safely be continued in the Bank of the United States. This resolution was adopted at the close of the session by the vote of a majority of the House of Representatives.

Although I may not always be able to concur in the views of the public interest or the duties of its agents which may be taken by the other departments of the Government or either of its branches, I am, not withstanding, wholly incapable of receiving otherwise than with the most sincere respect all opinions or suggestions proceeding from such a source, and in respect to none am I more inclined to do so than to the House of Representatives. But it will be seen from the brief views at this time taken of the subject by myself, as well as the more ample ones presented by the Secretary of the Treasury, that the change in the deposits which has been ordered has been deemed to be called for by considerations which are not affected by the proceedings referred to, and which, if correctly viewed by that Department, rendered its act a matter of imperious duty.

Coming as you do, for the most part, immediately from the people and the States by election, and possessing the fullest opportunity to know their sentiments, the present Congress will be sincerely solicitous to carry into full and fair effect the will of their constituents in regard to this institution. It will be for those in whose behalf we all act to decide whether the executive department of the Government, in the steps which it has taken on this subject, has been found in the line of its duty.

Page 368

The accompanying report of the Secretary of War, with the documents annexed to it, exhibits the operations of the War Department for the past year and the condition of the various subjects intrusted to its administration.

It will be seen from them that the Army maintains the character it has heretofore acquired for efficiency and military knowledge. Nothing has occurred since your last session to require its services beyond the ordinary routine duties which upon the sea-board and the in-land frontier devolve upon it in a time of peace. The system so wisely adopted and so long pursued of constructing fortifications at exposed points and of preparing and collecting the supplies necessary for the military defense of the country, and thus providently furnishing in peace the means of defense in war, has been continued with the usual results. I recommend to your consideration the various subjects suggested in the report of the Secretary of War. Their adoption would promote the public service and meliorate the condition of the Army.

Our relations with the various Indian tribes have been undisturbed since the termination of the difficulties growing out of the hostile aggressions of the Sac and Fox Indians. Several treaties have been formed for the relinquishment of territory to the United States and for the migration of the occupants of the region assigned for their residence West of the Mississippi. Should these treaties be ratified by the Senate, provision will have been made for the removal of almost all the tribes remaining E of that river and for the termination of many difficult and embarrassing questions arising out of their anomalous political condition.

It is to be hoped that those portions of two of the Southern tribes, which in that event will present the only remaining difficulties, will realize the necessity of emigration, and will speedily resort to it. My original convictions upon this subject have been confirmed by the course of events for several years, and experience is every day adding to their strength. That those tribes can not exist surrounded by our settlements and in continual contact with our citizens is certain. They have neither the intelligence, the industry, the moral habits, nor the desire of improvement which are essential to any favorable change in their condition. Established in the midst of another and a superior race, and without appreciating the causes of their inferiority or seeking to control them, they must necessarily yield to the force of circumstances and ere long disappear.

Such has been their fate heretofore, and if it is to be averted—and it is—it can only be done by a general removal beyond our boundary and by the reorganization of their political system upon principles adapted to the new relations in which they will be placed. The experiment which has been recently made has so far proved successful. The emigrants generally are represented to be prosperous

Page 369

and contented, the country suitable to their wants and habits, and the essential articles of subsistence easily procured. When the report of the commissioners now engaged in investigating the condition and prospects of these Indians and in devising a plan for their intercourse and government is received, I trust ample means of information will be in possession of the Government for adjusting all the unsettled questions connected with this interesting subject.

The operations of the Navy during the year and its present condition are fully exhibited in the annual report from the Navy Department.

Suggestions are made by the Secretary of various improvements, which deserve careful consideration, and most of which, if adopted, bid fair to promote the efficiency of this important branch of the public service. Among these are the new organization of the Navy Board, the revision of the pay to officers, and a change in the period of time or in the manner of making the annual appropriations, to which I beg leave to call your particular attention.

The views which are presented on almost every portion of our naval concerns, and especially on the amount of force and the number of officers, and the general course of policy appropriate in the present state of our country for securing the great and useful purposes of naval protection in peace and due preparation for the contingencies of war, meet with my entire approbation.

It will be perceived from the report referred to that the fiscal concerns of the establishment are in an excellent condition, and it is hoped that Congress may feel disposed to make promptly every suitable provision desired either for preserving or improving the system.

The general Post Office Department has continued, upon the strength of its own resources, to facilitate the means of communication between the various portions of the Union with increased activity. The method, however, in which the accounts of the transportation of the mail have always been kept appears to have presented an imperfect view of its expenses. It has recently been discovered that from the earliest records of the Department the annual statements have been calculated to exhibit an amount considerably short of the actual expense incurred for that service. These illusory statements, together with the expense of carrying into effect the law of the last session of Congress establishing new mail routes, and a disposition on the part of the head of the Department to gratify the wishes of the public in the extension of mail facilities, have induced him to incur responsibilities for their improvement beyond what the current resources of the Department would sustain. As soon as he had discovered the imperfection of the method he caused an investigation to be made of its results and applied the proper remedy to correct the evil. It became necessary for him to withdraw

some of the improvements which he had made to bring the expenses of the Department within its own resources. These expenses were incurred for the public good, and the public have enjoyed their benefit. They are now but partially suspended, and that where they may be discontinued with the least inconvenience to the country.

Page 370

The progressive increase in the income from postages has equaled the highest expectations, and it affords demonstrative evidence of the growing importance and great utility of this Department. The details are exhibited in the accompanying report of the Post Master General.

The many distressing accidents which have of late occurred in that portion of our navigation carried on by the use of steam power deserve the immediate and unremitting attention of the constituted authorities of the country. The fact that the number of those fatal disasters is constantly increasing, not withstanding the great improvements which are every where made in the machinery employed and in the rapid advances which have made in that branch of science, shows very clearly that they are in a great degree the result of criminal negligence on the part of those by whom the vessels are navigated and to whose care and attention the lives and property of our citizens are so extensively intrusted.

That these evils may be greatly lessened, if not substantially removed, by means of precautionary and penal legislation seems to be highly probably. So far, therefore, as the subject can be regarded as within the constitutional purview of Congress I earnestly recommend it to your prompt and serious consideration.

I would also call your attention to the views I have heretofore expressed of the propriety of amending the Constitution in relation to the mode of electing the President and the Vice-President of the United States. Regarding it as all important to the future quiet and harmony of the people that every intermediate agency in the election of these officers should be removed and that their eligibility should be limited to one term of either four or six years, I can not too earnestly invite your consideration of the subject.

Trusting that your deliberations on all the topics of general interest to which I have adverted, and such others as your more extensive knowledge of the wants of our beloved country may suggest, may be crowned with success, I tender you in conclusion the cooperation which it may be in my power to afford them.

***

State of the Union Address
Andrew Jackson
December 1, 1834

Fellow Citizens of the Senate and of the House of Representatives:

In performing my duty at the opening of your present session it gives me pleasure to congratulate you again upon the prosperous condition of our beloved country. Divine Providence has favored us with general health, with rich rewards in the fields of agriculture and in every branch of labor, and with peace to cultivate and extend the

various resources which employ the virtue and enterprise of our citizens. Let us trust that in surveying a scene so flattering to our free institutions our joint deliberations to preserve them may be crowned with success.

Our foreign relations continue, with but few exceptions, to maintain the favorable aspect which they bore in my last annual message, and promise to extend those advantages which the principles that regulate our intercourse with other nations are so well calculated to secure.

Page 371

The question of our North East boundary is still pending with Great Britain, and the proposition made in accordance with the resolution of the Senate for the establishment of a line according to the treaty of 1783 has not been accepted by that Government. Believing that every disposition is felt on both sides to adjust this perplexing question to the satisfaction of all the parties interested in it, the hope is yet indulged that it may be effected on the basis of that proposition.

With the Governments of Austria, Russia, Prussia, Holland, Sweden, and Denmark the best understanding exists. Commerce with all is fostered and protected by reciprocal good will under the sanction of liberal conventional or legal provisions.

In the midst of her internal difficulties the Queen of Spain has ratified the convention for the payment of the claims of our citizens arising since 1819. It is in the course of execution on her part, and a copy of it is now laid before you for such legislation as may be found necessary to enable those interested to derive the benefits of it.

Yielding to the force of circumstances and to the wise counsels of time and experience, that power has finally resolved no longer to occupy the unnatural position in which she stood to the new Governments established in this hemisphere. I have the great satisfaction of stating to you that in preparing the way for the restoration of harmony between those who have sprung from the same ancestors, who are allied by common interests, profess the same religion, and speak the same language the United States have been actively instrumental. Our efforts to effect this good work will be persevered in while they are deemed useful to the parties and our entire disinterestedness continues to be felt and understood. The act of Congress to countervail the discriminating duties to the prejudice of our navigation levied in Cuba and Puerto Rico has been transmitted to the minister of the United States at Madrid, to be communicated to the Government of the Queen. No intelligence of its receipt has yet reached the Department of State. If the present condition of the country permits the Government to make a careful and enlarged examination of the true interests of these important portions of its dominions, no doubt is entertained that their future intercourse with the United States will be placed upon a more just and liberal basis.

The Florida archives have not yet been selected and delivered. Recent orders have been sent to the agent of the United States at Havana to return with all that he can obtain, so that they may be in Washington before the session of the Supreme Court, to be used in the legal questions there pending to which the Government is a party.

Internal tranquillity is happily restored to Portugal. The distracted state of the country rendered unavoidable the postponement of a final payment of the just claims of our citizens. Our diplomatic relations will be soon resumed, and the long-subsisting friendship with that power affords the strongest guaranty that the balance due will receive prompt attention.

Page 372

The first installment due under the convention of indemnity with the King of the Two Sicilies has been duly received, and an offer has been made to extinguish the whole by a prompt payment—an offer I did not consider myself authorized to accept, as the indemnification provided is the exclusive property of individual citizens of the United States. The original adjustment of our claims and the anxiety displayed to fulfill at once the stipulations made for the payment of them are highly honorable to the Government of the Two Sicilies. When it is recollected that they were the result of the injustice of an intrusive power temporarily dominant in its territory, a repugnance to acknowledge and to pay which would have been neither unnatural nor unexpected, the circumstances can not fail to exalt its character for justice and good faith in the eyes of all nations.

The treaty of amity and commerce between the United States and Belgium, brought to your notice in my last annual message as sanctioned by the Senate, but the ratifications of which had not been exchanged owing to a delay in its reception at Brussels and a subsequent absence of the Belgian minister of foreign affairs, has been, after mature deliberation, finally disavowed by that Government as inconsistent with the powers and instructions given to their minister who negotiated it. This disavowal was entirely unexpected, as the liberal principles embodied in the convention, and which form the ground-work of the objections to it, were perfectly satisfactory to the Belgian representative, and were supposed to be not only within the powers granted, but expressly conformable to the instructions given to him. An offer, not yet accepted, has been made by Belgium to renew negotiations for a treaty less liberal in its provisions on questions of general maritime law.

Our newly established relations with the Sublime Porte promise to be useful to our commerce and satisfactory in every respect to this Government. Our intercourse with the Barbary Powers continues without important change, except that the present political state of Algiers has induced me to terminate the residence there of a salaried consul and to substitute an ordinary consulate, to remain so long as the place continues in the possession of France. Our first treaty with one of these powers, the Emperor of Morocco, was formed in 1786, and was limited to fifty years. That period has almost expired. I shall take measures to renew it with the greater satisfaction as its stipulations are just and liberal and have been, with mutual fidelity and reciprocal advantage, scrupulously fulfilled.

Intestine dissensions have too frequently occurred to mar the prosperity, interrupt the commerce, and distract the governments of most of the nations of this hemisphere which have separated themselves from Spain. When a firm and permanent understanding with the parent country shall have produced a formal acknowledgment of their independence, and the idea of danger from that quarter can be no longer entertained, the friends of freedom expect that those countries, so favored by nature, will be distinguished for their love of justice and their devotion to those peaceful arts the assiduous cultivation of which confers honor upon nations and gives value to human life.

Page 373

In the mean time I confidently hope that the apprehensions entertained that some of the people of these luxuriant regions may be tempted, in a moment of unworthy distrust of their own capacity for the enjoyment of liberty, to commit the too common error of purchasing present repose by bestowing on some favorite leaders the fatal gift of irresponsible power will not be realized. With all these Governments and with that of Brazil no unexpected changes in our relations have occurred during the present year.

Frequent causes of just complaint have arisen upon the part of the citizens of the United States, some times from the irregular action of the constituted subordinate authorities of the maritime regions and some times from the leaders or partisans of those in arms against the established Governments. In all cases representations have been or will be made, and as soon as their political affairs are in a settled position it is expected that our friendly remonstrances will be followed by adequate redress.

The Government of Mexico made known in December last the appointment of commissioners and a surveyor on its part to run, in conjunction with ours, the boundary line between its territories and the United States, and excused the delay for the reasons anticipated—the prevalence of civil war. The commissioners and surveyors not having met within the time stipulated by the treaty, a new arrangement became necessary, and our charge d'affaires was instructed in January, 1833 to negotiate in Mexico an article additional to the pre-existing treaty. This instruction was acknowledged, and no difficulty was apprehended in the accomplishment of that object. By information just received that additional article to the treaty will be obtained and transmitted to this country as soon as it can receive the ratification of the Mexican Congress.

The reunion of the three States of New Grenada, Venezuela, and Equador, forming the Republic of Colombia, seems every day to become more improbable. The commissioners of the two first are understood to be now negotiating a just division of the obligations contracted by them when united under one government. The civil war in Equador, it is believed, has prevented even the appointment of a commissioner on its part.

I propose at an early day to submit, in the proper form, the appointment of a diplomatic agent to Venezuela, the importance of the commerce of that country to the United States and the large claims of our citizens upon the Government arising before and since the division of Colombia rendering it, in my judgment, improper longer to delay this step.

Our representatives to Central America, Peru, and Brazil are either at or on their way to their respective posts.

From the Argentine Republic, from which a minister was expected to this Government, nothing further has been heard. Occasion has been taken on the departure of a new

consul to Buenos Ayres to remind that Government that its long delayed minister, whose appointment had been made known to us, had not arrived.

Page 374

It becomes my unpleasant duty to inform you that this pacific and highly gratifying picture of our foreign relations does not include those with France at this time. It is not possible that any Government and people could be more sincerely desirous of conciliating a just and friendly intercourse with another nation than are those of the United States with their ancient ally and friend. This disposition is founded as well on the most grateful and honorable recollections associated with our struggle for independence as upon a well grounded conviction that it is consonant with the true policy of both. The people of the United States could not, therefore, see without the deepest regret even a temporary interruption of the friendly relations between the two countries—a regret which would, I am sure, be greatly aggravated if there should turn out to be any reasonable ground for attributing such a result to any act of omission or commission on our part. I derive, therefore, the highest satisfaction from being able to assure you that the whole course of this Government has been characterized by a spirit so conciliatory and for bearing as to make it impossible that our justice and moderation should be questioned, what ever may be the consequences of a longer perseverance on the part of the French Government in her omission to satisfy the conceded claims of our citizens.

The history of the accumulated and unprovoked aggressions upon our commerce committed by authority of the existing Governments of France between the years 1800 and 1817 has been rendered too painfully familiar to Americans to make its repetition either necessary or desirable. It will be sufficient here to remark that there has for many years been scarcely a single administration of the French Government by whom the justice and legality of the claims of our citizens to indemnity were not to a very considerable extent admitted, and yet near a quarter of a century has been wasted in ineffectual negotiations to secure it.

Deeply sensible of the injurious effects resulting from this state of things upon the interests and character of both nations, I regarded it as among my first duties to cause one more effort to be made to satisfy France that a just and liberal settlement of our claims was as well due to her own honor as to their incontestable validity. The negotiation for this purpose was commenced with the late Government of France, and was prosecuted with such success as to leave no reasonable ground to doubt that a settlement of a character quite as liberal as that which was subsequently made would have been effected had not the revolution by which the negotiation was cut off taken place. The discussions were resumed with the present Government, and the result showed that we were not wrong in supposing that an event by which the two Governments were made to approach each other so much nearer in their political principles, and by which the motives for the most liberal and friendly intercourse were so greatly multiplied, could exercise no other than a salutary influence upon the negotiation.

Page 375

After the most deliberate and thorough examination of the whole subject a treaty between the two Governments was concluded and signed at Paris on July 4th, 1831, by which it was stipulated that “the French Government, in order to liberate itself from all the reclamations preferred against it by citizens of the United States for unlawful seizures, captures, sequestrations, confiscations, or destruction of their vessels, cargoes, or other property, engages to pay a sum of 25,000,000 francs to the United States, who shall distribute it among those entitled in the manner and according to the rules it shall determine”; and it was also stipulated on the part of the French Government that this 25,000,000 francs should be paid at Paris, in six annual installments of 4,166,666 francs and 66 centimes each, into the hands of such person or persons “as shall be authorized by the Government of the United States to receive it”, the first installment to be paid “at the expiration of one year next following the exchange of the ratifications of this convention and the others at successive intervals of a year, one after another, ’til the whole shall be paid. To the amount of each of the said installments shall be added interest at 4% thereupon, as upon the other installments then remaining unpaid, the said interest to be computed from the day of the exchange of the present convention”.

It was also stipulated on the part of the United States, for the purpose of being completely liberated from all the reclamations presented by France on behalf of its citizens, that the sum of 1,500,000 francs should be paid to the Government of France in six annual installments, to be deducted out of the annual sums which France had agreed to pay, interest thereupon being in like manner computed from the day of the exchange of the ratifications. In addition to this stipulation, important advantages were secured to France by the following article, viz: The wines of France, from and after the exchange of the ratifications of the present conventions, shall be admitted to consumption in the States of the Union at duties which shall not exceed the following rates by the gallon (such as it is used at present for wines in the United States), to wit: six cents for red wines in casks; ten cents for white wines in casks, and 22 cents for wines of all sorts in bottles. The proportions existing between the duties on French wines thus reduced and the general rates of the tariff which went into operation January 1st, 1829, shall be maintained in case the Government of the United States should think proper to diminish those general rates in a new tariff.

Page 376

In consideration of this stipulation, which shall be binding on the United States for ten years, the French Government abandons the reclamations which it had formed in relation to the 8th article of the treaty of cession of Louisiana. It engages, moreover, to establish on the long-staple cottons of the United States which after the exchange of the ratifications of the present convention shall be brought directly thence to France by the vessels of the United States or by French vessels the same duties as on short-staple cotton. This treaty was duly ratified in the manner prescribed by the constitutions of both countries, and the ratification was exchanged at the city of Washington on February 2d, 1832. On account of its commercial stipulations it was in five days thereafter laid before the Congress of the United States, which proceeded to enact such laws favorable to the commerce of France as were necessary to carry it into full execution, and France has from that period to the present been in the unrestricted enjoyment of the valuable privileges that were thus secured to her.

The faith of the French nation having been thus solemnly pledged through its constitutional organ for the liquidation and ultimate payment of the long deferred claims of our citizens, as also for the adjustment of other points of great and reciprocal benefits to both countries, and the United States having, with a fidelity and promptitude by which their conduct will, I trust, be always characterized, done every thing that was necessary to carry the treaty into full and fair effect on their part, counted with the most perfect confidence on equal fidelity and promptitude on the part of the French Government. In this reasonable expectation we have been, I regret to inform you, wholly disappointed. No legislative provision has been made by France for the execution of the treaty, either as it respects the indemnity to be paid or the commercial benefits to be secured to the United States, and the relations between the United States and that power in consequence thereof are placed in a situation threatening to interrupt the good understanding which has so long and so happily existed between the two nations.

Not only has the French Government been thus wanting in the performance of the stipulations it has so solemnly entered into with the United States, but its omissions have been marked by circumstances which would seem to leave us without satisfactory evidences that such performance will certainly take place at a future period. Advice of the exchange of ratifications reached Paris prior to April 8th, 1832. The French Chambers were then sitting, and continued in session until April 21st, 1832, and although one installment of the indemnity was payable on February 2d, 1833, one year after the exchange of ratifications, no application was made to the Chambers for the required appropriation, and in consequence of no appropriation having then been made the draft of the United States Government for that installment was dishonored by the minister of finance, and the United States thereby involved in much controversy.

Page 377

The next session of the Chambers commenced on November 19th, 1832, and continued until April 25th, 1833. Not withstanding the omission to pay the first installment had been made the subject of earnest remonstrance on our part, the treaty with the United States and a bill making the necessary appropriations to execute it were not laid before the Chamber of Deputies until April 6th, 1833, nearly five months after its meeting, and only nineteen days before the close of the session. The bill was read and referred to a committee, but there was no further action upon it.

The next session of the Chambers commenced on April 26th, 1833, and continued until June 26th, 1833. A new bill was introduced on June 11th, 1833, but nothing important was done in relation to it during the session.

In 1834 April, nearly three years after the signature of the treaty, the final action of the French Chambers upon the bill to carry the treaty into effect was obtained, and resulted in a refusal of the necessary appropriations. The avowed grounds upon which the bill was rejected are to be found in the published debates of that body, and no observations of mine can be necessary to satisfy Congress of their utter insufficiency. Although the gross amount of the claims of our citizens is probably greater than will be ultimately allowed by the commissioners, sufficient is, never the less, shown to render it absolutely certain that the indemnity falls far short of the actual amount of our just claims, independently of the question of damages and interest for the detention. That the settlement involved a sacrifice in this respect was well known at the time—a sacrifice which was cheerfully acquiesced in by the different branches of the Federal Government, whose action upon the treaty was required from a sincere desire to avoid further collision upon this old and disturbing subject and in the confident expectation that the general relations between the two countries would be improved thereby.

The refusal to vote the appropriation, the news of which was received from our minister in Paris about May 15th, 1834, might have been considered the final determination of the French Government not to execute the stipulations of the treaty, and would have justified an immediate communication of the facts to Congress, with a recommendation of such ultimate measures as the interest and honor of the United States might seem to require. But with the news of the refusal of the Chambers to make the appropriation were conveyed the regrets of the King and a declaration that a national vessel should be forthwith sent out with instructions to the French minister to give the most ample explanations of the past and the strongest assurances for the future. After a long passage the promised dispatch vessel arrived.

Page 378

The pledges given by the French minister upon receipt of his instructions were that as soon after the election of the new members as the charter would permit the legislative Chambers of France should be called together and the proposition for an appropriation laid before them; that all the constitutional powers of the King and his cabinet should be exerted to accomplish the object, and that the result should be made known early enough to be communicated to Congress at the commencement of the present session. Relying upon these pledges, and not doubting that the acknowledged justice of our claims, the promised exertions of the King and his cabinet, and, above all, that sacred regard for the national faith and honor for which the French character has been so distinguished would secure an early execution of the treaty in all its parts, I did not deem it necessary to call the attention of Congress to the subject at the last session.

I regret to say that the pledges made through the minister of France have not been redeemed. The new Chambers met on July 31st, 1834, and although the subject of fulfilling treaties was alluded to in the speech from the throne, no attempt was made by the King or his cabinet to procure an appropriation to carry it into execution. The reasons given for this omission, although they might be considered sufficient in an ordinary case, are not consistent with the expectations founded upon the assurances given here, for there is no constitutional obstacle to entering into legislative business at the first meeting of the Chambers. This point, however, might have been over-looked had not the Chambers, instead of being called to meet at so early a day that the result of their deliberations might be communicated to me before the meeting of Congress, been prorogued to December 29th, 1834—a period so late that their decision can scarcely be made known to the present Congress prior to its dissolution. To avoid this delay our minister in Paris, in virtue of the assurance given by the French minister in the United States, strongly urged the convocation of the Chambers at an earlier day, but without success. It is proper to remark, however, that this refusal has been accompanied with the most positive assurances on the part of the executive government of France of their intention to press the appropriation at the ensuing session of the Chambers.

The executive branch of this Government has, as matters stand, exhausted all the authority upon the subject with which it is invested and which it had any reason to believe could be beneficially employed.

The idea of acquiescing in the refusal to execute the treaty will not, I am confident, be for a moment entertained by any branch of this Government, and further negotiation upon the subject is equally out of the question.

Page 379

If it shall be the pleasure of Congress to await the further action of the French Chambers, no further consideration of the subject will at this session probably be required at your hands. But if from the original delay in asking for an appropriation, from the refusal of the Chambers to grant it when asked, from the omission to bring the subject before the Chambers at their last session, from the fact that, including that session, there have been five different occasions when the appropriation might have been made, and from the delay in convoking the Chambers until some weeks after the meeting of Congress, when it was well known that a communication of the whole subject to Congress at the last session was prevented by assurances that it should be disposed of before its present meeting, you should feel yourselves constrained to doubt whether it be the intention of the French Government, in all its branches, to carry the treaty into effect, and think that such measures as the occasion may be deemed to call for should be now adopted, the important question arises what those measures shall be.

Our institutions are essentially pacific. Peace and friendly intercourse with all nations are as much the desire of our Government as they are the interest of our people. But these objects are not to be permanently secured by surrendering the rights of our citizens or permitting solemn treaties for their indemnity, in cases of flagrant wrong, to be abrogated or set aside.

It is undoubtedly in the power of Congress seriously to affect the agricultural and manufacturing interests of France by the passage of laws relating to her trade with the United States. Her products, manufactures, and tonnage may be subjected to heavy duties in our ports, or all commercial intercourse with her may be suspended. But there are powerful and to my mind conclusive objections to this mode of proceeding.

We can not embarrass or cut off the trade of France without at the same time in some degree embarrassing or cutting off our own trade. The injury of such a warfare must fall, though unequally, upon our own citizens, and could not but impair the means of the Government and weaken that united sentiment in support of the rights and honor of the nation which must now pervade every bosom. Nor is it impossible that such a course of legislation would introduce once more into our national councils those disturbing questions in relation to the tariff of duties which have been so recently put to rest. Besides, by every measure adopted by the Government of the United States with the view of injuring France the clear perception of right which will induce our own people and the rulers and people of all other nations, even of France herself, to pronounce our quarrel just will be obscured and the support rendered to us in a final resort to more decisive measures will be more limited and equivocal.

Page 380

There is but one point of controversy, and upon that the whole civilized world must pronounce France to be in the wrong. We insist that she shall pay us a sum of money which she has acknowledged to be due, and of the justice of this demand there can be but one opinion among mankind. True policy would seem to dictate that the question at issue should be kept thus disencumbered and that not the slightest pretense should be given to France to persist in her refusal to make payment by any act on our part affecting the interests of her people. The question should be left, as it is now, in such an attitude that when France fulfills her treaty stipulations all controversy will be at an end.

It is my conviction that the United States ought to insist on a prompt execution of the treaty, and in case it be refused or longer delayed take redress into their own hands. After the delay on the part of France of a quarter of a century in acknowledging these claims by treaty, it is not to be tolerated that another quarter of a century is to be wasted in negotiating about the payment. The laws of nations provide a remedy for such occasions. It is a well-settled principle of the international code that where one nation owes another a liquidated debt which it refuses or neglects to pay the aggrieved party may seize on the property belonging to the other, its citizens or subjects, sufficient to pay the debt without giving just cause of war. This remedy has been repeatedly resorted to, and recently by France herself toward Portugal, under circumstances less unquestionable.

The time at which resort should be had to this or any other mode of redress is a point to be decided by Congress. If an appropriation shall not be made by the French Chambers at their next session, it may justly be concluded that the Government of France has finally determined to disregard its own solemn undertaking and refuse to pay an acknowledged debt. In that event every day's delay on our part will be a stain upon our national honor, as well as a denial of justice to our injured citizens. Prompt measures, when the refusal of France shall be complete, will not only be most honorable and just, but will have the best effect upon our national character.

Since France, in violation of the pledges given through her minister here, has delayed her final action so long that her decision will not probably be known in time to be communicated to this Congress, I recommend that a law be passed authorizing reprisals upon French property in case provision shall not be made for the payment of the debt at the approaching session of the French Chambers. Her pride and power are too well known to expect any thing from her fears and preclude the necessity of a declaration that nothing partaking of the character of intimidation is intended by us. She ought to look upon it as the evidence only of an inflexible determination on the part of the United States to insist on their rights.

Page 381

That Government, by doing only what it has itself acknowledged to be just, will be able to spare the United States the necessity of taking redress into their own hands and save the property of French citizens from that seizure and sequestration which American citizens so long endured without retaliation or redress. If she should continue to refuse that act of acknowledged justice and, in violation of the law of nations, make reprisals on our part the occasion of hostilities against the United States, she would but add violence to injustice, and could not fail to expose herself to the just censure of civilized nations and to the retributive judgments of Heaven.

Collision with France is the more to be regretted on account of the position she occupies in Europe in relation to liberal institutions, but in maintaining our national rights and honor all governments are alike to us. If by a collision with France in a case where she is clearly in the wrong the march of liberal principles shall be impeded, the responsibility for that result as well as every other will rest on her own head.

Having submitted these considerations, it belongs to Congress to decide whether after what has taken place it will still await the further action of the French Chambers or now adopt such provisional measures as it may deem necessary and best adapted to protect the rights and maintain the honor of the country. What ever that decision may be, it will be faithfully enforced by the Executive as far as he is authorized so to do.

According to the estimate of the Treasury Department, the revenue accruing from all sources during the present year will amount to $20,624,717, which, with the balance remaining in the Treasury on January 1st, 1834 of $11,702,905, produces an aggregate of $32,327,623. The total expenditure during the year for all objects, including the public debt, is estimated at $25,591,390, which will leave a balance in the Treasury on January 1st, 1835 of $6,736,232. In this balance, however, will be included about $1,150,000 of what was heretofore reported by the Department as not effective.

Of former appropriations it is estimated that there will remain unexpended at the close of the year $8,002,925, and that of this sum there will not be required more than $5,141,964 to accomplish the objects of all the current appropriations. Thus it appears that after satisfying all those appropriations and after discharging the last item of our public debt, which will be done on January 1st, 1835, there will remain unexpended in the Treasury an effective balance of about $440,000. That such should be the aspect of our finances is highly flattering to the industry and enterprise of our population and auspicious of the wealth and prosperity which await the future cultivation of their growing resources. It is not deemed prudent, however, to recommend any change for the present in our impost rates, the effect of the gradual reduction now in progress in many of them not being sufficiently tested to guide us in determining the precise amount of revenue which they will produce.

Page 382

Free from public debt, at peace with all the world, and with no complicated interests to consult in our intercourse with foreign powers, the present may be hailed as the epoch in our history the most favorable for the settlement of those principles in our domestic policy which shall be best calculated to give stability to our Republic and secure the blessings of freedom to our citizens.

Among these principles, from our past experience, it can not be doubted that simplicity in the character of the Federal Government and a rigid economy in its administration should be regarded as fundamental and sacred. All must be sensible that the existence of the public debt, by rendering taxation necessary for its extinguishment, has increased the difficulties which are inseparable from every exercise of the taxing power, and that it was in this respect a remote agent in producing those disturbing questions which grew out of the discussions relating to the tariff. If such has been the tendency of a debt incurred in the acquisition and maintenance of our national rights and liberties, the obligations of which all portions of the Union cheerfully acknowledged, it must be obvious that what ever is calculated to increase the burdens of Government without necessity must be fatal to all our hopes of preserving its true character.

While we are felicitating ourselves, therefore, upon the extinguishment of the national debt and the prosperous state of our finances, let us not be tempted to depart from those sound maxims of public policy which enjoin a just adaptation of the revenue to the expenditures that are consistent with a rigid economy and an entire abstinence from all topics of legislation that are not clearly within the constitutional powers of the Government and suggested by the wants of the country. Properly regarded under such a policy, every diminution of the public burdens arising from taxation gives to individual enterprise increased power and furnishes to all the members of our happy Confederacy new motives for patriotic affection and support. But above all, its most important effect will be found in its influence upon the character of the Government by confining its action to those objects which will be sure to secure to it the attachment and support of our fellow citizens.

Circumstances make it my duty to call the attention of Congress to the Bank of the United States. Created for the convenience of the Government, that institution has become the scourge of the people. Its interference to postpone the payment of a portion of the national debt that it might retain the public money appropriated for that purpose to strengthen it in a political contest, the extraordinary extension and contraction of its accommodations to the community, its corrupt and partisan loans, its exclusion of the public directors from a knowledge of its most important proceedings, the unlimited authority conferred on the president to expend its funds in hiring writers and procuring the execution of printing, and the use made of that authority, the retention of the pension money and books after the selection of new agents, the groundless claim to heavy damages in consequence of the protest of the bill drawn on the French Government, have through various channels been laid before Congress.

Page 383

Immediately after the close of the last session the bank, through its president, announced its ability and readiness to abandon the system of unparalleled curtailment and the interruption of domestic exchanges which it had practiced upon from August 1st, 1833 to June 30th, 1834, and to extend its accommodations to the community. The grounds assumed in this annunciation amounted to an acknowledgment that the curtailment, in the extent to which it had been carried, was not necessary to the safety of the bank, and had been persisted in merely to induce Congress to grant the prayer of the bank in its memorial relative to the removal of the deposits and to give it a new charter. They were substantially a confession that all the real distresses which individuals and the country had endured for the preceding six or eight months had been needlessly produced by it, with the view of affecting through the sufferings of the people the legislative action of Congress.

It is subject of congratulation that Congress and the country had the virtue and firmness to bear the infliction, that the energies of our people soon found relief from this wanton tyranny in vast importations of the precious metals from almost every part of the world, and that at the close of this tremendous effort to control our Government the bank found itself powerless and no longer able to loan out its surplus means. The community had learned to manage its affairs without its assistance, and trade had already found new auxiliaries, so that on October 1st, 1834 the extraordinary spectacle was presented of a national more than half of whose capital was either lying unproductive in its vaults or in the hands of foreign bankers.

To the needless distresses brought on the country during the last session of Congress has since been added the open seizure of the dividends on the public stock to the amount of $170,041, under pretense of paying damages, cost, and interest upon the protested French bill. This sum constituted a portion of the estimated revenues for the year 1834, upon which the appropriations made by Congress were based. It would as soon have been expected that our collectors would seize on the customs or the receivers of our land offices on the moneys arising from the sale of public lands under pretenses of claims against the United States as that the bank would have retained the dividends. Indeed, if the principle be established that any one who chooses to set up a claim against the United States may without authority of law seize on the public property or money wherever he can find it to pay such claim, there will remain no assurance that our revenue will reach the Treasury or that it will be applied after the appropriation to the purposes designated in the law.

The pay masters of our Army and the pursers of our Navy may under like pretenses apply to their own use moneys appropriated to set in motion the public force, and in time of war leave the country without defense. This measure resorted to by the bank is disorganizing and revolutionary, and if generally resorted to by private citizens in like cases would fill the land with anarchy and violence.

Page 384

It is a constitutional provision “that no money shall be drawn from the Treasury but in consequence of appropriations made by law”. The palpable object of this provision is to prevent the expenditure of the public money for any purpose what so ever which shall not have been 1st approved by the representatives of the people and the States in Congress assembled. It vests the power of declaring for what purposes the public money shall be expended in the legislative department of the Government, to the exclusion of the executive and judicial, and it is not within the constitutional authority of either of those departments to pay it away without law or to sanction its payment.

According to this plain constitutional provision, the claim of the bank can never be paid without an appropriation by act of Congress. But the bank has never asked for an appropriation. It attempts to defeat the provision of the Constitution and obtain payment without an act of Congress. Instead of awaiting an appropriation passed by both Houses and approved by the President, it makes an appropriation for itself and invites an appeal to the judiciary to sanction it. That the money had not technically been paid into the Treasury does not affect the principle intended to be established by the Constitution.

The Executive and the judiciary have as little right to appropriate and expend the public money without authority of law before it is placed to the credit of the Treasury as to take it from the Treasury. In the annual report of the Secretary of the Treasury, and in his correspondence with the president of the bank, and the opinions of the Attorney General accompanying it, you will find a further examination of the claims of the bank and the course it has pursued.

It seems due to the safety of the people funds remaining in that bank and to the honor of the American people that measures be taken to separate the Government entirely from an institution so mischievous to the public prosperity and so regardless of the Constitution and laws. By transferring the public deposits, by appointing other pension agents as far as it had the power, by ordering the discontinuance of the receipt of bank checks in the payment of the public dues after January 1st, 1834, the Executive has exerted all its lawful authority to sever the connection between the Government and this faithless corporation.

The high-handed career of this institution imposes upon the constitutional functionaries of this Government duties of the gravest and most imperative character—duties which they can not avoid and from which I trust there will be no inclination on the part of any of them to shrink. My own sense of them is most clear, as is also my readiness to discharge those which may rightfully fall on me. To continue any business relations with the Bank of the United States that may be avoided without a violation of the national faith after that institution has set at open defiance the

Page 385

conceded right of the Government to examine its affairs, after it has done all in its power to deride the public authority in other respects and to bring it into disrepute at home and abroad, after it has attempted to defeat the clearly expressed will of the people by turning against them the immense power intrusted to its hands and by involving a country otherwise peaceful, flourishing, and happy, in dissension, embarrassment, and distress, would make the nation itself a party to the degradation so sedulously prepared for its public agents and do much to destroy the confidence of man-kind in popular governments and to bring into contempt their authority and efficiency.

In guarding against an evil of such magnitude consideration of temporary convenience should be thrown out of the question, and we should be influenced by such motives only as look to the honor and preservation of the republican system. Deeply and solemnly impressed with the justice of these views, I feel it to be my duty to recommend to you that a law be passed authorizing the sale of the public stock; that the provision of the charter requiring the receipt of notes of the bank in payment of public dues shall, in accordance with the power reserved to Congress in the 14th section of the charter, be suspended until the bank pays to the Treasury the dividends withheld, and that all laws connecting the Government or its officers with the bank, directly or indirectly, be repealed, and that the institution be left hereafter to its own resources and means.

Events have satisfied my mind, and I think the minds of the American people, that the mischiefs and dangers which flow from a national bank far over-balance all its advantages. The bold effort the present bank has made to control the Government, the distresses it has wantonly produced, the violence of which it has been the occasion in one of our cities famed for its observance of law and order, are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of this institution or the establishment of another like it. It is fervently hoped that thus admonished those who have heretofore favored the establishment of a substitute for the present bank will be induced to abandon it, as it is evidently better to incur any inconvenience that may be reasonably expected than to concentrate the whole moneyed power of the Republic in any form what so ever or under any restrictions.

Happily it is already illustrated that the agency of such an institution is not necessary to the fiscal operations of the Government. The State banks are found fully adequate to the performance of all services which were required of the Bank of the United States, quite as promptly and with the same cheapness. They have maintained themselves and discharged all these duties while the Bank of the United States was still powerful and in the field as an open enemy, and it is not possible to conceive that they will find greater difficulties in their operations when that enemy shall cease to exist.

Page 386

The attention of Congress is earnestly invited to the regulation of the deposits in the State banks by law. Although the power now exercised by the executive department in this behalf is only such as was uniformly exerted through every Administration from the origin of the Government up to the establishment of the present bank, yet it is one which is susceptible of regulation by law, and therefore ought so to be regulated. The power of Congress to direct in what places the Treasurer shall keep the moneys in the Treasury and to impose restrictions upon the Executive authority in relation to their custody and removal is unlimited, and its exercise will rather be courted than discouraged by those public officers and agents on whom rests the responsibility for their safety. It is desirable that as little power as possible should be left to the President or the Secretary of the Treasury over those institutions, which, being thus freed from Executive influence, and without a common head to direct their operations, would have neither the temptation nor the ability to interfere in the political conflicts of the country. Not deriving their charters from the national authorities, they would never have those inducements to meddle in general elections which have led the Bank of the United States to agitate and convulse the country for upward of two years.

The progress of our gold coinage is creditable to the officers of the Mint, and promises in a short period to furnish the country with a sound and portable currency, which will much diminish the inconvenience to travelers of the want of a general paper currency should the State banks be incapable of furnishing it. Those institutions have already shown themselves competent to purchase and furnish domestic exchange for the convenience of trade at reasonable rates, and not a doubt is entertained that in a short period all the wants of the country in bank accommodations and exchange will be supplied as promptly and as cheaply as they have heretofore been by the Bank of the United States. If the several States shall be induced gradually to reform their banking systems and prohibit the issue of all small notes, we shall in a few years have a currency as sound and as little liable to fluctuations as any other commercial country.

The report of the Secretary of War, together with the accompanying documents from the several bureaux of that Department, will exhibit the situation of the various objects committed to its administration.

No event has occurred since your last session rendering necessary any movements of the Army, with the exception of the expedition of the regiment of dragoons into the territory of the wandering and predatory tribes inhabiting the western frontier and living adjacent to the Mexican boundary. These tribes have been heretofore known to us principally by their attacks upon our own citizens and upon other Indians entitled to the protection of the United States. It became

Page 387

necessary for the peace of the frontiers to check these habitual inroads, and I am happy to inform you that the object has been effected without the commission of any act of hostility. Colonel Dodge and the troops under his command have acted with equal firmness and humanity, and an arrangement has been made with those Indians which it is hoped will assure their permanent pacific relations with the United States and the other tribes of Indians upon that border. It is to be regretted that the prevalence of sickness in that quarter has deprived the country of a number of valuable lives, and particularly that General Leavenworth, an officer well known, and esteemed for his gallant services in the late war and for his subsequent good conduct, has fallen a victim to his zeal and exertions in the discharge of his duty.

The Army is in a high state of discipline. Its moral condition, so far as that is known here, is good, and the various branches of the public service are carefully attended to. It is amply sufficient under its present organization for providing the necessary garrisons for the seaboard and for the defense of the internal frontier, and also for preserving the elements of military knowledge and for keeping pace with those improvements which modern experience is continually making. And these objects appear to me to embrace all the legitimate purposes for which a permanent military force should be maintained in our country. The lessons of history teach us its danger and the tendency which exists to an increase. This can be best met and averted by a just caution on the part of the public itself, and of those who represent them in Congress.

From the duties which devolve on the Engineer Department and upon the topographical engineers, a different organization seems to be demanded by the public interest, and I recommend the subject to your consideration.

No important change has during this season taken place in the condition of the Indians. Arrangements are in progress for the removal of the Creeks, and will soon be for the removal of the Seminoles. I regret that the Cherokees east of the Mississippi have not yet determined as a community to remove. How long the personal causes which have heretofore retarded that ultimately inevitable measure will continue to operate I am unable to conjecture. It is certain, however, that delay will bring with it accumulated evils which will render their condition more and more unpleasant. The experience of every year adds to the conviction that emigration, and that alone, can preserve from destruction the remnant of the tribes yet living amongst us. The facility with which the necessaries of life are procured and the treaty stipulations providing aid for the emigrant Indians in their agricultural pursuits and in the important concern of education, and their removal from those causes which have heretofore depressed all and destroyed many of the tribes, can not fail to stimulate their exertions and to reward their industry.

Page 388

The two laws passed at the last session of Congress on the subject of Indian affairs have been carried into effect, and detailed instructions for their administration have been given. It will be seen by the estimates for the present session that a great reduction will take place in the expenditures of the Department in consequence of these laws, and there is reason to believe that their operation will be salutary and that the colonization of the Indians on the western frontier, together with a judicious system of administration, will still further reduce the expenses of this branch of the public service and at the same time promote its usefulness and efficiency.

Circumstances have been recently developed showing the existence of extensive frauds under the various laws granting pensions and gratuities for Revolutionary services. It is impossible to estimate the amount which may have been thus fraudulently obtained from the National Treasury. I am satisfied, however, it has been such as to justify a re-examination of the system and the adoption of the necessary checks in its administration. All will agree that the services and sufferings of the remnant of our Revolutionary band should be fully compensated; but while this is done, every proper precaution should be taken to prevent the admission of fabricated and fraudulent claims.

In the present mode of proceeding the attestations and certificates of the judicial officers of the various States from a considerable portion of the checks which are interposed against the commission of frauds. These, however, have been and may be fabricated, and in such a way as to elude detection at the examining offices. And independently of this practical difficulty, it is ascertained that these documents are often loosely granted; some times even blank certificates have been issued; some times prepared papers have been signed without inquiry, and in one instance, at least, the seal of the court has been within reach of a person most interested in its improper application. It is obvious that under such circumstances no severity of administration can check the abuse of the law. And information has from time to time been communicated to the Pension Office questioning or denying the right of persons placed upon the pension list to the bounty of the country.

Such cautions are always attended to and examined, but a far more general investigation is called for, and I therefore recommend, in conformity with the suggestion of the Secretary of War, that an actual inspection should be made in each State into the circumstances and claims of every person now drawing a pension. The honest veteran has nothing to fear from such a scrutiny, while the fraudulent claimant will be detected and the public Treasury relieved to an amount, I have reason to believe, far greater than has heretofore been suspected. The details of such a plan could be so regulated as to interpose the necessary checks

Page 389

without any burdensome operation upon the pensioners. The object should be two-fold: To look into the original justice of the claims, so far as this can be done under a proper system of regulations, by an examination of the claimants themselves and by inquiring in the vicinity of their residence into their history and into the opinion entertained of their Revolutionary services. To ascertain in all cases whether the original claimant is living and this by actual personal inspection. This measure will, if adopted, be productive, I think, of the desired results, and I therefore recommend it to your consideration, with the further suggestion that all payments should be suspended ’til the necessary reports are received.

It will be seen by a tabular statement annexed to the documents transmitted to Congress that the appropriations for objects connected with the War Department, made at the last session, for the service of the year 1834, excluding the permanent appropriation for the payment of military gratuities under the act of June 7th, 1832, the appropriation of $200,000 for arming and equipping the militia, and the appropriation of $10,000 for the civilization of the Indians, which are not annually renewed, amounted to the sum of $9,003,261, and that the estimates of appropriations necessary for the same branches of service for the year 1835 amount to the sum of $5,778,964, making a difference in the appropriations of the current year over the estimates of the appropriations for the next of $3,224,297.

The principal causes which have operated at this time to produce this great difference are shown in the reports and documents and in the detailed estimates. Some of these causes are accidental and temporary, while others are permanent, and, aided by a just course of administration, may continue to operate beneficially upon the public expenditures.

A just economy, expending where the public service requires and withholding where it does not, is among the indispensable duties of the Government.

I refer you to the accompanying report of the Secretary of the Navy and to the documents with it for a full view of the operations of that important branch of our service during the present year. It will be seen that the wisdom and liberality with which Congress has provided for the gradual increase of our navy material have been seconded by a corresponding zeal and fidelity on the part of those to whom has been confided the execution of the laws on the subject, and that but a short period would be now required to put in commission a force large enough for any exigency into which the country may be thrown.

Page 390

When we reflect upon our position in relation to other nations, it must be apparent that in the event of conflicts with them we must look chiefly to our Navy for the protection of our national rights. The wide seas which separate us from other Governments must of necessity be the theater on which an enemy will aim to assail us, and unless we are prepared to meet him on this element we can not be said to possess the power requisite to repel or prevent aggressions. We can not, therefore, watch with too much attention this arm of our defense, or cherish with too much care the means by which it can possess the necessary efficiency and extension. To this end our policy has been heretofore wisely directed to the constant employment of a force sufficient to guard our commerce, and to the rapid accumulation of the materials which are necessary to repair our vessels and construct with ease such new ones as may be required in a state of war.

In accordance with this policy, I recommend to your consideration the erection of the additional dry dock described by the Secretary of the Navy, and also the construction of the steam batteries to which he has referred, for the purpose of testing their efficacy as auxiliaries to the system of defense now in use.

The report of the Post Master General herewith submitted exhibits the condition and prospects of that Department. From that document it appears that there was a deficit in the funds of the Department at the commencement of the present year beyond its available means of $315,599.98, which on the first of July last had been reduced to $268,092.74. It appears also that the revenues for the coming year will exceed the expenditures about $270,000, which, with the excess of revenue which will result from the operations of the current half year, may be expected, independently of any increase in the gross amount of postages, to supply the entire deficit before the end of 1835. But as this calculation is based on the gross amount of postages which had accrued within the period embraced by the times of striking the balances, it is obvious that without a progressive increase in the amount of postages the existing retrenchments must be persevered in through the year 1836 that the Department may accumulate a surplus fund sufficient to place it in a condition of perfect ease.

It will be observed that the revenues of the Post Office Department, though they have increased, and their amount is above that of any former year, have yet fallen short of the estimates more than $100,000. This is attributed in a great degree to the increase of free letters growing out of the extension and abuse of the franking privilege. There has been a gradual increase in the number of executive offices to which it has been granted, and by an act passed in March, 1833, it was extended to members of Congress throughout the whole year. It is believed that a revision of the laws relative to the franking privilege, with some enactments to enforce more rigidly the restrictions under which it is granted, would operate beneficially to the country, by enabling the Department at an earlier period to restore the mail facilities that have been withdrawn, and to extend them more widely, as the growing settlements of the country may require.

Page 391

To a measure so important to the Government and so just to our constituents, who ask no exclusive privileges for themselves and are not willing to concede them to others, I earnestly recommend the serious attention of Congress.

The importance of the Post Office Department and the magnitude to which it has grown, both in its revenues and in its operations, seem to demand its reorganization by law. The whole of its receipts and disbursements have hitherto been left entirely to Executive control and individual discretion. The principle is as sound in relation to this as to any other Department of the Government, that as little discretion should be confided to the executive officer who controls it as is compatible with its efficiency. It is therefore earnestly recommended that it be organized with an auditor and treasurer of its own, appointed by the President and Senate, who shall be branches of the Treasury Department.

Your attention is again respectfully invited to the defect which exists in the judicial system of the United States. Nothing can be more desirable than the uniform operation of the Federal judiciary throughout the several States, all of which, standing on the same footing as members of the Union, have equal rights to the advantages and benefits resulting from its laws. This object is not attained by the judicial acts now in force, because they leave one quarter of the States without circuit courts.

It is undoubtedly the duty of Congress to place all the States on the same footing in this respect, either by the creation of an additional number of associate judges or by an enlargement of the circuits assigned to those already appointed so as to include the new States. What ever may be the difficulty in a proper organization of the judicial system so as to secure its efficiency and uniformity in all parts of the Union and at the same time to avoid such an increase of judges as would encumber the supreme appellate tribunal, it should not be allowed to weigh against the great injustice which the present operation of the system produces.

I trust that I may be also pardoned for renewing the recommendation I have so often submitted to your attention in regard to the mode of electing the President and Vice President of the United States. All the reflection I have been able to bestow upon the subject increases my conviction that the best interests of the country will be promoted by the adoption of some plan which will secure in all contingencies that important right of sovereignty to the direct control of the people. Could this be attained, and the terms of those officers be limited to a single period of either four or six years, I think our liberties would possess an additional safeguard.

At your last session I called the attention of Congress to the destruction of the public building occupied by the Treasury Department. As the public interest requires that another building should be erected with as little delay as possible, it is hoped that the means will be seasonably provided and that they will be ample enough to authorize such an enlargement and improvement in the plan of the building as will more

effectually accommodate the public officers and secure the public documents deposited in it from the casualties of fire.

Page 392

I have not been able to satisfy myself that the bill entitled “An act to improve the navigation of the Wabash River”, which was sent to me at the close of your last session, ought to pass, and I have therefore withheld from it my approval and now return it to the Senate, the body in which it originated.

There can be no question connected with the administration of public affairs more important or more difficult to be satisfactorily dealt with than that which relates to the rightful authority and proper action of the Federal Government upon the subject of internal improvements. To inherent embarrassments have been added others resulting from the course of our legislation concerning it.

I have heretofore communicated freely with Congress upon this subject, and in adverting to it again I can not refrain from expressing my increased conviction of its extreme importance as well in regard to its bearing upon the maintenance of the Constitution and the prudent management of the public revenue as on account of its disturbing effect upon the harmony of the Union.

We are in no danger from violations of the Constitution by which encroachments are made upon the personal rights of the citizen. The sentence of condemnation long since pronounced by the American people upon acts of that character will, I doubt not, continue to prove as salutary in its effects as it is irreversible in its nature.

But against the dangers of unconstitutional acts which, instead of menacing the vengeance of offended authority, proffer local advantages and bring in their train the patronage of the Government, we are, I fear, not so safe. To suppose that because our Government has been instituted for the benefit of the people it must therefore have the power to do what ever may seem to conduce to the public good is an error into which even honest minds are too apt to fall. In yielding themselves to this fallacy they overlook the great considerations in which the Federal Constitution was founded. They forget that in consequence of the conceded diversities in the interest and condition of the different States it was foreseen at the period of its adoption that although a particular measure of the Government might be beneficial and proper in one State it might be the reverse in another; that it was for this reason the States would not consent to make a grant to the Federal Government of the general and usual powers of government, but of such only as were specifically enumerated, and the probable effects of which they could, as they thought, safely anticipate; and they forget also the paramount obligation upon all to abide by the compact then so solemnly and, as it was hoped, so firmly established.

Page 393

In addition to the dangers to the Constitution springing from the sources I have stated, there has been one which was perhaps greater than all. I allude to the materials which this subject has afforded for sinister appeals to selfish feelings, and the opinion heretofore so extensively entertained of its adaptation to the purposes of personal ambition. With such stimulus it is not surprising that the acts and pretensions of the Federal Government in this behalf should some times have been carried to an alarming extent. The questions which have arisen upon this subject have related—To the power of making internal improvements within the limits of a State, with the right of territorial jurisdiction, sufficient at least for their preservation and use. To the right of appropriating money in aid of such works when carried on by a State of by a company in virtue of State authority, surrendering the claim of jurisdiction; and To the propriety of appropriation for improvements of a particular class, viz, for light houses, beacons, buoys, public piers, and for the removal of sand bars, sawyers, and other temporary and partial impediments in our navigable rivers and harbors. The claims of power for the General Government upon each of these points certainly present matter of the deepest interest. The first is, however, of much the greatest importance, in as much as, in addition to the dangers of unequal and improvident expenditures of public moneys common to all, there is super-added to that the conflicting jurisdictions of the respective governments. Federal jurisdiction, at least to the extent I have stated, has been justly regarded by its advocates as necessarily appurtenant to the power in question, if that exists by the Constitution.

That the most injurious conflicts would unavoidably arise between the respective jurisdictions of the State and Federal Governments in the absence of a constitutional provision marking out their respective boundaries can not be doubted. The local advantages to be obtained would induce the States to overlook in the beginning the dangers and difficulties to which they might ultimately be exposed. The powers exercised by the Federal Government would soon be regarded with jealousy by the State authorities, and originating as they must from implication or assumption, it would be impossible to affix to them certain and safe limits.

Opportunities and temptations to the assumption of power incompatible with State sovereignty would be increased and those barriers which resist the tendency of our system toward consolidation greatly weakened. The officers and agents of the General Government might not always have the discretion to abstain from intermeddling with State concerns, and if they did they would not always escape the suspicion of having done so. Collisions and consequent irritations would spring up; that harmony which should ever exist between the General Government and each member of the Confederacy would be frequently interrupted; a spirit of contention would be engendered and the dangers of disunion greatly multiplied.

Page 394

Yet we know that not withstanding these grave objections this dangerous doctrine was at one time apparently proceeding to its final establishment with fearful rapidity. The desire to embark the Federal Government in works of internal improvement prevailed in the highest degree during the first session of the first Congress that I had the honor to meet in my present situation. When the bill authorizing a subscription on the part of the United States for stock in the Maysville and Lexington Turn Pike Company passed the two houses, there had been reported by the Committees of Internal Improvements bills containing appropriations for such objects, inclusive of those for the Cumberland road and for harbors and light houses, to the amount of $106,000,000. In this amount was included authority to the Secretary of the Treasury to subscribe for the stock of different companies to a great extent, and the residue was principally for the direct construction of roads by this Government. In addition to these projects, which had been presented to the two Houses under the sanction and recommendation of their respective Committees on Internal Improvements, there were then still pending before the committees, and in memorials to Congress presented but not referred, different projects for works of a similar character, the expense of which can not be estimated with certainty, but must have exceeded $100,000,000.

Regarding the bill authorizing a subscription to the stock of the Maysville and Lexington Turn Pike Company as the entering wedge of a system which, however weak at first, might soon become strong enough to rive the bands of the Union asunder, and believing that if its passage was acquiesced in by the Executive and the people there would no longer be any limitation upon the authority of the General Government in respect to the appropriation of money for such objects, I deemed it an imperative duty to withhold from it the Executive approval.

Although from the obviously local character of that work I might well have contented myself with a refusal to approve the bill upon that ground, yet sensible of the vital importance of the subject, and anxious that my views and opinions in regard to the whole matter should be fully understood by Congress and by my constituents, I felt it my duty to go further. I therefore embraced that early occasion to apprise Congress that in my opinion the Constitution did not confer upon it the power to authorize the construction of ordinary roads and canals within the limits of a State and to say, respectfully, that no bill admitting such a power could receive my official sanction. I did so in the confident expectation that the speedy settlement of the public mind upon the whole subject would be greatly facilitated by the difference between the two Houses and myself, and that the harmonious action of the several departments of the Federal Government in regard to it would be ultimately secured.

Page 395

So far, at least, as it regards this branch of the subject, my best hopes have been realized. Nearly four years have elapsed, and several sessions of Congress have intervened, and no attempt within my recollection has been made to induce Congress to exercise this power. The applications for the construction of roads and canals which were formerly multiplied upon your files are no longer presented, and we have good reason to infer that the current public sentiment has become so decided against the pretension as effectually to discourage its reassertion. So thinking, I derive the greatest satisfaction from the conviction that thus much at least has been secured upon this important and embarrassing subject.

From attempts to appropriate the national funds to objects which are confessedly of a local character we can not, I trust, have anything further to apprehend. My views in regard to the expediency of making appropriations for works which are claimed to be of a national character and prosecuted under State authority—assuming that Congress have the right to do so—were stated in my annual message to Congress in 1830, and also in that containing my objections to the Maysville road bill.

So thoroughly convinced am I that no such appropriations ought to be made by Congress until a suitable constitutional provision is made upon the subject, and so essential do I regard the point to the highest interests of our country, that I could not consider myself as discharging my duty to my constituents in giving the Executive sanction to any bill containing such an appropriation. If the people of the United States desire that the public Treasury shall be resorted to for the means to prosecute such works, they will concur in an amendment of the Constitution prescribing a rule by which the national character of the works is to be tested, and by which the greatest practicable equality of benefits may be secured to each member of the Confederacy. The effects of such a regulation would be most salutary in preventing unprofitable expenditures, in securing our legislation from the pernicious consequences of a scramble for the favors of Government, and in repressing the spirit of discontent which must inevitably arise from an unequal distribution of treasures which belong alike to all.

There is another class of appropriations for what may be called, without impropriety, internal improvements, which have always been regarded as standing upon different grounds from those to which I have referred. I allude to such as have for their object the improvement of our harbors, the removal of partial and temporary obstructions in our navigable rivers, for the facility and security of our foreign commerce. The grounds upon which I distinguished appropriations of this character from others have already been stated to Congress. I will now only add that at the 1st session of Congress under the new Constitution it was provided by law that all expenses which should accrue from and after

Page 396

the 15th day of August, 1789, in the necessary support and maintenance and repairs of all light houses, beacons, buoys, and public piers erected, placed, or sunk before the passage of the act within any bay, inlet, harbor, or port of the United States, for rendering the navigation thereof easy and safe, should be defrayed out of the Treasury of the United States, and, further, that it should be the duty of the Secretary of the Treasury to provide by contracts, with the approbation of the President, for rebuilding when necessary and keeping in good repair the light houses, beacons, buoys, and public piers in the several States, and for furnishing them with supplies.

Appropriations for similar objects have been continued from that time to the present without interruption or dispute. As a natural consequence of the increase and extension of our foreign commerce, ports of entry and delivery have been multiplied and established, not only upon our sea-board but in the interior of the country upon our lakes and navigable rivers. The convenience and safety of this commerce have led to the gradual extension of these expenditures; to the erection of light houses, the placing, planting, and sinking of buoys, beacons, and piers, and to the removal of partial and temporary obstructions in our navigable rivers and in the harbors upon our Great Lakes as well as on the sea-board.

Although I have expressed to Congress my apprehension that these expenditures have some times been extravagant and disproportionate to the advantages to be derived from them, I have not felt it to be my duty to refuse my assent to bills containing them, and have contented myself to follow in this respect in the foot-steps of all my predecessors. Sensible, however, from experience and observation of the great abuses to which the unrestricted exercise of this authority by Congress was exposed, I have prescribed a limitation for the government of my own conduct by which expenditures of this character are confined to places below the ports of entry or delivery established by law. I am very sensible that this restriction is not as satisfactory as could be desired, and that much embarrassment may be caused to the executive department in its execution by appropriations for remote and not well-understood objects. But as neither my own reflections nor the lights which I may properly derive from other sources have supplied me with a better, I shall continue to apply my best exertions to a faithful application of the rule upon which it is founded.

I sincerely regret that I could not give my assent to the bill entitled: “An act to improve the navigation of the Wabash River”; but I could not have done so without receding from the ground which I have, upon the fullest consideration, taken upon this subject, and of which Congress has been heretofore apprised, and without throwing the subject again open to abuses which no good citizen entertaining my opinions could desire.

Page 397

I rely upon the intelligence and candor of my fellow citizens, in whose liberal indulgence I have already so largely participated, for a correct appreciation on my motives in interposing as I have done on this and other occasions checks to a course of legislation which, without in the slightest degree calling in question the motives of others, I consider as sanctioning improper and unconstitutional expenditures of public treasure.

I am not hostile to internal improvements, and wish to see them extended to every part of the country. But I am fully persuaded, if they are not commenced in a proper manner, confined to proper objects, and conducted under an authority generally conceded to be rightful, that a successful prosecution of them can not be reasonably expected. The attempt will meet with resistance where it might otherwise receive support, and instead of strengthening the bonds of our Confederacy it will only multiply and aggravate the causes of disunion.

***

State of the Union Address
Andrew Jackson
December 7, 1835

Fellow Citizens of the Senate and of the House of Representatives:

In the discharge of my official duty the again devolves upon me of communicating with a new Congress. The reflection that the representation of the Union has been recently renewed, and that the constitutional term of its service will expire with my own, heightens the solicitude with which I shall attempt to lay before it the state of our national concerns and the devout hope which I cherish that its labors to improve them may be crowned with success.

You are assembled at a period of profound interest to the American patriot. The unexampled growth and prosperity of our country having given us a rank in the scale of nations which removes all apprehension of danger to our integrity and independence from external foes, the career of freedom is before us, with an earnest from the past that if true to ourselves there can be no formidable obstacle in the future to its peaceful and uninterrupted pursuit. Yet, in proportion to the disappearance of those apprehensions which attended our weakness, as once contrasted with the power of some of the States of the Old World, should we now be solicitous as to those which belong to the conviction that it is to our own conduct we must look for the preservation of those causes on which depend the excellence and the duration of our happy system of government.

In the example of other systems founded on the will of the people we trace to internal dissension the influences which have so often blasted the hopes of the friends of freedom. The social elements, which were strong and successful when united against external danger, failed in the more difficult task of properly adjusting their own internal

organization, and thus gave way the great principle of self-government. Let us trust that this admonition will never be forgotten by the Government or the people of the United States, and that the testimony which our experience thus far holds out to the great human family of the practicability and the blessings of free government will be confirmed in all time to come.

Page 398

We have but to look at the state of our agriculture, manufactures, and commerce and the unexampled increase of our population to feel the magnitude of the trust committed to us. Never in any former period of our history have we had greater reason than we now have to be thankful to Divine Providence for the blessings of health and general prosperity. Every branch of labor we see crowned with the most abundant rewards. In every element of national resources and wealth and of individual comfort we witness the most rapid and solid improvements. With no interruptions to this pleasing prospect at home which will not yield to the spirit of harmony and good will that so strikingly pervades the mass of the people in every quarter, amidst all the diversity of interest and pursuits to which they are attached, and with no cause of solicitude in regard to our external affairs which will not, it is hoped, disappear before the principles of simple justice and the forbearance that mark our intercourse with foreign powers, we have every reason to feel proud of our beloved country.

The general state of our foreign relations has not materially changed since my last annual message.

In the settlement of the question of the North Eastern boundary little progress has been made. Great Britain has declined acceding to the proposition of the United States, presented in accordance with the resolution of the Senate, unless certain preliminary conditions were admitted, which I deemed incompatible with a satisfactory and rightful adjustment of the controversy. Waiting for some distinct proposal from the Government of Great Britain, which has been invited, I can only repeat the expression of my confidence that, with the strong mutual disposition which I believe exists to make a just arrangement, this perplexing question can be settled with a due regard to the well-founded pretensions and pacific policy of all the parties to it. Events are frequently occurring on the North Eastern frontier of a character to impress upon all the necessity of a speedy and definitive termination of the dispute. This consideration, added to the desire common to both to relieve the liberal and friendly relations so happily existing between the two countries from all embarrassment, will no doubt have its just influence upon both.

Our diplomatic intercourse with Portugal has been renewed, and it is expected that the claims of our citizens, partially paid, will be fully satisfied as soon as the condition of the Queen's Government will permit the proper attention to the subject of them. That Government has, I am happy to inform you, manifested a determination to act upon the liberal principles which have marked our commercial policy. The happiest effects upon the future trade between the United States and Portugal are anticipated from it, and the time is not thought to be remote when a system of perfect reciprocity will be established.

The installments due under the convention with the King of the Two Sicilies have been paid with that scrupulous fidelity by which his whole conduct has been characterized, and the hope is indulged that the adjustment of the vexed question of our claims will be

followed by a more extended and mutually beneficial intercourse between the two countries.

Page 399

The internal contest still continues in Spain. Distinguished as this struggle has unhappily been by incidents of the most sanguinary character, the obligations of the late treaty of indemnification with us have been, never the less, faithfully executed by the Spanish Government.

No provision having been made at the last session of Congress for the ascertainment of the claims to be paid and the apportionment of the funds under the convention made with Spain, I invite your early attention to the subject. The public evidences of the debt have, according to the terms of the convention and in the forms prescribed by it, been placed in the possession of the United States, and the interest as it fell due has been regularly paid upon them. Our commercial intercourse with Cuba stands as regulated by the act of Congress. No recent information has been received as to the disposition of the Government of Madrid, and the lamented death of our recently appointed minister on his way to Spain, with the pressure of their affairs at home, renders it scarcely probable that any change is to be looked for during the coming year.

Further portions of the Florida archives have been sent to the United States, although the death of one of the commissioners at a critical moment embarrassed the progress of the delivery of them. The higher officers of the local government have recently shown an anxious desire, in compliance with the orders from the parent Government, to facilitate the selection and delivery of all we have a right to claim.

Negotiations have been opened at Madrid for the establishment of a lasting peace between Spain and such of the Spanish American Governments of this hemisphere as have availed themselves of the intimation given to all of them of the disposition of Spain to treat upon the basis of their entire independence. It is to be regretted that simultaneous appointments by all of ministers to negotiate with Spain had not been made. The negotiation itself would have been simplified, and this long-standing dispute, spreading over a large portion of the world, would have been brought to a more speedy conclusion.

Our political and commercial relations with Austria, Prussia, Sweden, and Denmark stand on the usual favorable bases. One of the articles of our treaty with Russia in relation to the trade on the North-West coast of America having expired, instructions have been given to our minister at St. Petersburg to negotiate a renewal of it. The long and unbroken amity between the two Governments gives every reason for supposing the article will be renewed, if stronger motives do not exist to prevent it than with our view of the subject can be anticipated here. I ask your attention to the message of my predecessor at the opening of the second session of the 19th Congress, relative to our commercial intercourse with Holland, and to the documents connected with that subject, communicated to the House of Representatives on the 10th of January, 1825, and 18th of January, 1827.

Page 400

Coinciding in the opinion of my predecessor that Holland is not, under the regulations of her present system, entitled to have her vessels and their cargoes received into the United States on the footing of American vessels and cargoes as regards duties of tonnage and impost, a respect for his reference of it to the Legislature has alone prevented me from acting on the subject. I should still have waited without comment for the action of Congress, but recently a claim has been made by Belgian subjects to admission into our ports for their ships and cargoes on the same footing as American, with the allegation we could not dispute that our vessels received in their ports the identical treatment shewn to them in the ports of Holland, upon whose vessels no discrimination is made in the ports of the United States.

Given the same privileges the Belgians expected the same benefits— benefits that were, in fact, enjoyed when Belgium and Holland were united under one Government. Satisfied with the justice of their pretension to be placed on the same footing with Holland, I could not, never the less, without disregard to the principle of our laws, admit their claim to be treated as Americans, and at the same time a respect for Congress, to whom the subject had long since been referred, has prevented me from producing a just equality by taking from the vessels of Holland privileges conditionally granted by acts of Congress, although the condition upon which the grant was made has, in my judgment, failed since 1822. I recommend, therefore, a review of the act of 1824, and such modification of it as will produce an equality on such terms as Congress shall think best comports with our settled policy and the obligations of justice to two friendly powers.

With the Sublime Porte and all the Governments on the coast of Barbary our relations continue to be friendly. The proper steps have been taken to renew our treaty with Morocco.

The Argentine Republic has again promised to send within the current year a minister to the United States.

A convention with Mexico for extending the time for the appointment of commissioners to run the boundary line has been concluded and will be submitted to the Senate. Recent events in that country have awakened the liveliest solicitude in the United States. Aware of the strong temptations existing and powerful inducements held out to the citizens of the United States to mingle in the dissensions of our immediate neighbors, instructions have been given to the district attorneys of the United States where indications warranted it to prosecute without respect to persons all who might attempt to violate the obligations of our neutrality, while at the same time it has been thought necessary to apprise the Government of Mexico that we should require the integrity of our territory to be scrupulously respected by both parties.

Page 401

From our diplomatic agents in Brazil, Chile, Peru, Central America, Venezuela, and New Granada constant assurances are received of the continued good understanding with the Governments to which they are severally accredited. With those Governments upon which our citizens have valid and accumulating claims, scarcely an advance toward a settlement of them is made, owing mainly to their distracted state or to the pressure of imperative domestic questions. Our patience has been and will probably be still further severely tried, but our fellow citizens whose interests are involved may confide in the determination of the Government to obtain for them eventually ample retribution.

Unfortunately, many of the nations of this hemisphere are still self-tormented by domestic dissensions. Revolution succeeds revolution; injuries are committed upon foreigners engaged in lawful pursuits; much time elapses before a government sufficiently stable is erected to justify expectation of redress; ministers are sent and received, and before the discussions of past injuries are fairly begun fresh troubles arise; but too frequently new injuries are added to the old, to be discussed together with the existing government after it has proved its ability to sustain the assaults made upon it, or with its successor if overthrown. If this unhappy condition of things continues much longer, other nations will be under the painful necessity of deciding whether justice to their suffering citizens does not require a prompt redress of injuries by their own power, without waiting for the establishment of a government competent and enduring enough to discuss and to make satisfaction for them.

Since the last session of Congress the validity of our claims upon France, as liquidated by the treaty of 1831, has been acknowledged by both branches of her legislature, and the money has been appropriated for their discharge; but the payment is, I regret to inform you, still withheld.

A brief recapitulation of the most important incidents in this protracted controversy will shew how utterly untenable are the grounds upon which this course is attempted to be justified.

On entering upon the duties of my station I found the United States an unsuccessful applicant to the justice of France for the satisfaction of claims the validity of which was never questionable, and has now been most solemnly admitted by France herself. The antiquity of these claims, their high justice, and the aggravating circumstances out of which they arose are too familiar to the American people to require description. It is sufficient to say that for a period of ten years and upward our commerce was, with but little interruption, the subject of constant aggression on the part of France—aggressions the ordinary features of which were condemnations of vessels and cargoes under arbitrary decrees, adopted in contravention as well of the laws of nations as of treaty stipulations, burnings on the high seas,

Page 402

and seizures and confiscations under special imperial rescripts in the ports of other nations occupied by the armies or under the control of France. Such it is now conceded is the character of the wrongs we suffered—wrongs in many cases so flagrant that even their authors never denied our right to reparation. Of the extent of these injuries some conception may be formed from the fact that after the burning of a large amount at sea and the necessary deterioration in other cases by long detention the American property so seized and sacrificed at forced sales, excluding what was adjudged to privateers before or without condemnation, brought into the French treasury upward of 24,000,000 francs, besides large custom house duties.

The subject had already been an affair of 20 years' uninterrupted negotiation, except for a short time when France was overwhelmed by the military power of united Europe. During this period, whilst other nations were extorting from her payment of their claims at the point of the bayonet, the United States intermitted their demand for justice out of respect to the oppressed condition of a gallant people to whom they felt under obligations for fraternal assistance in their own days of suffering and peril. The bad effects of these protracted and unavailing discussions, were obvious, and the line of duty was to my mind equally so.

This was either to insist upon the adjustment of our claims within a reasonable period or to abandon them altogether. I could not doubt that by this course the interests and honor of both countries would be best consulted. Instructions were therefore given in this spirit to the minister who was sent out once more to demand reparation.

Upon the meeting of Congress in December, 1829, I felt it my duty to speak of these claims and the delays of France in terms calculated to call the serious attention of both countries to the subject. The then French ministry took exception to the message on the ground of its containing a menace, under it was not agreeable to the French Government to negotiate. The American minister of his own accord refuted the construction which was attempted to be put upon the message and at the same time called to the recollection of the French ministry that the President's message was a communication addressed, not to foreign governments, but to the Congress of the United States, in which it was enjoined upon him by the Constitution to lay before that body information of the state of the Union, comprehending its foreign as well as its domestic relations, and that if in the discharge of this duty he felt it incumbent upon him to summon the attention of Congress in due time to what might be the possible consequences of existing difficulties with any foreign government, he might fairly be supposed to do so under a sense of his own Government, and not from any intention of holding a menace over a foreign power.

The views taken by him received my approbation, the French Government was satisfied, and the negotiation was continued. It terminated in the treaty of July 4th,

recognizing the justice of our claims in part and promising payment to the amount of 25,000,000 francs in six annual installments.

Page 403

The ratifications of this treaty were exchanged at Washington on the second of February, 1832, and in five days thereafter it was laid before Congress, who immediately passed the acts necessary on our part to secure to France the commercial advantages conceded to her in the compact. The treaty had previously been solemnly ratified by the King of the French in terms which are certainly not mere matters of form, and of which the translation is as follows: *We*, approving the above convention in all and each of the dispositions which are contained in it, do declare, by ourselves as well as by our heirs and successors, that it is accepted, approved, ratified, and confirmed, and by these presents, signed by our hand, we do accept, approve, ratify, and confirm it; promising, on the faith and word of a king, to observe it and to cause it to be observed inviolably, without ever contravening it or suffering it to be contravened, directly or indirectly, for any cause or under any pretense whatsoever. Official information of the exchange of ratifications in the United States reached Paris whilst the Chambers were in session. The extraordinary and to us injurious delays of the French Government in their action upon the subject of its fulfillment have been heretofore stated to Congress, and I have no disposition to enlarge upon them here. It is sufficient to observe that the then pending session was allowed to expire without even an effort to obtain the necessary appropriations; that the two succeeding ones were also suffered to pass away without anything like a serious attempt to obtain a decision upon the subject, and that it was not until the fourth session, almost three years after the conclusion of the treaty and more than two years after the exchange of ratifications, that the bill for the execution of the treaty was pressed to a vote and rejected.

In the mean time the Government of the United States, having full confidence that a treaty entered into and so solemnly ratified by the French King would be executed in good faith, and not doubting that provision would be made for the payment of the first installment which was to become due on the second day of February, 1833, negotiated a draft for the amount through the Bank of the United States. When this draft was presented by the holder with the credentials required by the treaty to authorize him to receive the money, the Government of France allowed it to be protested. In addition to the injury in the nonpayment of the money by France, conformably to her engagement, the United States were exposed to a heavy claim on the part of the bank under pretense of damages, in satisfaction of which that institution seized upon and still retains an equal amount of the public money.

Page 404

Congress was in session when the decision of the Chambers reached Washington, and an immediate communication of this apparently final decision of France not to fulfill the stipulation of the treaty was the course naturally to be expected from the President. The deep tone of dissatisfaction which pervaded the public mind and the correspondent excitement produced in Congress by only a general knowledge of the result rendered it more than probable that a resort to immediate measures of redress would be the consequence of calling the attention of that body to the subject. Sincerely desirous of preserving the pacific relations which had so long existed between the two countries, I was anxious to avoid this course if I could be satisfied that by so neither the interests nor the honor of my country would be compromitted. Without the fullest assurances on that point, I could not hope to acquit myself of the responsibility to be incurred in suffering Congress to adjourn without laying the subject before them. Those received by me were believed to be of that character.

That the feelings produced in the United States by the news of the rejection of the appropriation would be such as I have described them to have been was foreseen by the French Government, and prompt measures were taken by it to prevent the consequence. The King in person expressed through our minister at Paris his profound regret at the decision of the Chambers, and promised to send forthwith a ship with dispatches to his minister here authorizing him to give such assurances as would satisfy the Government and people of the United States that the treaty would yet be faithfully executed by France.

The national ship arrived, and the minister received his instructions. Claiming to act under the authority derived from them, he gave to this government in the name of his the most solemn assurances that as soon after the new elections as the charter would permit the French Chambers would be convened and the attempt to procure the necessary appropriations renewed; that all the constitutional powers of the King and his ministers should be put in requisition to accomplish the object, and he was understood, and so expressly informed by this Government at the time, to engage that the question should be pressed to a decision at a period sufficiently early to permit information of the result to be communicated to Congress at the commencement of their next session. Relying upon these assurances, I incurred the responsibility, great as I regarded it to be, of suffering Congress to separate without communicating with them upon the subject.

The expectations justly founded upon the promises thus solemnly made to this Government by that of France were not realized. The French Chambers met on the thirty-first of July, 1834, soon after the election, and although our minister in Paris urged the French ministry to bring the subject before them, they declined doing so. He next insisted that the Chambers, of prorogued without acting on the subject, should be reassembled at a period so early that their action on the treaty might be known in Washington prior to the meeting of Congress.

Page 405

This reasonable request was not only declined, but the Chambers were prorogued to the 29th of December, a day so late that their decision, however urgently pressed, could not in all probability be obtained in time to reach Washington before the necessary adjournment of Congress by the Constitution. The reasons given by the ministry for refusing to convoke the Chambers at an earlier period were afterwards shewn not to be insuperable by their actual convocation on the first of December under a special call for domestic purposes, which fact, however, did not become known to this Government until after the commencement of the last session of Congress.

Thus disappointed in our just expectations, it became my imperative duty to consult with Congress in regard to the expediency of a resort to retaliatory measures in case the stipulations of the treaty should not be speedily complied with, and to recommend such as in my judgment the occasion called for. To this end an unreserved communication of the case in all its aspects became indispensable. To have shrunk in making it from saying all that was necessary to its correct understanding, and that the truth would justify, for fear of giving offense to others, would have been unworthy of us. To have gone, on the other hand, a single step further for the purpose of wounding the pride of a Government and people with whom we had so many motives for cultivating relations of amity and reciprocal advantage would have been unwise and improper.

Admonished by the past of the difficulty of making even the simplest statement of our wrongs without disturbing the sensibilities of those who had by their position become responsible for their redress, and earnestly desirous of preventing further obstacles from that source, I went out of my way to preclude a construction of the message by which the recommendation that was made to Congress might be regarded as a menace to France in not only disavowing such a design, but in declaring that her pride and her power were too well known to expect anything from her fears. The message did not reach Paris until more than a month after the Chambers had been in session, and such was the insensibility of the ministry to our rightful claims and just expectations that our minister had been informed that the matter when introduced would not be pressed as a cabinet measure.

Although the message was not officially communicated to the French Government, and not withstanding the declaration to the contrary which it contained, the French ministry decided to consider the conditional recommendation of reprisals a menace and an insult which the honor of the nation made it incumbent on them to resent. The measures resorted to by them to evince their sense of the supposed indignity were the immediate recall of their minister at Washington, the offer of passports to the American minister at Paris, and a public notice to the legislative Chambers that all diplomatic intercourse with the United States had been suspended.

Page 406

Having in this manner vindicated the dignity of France, they next proceeded to illustrate her justice. To this end a bill was immediately introduced into the Chamber of Deputies proposing to make the appropriations necessary to carry into effect the treaty. As this bill subsequently passed into a law, the provisions of which now constitute the main subject of difficulty between the two nations, it becomes my duty, in order to place the subject before you in a clear light, to trace the history of its passage and to refer with some particularity to the proceedings and discussions in regard to it.

The minister of finance in his opening speech alluded to the measures which had been adopted to resent the supposed indignity, and recommended the execution of the treaty as a measure required by the honor and justice of France. He as the organ of the ministry declared the message, so long as it had not received the sanction of Congress, a mere expression of the personal opinion of the President, for which neither the Government nor people of the United States were responsible, and that an engagement had been entered into for the fulfillment of which the honor of France was pledged. Entertaining these views, the single condition which the French ministry proposed to annex to the payment of the money was that it should not be made until it was ascertained that the Government of the United States had done nothing to injure the interests of France, or, in other words, that no steps had been authorized by Congress of a hostile character toward France.

What the disposition of action of Congress might be was then unknown to the French cabinet; but on the 14th day of January the Senate resolved that it was at that time inexpedient to adopt any legislative measures in regard to the state of affairs between the United States and France, and no action on the subject had occurred in the House of Representatives. These facts were known in Paris prior to the 28th of March, 1835, when the committee to whom the bill of indemnification had been referred reported it to the Chamber of Deputies. That committee substantially re-echoed the sentiments of the ministry, declared that Congress had set aside the proposition of the President, and recommended the passage of the bill without any other restriction than that originally proposed. Thus was it known to the French ministry and Chambers that if the position assumed by them, and which had been so frequently and solemnly announced as the only one compatible with the honor of France, was maintained and the bill passed as originally proposed, the money would be paid and there would be an end of this unfortunate controversy.

Page 407

But this cheering prospect was soon destroyed by an amendment introduced into the bill at the moment of its passage, providing that the money should not be paid until the French Government had received satisfactory explanations of the President's message of the second December, 1834, and, what is still more extraordinary, the president of the council of ministers adopted this amendment and consented to its incorporation in the bill. In regard to a supposed insult which had been formally resented by the recall of their minister and the offer of passports to ours, they now for the first time proposed to ask explanations. Sentiments and propositions which they had declared could not justly be imputed to the Government or people of the United States are set up as obstacles to the performance of an act of conceded justice to that Government and people. They had declared that the honor of France required the fulfillment of the engagement into which the King had entered, unless Congress adopted the recommendations of the message. They ascertained that Congress did not adopt them, and yet that fulfillment is refused unless they first obtain from the President explanations of an opinion characterized by themselves as personal and inoperative.

The conception that it was my intention to menace or insult the Government of France is as unfounded as the attempt to extort from the fears of that nation what her sense of justice may deny would be vain and ridiculous. But the Constitution of the United States imposes on the President the duty of laying before Congress the condition of the country in its foreign and domestic relations, and of recommending such measures as may in his opinion be required by its interests. From the performance of this duty he can not be deterred by the fear of wounding the sensibilities of the people or government of whom it may become necessary to speak; and the American people are incapable of submitting to an interference by any government on earth, however powerful, with the free performance of the domestic duties which the Constitution has imposed on their public functionaries.

The discussions which intervene between the several departments of our Government being to ourselves, and for anything said in them our public servants are only responsible to their own constituents and to each other. If in the course of their consultations facts are erroneously stated or unjust deductions are made, they require no other inducement to correct them, however informed of their error, than their love of justice and what is due to their own character; but they can never submit to be interrogated upon the subject as a matter of right by a foreign power. When our discussions terminate in acts, our responsibility to foreign powers commences, not as individuals, but as a nation. The principle which calls in question the President for the language of his message would equally justify a foreign power in demanding explanations of the language used in the report of a committee or by a member in debate.

Page 408

This is not the first time that the Government of France has taken exception to the messages of American Presidents. President Washington and the first President Adams in the performance of their duties to the American people fell under the animadversions of the French Directory. The objection taken by the ministry of Charles X, and removed by the explanation made by our minister upon the spot, has already been adverted to. When it was understood that the ministry of the present King took exception to my message of last year, putting a construction upon it which was disavowed on its face, our late minister at Paris, in answer to the note which first announced a dissatisfaction with the language used in the message, made a communication to the French Government under date of the 29th of January, 1835, calculated to remove all impressions which an unreasonable susceptibility had created. He repeated and called the attention of the French Government to the disavowal contained in the message itself of any intention to intimidate by menace; he truly declared that it contained and was intended to contain no charge of ill faith against the King of the French, and properly distinguished between the right to complain in unexceptionable terms of the omission to execute an agreement and an accusation of bad motives in withholding such execution, and demonstrated that the necessary use of that right ought not to be considered as an offensive imputation.

Although this communication was made without instructions and entirely on the minister's own responsibility, yet it was afterwards made the act of this Government by my full approbation, and that approbation was officially made known on the 25th of April, 1835, to the French Government. It, however, failed to have any effect. The law, after this friendly explanation, passed with the obnoxious amendment, supported by the King's ministers, and was finally approved by the King.

The people of the United States are justly attached to a pacific system in their intercourse with foreign nations. It is proper, therefore, that they should know whether their Government has adhered to it. In the present instance it has been carried to the utmost extent that was consistent with a becoming self-respect. The note of the 29th of January, to which I have before alluded, was not the only one which our minister took upon himself the responsibility of presenting on the same subject and in the same spirit.

Finding that it was intended to make the payment of a just debt dependent on the performance of a condition which he knew could never be complied with, he thought it a duty to make another attempt to convince the French Government that whilst self-respect and regard to the dignity of other nations would always prevent us from using any language that ought to give offense, yet we could never admit a right in any foreign government to ask explanations of or to interfere in any manner

Page 409

in the communications which one branch of our public councils made with another; that in the present case no such language had been used, and that this had in a former note been fully and voluntarily state, before it was contemplated to make the explanation a condition; and that there might be no misapprehension he stated the terms used in that note, and he officially informed them that it had been approved by the President, and that therefore every explanation which could reasonably be asked or honorably given had been already made; that the contemplated measure had been anticipated by a voluntary and friendly declaration, and was therefore not only useless, but might be deemed offensive, and certainly would not be complied with if annexed as a condition.

When this latter communication, to which I especially invite the attention of Congress, was laid before me, I entertained the hope that the means it was obviously intended to afford of an honorable and speedy adjustment of the difficulties between the two nations would have been accepted, and I therefore did not hesitate to give it my sanction and full approbation. This was due to the minister who had made himself responsible for the act, and it was published to the people of the United States and is now laid before their representatives to shew how far their Executive has gone in its endeavors to restore a good understanding between the two countries. It would have been at any time communicated to the Government of France had it been officially requested.

The French Government having received all the explanation which honor and principle permitted, and which could in reason be asked, it was hoped it would no longer hesitate to pay the installments now due. The agent authorized to receive the money was instructed to inform the French minister of his readiness to do so. In reply to this notice he was told that the money could not then be paid, because the formalities required by the act of the Chambers had not been arranged.

Not having received any official information of the intentions of the French Government, and anxious to bring, as far as practicable, this unpleasant affair to a close before the meeting of Congress, that you might have the whole subject before you, I caused our charge d'affaires at Paris to be instructed to ask for the final determination of the French Government, and in the event of their refusal to pay the installments now due, without further explanations to return to the United States.

The result of this last application has not yet reached us, but is daily expected. That it may be favorable is my sincere wish. France having now, through all the branches of her Government, acknowledged the validity of our claims and the obligation of the treaty of 1831, and there really existing no adequate cause for further delay, will at length, it may be hoped, adopt the course which the interests of both nations, not less than the principles of justice, so imperiously require. The treaty being once executed on her part, little will remain to disturb the friendly relations of the two countries—nothing, indeed, which will not yield to the suggestions of a pacific and enlightened policy and to

the influence of that mutual good will and of those generous recollections which we may confidently expect will then be revived in all their ancient force.

Page 410

In any event, however, the principle involved in the new aspect which has been given to the controversy is so vitally important to the independent administration of the Government that it can neither be surrendered nor compromitted without national degradation. I hope it is unnecessary for me to say that such a sacrifice will not be made through any agency of mine. The honor of my country shall never be stained by an apology from me for the statement of truth and the performance of duty; nor can I give any explanation of my official acts except such as is due to integrity and justice and consistent with the principles on which our institutions have been framed. This determination will, I am confident, be approved by my constituents. I have, indeed, studied their character to but little purpose if the sum of 25,000,000 francs will have the weight of a feather in the estimation of what appertains to their national independence, and if, unhappily, a different impression should at any time obtain in any quarter, they will, I am sure, rally round the Government of their choice with alacrity and unanimity, and silence for ever the degrading imputation.

Having thus frankly presented to you the circumstances which since the last session of Congress have occurred in this interesting and important matter, with the views of the Executive in regard to them, it is at this time only necessary to add that when ever the advices now daily expected from our charge d'affaires shall have been received they will be made the subject of a special communication.

The condition of the public finances was never more flattering than at the present period.

Since my last annual communication all the remains of the public debt have been redeemed, or money has been placed in deposit for this purpose when ever the creditors choose to receive it. All the other pecuniary engagements of the Government have been honorably and promptly fulfilled, and there will be a balance in the Treasury at the close of the year of about $19,000,000. It is believed that after meeting all outstanding and unexpended appropriations there will remain near $11,000,000 to be applied to any new objects which Congress may designate or to the more rapid execution of the works already in progress. In aid of these objects, and to satisfy the current expenditures of the ensuing year, it is estimated that there will be received from various sources $20,000,000 more in 1836.

Should Congress make new appropriations in conformity with the estimates which will be submitted from the proper Departments, amounting to about $24,000,000, still the available surplus at the close of the next year, after deducting all unexpended appropriations, will probably not be less than $6,000,000. This sum can, in my judgment, be now usefully applied to proposed improvements in our navy yards, and to new national works which are not enumerated in the present estimates or to the more rapid completion of those already begun. Either would be constitutional and useful, and would render unnecessary any attempt in our present peculiar condition to divide the surplus revenue or to reduce it any faster than will be effected by the existing laws.

Page 411

In any event, as the annual report from the Secretary of the Treasury will enter into details, shewing the probability of some decrease in the revenue during the next seven years and a very considerable deduction in 1842, it is not recommended that Congress should undertake to modify the present tariff so as to disturb the principles on which the compromise act was passed. Taxation on some of the articles of general consumption which are not in competition with our own productions may be no doubt so diminished as to lessen to some extent the source of this revenue, and the same object can also be assisted by more liberal provisions for the subjects of public defense, which in the present state of our prosperity and wealth may be expected to engage your attention.

If, however, after satisfying all the demands which can arise from these sources the unexpended balance in the Treasury should still continue to increase, it would be better to bear with the evil until the great changes contemplated in our tariff laws have occurred and shall enable us to revise the system with that care and circumspection which are due to so delicate and important a subject.

It is certainly our duty to diminish as far as we can the burdens of taxation and to regard all the restrictions which are imposed on the trade and navigation of our citizens as evils which we shall mitigate when ever we are not prevented by the adverse legislation and policy of foreign nations or those primary duties which the defense and independence of our country enjoin upon us. That we have accomplished much toward the relief of our citizens by the changes which have accompanied the payment of the public debt and the adoption of the present revenue laws is manifest from the fact that compared to 1833 there is a diminution of near $25,000,000 in the last two years, and that our expenditures, independently of those for the public debt, have been reduced near $9,000,000 during the same period. Let us trust that by the continued observance of economy and by harmonizing the great interests of agriculture, manufactures, and commerce much more may be accomplished to diminish the burdens of government and to increase still further the enterprise and the patriotic affection of all classes of our citizens and all the members of our happy Confederacy. As the data which the Secretary of the Treasury will lay before you in regard to our financial resources are full and extended, and will afford a safe guide in your future calculations, I think it unnecessary to offer any further observations on that subject here.

Among the evidences of the increasing prosperity of the country, not the least gratifying is that afforded by the receipts from the sales of the public lands, which amount in the present year to the unexpected sum of $11,000,000. This circumstance attests the rapidity with which agriculture, the first and most important occupation of man, advances and contributes to the wealth and power of our extended territory. Being still of the opinion that it is our best policy, as far as we can consistently with the obligations under which those lands were ceded to the United States, to promote their speedy settlement, I beg leave to call the attention of the present Congress to the suggestions I have offered respecting it in my former messages.

Page 412

The extraordinary receipts from the sales of the public lands invite you to consider what improvements the land system, and particularly the condition of the General Land Office, may require. At the time this institution was organized, near a quarter century ago, it would probably have been thought extravagant to anticipate for this period such an addition to its business as has been produced by the vast increase of those sales during the past and present years. It may also be observed that since the year 1812 the land offices and surveying districts have been greatly multiplied, and that numerous legislative enactments from year to year since that time have imposed a great amount of new and additional duties upon that office, while the want of a timely application of force commensurate with the care and labor required has caused the increasing embarrassment of accumulated arrears in the different branches of the establishment.

These impediments to the expedition of much duty in the General Land Office induce me to submit to your judgment whether some modification of the laws relating to its organization, or an organization of a new character, be not called for at the present juncture, to enable the office to accomplish all the ends of its institution with a greater degree of facility and promptitude than experience has proved to be practicable under existing regulations. The variety of the concerns and the magnitude and complexity of the details occupying and dividing the attention of the Commissioner appear to render it difficult, if not impracticable, for that officer by any possible assiduity to bestow on all the multifarious subjects upon which he is called to act the ready and careful attention due to their respective importance, unless the Legislature shall assist him by a law providing, or enabling him to provide, for a more regular and economical distribution of labor, with the incident responsibility among those employed under his direction. The mere manual operation of affixing his signature to the vast number of documents issuing from his office subtracts so largely from the time and attention claimed by the weighty and complicated subjects daily accumulating in that branch of the public service as to indicate the strong necessity of revising the organic law of the establishment. It will be easy for Congress hereafter to proportion the expenditure on account of this branch of the service to its real wants by abolishing from time to time the offices which can be dispensed with.

The extinction of the public debt having taken place, there is no longer any use for the offices of Commissioners of Loans and of the Sinking Fund. I recommend, therefore, that they be abolished, and that proper measures be taken for the transfer to the Treasury Department of any funds, books, and papers connected with the operations of those offices, and that the proper power be given to that Department for closing finally any portion of their business which may remain to be settled.

Page 413

It is also incumbent on Congress in guarding the pecuniary interests of the country to discontinue by such a law as was passed in 1812 the receipt of the bills of the Bank of the United States in payment of the public revenue, and to provide for the designation of an agent whose duty it shall be to take charge of the books and stock of the United States in that institution, and to close all connection with it after the 3d of March, 1833, when its charter expires. In making provision in regard to the disposition of this stock it will be essential to define clearly and strictly the duties and powers of the officer charged with that branch of the public service.

It will be seen from the correspondence which the Secretary of the Treasury will lay before you that not withstanding the large amount of the stock which the United States hold in that institution no information has yet been communicated which will enable the Government to anticipate when it can receive any dividends or derive any benefit from it.

Connected with the condition of the finances and the flourishing state of the country in all its branches of industry, it is pleasing to witness the advantages which have been already derived from the recent laws regulating the value of the gold coinage. These advantages will be more apparent in the course of the next year, when the branch mints authorized to be established in North Carolina, Georgia, and Louisiana shall have gone into operation. Aided, as it is hoped they will be, by further reforms in the banking systems of the States and by judicious regulations on the part of Congress in relation to the custody of the public moneys, it may be confidently anticipated that the use of gold and silver as circulating medium will become general in the ordinary transactions connected with the labor of the country.

The great desideratum in modern times is an efficient check upon the power of banks, preventing that excessive issue of paper whence arise those fluctuations in the standard of value which render uncertain the rewards of labor. It was supposed by those who established the Bank of the United States that from the credit given to it by the custody of the public moneys and other privileges and the precautions taken to guard against the evils which the country had suffered in the bankruptcy of many of the State institutions of that period we should derive from that institution all the security and benefits of a sound currency and every good end that was attainable under the provision of the Constitution which authorizes Congress alone to coin money and regulate the value thereof. But it is scarcely necessary now to say that these anticipations have not been realized.

After the extensive embarrassment and distress recently produced by the Bank of the United States, from which the country is now recovering, aggravated as they were by pretensions to power which defied the public authority, and which if acquiesced in by the people would have changed the whole character of our Government, every candid and intelligent individual must admit that for the attainment of the great advantages of a

sound currency we must look to a course of legislation radically different from that which created such an institution.

Page 414

In considering the means of obtaining so important an end we must set aside all calculations of temporary convenience, and be influenced by those only which are in harmony with the true character and the permanent interests of the Republic. We must recur to first principles and see what it is that has prevented the legislation of Congress and the States on the subject of currency from satisfying the public expectation and realizing results corresponding to those which have attended the action of our system when truly consistent with the great principle of equality upon which it rests, and with that spirit of forbearance and mutual concession and generous patriotism which was originally, and must ever continue to be, the vital element of our Union.

On this subject I am sure that I can not be mistaken in ascribing our want of success to the undue countenance which has been afforded to the spirit of monopoly. All the serious dangers which our system has yet encountered may be traced to the resort to implied powers and the use of corporations clothed with privileges, the effect of which is to advance the interests of the few at the expense of the many.

We have felt but one class of these dangers exhibited in the contest waged by the Bank of the United States against the Government for the last four years. Happily they have been obviated for the present by the indignant resistance of the people, but we should recollect that the principle whence they sprung is an ever-active one, which will not fail to renew its efforts in the same and in other forms so long as there is a hope of success, founded either on the inattention of the people or the treachery of their representatives to the subtle progress of its influence.

The bank is, in fact, but one of the fruits of a system at war with the genius of all our institutions—a system founded upon a political creed the fundamental principle of which is a distrust of the popular will as a safe regulator of political power, and whose great ultimate object and inevitable result, should it prevail, is the consolidation of all power in our system in one central government. Lavish public disbursements and corporations with exclusive privileges would be its substitutes for the original and as yet sound checks and balances of the Constitution—the means by whose silent and secret operation a control would be exercised by the few over the political conduct of the many by first acquiring that control over the labor and earnings of the great body of the people. Wherever this spirit has effected an alliance with political power, tyranny and despotism have been the fruit. If it is ever used for the ends of government, it has to be incessantly watched, or it corrupts the sources of the public virtue and agitates the country with questions unfavorable to the harmonious and steady pursuit of its true interests.

Page 415

We are now to see whether, in the present favorable condition of the country, we can not take an effectual stand against the spirit of monopoly, and practically prove in respect to the currency as well as other important interests that there is no necessity for so extensive a resort to it as that which has been heretofore practiced. The experience of another year has confirmed the utter fallacy of the idea that the Bank of the United States was necessary as a fiscal agent of the Government. Without its aid as such, indeed, in despite of all the embarrassment it was in its power to create, the revenue has been paid with punctuality by our citizens, the business of exchange, both foreign and domestic, has been conducted with convenience, and the circulating medium has been greatly improved.

By the use of the State banks, which do not derive their charters from the General Government and are not controlled by its authority, it is ascertained that the moneys of the United States can be collected and disbursed without loss or inconvenience, and that all the wants of the community in relation to exchange and currency are supplied as well as they have ever been before. If under circumstances the most unfavorable to the steadiness of the money market it has been found that the considerations on which the Bank of the United States rested its claims to the public favor were imaginary and groundless, it can not be doubted that the experience of the future will be more decisive against them.

It has been seen that without the agency of a great moneyed monopoly the revenue can be collected and conveniently and safely applied to all the purposes of the public expenditure. It is also ascertained that instead of being necessarily made to promote the evils of an unchecked paper system, the management of the revenue can be made auxiliary to the reform which the legislatures of several of the States have already commenced in regard to the suppression of small bills, and which has only to be fostered by proper regulations on the part of Congress to secure a practical return to the extent required for the security of the currency to the constitutional medium.

Severed from the Government as political engines, and not susceptible of dangerous extension and combination, the State banks will not be tempted, nor will they have the power, which we have seen exercised, to divert the public funds from the legitimate purposes of the Government. The collection and custody of the revenue, being, on the contrary, a source of credit to them, will increase the security which the States provide for a faithful execution of their trusts by multiplying the scrutinies to which their operations and accounts will be subjected. Thus disposed, as well from interest as the obligations of their charters, it can not be doubted that such conditions as Congress may see fit to adopt respecting the deposits in these institutions, with a view to the gradual

Page 416

disuse, of the small bills will be cheerfully complied with, and that we shall soon gain in place of the Bank of the United States a practical reform in the whole paper system of the country. If by this policy we can ultimately witness the suppression of all bank bills below $20, it is apparent that gold and silver will take their place and become the principal circulating medium in the common business of the farmers and mechanics of the country. The attainment of such a result will form an era in the history of our country which will be dwelt upon with delight by every true friend of its liberty and independence. It will lighten the great tax which our paper system has so long collected from the earnings of labor, and do more to revive and perpetuate those habits of economy and simplicity which are so congenial to the character of republicans than all the legislation which has yet been attempted.

To this subject I feel that I can not too earnestly invite the special attention of Congress, without the exercise of whose authority the opportunity to accomplish so much public good must pass unimproved. Deeply impressed with its vital importance, the Executive has taken all the steps within his constitutional power to guard the public revenue and defeat the expectation which the Bank of the United States indulged of renewing and perpetuating its monopoly on the ground of its necessity as a fiscal agent and as affording a sounder currency than could be obtained without such an institution.

In the performance of this duty much responsibility was incurred which would have been gladly avoided if the stake which the public had in the question could have been otherwise preserved. Although clothed with the legal authority and supported by precedent, I was aware that there was in the act of the removal of the deposits a liability to excite that sensitiveness to Executive power which it is characteristic and the duty of free men to indulge; but I relied on this feeling also, directed by patriotism and intelligence, to vindicate the conduct which in the end would appear to have been called for by the interests of my country. The apprehensions natural to this feeling that there may have been a desire, through the instrumentality of that measure, to extend the Executive influence, or that it may have been prompted by motives not sufficiently free from ambition, were not over-looked. Under the operation of our institutions the public servant who is called on to take a step of high responsibility should feel in the freedom which gives rise to such apprehensions his highest security. When unfounded the attention which they arouse and the discussions they excite deprive those who indulge them of the power to do harm; when just they but hasten the certainty with which the great body of our citizens never fail to repel an attempt to procure the sanction to any exercise of power inconsistent with the jealous maintenance of their rights.

Page 417

Under such convictions, and entertaining no doubt that my constitutional obligations demanded the steps which were taken in reference to the removal of the deposits, it was impossible for me to be deterred from the path of duty by a fear that my motives could be misjudged or that political prejudices could defeat the just consideration of the merits of my conduct. The result has shewn how safe is this reliance upon the patriotic temper and enlightened discernment of the people. That measure has now been before them and has stood the test of all the severe analysis which its general importance, the interests it affected, and the apprehensions it excited were calculated to produce, and it now remains for Congress to consider what legislation has become necessary in consequence.

I need only add to what I have on former occasions said on this subject generally that in the regulations which Congress may prescribe respecting the custody of the public moneys it is desirable that as little discretion as may be deemed consistent with their safe-keeping should be given to the executive agents. No one can be more deeply impressed than I am with the soundness of the doctrine which restrains and limits, by specific provisions, executive discretion, as far as it can be done consistently with the preservation of its constitutional character. In respect to the control over the public money this doctrine is peculiarly applicable, and is in harmony with the great principle which I felt I was sustaining in the controversy with the Bank of the United States, which has resulted in severing to some extent a dangerous connection between a moneyed and political power. The duty of the Legislature to define, by clear and positive enactments, the nature and extent of the action which it belongs to the Executive to superintend springs out of a policy analogous to that which enjoins upon all branches of the Federal Government an abstinence from the exercise of powers not clearly granted.

In such a Government, possessing only limited and specific powers, the spirit of its general administration can not be wise or just when it opposes the reference of all doubtful points to the great source of authority, the States and the people, whose number and diversified relations securing them against the influences and excitements which may mislead their agents, make them the safest depository of power. In its application to the Executive, with reference to the legislative branch of the Government, the same rule of action should make the President ever anxious to avoid the exercise of any discretionary authority which can be regulated by Congress. The biases which may operate upon him will not be so likely to extend to the representatives of the people in that body.

In my former messages to Congress I have repeatedly urged the propriety of lessening the discretionary authority lodged in the various Departments, but it has produced no effect as yet, except the discontinuance of extra allowances in the Army and Navy and the substitution of fixed salaries in the latter. It is believed that the same principles could be advantageously applied in all cases, and would promote the efficiency and economy of the public service, at the same time that greater satisfaction and more equal justice would be secured to the public officers generally.

Page 418

The accompanying report of the Secretary of War will put you in possession of the operations of the Department confided to his care in all its diversified relations during the past year.

I am gratified in being able to inform you that no occurrence has required any movement of the military force, except such as is common to a state of peace. The services of the Army have been limited to their usual duties at the various garrisons upon the Atlantic and in-land frontier, with the exceptions states by the Secretary of War. Our small military establishment appears to be adequate to the purposes for which it is maintained, and it forms a nucleus around which any additional force may be collected should the public exigencies unfortunately require any increase of our military means.

***

State of the Union Address
Andrew Jackson
December 5, 1836

Fellow Citizens of the Senate and of the House of Representatives:

Addressing to you the last annual message I shall ever present to the Congress of the United States, it is a source of the most heartfelt satisfaction to be able to congratulate you on the high state of prosperity which our beloved country has attained. With no causes at home or abroad to lessen the confidence with which we look to the future for continuing proofs of the capacity of our free institutions to produce all the fruits of good government, the general condition of our affairs may well excite our national pride.

I can not avoid congratulating you, and my country particularly, on the success of the efforts made during my Administration by the Executive and Legislature, in conformity with the sincere, constant, and earnest desire of the people, to maintain peace and establish cordial relations with all foreign powers. Our gratitude is due to the Supreme Ruler of the Universe, and I invite you to unite with me in offering to Him fervent supplications that His providential care may ever be extended to those who follow us, enabling them to avoid the dangers and the horrors of war consistently with a just and indispensable regard to the rights and honor of our country. But although the present state of our foreign affairs, standing, without important change, as they did when you separated in July last, is flattering in the extreme, I regret to say that many questions of an interesting character, at issue with other powers, are yet unadjusted. Amongst the most prominent of these is that of our north east boundary. With an undiminished confidence in the sincere desire of His Britannic Majesty's Government to adjust that question, I am not yet in possession of the precise grounds upon which it proposes a satisfactory adjustment.

With France our diplomatic relations have been resumed, and under circumstances which attest the disposition of both Governments to preserve a mutually beneficial intercourse and foster those amicable feelings which are so strongly required by the true interests of the two countries. With Russia, Austria, Prussia, Naples, Sweden, and Denmark the best understanding exists, and our commercial intercourse is gradually expanding itself with them. It is encouraged in all these countries, except Naples, by their mutually advantageous and liberal treaty stipulations with us.

Page 419

The claims of our citizens on Portugal are admitted to be just, but provision for the payment of them has been unfortunately delayed by frequent political changes in that Kingdom.

The blessings of peace have not been secured by Spain. Our connections with that country are on the best footing, with the exception of the burdens still imposed upon our commerce with her possessions out of Europe.

The claims of American citizens for losses sustained at the bombardment of Antwerp have been presented to the Governments of Holland and Belgium, and will be pressed, in due season, to settlement.

With Brazil and all our neighbors of this continent we continue to maintain relations of amity and concord, extending our commerce with them as far as the resources of the people and the policy of their Governments will permit. The just and long-standing claims of our citizens upon some of them are yet sources of dissatisfaction and complaint. No danger is apprehended, however, that they will not be peacefully, although tardily, acknowledged and paid by all, unless the irritating effect of her struggle with Texas should unfortunately make our immediate neighbor, Mexico, an exception.

It is already known to you, by the correspondence between the two Governments communicated at your last session, that our conduct in relation to that struggle is regulated by the same principles that governed us in the dispute between Spain and Mexico herself, and I trust that it will be found on the most severe scrutiny that our acts have strictly corresponded with our professions. That the inhabitants of the United States should feel strong prepossessions for the one party is not surprising. But this circumstance should of itself teach us great caution, lest it lead us into the great error of suffering public policy to be regulated by partially or prejudice; and there are considerations connected with the possible result of this contest between the two parties of so much delicacy and importance to the United States that our character requires that we should neither anticipate events nor attempt to control them.

The known desire of the Texans to become a part of our system, although its gratification depends upon the reconcilement of various and conflicting interests, necessarily a work of time and uncertain in itself, is calculated to expose our conduct to misconstruction in the eyes of the world. There are already those who, indifferent to principle themselves and prone to suspect the want of it in others, charge us with ambitious designs and insidious policy.

Page 420

You will perceive by the accompanying documents that the extraordinary mission from Mexico has been terminated on the sole ground that the obligations of this Government to itself and to Mexico, under treaty stipulations, have compelled me to trust a discretionary authority to a high officer of our Army to advance into territory claimed as part of Texas if necessary to protect our own or the neighboring frontier from Indian depredation. In the opinion of the Mexican functionary who has just left us, the honor of his country will be wounded by American soldiers entering, with the most amicable avowed purposes, upon ground from which the followers of his Government have been expelled, and over which there is at present no certainty of a serious effort on its part to re-establish its dominion. The departure of this minister was the more singular as he was apprised that the sufficiency of the causes assigned for the advance of our troops by the commanding general had been seriously doubted by me, and there was every reason to suppose that the troops of the United States, their commander having had time to ascertain the truth or falsehood of the information upon which they had been marched to Nacogdoches, would be either there in perfect accordance with the principles admitted to be just in his conference with the Secretary of State by the Mexican minister himself, or were already withdrawn in consequence of the impressive warnings their commanding officer had received from the Department of War. It is hoped and believed that his Government will take a more dispassionate and just view of this subject, and not be disposed to construe a measure of justifiable precaution, made necessary by its known inability in execution of the stipulations of our treaty to act upon the frontier, into an encroachment upon its rights or a stain upon its honor.

In the mean time the ancient complaints of injustice made on behalf of our citizens are disregarded, and new causes of dissatisfaction have arisen, some of them of a character requiring prompt remonstrance and ample and immediate redress. I trust, however, by tempering firmness with courtesy and acting with great forbearance upon every incident that has occurred or that may happen, to do and to obtain justice, and thus avoid the necessity of again bringing this subject to the view of Congress.

It is my duty to remind you that no provision has been made to execute our treaty with Mexico for tracing the boundary line between the two countries. What ever may be the prospect of Mexico's being soon able to execute the treaty on its part, it is proper that we should be in anticipation prepared at all times to perform our obligations, without regard to the probable condition of those with whom we have contracted them.

The result of the confidential inquiries made into the condition and prospects of the newly declared Texan Government will be communicated to you in the course of the session.

Page 421

Commercial treaties promising great advantages to our enterprising merchants and navigators have been formed with the distant Governments of Muscat and Siam. The ratifications have been exchanged, but have not reached the Department of State. Copes of the treaties will be transmitted to you if received before, or published if arriving after, the close of the present session of Congress.

Nothing has occurred to interrupt the good understanding that has long existed with the Barbary Powers, nor to check the good will which is gradually growing up from our intercourse with the dominions of the Government of growing of the distinguished chief of the Ottoman Empire.

Information has been received at the Department of State that a treaty with the Emperor of Morocco has just been negotiated, which, I hope, will be received in time to be laid before the Senate previous to the close of the session.

You will perceive from the report of the Secretary of the Treasury that the financial means of the country continue to keep pace with its improvement in all other respects. The receipts into the Treasury during the present year will amount to about $47,691,898; those from customs being estimated at $22,523,151, those from lands at about $24,000,000, and the residue from miscellaneous sources. The expenditures for all objects during the year are estimated not to exceed $32,000,000, which will leave a balance in the Treasury for public purposes on the first day of January next of about $41,723,959. This sum, with the exception of $5,000,000, will be transferred to the several States in accordance with the provisions of the act regulating the deposits of the public money.

The unexpended balances of appropriation on the first day of January next are estimated at $14,636,062, exceeding by $9,636,062 the amount which will be left in the deposit banks, subject to the draft of the Treasurer of the United States, after the contemplated transfers to the several States are made. If, therefore, the future receipts should not be sufficient to meet these outstanding and future appropriations, there may be soon a necessity to use a portion of the funds deposited with the States.

The consequences apprehended when the deposit act of the last session received a reluctant approval have been measurably realized. Though an act merely for the deposit of the surplus moneys of the United States in the State treasuries for safe-keeping until they may be wanted for the service of the General Government, it has been extensively spoken of as an act to give the money to the several States, and they have been advised to use it as a gift, without regard to the means of refunding it when called for. Such a suggestion has doubtless been made without a proper attention to the various principles and interests which are affected by it.

Page 422

It is manifest that the law itself can not sanction such a suggestion, and that as it now stands the States have no more authority to receive and use these deposits without intending to return them than any deposit bank or any individual temporarily charged with the safe-keeping or application of the public money would now have for converting the same to their private use without the consent and against the will of the Government. But independently of the violation of public faith and moral obligation which are involved in this suggestion when examined in reference to the terms of the present deposit act, it is believed that the considerations which should govern the future legislation of Congress on this subject will be equally conclusive against the adoption of any measure recognizing the principles on which the suggestion has been made.

Considering the intimate connection of the subject with the financial interests of the country and its great importance in whatever aspect it can be viewed, I have bestowed upon it the most anxious reflection, and feel it to be my duty to state to Congress such thoughts as have occurred to me, to aid their deliberation in treating it in the manner best calculated to conduce to the common good.

The experience of other nations admonished us to hasten the extinguishment of the public debt; but it will be in vain that we have congratulated each other upon the disappearance of this evil if we do not guard against the equally great one of promoting the unnecessary accumulation of public revenue. No political maxim is better established than that which tells us that an improvident expenditure of money is the parent of profligacy, and that no people can hope to perpetuate their liberties who long acquiesce in a policy which taxes them for objects not necessary to the legitimate and real wants of their Government. Flattering as is the condition of our country at the present period, because of its unexampled advance in all the steps of social and political improvement, it can not be disguised that there is a lurking danger already apparent in the neglect of this warning truth, and that the time has arrived when the representatives of the people should be employed in devising some more appropriate remedy than now exists to avert it.

Under our present revenue system there is every probability that there will continue to be a surplus beyond the wants of the Government, and it has become our duty to decide whether such a result be consistent with the true objects of our Government.

Should a surplus be permitted to accumulate beyond the appropriations, it must be retained in the Treasury, as it now is, or distributed among the people or the States.

To retain it in the Treasury unemployed in any way is impracticable; it is, besides, against the genius of our free institutions to lock up in vaults the treasure of the nation. To take from the people the right of bearing arms and put their weapons of defense in the hands of a standing army would be scarcely more dangerous to their liberties than to permit the Government to accumulate immense amounts of treasure beyond the supplies necessary to its legitimate wants. Such a treasure would doubtless be

employed at some time, as it has been in other countries, when opportunity tempted ambition.

Page 423

To collect it merely for distribution to the States would seem to be highly impolitic, if not as dangerous as the proposition to retain it in the Treasury.

The shortest reflection must satisfy everyone that to require the people to pay taxes to the Government merely that they may be paid back again is sporting with the substantial interests of the country, and no system which produces such a result can be expected to receive the public countenance. Nothing could be gained by it even if each individual who contributed a portion of the tax could receive back promptly the same portion. But it is apparent that no system of the kind can ever be enforced which will not absorb a considerable portion of the money to be distributed in salaries and commissions to the agents employed in the process and in the various losses and depreciations which arise from other causes, and the practical effect of such an attempt must ever be to burden the people with taxes, not for purposes beneficial to them, but to swell the profits of deposit banks and support a band of useless public officers.

A distribution to the people is impracticable and unjust in other respects. It would be taking one man's property and giving it to another. Such would be the unavoidable result of a rule of equality (and none other is spoken of or would be likely to be adopted), in as much as there is no mode by which the amount of the individual contributions of our citizens to the public revenue can be ascertained. We know that they contribute unequally, and a rule, therefore, that would distribute to them equally would be liable to all the objections which apply to the principle of an equal division of property. To make the General Government the instrument of carrying this odious principle into effect would be at once to destroy the means of its usefulness and change the character designed for it by the framers of the Constitution.

But the more extended and injurious consequences likely to result from a policy which would collect a surplus revenue from the purpose of distributing it may be forcibly illustrated by an examination of the effects already produced by the present deposit act. This act, although certainly designed to secure the safe-keeping of the public revenue, is not entirely free in its tendencies from any of the objections which apply to this principle of distribution. The Government had without necessity received from the people a large surplus, which, instead of being employed as heretofore and returned to them by means of the public expenditure, was deposited with sundry banks. The banks proceeded to make loans upon this surplus, and thus converted it into banking capital, and in this manner it has tended to multiply bank charters and has had a great agency in producing a spirit of wild speculation. The possession and use of the property out of which this surplus was created belonged to the people, but the Government has transferred its possession to incorporated banks, whose interest and effort it is to make large profits out of its use. This process need only be stated to show its injustice and bad policy.

Page 424

And the same observations apply to the influence which is produced by the steps necessary to collect as well as to distribute such a revenue. About 3/5 of all the duties on imports are paid in the city of New York, but it is obvious that the means to pay those duties are drawn from every quarter of the Union. Every citizen in every State who purchases and consumes an article which has paid a duty at that port contributes to the accumulating mass. The surplus collected there must therefore be made up of moneys or property withdrawn from other points and other States. Thus the wealth and business of every region from which these surplus funds proceed must be to some extent injured, while that of the place where the funds are concentrated and are employed in banking are proportionably extended. But both in making the transfer of the funds which are first necessary to pay the duties and collect the surplus and in making the re-transfer which becomes necessary when the time arrives for the distribution of that surplus there is a considerable period when the funds can not be brought into use, and it is manifest that, besides the loss inevitable from such an operation, its tendency is to produce fluctuations in the business of the country, which are always productive of speculation and detrimental to the interests of regular trade. Argument can scarcely be necessary to show that a measure of this character ought not to receive further legislative encouragement.

By examining the practical operation of the ration for distribution adopted in the deposit bill of the last session we shall discover other features that appear equally objectionable. Let it be assumed, for the sake of argument, that the surplus moneys to be deposited with the States have been collected and belong to them in the ration of their federal representative population—an assumption founded upon the fact that any deficiencies in our future revenue from imposts and public lands must be made up by direct taxes collected from the States in that ration. It is proposed to distribute this surplus—say $30,000,000—not according to the ration in which it has been collected and belongs to the people of the States, but in that of their votes in the colleges of electors of President and Vice President. The effect of a distribution upon that ration is shown by the annexed table, marked A.

By an examination of that table it will be perceived that in the distribution of a surplus of $30,000,000 upon that basis there is a great departure from the principle which regards representation as the true measure of taxation, and it will be found that the tendency of that departure will be to increase whatever inequalities have been supposed to attend the operation of our federal system in respect to its bearings upon the different interests of the Union. In making the basis of representation the basis of taxation the framers of the Constitution intended to equalize the burdens which are necessary to support the Government,

Page 425

and the adoption of that ratio, while it accomplished this object, was also the means of adjusting other great topics arising out of the conflicting views respecting the political equality of the various members of the Confederacy. What ever, therefore, disturbs the liberal spirit of the compromises which established a rule of taxation so just and equitable, and which experience has proved to be so well adapted to the genius and habits of our people, should be received with the greatest caution and distrust.

A bare inspection in the annexed table of the differences produced by the ration used in the deposit act compared with the results of a distribution according to the ration of direct taxation must satisfy every unprejudiced mind that the former ration contravenes the spirit of the Constitution and produces a degree of injustice in the operations of the Federal Government which would be fatal to the hope of perpetuating it. By the ration of direct taxation, for example, the State of Delaware in the collection of $30,000,000 of revenue would pay into the Treasury $188,716, and in a distribution of $30,000,000 she would receive back from the Government, according to the ration of the deposit bill, the sum of $306,122; and similar results would follow the comparison between the small and the large States throughout the Union, thus realizing to the small States an advantage which would be doubtless as unacceptable to them as a motive for incorporating the principle in any system which would produce it as it would be inconsistent with the rights and expectations of the large States.

It was certainly the intention of that provision of the Constitution which declares that “all duties, imposts, and excises” shall “be uniform throughout the United States” to make the burdens of taxation fall equally upon the people in what ever State of the Union they may reside. But what would be the value of such a uniform rule if the moneys raised by it could be immediately returned by a different one which will give to the people of some States much more and to those of others much less than their fair proportions? Were the Federal Government to exempt in express terms the imports, products, and manufactures of some portions of the country from all duties while it imposed heavy ones on others, the injustice could not be greater. It would be easy to show how by the operation of such a principle the large States of the Union would not only have to contribute their just share toward the support of the Federal Government, but also have to bear in some degree the taxes necessary to support the governments of their smaller sisters; but it is deemed unnecessary to state the details where the general principle is so obvious.

Page 426

A system liable to such objections can never be supposed to have been sanctioned by the framers of the Constitution when they conferred on Congress the taxing power, and I feel persuaded that a mature examination of the subject will satisfy everyone that there are insurmountable difficulties in the operation of any plan which can be devised of collecting revenue for the purpose of distributing it. Congress is only authorized to levy taxes “to pay the debts and provide for the common defense and general welfare of the United States”. There is no such provision as would authorize Congress to collect together the property of the country, under the name of revenue, for the purpose of dividing it equally or unequally among the States or the people. Indeed, it is not probable that such an idea ever occurred to the States when they adopted the Constitution. But however this may be, the only safe rule for us in interpreting the powers granted to the Federal Government is to regard the absence of express authority to touch a subject so important and delicate as this as equivalent to a prohibition.

Even if our powers were less doubtful in this respect as the Constitution now stands, there are considerations afforded by recent experience which would seem to make it our duty to avoid a resort to such a system. All will admit that the simplicity and economy of the State governments mainly depend on the fact that money has to be supplied to support them by the same men, or their agents, who vote it away in appropriations. Hence when there are extravagant and wasteful appropriations there must be a corresponding increase of taxes, and the people, becoming awakened, will necessarily scrutinize the character of measures which thus increase their burdens. By the watchful eye of self-interest the agents of the people in the State governments are repressed and kept within the limits of a just economy.

But if the necessity of levying the taxes be taken from those who make the appropriations and thrown upon a more distant and less responsible set of public agents, who have power to approach the people by an indirect and stealthy taxation, there is reason to fear that prodigality will soon supersede those characteristics which have thus far made us look with so much pride and confidence to the State governments as the main-stay of our Union and liberties. The State legislatures, instead of studying to restrict their State expenditures to the smallest possible sum, will claim credit for their profusion, and harass the General Government for increased supplies.

Practically there would soon be but one taxing power, and that vested in a body of men far removed from the people, in which the farming and mechanic interests would scarcely be represented. The States would gradually lose their purity as well as their independence; they would not dare to murmur at the proceedings of the General Government, lest they should lose their supplies; all would be merged in a practical consolidation, cemented by wide-spread corruption, which could only be eradicated by one of those bloody revolutions which occasionally over-throw the despotic systems of the Old World.

Page 427

In all the other aspects in which I have been able to look at the effect of such a principle of distribution upon the best interests of the country I can see nothing to compensate for the disadvantages to which I have adverted. If we consider the protective duties, which are in a great degree the source of the surplus revenue, beneficial to one section of the Union and prejudicial to another, there is no corrective for the evil in such a plan of distribution. On the contrary, there is reason to fear that all the complaints which have sprung from this cause would be aggravated. Everyone must be sensible that a distribution of the surplus must beget a disposition to cherish the means which create it, and any system, therefore, into which it enters must have a powerful tendency to increase rather than diminish the tariff. If it were even admitted that the advantages of such a system could be made equal to all the sections of the Union, the reasons already so urgently calling for a reduction of the revenue would never the less lose none of their force, for it will always be improbable that an intelligent and virtuous community can consent to raise a surplus for the mere purpose of dividing it, diminished as it must inevitably be by the expenses of the various machinery necessary to the process.

The safest and simplest mode of obviating all the difficulties which have been mentioned is to collect only revenue enough to meet the wants of the Government, and let the people keep the balance of their property in their own hands, to be used for their own profit. Each State will then support its own government and contribute its due share toward the support of the General Government. There would be no surplus to cramp and lessen the resources of individual wealth and enterprise, and the banks would be left to their ordinary means. Whatever agitations and fluctuations might arise from our unfortunate paper system, they could never be attributed, justly or unjustly, to the action of the Federal Government. There would be some guaranty that the spirit of wild speculation which seeks to convert the surplus revenue into banking capital would be effectually checked, and that the scenes of demoralization which are now so prevalent through the land would disappear.

Without desiring to conceal that the experience and observation of the last two years have operated a partial change in my views upon this interesting subject, it is never the less regretted that the suggestions made by me in my annual messages of 1829 and 1830 have been greatly misunderstood. At that time the great struggle was begun against that latitudinarian construction of the Constitution which authorizes the unlimited appropriation of the revenues of the Union to internal improvements within the States, tending to invest in the hands and place under the control of the General Government all the principal roads and canals of the country, in violation of State rights and in derogation of State authority.

Page 428

At the same time the condition of the manufacturing interest was such as to create an apprehension that the duties on imports could not without extensive mischief be reduced in season to prevent the accumulation of a considerable surplus after the payment of the national debt. In view of the dangers of such a surplus, and in preference to its application to internal improvements in derogation of the rights and powers of the States, the suggestion of an amendment of the Constitution to authorize its distribution was made. It was an alternative for what were deemed greater evils—a temporary resort to relieve an over-burdened treasury until the Government could, without a sudden and destructive revulsion in the business of the country, gradually return to the just principle of raising no more revenue from the people in taxes than is necessary for its economical support.

Even that alternative was not spoken of but in connection with an amendment of the Constitution. No temporary inconvenience can justify the exercise of a prohibited power not granted by that instrument, and it was from a conviction that the power to distribute even a temporary surplus of revenue is of that character that it was suggested only in connection with an appeal to the source of all legal power in the General Government, the States which have established it. No such appeal has been taken, and in my opinion a distribution of the surplus revenue by Congress either to the States or the people is to be considered as among the prohibitions of the Constitution.

As already intimated, my views have undergone a change so far as to be convinced that no alteration of the Constitution in this respect is wise or expedient. The influence of an accumulating surplus upon the credit system of the country, producing dangerous extensions and ruinous contractions, fluctuations in the price of property, rash speculation, idleness, extravagance, and a deterioration of morals, have taught us the important lesson that any transient mischief which may attend the reduction of our revenue to the wants of our Government is to be borne in preference to an over-flowing treasury.

I beg leave to call your attention to another subject intimately associated with the preceding one—the currency of the country.

It is apparent from the whole context of the Constitution, as well as the history of the times which gave birth to it, that it was the purpose of the Convention to establish a currency consisting of the precious metals. These, from their peculiar properties which rendered them the standard of value in all other countries, were adopted in this as well to establish its commercial standard in reference to foreign countries by a permanent rule as to exclude the use of a mutable medium of exchange, such as of certain agricultural commodities recognized by the statutes of some States as a tender for debts, or the still more pernicious expedient of a paper currency.

Page 429

The last, from the experience of the evils of the issues of paper during the Revolution, had become so justly obnoxious as not only to suggest the clause in the Constitution forbidding the emission of bills of credit by the States, but also to produce that vote in the Convention which negatived the proposition to grant power to Congress to charter corporations—a proposition well understood at the time as intended to authorize the establishment of a national bank, which was to issue a currency of bank notes on a capital to be created to some extent out of Government stocks. Although this proposition was refused by a direct vote of the Convention, the object was afterwards in effect obtained by its ingenious advocates through a strained construction of the Constitution. The debts of the Revolution were funded at prices which formed no equivalent compared with the nominal amount of the stock, and under circumstances which exposed the motives of some of those who participated in the passage of the act to distrust.

The facts that the value of the stock was greatly enhanced by the creation of the bank, that it was well understood that such would be the case, and that some of the advocates of the measure were largely benefited by it belong to the history of the times, and are well calculated to diminish the respect which might otherwise have been due to the action of the Congress which created the institution.

On the establishment of a national bank it became the interest of its creditors that gold should be superseded by the paper of the bank as a general currency. A value was soon attached to the gold coins which made their exportation to foreign countries as a mercantile commodity more profitable than their retention and use at home as money. It followed as a matter of course, if not designed by those who established the bank, that the bank became in effect a substitute for the Mint of the United States.

Such was the origin of a national bank currency, and such the beginning of those difficulties which now appear in the excessive issues of the banks incorporated by the various States.

Although it may not be possible by any legislative means within our power to change at once the system which has thus been introduced, and has received the acquiescence of all portions of the country, it is certainly our duty to do all that is consistent with our constitutional obligations in preventing the mischiefs which are threatened by its undue extension. That the efforts of the fathers of our Government to guard against it by a constitutional provision were founded on an intimate knowledge of the subject has been frequently attested by the bitter experience of the country. The same causes which led them to refuse their sanction to a power authorizing the establishment of incorporations for banking purposes now exist in a much stronger degree to urge us to exert the utmost vigilance in calling into action the means necessary to correct the evils resulting from the unfortunate exercise of the power, and it is hoped that the opportunity for effecting this great good will be improved before the country witnesses new scenes of embarrassment and distress.

Page 430

Variableness must ever be the characteristic of a currency of which the precious metals are not the chief ingredient, or which can be expanded or contracted without regard to the principles that regulate the value of those metals as a standard in the general trade of the world. With us bank issues constitute such a currency, and must ever do so until they are made dependent on those just proportions of gold and silver as a circulating medium which experience has proved to be necessary not only in this but in all other commercial countries. Where those proportions are not infused into the circulation and do not control it, it is manifest that prices must vary according to the tide of bank issues, and the value and stability of property must stand exposed to all the uncertainty which attends the administration of institutions that are constantly liable to the temptation of an interest distinct from that of the community in which they are established.

The progress of an expansion, or rather a depreciation, of the currency by excessive bank issues is always attended by a loss to the laboring classes. This portion of the community have neither time nor opportunity to watch the ebbs and flows of the money market. Engaged from day to day in their useful toils, they do not perceive that although their wages are nominally the same, or even somewhat higher, they are greatly reduced in fact by the rapid increase of a spurious currency, which, as it appears to make money abound, they are at first inclined to consider a blessing.

It is not so with the speculator, by whom this operation is better understood, and is made to contribute to his advantage. It is not until the prices of the necessaries of life become so dear that the laboring classes can not supply their wants out of their wages that the wages rise and gradually reach a justly proportioned rate to that of the products of their labor. When thus, by depreciation in consequence of the quantity of paper in circulation, wages as well as prices become exorbitant, it is soon found that the whole effect of the adulteration is a tariff on our home industry for the benefit of the countries where gold and silver circulate and maintain uniformity and moderation in prices. It is then perceived that the enhancement of the price of land and labor produces a corresponding increase in the price of products until these products do not sustain a competition with similar ones in other countries, and thus both manufactured and agricultural productions cease to bear expectation from the country of the spurious currency, because they can not be sold for cost.

This is the process by which specie is banished by the paper of the banks. Their vaults are soon exhausted to pay for foreign commodities. The next step is a stoppage of specie payment—a total degradation of paper as a currency—unusual depression of prices, the ruin of debtors, and the accumulation of property in the hands of creditors and cautious capitalists.

Page 431

It was in view of these evils, together with the dangerous power wielded by the Bank of the United States and its repugnance to our Constitution, that I was induced to exert the power conferred upon me by the American people to prevent the continuance of that institution. But although various dangers to our republican institutions have been obviated by the failure of that bank to extort from the Government a renewal of its charter, it is obvious that little has been accomplished except a salutary change of public opinion toward restoring to the country the sound currency provided for in the Constitution.

In the acts of several of the States prohibiting the circulation of small notes and the auxiliary enactments of Congress at the last session forbidding their reception or payment on public account, the true policy of the country has been advanced and a larger portion of the precious metals infused into our circulating medium. These measures will probably be followed up in due time by the enactment of State laws banishing from circulation bank notes of still higher denominations, and the object may be materially promoted by further acts of Congress forbidding the employment as fiscal agents of such banks as continue to issue notes of low denominations and throw impediments in the way of the circulation of gold and silver.

The effects of an extension of bank credits and over-issues of bank paper have been strikingly illustrated in the sales of the public lands. From the returns made by the various registers and receivers in the early part of last summer it was perceived that the receipts arising from the sales of the public lands were increasing to an unprecedented amount. In effect, however, these receipts amounted to nothing more than credits in bank. The banks lent out their notes to speculators. They were paid to the receivers and immediately returned to the banks, to be lent out again and again, being mere instruments to transfer to speculators the most valuable public land and pay the Government by a credit on the books of the banks.

Those credits on the books of some of the Western banks, usually called deposits, were already greatly beyond their immediate means of payment, and were rapidly increasing. Indeed, each speculation furnished means for another; for no sooner had one individual or company paid in the notes than they were immediately lent to another for a like purpose, and the banks were extending their business and their issues so largely as to alarm considerate men and render it doubtful whether these bank credits, if permitted to accumulate, would ultimately be of the least value to the Government. The spirit of expansion and speculation was not confined to the deposit banks, but pervaded the whole multitude of banks throughout the Union and was giving rise to new institutions to aggravate the evil.

Page 432

The safety of the public funds and the interest of the people generally required that these operations should be checked; and it became the duty of every branch of the General and State Governments to adopt all legitimate and proper means to produce that salutary effect. Under this view of my duty I directed the issuing of the order which will be laid before you by the Secretary of the Treasury, requiring payment for the public lands sold to be made in specie, with an exception until the 15th of the present month in favor of actual settlers.

This measure has produced many salutary consequences. It checked the career of the Western banks and gave them additional strength in anticipation of the pressure which has since pervaded our Eastern as well as the European commercial cities. By preventing the extension of the credit system it measurably cut off the means of speculation and retarded its progress in monopolizing the most valuable of the public lands. It has tended to save the new States from a non-resident proprietorship, one of the greatest obstacles to the advancement of a new country and the prosperity of an old one. It has tended to keep open the public lands for entry by emigrants at Government prices instead of their being compelled to purchase of speculators at double or triple prices. And it is conveying into the interior large sums in silver and gold, there to enter permanently into the currency of the country and place it on a firmer foundation. It is confidently believed that the country will find in the motives which induced that order and the happy consequences which will have ensued much to commend and nothing to condemn.

It remains for Congress if they approve the policy which dictated this order to follow it up in its various bearings. Much good, in my judgment, would be produced by prohibiting sales of the public lands except to actual settlers at a reasonable reduction of price, and to limit the quantity which shall be sold to them. Although it is believed the General Government never ought to receive anything but the constitutional currency in exchange for the public lands, that point would be of less importance if the lands were sold for immediate settlement and cultivation. Indeed, there is scarcely a mischief arising out of our present land system, including the accumulating surplus of revenues, which would not be remedied at once by a restriction on land sales to actual settlers; and it promises other advantages to the country in general and to the new States in particular which can not fail to receive the most profound consideration of Congress.

Page 433

Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents for the Government at the time of the removal of the deposits. It was alleged by the advocates of the Bank of the United States that the State banks, what ever might be the regulations of the Treasury Department, could not make the transfers required by the Government or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges performed through discounts by the United States Bank and its 25 branches were at least one third less than those of the deposit banks for an equal period of time; and if a comparison be instituted between the amounts of service rendered by these institutions on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the domestic exchanges transacted by it, the result will be still more favorable to the deposit banks.

The whole amount of public money transferred by the Bank of the United States in 1832 was $16,000,000. The amount transferred and actually paid by the deposit banks in the year ending the first of October last was $39,319,899; the amount transferred and paid between that period and the 6th of November was $5,399,000, and the amount of transfer warrants outstanding on that day was $14,450,000, making an aggregate of $59,168,894. These enormous sums of money first mentioned have been transferred with the greatest promptitude and regularity, and the rates at which the exchanges have been negotiated previously to the passage of the deposit act were generally below those charged by the Bank of the United States. Independently of these services, which are far greater than those rendered by the United States Bank and its 25 branches, a number of the deposit banks have, with a commendable zeal to aid in the improvement of the currency, imported from abroad, at their own expense, large sums of the precious metals for coinage and circulation.

In the same manner have nearly all the predictions turned out in respect to the effect of the removal of the deposits—a step unquestionably necessary to prevent the evils which it was foreseen the bank itself would endeavor to create in a final struggle to procure a renewal of its charter. It may be thus, too, in some degree with the further steps which may be taken to prevent the excessive issue of other bank paper, but it is to be hoped that nothing will now deter the Federal and State authorities from the firm and vigorous performance of their duties to themselves and to the people in this respect.

In reducing the revenue to the wants of the Government your particular attention is invited to those articles which constitute the necessaries of life. The duty on salt was laid as a war tax, and was no doubt continued to assist in providing for the payment of the war debt. There is no article the release of which from taxation would be felt so generally and so beneficially. To this may be added all kinds of fuel and provisions. Justice and benevolence unite in favor of releasing the poor of our cities from burdens which are not necessary to the support of our Government and tend only to increase the wants of the destitute.

Page 434

It will be seen by the report of the Secretary of the Treasury and the accompanying documents that the Bank of the United States has made no payment on account of the stock held by the Government in that institution, although urged to pay any portion which might suit its convenience, and that it has given no information when payment may be expected. Nor, although repeatedly requested, has it furnished the information in relation to its condition which Congress authorized the Secretary to collect at their last session. Such measures as are within the power of the Executive have been taken to ascertain the value of the stock and procure the payment as early as possible.

The conduct and present condition of that bank and the great amount of capital vested in it by the United States require your careful attention. Its charter expired on the third day of March last, and it has now no power but that given in the twenty-first section, “to use the corporate name, style, and capacity for the purpose of suits for the final settlement and liquidation of the affairs and accounts of the corporation, and for the sale and disposition of their estate—real, personal, and mixed—but not for any other purpose or in any other manner what so ever, nor for a period exceeding two years after the expiration of the said term of incorporation”.

Before the expiration of the charter the stock-holders of the bank obtained an act of incorporation from the legislature of Pennsylvania, excluding only the United States. Instead of proceeding to wind up their concerns and pay over to the United States the amount due on account of the stock held by them, the president and directors of the old bank appear to have transferred the books, papers, notes, obligations, and most or all of its property to this new corporation, which entered upon business as a continuation of the old concern.

Amongst other acts of questionable validity, the notes of the expired corporation are known to have been used as its own and again put in circulation. That the old bank had no right to issue or re-issue its notes after the expiration of its charter can not be denied, and that it could not confer any such right on its substitute any more than exercise it itself is equally plain. In law and honesty the notes of the bank in circulation at the expiration of its charter should have been called in by public advertisement, paid up as presented, and, together with those on hand, canceled and destroyed.

Their re-issue is sanctioned by no law and warranted by no necessity. If the United States be responsible in their stock for the payment of these notes, their re-issue by the new corporation for their own profit is a fraud on the Government. If the United States is not responsible, then there is no legal responsibility in any quarter, and it is a fraud on the country. They are the redeemed notes of a dissolved partnership, but, contrary to the wishes of the retiring partner and without his consent, are again re-issued and circulated.

Page 435

It is the high and peculiar duty of Congress to decide whether any further legislation be necessary for the security of the large amount of public property now held and in use by the new bank, and for vindicating the rights of the Government and compelling a speedy and honest settlement with all the creditors of the old bank, public and private, or whether the subject shall be left to the power now possessed by the Executive and judiciary. It remains to be seen whether the persons who as managers of the old bank undertook to control the Government, retained the public dividends, shut their doors upon a committee of the House of Representatives, and filled the country with panic to accomplish their own sinister objects may now as managers of a new bank continue with impunity to flood the country with a spurious currency, use the $7 millions of Government stock for their own profit, and refuse to the United States all information as to the present condition of their own property and the prospect of recovering it into their own possession.

The lessons taught by the Bank of the United States can not well be lost upon the American people. They will take care never again to place so tremendous a power in irresponsible hands, and it will be fortunate if they seriously consider the consequences which are likely to result on a smaller scale from the facility with which corporate powers are granted by their State governments.

It is believed that the law of the last session regulating the deposit banks operates onerously and unjustly upon them in many respects, and it is hoped that Congress, on proper representations, will adopt the modifications which are necessary to prevent this consequence.

The report of the Secretary of War ad interim and the accompanying documents, all which are herewith laid before you, will give you a full view of the diversified and important operations of that Department during the past year.

The military movements rendered necessary by the aggressions of the hostile portions of the Seminole and Creek tribes of Indians, and by other circumstances, have required the active employment of nearly our whole regular force, including the Marine Corps, and of large bodies of militia and volunteers. With all these events so far as they were known at the seat of Government before the termination of your last session you are already acquainted, and it is therefore only needful in this place to lay before you a brief summary of what has since occurred.

The war with the Seminoles during the summer was on our part chiefly confined to the protection of our frontier settlements from the incursions of the enemy, and, as a necessary and important means for the accomplishment of that end, to the maintenance of the posts previously established. In the course of this duty several actions took place, in which the bravery and discipline of both officers and men were conspicuously displayed,

Page 436

and which I have deemed it proper to notice in respect to the former by the granting of brevet rank for gallant services in the field. But as the force of the Indians was not so far weakened by these partial successes as to lead them to submit, and as their savage inroads were frequently repeated, early measures were taken for placing at the disposal of Governor Call, who as commander in chief of the Territorial militia had been temporarily invested with the command, an ample force for the purpose of resuming offensive operations in the most efficient manner so soon as the season should permit. Major General Jesup was also directed, on the conclusion of his duties in the Creek country, to repair to Florida and assume the command.

The result of the first movement made by the forces under the direction of Governor Call in October last, as detailed in the accompanying papers, excited much surprise and disappointment. A full explanation has been required of the causes which led to the failure of that movement, but has not yet been received. In the mean time, as it was feared that the health of Governor Call, who was understood to have suffered much from sickness, might not be adequate to the crisis, and as Major General Jesup was known to have reached Florida, that officer was directed to assume command, and to prosecute all needful operations with the utmost promptitude and vigor. From the force at his disposal and the dispositions he has made and is instructed to make, and from the very efficient measures which it is since ascertained have been taken by Governor Call, there is reason to hope that they will soon be enabled to reduce the enemy to subjection. In the mean time, as you will perceive from the report of the Secretary, there is urgent necessity for further appropriations to suppress these hostilities.

Happily for the interests of humanity, the hostilities with the Creeks were brought to a close soon after your adjournment, without that effusion of blood which at one time was apprehended as inevitable. The unconditional submission of the hostile party was followed by their speedy removal to the country assigned them West of the Mississippi. The inquiry as to alleged frauds in the purchase of the reservations of these Indians and the causes of their hostilities, requested by the resolution of the House of Representatives of the first of July last July 1st, 1836 to be made by the President, is now going on through the agency of commissioners appointed for that purpose. Their report may be expected during your present session.

The difficulties apprehended in the Cherokee country have been prevented, and the peace and safety of that region and its vicinity effectually secured, by the timely measures taken by the War Department, and still continued.

Page 437

The discretionary authority given to General Gaines to cross the Sabine and to occupy a position as far West as Nacogdoches, in case he should deem such a step necessary to the protection of the frontier and to the fulfillment of the stipulations contained in our treaty with Mexico, and the movement subsequently made by that officer have been alluded to in a former part of this message. At the date of the latest intelligence from Nacogdoches our troops were yet at that station, but the officer who has succeeded General Gaines has recently been advised that from the facts known at the seat of Government there would seem to be no adequate cause for any longer maintaining that position, and he was accordingly instructed, in case the troops were not already withdrawn under the discretionary powers before possessed by him, to give the requisite orders for that purpose on the receipt of the instructions, unless he shall then have in his possession such information as shall satisfy him that the maintenance of the post is essential to the protection of our frontiers and to the due execution of our treaty stipulations, as previously explained to him.

Whilst the necessities existing during the present year for the service of militia and volunteers have furnished new proofs of the patriotism of our fellow citizens, they have also strongly illustrated the importance of an increase in the rank and file of the Regular Army. The views of this subject submitted by the Secretary of War in his report meet my entire concurrence, and are earnestly commended to the deliberate attention of Congress. In this connection it is also proper to remind you that the defects in our present militia system are every day rendered more apparent. The duty of making further provision by law for organizing, arming, and disciplining this arm of defense has been so repeatedly presented to Congress by myself and my predecessors that I deem it sufficient on this occasion to refer to the last annual message and to former Executive communications in which the subject has been discussed.

It appears from the reports of the officers charged with mustering into service the volunteers called for under the act of Congress of the last session that more presented themselves at the place of rendezvous in Tennessee than were sufficient to meet the requisition which had been made by the Secretary of War upon the governor of that State. This was occasioned by the omission of the governor to apportion the requisition to the different regiments of militia so as to obtain the proper number of troops and no more. It seems but just to the patriotic citizens who repaired to the general rendezvous under circumstances authorizing them to believe that their services were needed and would be accepted that the expenses incurred by them while absent from their homes should be paid by the Government. I accordingly recommend that a law to this effect be passed by Congress, giving them a compensation which will cover their expenses on the march to and from the place of rendezvous and while there; in connection with which it will also be proper to make provision for such other equitable claims growing out of the service of the militia as may not be embraced in the existing laws.

Page 438

On the unexpected breaking out of hostilities in Florida, Alabama, and Georgia it became necessary in some cases to take the property of individuals for public use. Provision should be made by law for indemnifying the owners; and I would also respectfully suggest whether some provision may not be made, consistently with the principles of our Government, for the relief of the sufferers by Indian depredations or by the operations of our own troops.

No time was lost after the making of the requisite appropriations in resuming the great national work of completing the unfinished fortifications on our sea-board and of placing them in a proper state of defense. In consequence, however, of the very late day at which those bills were passed, but little progress could be made during the season which has just closed. A very large amount of the moneys granted at your last session accordingly remains unexpended; but as the work will be again resumed at the earliest moment in the coming spring, the balance of the existing appropriations, and in several cases which will be laid before you, with the proper estimates, further sums for the like objects, may be usefully expended during the next year.

The recommendations of an increase in the Engineer Corps and for a reorganization of the Topographical Corps, submitted to you in my last annual message, derive additional strength from the great embarrassments experienced during the present year in those branches of the service, and under which they are now suffering. Several of the most important surveys and constructions directed by recent laws have been suspended in consequence of the want of adequate force in these corps.

The like observations may be applied to the Ordnance Corps and to the general staff, the operations of which as they are now organized must either be frequently interrupted or performed by officers taken from the line of the Army, to the great prejudice of the service.

For a general view of the condition of the Military Academy and of other branches of the military service not already noticed, as well as for further illustrations of those which have been mentioned, I refer you to the accompanying documents, and among the various proposals contained therein for legislative action I would particularly notice the suggestion of the Secretary of War for the revision of the pay of the Army as entitled to your favorable regard.

The national policy, founded alike in interest and in humanity, so long and so steadily pursued by this Government for the removal of the Indian tribes originally settled on this side of the Mississippi to the W of that river, may be said to have been consummated by the conclusion of the late treaty with the Cherokees. The measures taken in the execution of that treaty and in relation to our Indian affairs generally will fully appear by referring to the accompanying papers. Without dwelling on the numerous and important topics embraced in them, I again invite your attention to the importance of providing a

well-digested and comprehensive system for the protection, supervision, and improvement of the various tribes now planted in the Indian country.

Page 439

The suggestions submitted by the Commissioner of Indian Affairs, and enforced by the Secretary, on this subject, and also in regard to the establishment of additional military posts in the Indian country, are entitled to your profound consideration. Both measures are necessary, for the double purpose of protecting the Indians from intestine war, and in other respects complying with our engagements with them, and of securing our western frontier against incursions which otherwise will assuredly be made on it. The best hopes of humanity in regard to the aboriginal race, the welfare of our rapidly extending settlements, and the honor of the United States are all deeply involved in the relations existing between this Government and the emigrating tribes. I trust, therefore, that the various matters submitted in the accompanying documents in respect to those relations will receive your early and mature deliberation, and that it may issue in the adoption of legislative measures adapted to the circumstances and duties of the present crisis.

You are referred to the report of the Secretary of the Navy for a satisfactory view of the operations of the Department under his charge during the present year. In the construction of vessels at the different navy yards and in the employment of our ships and squadrons at sea that branch of the service has been actively and usefully employed. While the situation of our commercial interests in the West Indies required a greater number than usual of armed vessels to be kept on that station, it is gratifying to perceive that the protection due to our commerce in other quarters of the world has not proved insufficient. Every effort has been made to facilitate the equipment of the exploring expedition authorized by the act of the last session, but all the preparation necessary to enable it to sail has not yet been completed. No means will be spared by the Government to fit out the expedition on a scale corresponding with the liberal appropriations for the purpose and with the elevated character of the objects which are to be effected by it.

I beg leave to renew the recommendation made in my last annual message respecting the enlistment of boys in our naval service, and to urge upon your attention the necessity of further appropriations to increase the number of ships afloat and to enlarge generally the capacity and force of the Navy. The increase of our commerce and our position in regard to the other powers of the world will always make it our policy and interest to cherish the great naval resources of our country.

Page 440

The report of the Post Master General presents a gratifying picture of the condition of the Post Office Department. Its revenues for the year ending the 30th June last were $3,398,455.19, showing an increase of revenue over that of the preceding year of $404,878.53, or more than 13%. The expenditures for the same year were $2,755,623.76, exhibiting a surplus of $642,831.43. The Department has been redeemed from embarrassment and debt, has accumulated a surplus exceeding half a million dollars, has largely extended and is preparing still further to extend the mail service, and recommends a reduction of postages equal to about 20%. It is practicing upon the great principle which should control every branch of our Government of rendering to the public the greatest good possible with the least possible taxation to the people.

The scale of postages suggested by the Post Master General recommends itself, not only by the reduction it proposes, but by the simplicity of its arrangement, its conformity with the Federal currency, and the improvement it will introduce into the accounts of the Department and its agents.

Your particular attention is invited to the subject of mail contracts with railroad companies. The present laws providing for the making of contracts are based upon the presumption that competition among bidders will secure the service at a fair price; but on most of the railroad lines there is no competition in that kind of transportation, and advertising is therefore useless. No contract can now be made with them except such as shall be negotiated before the time of offering or afterwards, and the power of the Post Master General to pay them high prices is practically without limitation. It would be a relief to him and no doubt would conduce to the public interest to prescribe by law some equitable basis upon which such contracts shall rest, and restrict him by a fixed rule of allowance. Under a liberal act of that sort he would undoubtedly be able to secure the services of most of the railroad companies, and the interest of the Department would be thus advanced.

The correspondence between the people of the United States and the European nations, and particularly with the British Islands, has become very extensive, and requires the interposition of Congress to give it security. No obstacle is perceived to an interchange of mails between New York and Liverpool or other foreign ports, as proposed by the Post Master General. On the contrary, it promises, by the security it will afford, to facilitate commercial transactions and give rise to an enlarged intercourse among the people of different nations, which can not but have a happy effect. Through the city of New York most of the correspondence between the Canadas and Europe is now carried on, and urgent representations have been received from the head of the provincial post office asking the interposition of the United States to guard it from the accidents and losses to which it is now subjected. Some legislation appears to be called for as well by our own interest as by comity to the adjoining British provinces.

Page 441

The expediency of providing a fire-proof building for the important books and papers of the Post Office Department is worthy of consideration. In the present condition of our Treasury it is neither necessary nor wise to leave essential public interests exposed to so much danger when they can so readily be made secure. There are weighty considerations in the location of a new building for that Department in favor of placing it near the other executive buildings.

The important subjects of a survey of the coast and the manufacture of a standard of weights and measures for the different custom houses have been in progress for some years under the general direction of the Executive and the immediate superintendence of a gentleman possessing high scientific attainments. At the last session of Congress the making of a set of weights and measures for each State in the Union was added to the others by a joint resolution.

The care and correspondence as to all these subjects have been devolved on the Treasury Department during the last year. A special report from the Secretary of the Treasury will soon be communicated to Congress, which will show what has been accomplished as to the whole, the number and compensation of the persons now employed in these duties, and the progress expected to be made during the ensuing year, with a copy of the various correspondence deemed necessary to throw light on the subjects which seem to require additional legislation.

Claims have been made for retrospective allowances in behalf of the superintendent and some of his assistants, which I did not feel justified in granting. Other claims have been made for large increases in compensation, which, under the circumstances of the several cases, I declined making without the express sanction of Congress. In order to obtain that sanction the subject was at the last session, on my suggestion and by request of the immediate superintendent, submitted by the Treasury Department to the Committee on Commerce of the House of Representatives. But no legislative action having taken place, the early attention of Congress is now invited to the enactment of some express and detailed provisions in relation to the various claims made for the past, and to the compensation and allowances deemed proper for the future.

It is further respectfully recommended that, such being the inconvenience of attention to these duties by the Chief Magistrate, and such the great pressure of business on the Treasury Department, the general supervision of the coast survey and the completion of the weights and measures, if the works are kept united, should be devolved on a board of officers organized specially for that purpose, or on the Navy Board attached to the Navy Department.

All my experience and reflection confirm the conviction I have so often expressed to Congress in favor of an amendment of the Constitution which will prevent in any event the election of the President and Vice President of the United States devolving on the House of Representatives and the Senate, and I therefore beg leave again to solicit

your attention to the subject. There were various other suggestions in my last annual message not acted upon, particularly that relating to the want of uniformity in the laws of the District of Columbia, that are deemed worthy of your favorable consideration.

Page 442

Before concluding this paper I think it due to the various Executive Departments to bear testimony to their prosperous condition and to the ability and integrity with which they have been conducted. It has been my aim to enforce in all of them a vigilant and faithful discharge of the public business, and it is gratifying to me to believe that there is no just cause of complaint from any quarter at the manner in which they have fulfilled the objects of their creation.

Having now finished the observations deemed proper on this the last occasion I shall have of communicating with the two Houses of Congress at their meeting, I can not omit an expression of the gratitude which is due to the great body of my fellow citizens, in whose partiality and indulgence I have found encouragement and support in the many difficult and trying scenes through which it has been my lot to pass during my public career. Though deeply sensible that my exertions have not been crowned with a success corresponding to the degree of favor bestowed upon me, I am sure that they will be considered as having been directed by an earnest desire to promote the good of my country, and I am consoled by the persuasion that what ever errors have been committed will find a corrective in the intelligence and patriotism of those who will succeed us. All that has occurred during my Administration is calculated to inspire me with increased confidence in the stability of our institutions; and should I be spared to enter upon that retirement which is so suitable to my age and infirm health and so much desired by me in other respects, I shall not cease to invoke that beneficent Being to whose providence we are already so signally indebted for the continuance of His blessings on our beloved country.

***

State of the Union Address
Martin van Buren
December 5, 1837

Fellow-Citizens of the Senate and House of Representatives:

We have reason to renew the expression of our devout gratitude to the Giver of All Good for His benign protection. Our country presents on every side the evidences of that continued favor under whose auspices it, has gradually risen from a few feeble and dependent colonies to a prosperous and powerful confederacy. We are blessed with domestic tranquillity and all the elements of national prosperity. The pestilence which, invading for a time some flourishing portions of the Union, interrupted the general prevalence of unusual health has happily been limited in extent and arrested in its fatal career. The industry and prudence of our citizens are gradually relieving them from the pecuniary embarrassments under which portions of them have labored; judicious legislation and the natural and boundless resources of the country have afforded wise end timely aid to private enterprise, and the activity always characteristic of our people has already in a great degree resumed its usual and profitable channels.

Page 443

The condition of our foreign relations has not materially changed since the last annual message of my predecessor. We remain at peace with all nations, and no efforts on my part consistent with the preservation of our rights and the honor of the country shall be spared to maintain a position so consonant to our institutions. We have faithfully sustained the foreign policy with which the United States, under the guidance of their first President, took their stand in the family of nations—that of regulating their intercourse with other powers by the approved principles of private life; asking and according equal rights and equal privileges; rendering and demanding justice in all cases; advancing their own and discussing the pretensions of others with candor, directness, and sincerity; appealing at all times to reason, but never yielding to force nor seeking to acquire anything for themselves by its exercise.

A rigid adherence to this policy has left this Government with scarcely a claim upon its justice for injuries arising from acts committed by its authority. The most imposing and perplexing of those of the United States upon foreign governments for aggressions upon our citizens were disposed of by my predecessor. Independently of the benefits conferred upon our citizens by restoring to the mercantile community so many millions of which they had been wrongfully divested, a great service was also rendered to his country by the satisfactory adjustment of so many ancient and irritating subjects of contention; and it reflects no ordinary credit on his successful administration of public affairs that this great object was accomplished without compromising on any occasion either the honor or the peace of the nation.

With European powers no new subjects of difficulty have arisen, and those which were under discussion, although not terminated, do not present a more unfavorable aspect for the future preservation of that good understanding which it has ever been our desire to cultivate.

Of pending questions the most important is that which exists with the Government of Great Britain in respect to our northeastern boundary. It is with unfeigned regret that the people of the United States must look back upon the abortive efforts made by the Executive, for a period of more than half a century, to determine what no nation should suffer long to remain in dispute—the true line which divides its possessions from those of other powers. The nature of the settlements on the borders of the United States and of the neighboring territory was for a season such that this, perhaps, was not indispensable to a faithful performance of the duties of the Federal Government. Time has, however, changed this state of things, and has brought about a condition of affairs in which the true interests of both countries imperatively require that this question should be put at rest. It is not to be disguised that, with full confidence, often expressed, in the

Page 444

desire of the British Government to terminate it, we are apparently as far from its adjustment as we were at the time of signing the treaty of peace in 1783. The sole result of long-pending negotiations and a perplexing arbitration appears to be a conviction on its part that a conventional line must be adopted, from the impossibility of ascertaining the true one according to the description contained in that treaty. Without coinciding in this opinion, which is not thought to be well rounded, my predecessor gave the strongest proof of the earnest desire of the United States to terminate satisfactorily this dispute by proposing the substitution of a conventional line if the consent of the States interested in the question could be obtained. To this proposition no answer has as yet been received. The attention of the British Government has, however, been urgently invited to the subject, and its reply can not, I am confident, be much longer delayed. The general relations between Great Britain and the United States are of the most friendly character, and I am well satisfied of the sincere disposition of that Government to maintain them upon their present footing. This disposition has also, I am persuaded, become more general with the people of England than at any previous period. It is scarcely necessary to say to you how cordially it is reciprocated by the Government and people of the United States. The conviction, which must be common to all, of the injurious consequences that result from keeping open this irritating question, and the certainty that its final settlement can not be much longer deferred, will, I trust, lead to an early and satisfactory adjustment. At your last session I laid before you the recent communications between the two Governments and between this Government and that of the State of Maine, in whose solicitude concerning a subject in which she has so deep an interest every portion of the Union participates.

The feelings produced by a temporary interruption of those harmonious relations between France and the United States which are due as well to the recollections of former times as to a correct appreciation of existing interests have been happily succeeded by a cordial disposition on both sides to cultivate an active friendship in their future intercourse. The opinion, undoubtedly correct, and steadily entertained by us, that the commercial relations at present existing between the two countries are susceptible of great and reciprocally beneficial improvements is obviously gaining ground in France, and I am assured of the disposition of that Government to favor the accomplishment of such an object. This disposition shall be met in a proper spirit on our part. The few and comparatively unimportant questions that remain to be adjusted between us can, I have no doubt, be settled with entire satisfaction and without difficulty.

Page 445

Between Russia and the United States sentiments of good will continue to be mutually cherished. Our minister recently accredited to that Court has been received with a frankness and cordiality and with evidences of respect for his country which leave us no room to doubt the preservation in future of those amicable and liberal relations which have so long and so uninterruptedly existed between the two countries. On the few subjects under discussion between us an early and just decision is confidently anticipated.

A correspondence has been opened with the Government of Austria for the establishment of diplomatic relations, in conformity with the wishes of Congress as indicated by an appropriation act of the session of 1837, and arrangements made for the purpose, which will be duly carried into effect.

With Austria and Prussia and with the States of the German Empire (now composing with the latter the Commercial League) our political relations are of the most friendly character, whilst our commercial intercourse is gradually extending, with benefit to all who are engaged in it.

Civil war yet rages in Spain, producing intense suffering to its own people, and to other nations inconvenience and regret. Our citizens who have claims upon that country will be prejudiced for a time by the condition of its treasury, the inevitable consequence of long-continued and exhausting internal wars. The last installment of the interest of the debt due under the convention with the Queen of Spain has not been paid and similar failures may be expected to happen until a portion of the resources of her Kingdom can be devoted to the extinguishment of its foreign debt.

Having received satisfactory evidence that discriminating tonnage duties were charged upon the vessels of the United States in the ports of Portugal, a proclamation was issued on the 11th day of October last, in compliance with the act of May 25, 1832, declaring that fact, and the duties on foreign tonnage which were levied upon Portuguese vessels in the United States previously to the passage of that act are accordingly revived.

The act of July 4, 1836, suspending the discriminating duties upon the produce of Portugal imported into this country in Portuguese vessels, was passed, upon the application of that Government through its representative here, under the belief that no similar discrimination existed in Portugal to the prejudice of the United States. I regret to state that such duties are now exacted in that country upon the cargoes of American vessels, and as the act referred to vests no discretion in the Executive, it is for Congress to determine upon the expediency of further legislation on the subject. Against these discriminations affecting the vessels of this country and their cargoes seasonable remonstrance was made, and notice was given to the Portuguese Government that unless they should be discontinued the adoption of countervailing measures on the part

Page 446

of the United States would become necessary; but the reply of that Government, received at the Department of State through our charge d'affaires at Lisbon in the month of September last, afforded no ground to hope for the abandonment of a system so little in harmony with the treatment shown to the vessels of Portugal and their cargoes in the ports of this country and so contrary to the expectations we had a right to entertain.

With Holland, Sweden, Denmark, Naples, and Belgium a friendly intercourse has been uninterruptedly maintained.

With the Government of the Ottoman Porte and its dependencies on the coast of the Mediterranean peace and good will are carefully cultivated, and have been fostered by such good offices as the relative distance and the condition of those countries would permit.

Our commerce with Greece is carried on under the laws of the two Governments, reciprocally beneficial to the navigating interests of both; and I have reason to look forward to the adoption of other measures which will be more extensively and permanently advantageous.

Copies of the treaties concluded with the Governments of Siam and Muscat are transmitted for the information of Congress, the ratifications having been received and the treaties made public since the close of the last annual session. Already have we reason to congratulate ourselves on the prospect of considerable commercial benefit; and we have, besides, received from the Sultan of Muscat prompt evidence of his desire to cultivate the most friendly feelings, by liberal acts toward one of our vessels, bestowed in a manner so striking as to require on our part a grateful acknowledgment.

Our commerce with the islands of Cuba and Porto Rico still labors under heavy restrictions, the continuance of which is a subject of regret. The only effect of an adherence to them will be to benefit the navigation of other countries at the expense of both the United States and Spain.

The independent nations of this continent have ever since they emerged from the colonial state experienced severe trials in their progress to the permanent establishment of liberal political institutions. Their unsettled condition not only interrupts their own advances to prosperity, but has often seriously injured the other powers of the world. The claims of our citizens upon Peru, Chili, Brazil, the Argentine Republic, the Governments formed out of the Republics of Colombia and Mexico, are still pending, although many of them have been presented for examination more than twenty years. New Granada, Venezuela, and Ecuador have recently formed a convention for the purpose of ascertaining and adjusting claims upon the Republic of Colombia, from

which it is earnestly hoped our citizens will ere long receive full compensation for the injuries inflicted upon them and for the delay in affording it.

An advantageous treaty of commerce has been concluded by the United States with the Peru-Bolivian Confederation, which wants only the ratification of that Government. The progress of a subsequent negotiation for the settlement of claims upon Peru has been unfavorably affected by the war between that power and Chili and the Argentine Republic, and the same event is also likely to produce delays in the settlement of out demands on those powers.

Page 447

The aggravating circumstances connected with our claims upon Mexico and a variety of events touching the honor and integrity of our Government led my predecessor to make at the second session of the last Congress a special recommendation of the course to be pursued to obtain a speedy and final satisfaction of the injuries complained of by this Government and by our citizens. He recommended a final demand of redress, with a contingent authority to the Executive to make reprisals if that demand should be made in vain. From the proceedings of Congress on that recommendation it appeared that the opinion of both branches of the Legislature coincided with that of the Executive, that any mode of redress known to the law of nations might justifiably be used. It was obvious, too, that Congress believed with the President that another demand should be made, in order to give undeniable and satisfactory proof of our desire to avoid extremities with a neighboring power, but that there was an indisposition to vest a discretionary authority in the Executive to take redress should it unfortunately be either denied or unreasonably delayed by the Mexican Government.

So soon as the necessary documents were prepared, after entering upon the duties of my office, a special messenger was sent to Mexico to make a final demand of redress, with the documents required by the provisions of our treaty. The demand was made on the 20th of July last. The reply, which bears date the 29th of the same month, contains assurances of a desire on the part of that Government to give a prompt and explicit answer respecting each of the complaints, but that the examination of them would necessarily be deliberate; that in this examination it would be guided by the principles of public law and the obligation of treaties; that nothing should be left undone that might lead to the most speedy and equitable adjustment of our demands, and that its determination in respect to each case should be communicated through the Mexican minister here.

Since that time an envoy extraordinary and minister plenipotentiary has been accredited to this Government by that of the Mexican Republic. He brought with him assurances of a sincere desire that the pending differences between the two Governments should be terminated in a manner satisfactory to both. He was received with reciprocal assurances, and a hope was entertained that his mission would lead to a speedy, satisfactory, and final adjustment of all existing subjects of complaint. A sincere believer in the wisdom of the pacific policy by which the United States have always been governed in their intercourse with foreign nations, it was my particular desire, from the proximity of the Mexican Republic and well-known occurrences on our frontier, to be instrumental in obviating all existing difficulties with that Government and in restoring to the intercourse between the two Republics that liberal and friendly character by which they should always be distinguished. I regret, therefore, the more deeply to have found in the recent communications of that Government so little reason to hope that any future efforts of mine for the accomplishment of those desirable objects would be successful.

Page 448

Although the larger number—and many of them aggravated cases of personal wrongs—have been now for years before the Mexican Government, and some of the causes of national complaint, and those of the most offensive character, admitted of immediate, simple, and satisfactory replies, it is only within a few days past that any specific communication in answer to our last demand, made five months ago, has been received from the Mexican minister. By the report of the Secretary of State herewith presented and the accompanying documents it will be seen that for not one of our public complaints has satisfaction been given or offered, that but one of the cases of personal wrong has been favorably considered, and that but four cases of both descriptions out of all those formally presented and earnestly pressed have as yet been decided upon by the Mexican Government.

Not perceiving in what manner any of the powers given to the Executive alone could be further usefully employed in bringing this unfortunate controversy to a satisfactory termination, the subject was by my predecessor referred to Congress as one calling for its interposition. In accordance with the clearly understood wishes of the Legislature, another and formal demand for satisfaction has been made upon the Mexican Government, with what success the documents now communicated will show. On a careful and deliberate examination of their contents, and considering the spirit manifested by the Mexican Government, it has become my painful duty to return the subject as it now stands to Congress, to whom it belongs to decide upon the time, the mode, and the measure of redress. Whatever may be your decision, it shall be faithfully executed, confident that it will be characterized by that moderation and justice which will, I trust, under all circumstances govern the councils of our country.

The balance in the Treasury on the 1st January, 1837, was $45,968,523. The receipts during the present year from all sources, including the amount of Treasury notes issued, are estimated at $23,499,981, constituting an aggregate of $69,468,504. Of this amount about $35,281,361 will have been expended at the end of the year on appropriations made by Congress, and the residue, amounting to $34,187,143, will be the nominal balance in the Treasury on the 1st of January next; but of that sum only $1,085,498 is considered as immediately available for and applicable to public purposes. Those portions of it which will be for some time unavailable consist chiefly of sums deposited with the States and due from the former deposit banks. The details upon this subject will be found in the annual report of the Secretary of the Treasury. The amount of Treasury notes which it will be necessary to issue during the year on account of those funds being unavailable will, it is supposed, not exceed four and a half millions. It seemed proper, in the condition of the country, to have the estimates on all subjects made as low

Page 449

as practicable without prejudice to any great public measures. The Departments were therefore desired to prepare their estimates accordingly, and I am happy to find that they have been able to graduate them on so economical a scale. In the great and often unexpected fluctuations to which the revenue is subjected it is not possible to compute the receipts beforehand with great certainty, but should they not differ essentially from present anticipations, and should the appropriations not much exceed the estimates, no difficulty seems likely to happen in defraying the current expenses with promptitude and fidelity.

Notwithstanding the great embarrassments which have recently occurred in commercial affairs, and the liberal indulgence which in consequence of these embarrassments has been extended to both the merchants and the banks, it is gratifying to be able to anticipate that the Treasury notes which have been issued during the present year will be redeemed and that the resources of the Treasury, without any resort to loans or increased taxes, will prove ample for defraying all charges imposed on it during 1838.

The report of the Secretary of the Treasury will afford you a more minute exposition of all matters connected with the administration of the finances during the current year—a period which for the amount of public moneys disbursed and deposited with the States, as well as the financial difficulties encountered and overcome, has few parallels in our history.

Your attention was at the last session invited to the necessity of additional legislative provisions in respect to the collection, safe-keeping, and transfer of the public money. No law having been then matured, and not understanding the proceedings of Congress as intended to be final, it becomes my duty again to bring the subject to your notice.

On that occasion three modes of performing this branch of the public service were presented for consideration. These were, the creation of a national bank; the revival, with modifications, of the deposit system established by the act of the 23d of June, 1836, permitting the use of the public moneys by the banks; and the discontinuance of the use of such institutions for the purposes referred to, with suitable provisions for their accomplishment through the agency of public officers. Considering the opinions of both Houses of Congress on the first two propositions as expressed in the negative, in which I entirely concur, it is unnecessary for me again in to recur to them. In respect to the last, you have had an opportunity since your adjournment not only to test still further the expediency of the measure by the continued practical operation of such parts of it as are now in force, but also to discover what should ever be sought for and regarded with the utmost deference—the opinions and wishes of the people.

Page 450

The national will is the supreme law of the Republic, and on all subjects within the limits of his constitutional powers should be faithfully obeyed by the public servant. Since the measure in question was submitted to your consideration most of you have enjoyed the advantage of personal communication with your constituents. For one State only has an election been held for the Federal Government; but the early day at which it took place deprived the measure under consideration of much of the support it might otherwise have derived from the result. Local elections for State officers have, however, been held in several of the States, at which the expediency of the plan proposed by the Executive has been more or less discussed. You will, I am confident, yield to their results the respect due to every expression of the public voice. Desiring, however, to arrive at truth and a just view of the subject in all its bearings, you will at the same time remember that questions of far deeper and more immediate local interest than the fiscal plans of the National Treasury were involved in those elections. Above all, we can not overlook the striking fact that there were at the time in those States more than one hundred and sixty millions of bank capital, of which large portions were subject to actual forfeiture, other large portions upheld only by special and limited legislative indulgences, and most of it, if not all, to a greater or less extent dependent for a continuance of its corporate existence upon the will of the State legislatures to be then chosen. Apprised of this circumstance, you will judge whether it is not most probable that the peculiar condition of that vast interest in these respects, the extent to which it has been spread through all the ramifications of society, its direct connection with the then pending elections, and the feelings it was calculated to infuse into the canvass have exercised a far greater influence over the result than any which could possibly have been produced by a conflict of opinion in respect to a question in the administration of the General Government more remote and far less important in its bearings upon that interest.

I have found no reason to change my own opinion as to the expediency of adopting the system proposed, being perfectly satisfied that there will be neither stability nor safety either in the fiscal affairs of the Government or in the pecuniary transactions of individuals and corporations so long as a connection exists between them which, like the past, offers such strong inducements to make them the subjects of political agitation. Indeed, I am more than ever convinced of the dangers to which the free and unbiased exercise of political opinion—the only sure foundation and safeguard of republican government—would be exposed by any further increase of the already overgrown influence of corporate authorities. I can not, therefore, consistently with my views of duty, advise a renewal of a connection which circumstances have dissolved.

Page 451

The discontinuance of the use of State banks for fiscal purposes ought not to be regarded as a measure of hostility toward those institutions. Banks properly established and conducted are highly useful to the business of the country, and will doubtless continue to exist in the States so long as they conform to their laws and are found to be safe and beneficial. How they should be created, what privileges they should enjoy, under what responsibilities they should act, and to what restrictions they should be subject are questions which, as I observed on a previous occasion, belong to the States to decide. Upon their rights or the exercise of them the General Government can have no motive to encroach. Its duty toward them is well performed when it refrains from legislating for their special benefit, because such legislation would violate the spirit of the Constitution and be unjust to other interests; when it takes no steps to impair their usefulness, but so manages its own affairs as to make it the interest of those institutions to strengthen and improve their condition for the security and welfare of the community at large. They have no right to insist on a connection with the Federal Government, nor on the use of the public money for their own benefit. The object of the measure under consideration is to avoid for the future a compulsory connection of this kind. It proposes to place the General Government, in regard to the essential points of the collection, safe-keeping, and transfer of the public money, in a situation which shall relieve it from all dependence on the will of irresponsible individuals or corporations; to withdraw those moneys from the uses of private trade and confide them to agents constitutionally selected and controlled by law; to abstain from improper interference with the industry of the people and withhold inducements to improvident dealings on the part of individuals; to give stability to the concerns of the Treasury; to preserve the measures of the Government from the unavoidable reproaches that flow from such a connection, and the banks themselves from the injurious effects of a supposed participation in the political conflicts of the day, from which they will otherwise find it difficult to escape.

These are my views upon this important subject, formed after careful reflection and with no desire but to arrive at what is most likely to promote the public interest. They are now, as they were before, submitted with unfeigned deference for the opinions of others. It was hardly to be hoped that changes so important on a subject so interesting could be made without producing a serious diversity of opinion; but so long as those conflicting views are kept above the influence of individual or local interests, so long as they pursue only the general good and are discussed with moderation and candor, such diversity is a benefit, not an injury. If a majority of Congress see the public welfare in a different light, and more especially if they should be satisfied that the measure proposed would not be acceptable to the people, I shall look to their wisdom to substitute such as may be more conducive to the one and more satisfactory to the other. In any event, they may confidently rely on my hearty cooperation to the fullest extent to which my views of the Constitution and my sense of duty will permit.

Page 452

It is obviously important to this branch of the public service and to the business and quiet of the country that the whole subject should in some way be settled and regulated by law, and, if possible, at your present session. Besides the plans above referred to, I am not aware that any one has been suggested except that of keeping the public money in the State banks in special deposit. This plan is to some extent in accordance with the practice of the Government and with the present arrangements of the Treasury Department, which, except, perhaps, during the operation of the late deposit act, has always been allowed, even during the existence of a national bank, to make a temporary use of the State banks in particular places for the safe-keeping of portions of the revenue. This discretionary power might be continued if Congress deem it desirable, whatever general system be adopted. So long as the connection is voluntary we need, perhaps, anticipate few of those difficulties and little of that dependence on the banks which must attend every such connection when compulsory in its nature and when so arranged as to make the banks a fixed part of the machinery of government. It is undoubtedly in the power of Congress so to regulate and guard it as to prevent the public money from being applied to the use or intermingled with the affairs of individuals. Thus arranged, although it would not give to the Government that entire control over its own funds which I desire to secure to it by the plan I have proposed, it would, it must be admitted, in a great degree accomplish one of the objects which has recommended that plan to my judgment—the separation of the fiscal concerns of the Government from those of individuals or corporations.

With these observations I recommend the whole matter to your dispassionate reflection, confidently hoping that some conclusion may be reached by your deliberations which on the one hand shall give safety and stability to the fiscal operations of the Government, and be consistent, on the other, with the genius of our institutions and with the interests and wishes of the great mass of our constituents.

It was my hope that nothing would occur to make necessary on this occasion any allusion to the late national bank. There are circumstances, however, connected with the present state of its affairs that bear so directly on the character of the Government and the welfare of the citizen that I should not feel myself excused in neglecting to notice them. The charter which terminated its banking privileges on the 4th of March, 1836, continued its corporate power two years more for the sole purpose of closing its affairs, with authority “to use the corporate name, style, and capacity for the purpose of suits for a final settlement and liquidation of the affairs and acts of the corporation, and for the sale and disposition of their estate—real, personal, and mixed—but for no other purpose or in any other manner whatsoever.”

Page 453

Just before the banking privileges ceased, its effects were transferred by the bank to a new State institution, then recently incorporated, in trust, for the discharge of its debts and the settlement of its affairs. With this trustee, by authority of Congress, an adjustment was subsequently made of the large interest which the Government had in the stock of the institution. The manner in which a trust unexpectedly created upon the act granting the charter, and involving such great public interests, has been executed would under any circumstances be a fit subject of inquiry; but much more does it deserve your attention when it embraces the redemption of obligations to which the authority and credit of the United States have given value. The two years allowed are now nearly at an end. It is well understood that the trustee has not redeemed and canceled the outstanding notes of the bank, but has reissued and is actually reissuing, since the 3d of March, 1836, the notes which have been received by it to a vast amount. According to its own official statement, so late as the 1st of October last, nineteen months after the banking privileges given by the charter had expired, it had under its control uncanceled notes of the late Bank of the United States to the amount of $27,561,866, of which $6,175,861 were in actual circulation, $ 1,468,627 at State bank agencies, and $3,002,390 in transitu, thus showing that upward of ten millions and a half of the notes of the old bank were then still kept outstanding.

The impropriety of this procedure is obvious, it being the duty of the trustee to cancel and not to put forth the notes of an institution whose concerns it had undertaken to wind up. If the trustee has a right to reissue these notes now, I can see no reason why it may not continue to do so after the expiration of the two years. As no one could have anticipated a course so extraordinary, the prohibitory clause of the charter above quoted was not accompanied by any penalty or other special provision for enforcing it, nor have we any general law for the prevention of similar acts in future.

But it is not in this view of the subject alone that your interposition is required. The United States in settling with the trustee for their stock have withdrawn their funds from their former direct liability to the creditors of the old bank, yet notes of the institution continue to be sent forth in its name, and apparently upon the authority of the United States. The transactions connected with the employment of the bills of the old bank are of vast extent, and should they result unfortunately the interests of individuals may be deeply compromised. Without undertaking to decide how far or in what form, if any, the trustee could be made liable for notes which contain no obligation on its part, or the old bank for such as are put in circulation after the expiration of its charter and without its authority, or the Government for indemnity in case of loss, the question still presses itself upon your consideration whether it is consistent with duty and good faith on the part of the Government to witness this proceeding without a single effort to arrest it.

Page 454

The report of the Commissioner of the General Land Office, which will be laid before you by the Secretary of the Treasury, will show how the affairs of that office have been conducted for the past year. The disposition of the public lands is one of the most important trusts confided to Congress. The practicability of retaining the title and control of such extensive domains in the General Government, and at the same time admitting the Territories embracing them into the Federal Union as coequals with the original States, was seriously doubted by many of our wisest statesmen. All feared that they would become a source of discord, and many carried their apprehensions so far as to see in them the seeds of a future dissolution of the Confederacy. But happily our experience has already been sufficient to quiet in a great degree all such apprehensions. The position at one time assumed, that the admission of new States into the Union on the same footing with the original States was incompatible with a right of soil in the United States and operated as a surrender thereof, notwithstanding the terms of the compacts by which their admission was designed to be regulated, has been wisely abandoned. Whether in the new or the old States, all now agree that the right of soil to the public lands remains in the Federal Government, and that these lands constitute a common property, to be disposed of for the common benefit of all the States, old and new. Acquiescence in this just principle by the people of the new States has naturally promoted a disposition to adopt the most liberal policy in the sale of the public lands. A policy which should be limited to the mere object of selling the lands for the greatest possible sum of money, without regard to higher considerations, finds but few advocates. On the contrary, it is generally conceded that whilst the mode of disposition adopted by the Government should always be a prudent one, yet its leading object ought to be the early settlement and cultivation of the lands sold, and that it should discountenance, if it can not prevent, the accumulation of large tracts in the same hands, which must necessarily retard the growth of the new States or entail upon them a dependent tenantry and its attendant evils.

A question embracing such important interests and so well calculated to enlist the feelings of the people in every quarter of the Union has very naturally given rise to numerous plans for the improvement of the existing system. The distinctive features of the policy that has hitherto prevailed are to dispose of the public lands at moderate prices, thus enabling a greater number to enter into competition for their purchase and accomplishing a double object—of promoting their rapid settlement by the purchasers and at the same time increasing the receipts of the Treasury; to sell for cash, thereby preventing the disturbing influence of a large mass of private citizens indebted to the Government which they have a voice in controlling;

Page 455

to bring them into market no faster than good lands are supposed to be wanted for improvement, thereby preventing the accumulation of large tracts in few hands; and to apply the proceeds of the sales to the general purposes of the Government, thus diminishing the amount to be raised from the people of the States by taxation and giving each State its portion of the benefits to be derived from this common fund in a manner the most quiet, and at the same time, perhaps, the most equitable, that can be devised. These provisions, with occasional enactments in behalf of special interests deemed entitled to the favor of the Government, have in their execution produced results as beneficial upon the whole as could reasonably be expected in a matter so vast, so complicated, and so exciting. Upward of 70,000,000, acres have been sold, the greater part of which is believed to have been purchased for actual settlement. The population of the new States and Territories created out of the public domain increased between 1800 and 1830 from less than 60,000 to upward of 2,300,000 souls, constituting at the latter period about one-fifth of the whole people of the United States. The increase since can not be accurately known, but the whole may now be safely estimated at over three and a half millions of souls, composing nine States, the representatives of which constitute above one-third of the Senate and over one-sixth of the House of Representatives of the United States.

Thus has been formed a body of free and independent landholders with a rapidity unequaled in the history of mankind; and this great result has been produced without leaving anything for future adjustment between the Government and its citizens. The system under which so much has been accomplished can not be intrinsically bad, and with occasional modifications to correct abuses and adapt it to changes of circumstances may, I think, be safely trusted for the future. There is in the management of such extensive interests much virtue in stability; and although great and obvious improvements should not be declined, changes should never be made without the fullest examination and the clearest demonstration of their practical utility. In the history of the past we have an assurance that this safe rule of action will not be departed from in relation to the public lands; nor is it believed that any necessity exists for interfering with the fundamental principles of the system, or that the public mind, even in the new States, is desirous of any radical alterations. On the contrary, the general disposition appears to be to make such modifications and additions only as will the more effectually carry out the original policy of filling our new States and Territories with an industrious and independent population.

Page 456

The modification most perseveringly pressed upon Congress, which has occupied so much of its time for years past, and will probably do so for a long time to come, if not sooner satisfactorily adjusted, is a reduction in the cost of such portions of the public lands as are ascertained to be unsalable at the rate now established by law, and a graduation according to their relative value of the prices at which they may hereafter be sold. It is worthy of consideration whether justice may not be done to every interest in this matter, and a vexed question set at rest, perhaps forever, by a reasonable compromise of conflicting opinions. Hitherto, after being offered at public sale, lands have been disposed of at one uniform price, whatever difference there might be in their intrinsic value. The leading considerations urged in favor of the measure referred to are that in almost all the land districts, and particularly in those in which the lands have been long surveyed and exposed to sale, there are still remaining numerous and large tracts of every gradation of value, from the Government price downward; that these lands will not be purchased at the Government price so long as better can be conveniently obtained for the same amount; that there are large tracts which even the improvements of the adjacent lands will never raise to that price, and that the present uniform price, combined with their irregular value, operates to prevent a desirable compactness of settlements in the new States and to retard the full development of that wise policy on which our land system is founded, to the injury not only of the several States where the lands lie, but of the United States as a whole.

The remedy proposed has been a reduction of the prices according to the length of time the lands have been in market, without reference to any other circumstances. The certainty that the efflux of time would not always in such cases, and perhaps not even generally, furnish a true criterion of value, and the probability that persons residing in the vicinity, as the period for the reduction of prices approached, would postpone purchases they would otherwise make, for the purpose of availing themselves of the lower price, with other considerations of a similar character, have hitherto been successfully urged to defeat the graduation upon time.

May not all reasonable desires upon this subject be satisfied without encountering any of these objections? All will concede the abstract principle that the price of the public lands should be proportioned to their relative value, so far as can be accomplished without departing from the rule heretofore observed requiring fixed prices in cases of private entries. The difficulty of the subject seems to lie in the mode of ascertaining what that value is. Would not the safest plan be that which has been adopted by many of the States as the basis of taxation—an actual valuation of lands and classification of them

Page 457

into different rates? Would it not be practicable and expedient to cause the relative value of the public lands in the old districts which have been for a certain length of time in market to be appraised and classed into two or more rates below the present minimum price by the officers now employed in this branch of the public service or in any other mode deemed preferable, and to make those prices permanent if upon the coming in of the report they shall prove satisfactory to Congress? Could not all the objects of graduation be accomplished in this way, and the objections which have hitherto been urged against it avoided? It would seem to me that such a step, with a restriction of the sales to limited quantities and for actual improvement, would be free from all just exception.

By the full exposition of the value of the lands thus furnished and extensively promulgated persons living at a distance would be informed of their true condition and enabled to enter into competition with those residing in the vicinity; the means of acquiring an independent home would be brought within the reach of many who are unable to purchase at present prices; the population of the new States would be made more compact, and large tracts would be sold which would otherwise remain on hand. Not only would the land be brought within the means of a larger number of purchasers, but many persons possessed of greater means would be content to settle on a larger quantity of the poorer lands rather than emigrate farther west in pursuit of a smaller quantity of better lands. Such a measure would also seem to be more consistent with the policy of the existing laws—that of converting the public domain into cultivated farms owned by their occupants. That policy is not best promoted by sending emigration up the almost interminable streams of the West to occupy in groups the best spots of land, leaving immense wastes behind them and enlarging the frontier beyond the means of the Government to afford it adequate protection, but in encouraging it to occupy with reasonable denseness the territory over which it advances, and find its best defense in the compact front which it presents to the Indian tribes. Many of you will bring to the consideration of the subject the advantages of local knowledge and greater experience, and all will be desirous of making an early and final disposition of every disturbing question in regard to this important interest. If these suggestions shall in any degree contribute to the accomplishment of so important a result, it will afford me sincere satisfaction.

In some sections of the country most of the public lands have been sold, and the registers and receivers have very little to do. It is a subject worthy of inquiry whether in many cases two or more districts may not be consolidated and the number of persons employed in this business considerably reduced. Indeed, the time will come when it will be the true policy of the General Government, as to some of the States, to transfer to them for a reasonable equivalent all the refuse and unsold lands and to withdraw the machinery of the Federal land offices altogether. All who take a comprehensive view of our federal system and believe that one of its greatest excellencies consists in

interfering as little as possible with the internal concerns of the States look forward with great interest to this result.

Page 458

A modification of the existing laws in respect to the prices of the public lands might also have a favorable influence on the legislation of Congress in relation to another branch of the subject. Many who have not the ability to buy at present prices settle on those lands with the hope of acquiring from their cultivation the means of purchasing under preemption laws from time to time passed by Congress. For this encroachment on the rights of the United States they excuse themselves under the plea of their own necessities; the fact that they dispossess nobody and only enter upon the waste domain: that they give additional value to the public lands in their vicinity, and their intention ultimately to pay the Government price. So much weight has from time to time been attached to these considerations that Congress have passed laws giving actual settlers on the public lands a right of preemption to the tracts occupied by them at the minimum price. These laws have in all instances been retrospective in their operation, but in a few years after their passage crowds of new settlers have been found on the public lands for similar reasons and under like expectations, who have been indulged with the same privilege. This course of legislation tends to impair public respect for the laws of the country. Either the laws to prevent intrusion upon the public lands should be executed, or, if that should be impracticable or inexpedient, they should be modified or repealed. If the public lands are to be considered as open to be occupied by any, they should by law be thrown open to all. That which is intended in all instances to be legalized should at once be made legal, that those who are disposed to conform to the laws may enjoy at least equal privileges with those who are not. But it is not believed to be the disposition of Congress to open the public lands to occupancy without regular entry and payment of the Government price, as such a course must tend to worse evils than the credit system, which it was found necessary to abolish.

It would seem, therefore, to be the part of wisdom and sound policy to remove as far as practicable the causes which produce intrusions upon the public lands, and then take efficient steps to prevent them in future. Would any single measure be so effective in removing all plausible grounds for these intrusions as the graduation of price already suggested? A short period of industry and economy in any part of our country would enable the poorest citizen to accumulate the means to buy him a home at the lower prices, and leave him without apology for settling on lands not his own. If he did not under such circumstances, he would enlist no sympathy in his favor, and the laws would be readily executed without doing violence to public opinion.

Page 459

A large portion of our citizens have seated themselves on the public lands without authority since the passage of the last preemption law, and now ask the enactment of another to enable them to retain the lands occupied upon payment of the minimum Government price. They ask that which has been repeatedly granted before. If the future may be judged of by the past, little harm can be done to the interests of the Treasury by yielding to their request. Upon a critical examination it is found that the lands sold at the public sales since the introduction of cash payments, in 1820, have produced on an average the net revenue of only 6 cents an acre more than the minimum Government price. There is no reason to suppose that future sales will be more productive. The Government, therefore, has no adequate pecuniary interest to induce it to drive these people from the lands they occupy for the purpose of selling them to others.

Entertaining these views, I recommend the passage of a preemption law for their benefit in connection with the preparatory steps toward the graduation of the price of the public lands, and further and more effectual provisions to prevent intrusions hereafter. Indulgence to those who have settled on these lands with expectations that past legislation would be made a rule for the future, and at the same time removing the most plausible ground on which intrusions are excused and adopting more efficient means to prevent them hereafter, appears to me the most judicious disposition which can be made of this difficult subject. The limitations and restrictions to guard against abuses in the execution of a preemption law will necessarily attract the careful attention of Congress, but under no circumstances is it considered expedient to authorize floating claims in any shape. They have been heretofore, and doubtless would be hereafter, most prolific sources of fraud and oppression, and instead of operating to confer the favor of the Government on industrious settlers are often used only to minister to a spirit of cupidity at the expense of the most meritorious of that class.

The accompanying report of the Secretary of War will bring to your view the state of the Army and all the various subjects confided to the superintendence of that officer.

The principal part of the Army has been concentrated in Florida, with a view and in the expectation of bringing the war in that Territory to a speedy close. The necessity of stripping the posts on the maritime and inland frontiers of their entire garrisons for the purpose of assembling in the field an army of less than 4,000 men would seem to indicate the necessity of increasing our regular forces; and the superior efficiency, as well as greatly diminished expense of that description of troops, recommend this measure as one of economy as well as of expediency. I refer to the report for the reasons which have induced the Secretary of War to urge the reorganization and enlargement of the staff of the Army, and of the Ordnance Corps, in which I fully concur.

Page 460

It is not, however, compatible with the interests of the people to maintain in time of peace a regular force adequate to the defense of our extensive frontiers. In periods of danger and alarm we must rely principally upon a well-organized militia, and some general arrangement that will render this description of force more efficient has long been a subject of anxious solicitude. It was recommended to the First Congress by General Washington, and has been since frequently brought to your notice, and recently its importance strongly urged by my immediate predecessor. The provision in the Constitution that renders it necessary to adopt a uniform system of organization for the militia throughout the United States presents an insurmountable obstacle to an efficient arrangement by the classification heretofore proposed, and I invite your attention to the plan which will be submitted by the Secretary of War, for the organization of volunteer corps and the instruction of militia officers, as more simple and practicable, if not equally advantageous, as a general arrangement of the whole militia of the United States.

A moderate increase of the corps both of military and topographical engineers has been more than once recommended by my predecessor, and my conviction of the propriety, not to say necessity, of the measure, in order to enable them to perform the various and important duties imposed upon them, induces me to repeat the recommendation.

The Military Academy continues to answer all the purposes of its establishment, and not only furnishes well-educated officers to the Army, but serves to diffuse throughout the mass of our citizens individuals possessed of military knowledge and the scientific attainments of civil and military engineering. At present the cadet is bound, with consent of his parents or guardians, to remain in service five years from the period of his enlistment, unless sooner discharged, thus exacting only one year's service in the Army after his education is completed. This does not appear to me sufficient. Government ought to command for a longer period the services of those who are educated at the public expense, and I recommend that the time of enlistment be extended to seven years, and the terms of the engagement strictly enforced.

The creation of a national foundry for cannon, to be common to the service of the Army and Navy of the United States, has been heretofore recommended, and appears to be required in order to place our ordnance on an equal footing with that of other countries and to enable that branch of the service to control the prices of those articles and graduate the supplies to the wants of the Government, as well as to regulate their quality and insure their uniformity. The same reasons induce me to recommend the erection of a manufactory of gunpowder, to be under the direction of the Ordnance Office. The establishment of a manufactory of small arms west of the Alleghany Mountains, upon the plan proposed by the Secretary of War, will contribute to extend throughout that country the improvements which exist in establishments of a similar description in the Atlantic States, and tend to a much more economical distribution of the armament required in the western portion of our Union.

Page 461

The system of removing the Indians west of the Mississippi, commenced by Mr. Jefferson in 1804, has been steadily persevered in by every succeeding President, and may be considered the settled policy of the country. Unconnected at first with any well-defined system for their improvement, the inducements held out to the Indians were confined to the greater abundance of game to be found in the West; but when the beneficial effects of their removal were made apparent a more philanthropic and enlightened policy was adopted in purchasing their lands east of the Mississippi. Liberal prices were given and provisions inserted in all the treaties with them for the application of the funds they received in exchange to such purposes as were best calculated to promote their present welfare and advance their future civilization. These measures have been attended thus far with the happiest results.

It will be seen by referring to the report of the Commissioner of Indian Affairs that the most sanguine expectations of the friends and promoters of this system have been realized. The Choctaws, Cherokees, and other tribes that first emigrated beyond the Mississippi have for the most part abandoned the hunter state and become cultivators of the soil. The improvement in their condition has been rapid, and it is believed that they are now fitted to enjoy the advantages of a simple form of government, which has been submitted to them and received their sanction; and I can not too strongly urge this subject upon the attention of Congress.

Stipulations have been made with all the Indian tribes to remove them beyond the Mississippi, except with the bands of the Wyandots, the Six Nations in New York, the Menomonees, Munsees, and Stockbridges in Wisconsin, and Miamies in Indiana. With all but the Menomonees it is expected that arrangements for their emigration will be completed the present year. The resistance which has been opposed to their removal by some of the tribes even after treaties had been made with them to that effect has arisen from various causes, operating differently on each of them. In most instances they have been instigated to resistance by persons to whom the trade with them and the acquisition of their annuities were important, and in some by the personal influence of interested chiefs. These obstacles must be overcome, for the Government can not relinquish the execution of this policy without sacrificing important interests and abandoning the tribes remaining east of the Mississippi to certain destruction.

The decrease in numbers of the tribes within the limits of the States and Territories has been most rapid. If they be removed, they can be protected from those associations and evil practices which exert so pernicious and destructive an influence over their destinies. They can be induced to labor and to acquire property, and its acquisition will inspire them with a feeling of independence. Their minds can be cultivated,

Page 462

and they can be taught the value of salutary and uniform laws and be made sensible of the blessings of free government and capable of enjoying its advantages. In the possession of property, knowledge, and a good government, free to give what direction they please to their labor, and sharers in the legislation by which their persons and the profits of their industry are to be protected and secured, they will have an ever-present conviction of the importance of union and peace among themselves and of the preservation of amicable relations with us. The interests of the United States would also be greatly promoted by freeing the relations between the General and State Governments from what has proved a most embarrassing incumbrance by a satisfactory adjustment of conflicting titles to lands caused by the occupation of the Indians, and by causing the resources of the whole country to be developed by the power of the State and General Governments and improved by the enterprise of a white population.

Intimately connected with this subject is the obligation of the Government to fulfill its treaty stipulations and to protect the Indians thus assembled “at their new residences from all interruptions and disturbances from any other tribes or nations of Indians or from any other person or persons whatsoever,” and the equally solemn obligation to guard from Indian hostility its own border settlements, stretching along a line of more than 1,000 miles. To enable the Government to redeem this pledge to the Indians and to afford adequate protection to its own citizens will require the continual presence of a considerable regular force on the frontiers and the establishment of a chain of permanent posts. Examinations of the country are now making, with a view to decide on the most suitable points for the erection of fortresses and other works of defense, the results of which will be presented to you by the Secretary of War at an early day, together with a plan for the effectual protection of the friendly Indians and the permanent defense of the frontier States.

By the report of the Secretary of the Navy herewith communicated it appears that unremitted exertions have been made at the different navy-yards to carry into effect all authorized measures for the extension and employment of our naval force. The launching and preparation of the ship of the line Pennsylvania and the complete repairs of the ships of the line Ohio, Delaware, and Columbus may be noticed as forming a respectable addition to this important arm of our national defense. Our commerce and navigation have received increased aid and protection during the present year. Our squadrons in the Pacific and on the Brazilian station have been much increased, and that in the Mediterranean, although small, is adequate to the present wants of our commerce in that sea. Additions have been made to our squadron on the West India station, where the large force under Commodore Dallas has been most actively and efficiently employed in protecting our commerce, in preventing the importation of slaves, and in cooperating with the officers of the Army in carrying on the war in Florida.

Page 463

The satisfactory condition of our naval force abroad leaves at our disposal the means of conveniently providing for a home squadron for the protection of commerce upon our extensive coast. The amount of appropriations required for such a squadron will be found in the general estimates for the naval service for the year 1838.

The naval officers engaged upon our coast survey have rendered important service to our navigation. The discovery of a new channel into the harbor of New York, through which our largest ships may pass without danger, must afford important commercial advantages to that harbor and add greatly to its value as a naval station. The accurate survey of Georges Shoals, off the coast of Massachusetts, lately completed, will render comparatively safe a navigation hitherto considered dangerous.

Considerable additions have been made to the number of captains, commanders, lieutenants, surgeons, and assistant surgeons in the Navy. These additions were rendered necessary by the increased number of vessels put in commission to answer the exigencies of our growing commerce.

Your attention is respectfully invited to the various suggestions of the Secretary for the improvement of the naval service.

The report of the Postmaster-General exhibits the progress and condition of the mail service. The operations of the Post-Office Department constitute one of the most active elements of our national prosperity, and it is gratifying to observe with what vigor they are conducted. The mail routes of the United States cover an extent of about 142,877 miles, having been increased about 37,103 miles within the last two years. The annual mail transportation on these routes is about 36,228,962 miles, having been increased about 10,359,476 miles within the same period. The number of post-offices has also been increased from 10,770 to 12,099, very few of which receive the mails less than once a week, and a large portion of them daily. Contractors and postmasters in general are represented as attending to their duties with most commendable zeal and fidelity. The revenue of the Department within the year ending on the 30th of June last was $4,137,056.59, and its liabilities accruing within the same time were $3,380,847.75. The increase of revenue over that of the preceding year was $708,166.41.

For many interesting details I refer you to the report of the Postmaster-General, with the accompanying papers, Your particular attention is invited to the necessity of providing a more safe and convenient building for the accommodation of that Department.

I lay before Congress copies of reports submitted in pursuance of a call made by me upon the heads of Departments for such suggestions as their experience might enable them to make as to what further legislative provisions may be advantageously adopted to secure the faithful application of public moneys to the objects for which they are appropriated, to prevent their misapplication or embezzlement by those intrusted with the expenditure of them, and generally to increase the security of the Government

against losses in their disbursement. It is needless to dilate on the importance of providing such new safeguards as are within the power of legislation to promote these ends, and I have little to add to the recommendations submitted in the accompanying papers.

Page 464

By law the terms of service of our most important collecting and disbursing officers in the civil departments are limited to four years, and when reappointed their bonds are required to be renewed. The safety of the public is much increased by this feature of the law, and there can be no doubt that its application to all officers intrusted with the collection or disbursement of the public money, whatever may be the tenure of their offices, would be equally beneficial. I therefore recommend, in addition to such of the suggestions presented by the heads of Departments as you may think useful, a general provision that all officers of the Army or Navy, or in the civil departments, intrusted with the receipt or payment of public money, and whose term of service is either unlimited or for a longer time than four years, be required to give new bonds, with good and sufficient sureties, at the expiration of every such period.

A change in the period of terminating the fiscal year, from the 1st of October to the 1st of April, has been frequently recommended, and appears to be desirable.

The distressing casualties in steamboats which have so frequently happened during the year seem to evince the necessity of attempting to prevent them by means of severe provisions connected with their customhouse papers. This subject was submitted to the attention of Congress by the Secretary of the Treasury in his last annual report, and will be again noticed at the present session, with additional details. It will doubtless receive that early and careful consideration which its pressing importance appears to require.

Your attention has heretofore been frequently called to the affairs of the District of Columbia, and I should not again ask it did not their entire dependence on Congress give them a constant claim upon its notice. Separated by the Constitution from the rest of the Union, limited in extent, and aided by no legislature of its own, it would seem to be a spot where a wise and uniform system of local government might have been easily adopted. This District has, however, unfortunately been left to linger behind the rest of the Union. Its codes, civil and criminal, are not only very defective, but full of obsolete or inconvenient provisions. Being formed of portions of two States, discrepancies in the laws prevail in different parts of the territory, small as it is; and although it was selected as the seat of the General Government, the site of its public edifices, the depository of its archives, and the residence of officers intrusted with large amounts of public property and the management of public business, yet it has never been subjected to or received that special and comprehensive legislation which these circumstances peculiarly demand. I am well aware of the various subjects of greater magnitude and immediate interest that press themselves on the consideration of Congress, but I believe there is not one that appeals more directly to its justice than a liberal and even generous attention to the interests of the District of Columbia and a thorough and careful revision of its local government. M. *Van Buren*

Page 465

***

State of the Union Address
Martin van Buren
December 3, 1838

Fellow-Citizens of the Senate and House of Representatives:

I congratulate you on the favorable circumstances in the condition of our country under which you reassemble for the performance of your official duties. Though the anticipations of an abundant harvest have not everywhere been realized, yet on the whole the labors of the husbandman are rewarded with a bountiful return; industry prospers in its various channels of business and enterprise; general health again prevails through our vast diversity of climate; nothing threatens from abroad the continuance of external peace; nor has anything at home impaired the strength of those fraternal and domestic ties which constitute the only guaranty to the success and permanency of our happy Union, and which, formed in the hour of peril, have hitherto been honorably sustained through every vicissitude in our national affairs. These blessings, which evince the care and beneficence of Providence, call for our devout and fervent gratitude.

We have not less reason to be grateful for other bounties bestowed by the same munificent hand, and more exclusively our own.

The present year closes the first half century of our Federal institutions, and our system, differing from all others in the acknowledged practical and unlimited operation which it has for so long a period given to the sovereignty of the people, has now been fully tested by experience.

The Constitution devised by our forefathers as the framework and bond of that system, then untried, has become a settled form of government; not only preserving and protecting the great principles upon which it was rounded, but wonderfully promoting individual happiness and private interests. Though subject to change and entire revocation whenever deemed inadequate to all these purposes, yet such is the wisdom of its construction and so stable has been the public sentiment that it remains unaltered except in matters of detail comparatively unimportant. It has proved amply sufficient for the various emergencies incident to our condition as a nation. A formidable foreign war; agitating collisions between domestic, and in some respects rival, sovereignties; temptations to interfere in the intestine commotions of neighboring countries; the dangerous influences that arise in periods of excessive prosperity, and the antirepublican tendencies of associated wealth—these, with other trials not less formidable, have all been encountered, and thus far successfully resisted.

Page 466

It was reserved for the American Union to test the advantages of a government entirely dependent on the continual exercise of the popular will, and our experience has shown that it is as beneficent in practice as it is just in theory. Each successive change made in our local institutions has contributed to extend the right of suffrage, has increased the direct influence of the mass of the community, given greater freedom to individual exertion, and restricted more and more the powers of Government; yet the intelligence, prudence, and patriotism of the people have kept pace with this augmented responsibility. In no country has education been so widely diffused. Domestic peace has nowhere so largely reigned. The close bonds of social intercourse have in no instance prevailed with such harmony over a space so vast. All forms of religion have united for the first time to diffuse charity and piety, because for the first time in the history of nations all have been totally untrammeled and absolutely free. The deepest recesses of the wilderness have been penetrated; yet instead of the rudeness in the social condition consequent upon such adventures elsewhere, numerous communities have sprung up, already unrivaled in prosperity, general intelligence, internal tranquillity, and the wisdom of their political institutions. Internal improvement, the fruit of individual enterprise, fostered by the protection of the States, has added new links to the Confederation and fresh rewards to provident industry. Doubtful questions of domestic policy have been quietly settled by mutual forbearance, and agriculture, commerce, and manufactures minister to each other. Taxation and public debt, the burdens which bear so heavily upon all other countries, have pressed with comparative lightness upon us. Without one entangling alliance, our friendship is prized by every nation, and the rights of our citizens are everywhere respected, because they are known to be guarded by a united, sensitive, and watchful people.

To this practical operation of our institutions, so evident and successful, we owe that increased attachment to them which is among the most cheering exhibitions of popular sentiment and will prove their best security in time to come against foreign or domestic assault.

This review of the results of our institutions for half a century, without exciting a spirit of vain exultation, should serve to impress upon us the great principles from which they have sprung—constant and direct supervision by the people over every public measure, strict forbearance on the part of the Government from exercising any doubtful or disputed powers, and a cautious abstinence from all interference with concerns which properly belong and are best left to State regulations and individual enterprise.

Full information of the state of our foreign affairs having been recently on different occasions submitted to Congress, I deem it necessary now to bring to your notice only such events as have subsequently occurred or are of such importance as to require particular attention.

Page 467

The most amicable dispositions continue to be exhibited by all the nations with whom the Government and citizens of the United States have an habitual intercourse. At the date of my last annual message Mexico was the only nation which could not be included in so gratifying a reference to our foreign relations.

I am happy to be now able to inform you that an advance has been made toward the adjustment of our differences with that Republic and the restoration of the customary good feeling between the two nations. This important change has been effected by conciliatory negotiations that have resulted in the conclusion of a treaty between the two Governments, which, when ratified, will refer to the arbitrament of a friendly power all the subjects of controversy between us growing out of injuries to individuals. There is at present also reason to believe that an equitable settlement of all disputed points will be attained without further difficulty or unnecessary delay, and thus authorize the free resumption of diplomatic intercourse with our sister Republic.

With respect to the northeastern boundary of the United States, no official correspondence between this Government and that of Great Britain has passed since that communicated to Congress toward the close of their last session. The offer to negotiate a convention for the appointment of a joint commission of survey and exploration I am, however, assured will be met by Her Majesty's Government in a conciliatory and friendly spirit, and instructions to enable the British minister here to conclude such an arrangement will be transmitted to him without needless delay. It is hoped and expected that these instructions will be of a liberal character, and that this negotiation, if successful, will prove to be an important step toward the satisfactory and final adjustment of the controversy.

I had hoped that the respect for the laws and regard for the peace and honor of their own country which have ever characterized the citizens of the United States would have prevented any portion of them from using any means to promote insurrection in the territory of a power with which we are at peace, and with which the United States are desirous of maintaining the most friendly relations. I regret deeply, however, to be obliged to inform you that this has not been the case. Information has been given to me, derived from official and other sources, that many citizens of the United States have associated together to make hostile incursions from our territory into Canada and to aid and abet insurrection there, in violation of the obligations and laws of the United States and in open disregard of their own duties as citizens. This information has been in part confirmed by a hostile invasion actually made by citizens of the United States, in conjunction with Canadians and others, and accompanied by a forcible seizure of the property of our citizens and an application thereof to the prosecution of military operations against the authorities and people of Canada.

Page 468

The results of these criminal assaults upon the peace and order of a neighboring country have been, as was to be expected, fatally destructive to the misguided or deluded persons engaged in them and highly injurious to those in whose behalf they are professed to have been undertaken. The authorities in Canada, from intelligence received of such intended movements among our citizens, have felt themselves obliged to take precautionary measures against them; have actually embodied the militia and assumed an attitude to repel the invasion to which they believed the colonies were exposed from the United States. A state of feeling on both sides of the frontier has thus been produced which called for prompt and vigorous interference. If an insurrection existed in Canada, the amicable dispositions of the United States toward Great Britain, as well as their duty to themselves, would lead them to maintain a strict neutrality and to restrain their citizens from all violations of the laws which have been passed for its enforcement. But this Government recognizes a still higher obligation to repress all attempts on the part of its citizens to disturb the peace of a country where order prevails or has been reestablished. Depredations by our citizens upon nations at peace with the United States, or combinations for committing them, have at all times been regarded by the American Government and people with the greatest abhorrence. Military incursions by our citizens into countries so situated, and the commission of acts of violence on the members thereof, in order to effect a change in their government, or under any pretext whatever, have from the commencement of our Government been held equally criminal on the part of those engaged in them, and as much deserving of punishment as would be the disturbance of the public peace by the perpetration of similar acts within our own territory.

By no country or persons have these invaluable principles of international law—-principles the strict observance of which is so indispensable to the preservation of social order in the world—been more earnestly cherished or sacredly respected than by those great and good men who first declared and finally established the independence of our own country. They promulgated and maintained them at an early and critical period in our history; they were subsequently embodied in legislative enactments of a highly penal character, the faithful enforcement of which has hitherto been, and will, I trust, always continue to be, regarded as a duty inseparably associated with the maintenance of our national honor. That the people of the United States should feel an interest in the spread of political institutions as free as they regard their own to be is natural, nor can a sincere solicitude for the success of all those who are at any time in good faith struggling for their acquisition be imputed to our citizens as a crime. With the entire freedom of opinion and an undisguised expression thereof on

Page 469

their part the Government has neither the right nor, I trust, the disposition to interfere. But whether the interest or the honor of the United States requires that they should be made a party to any such struggle, and by inevitable consequence to the war which is waged in its support, is a question which by our Constitution is wisely left to Congress alone to decide. It is by the laws already made criminal in our citizens to embarrass or anticipate that decision by unauthorized military operations on their part. Offenses of this character, in addition to their criminality as violations of the laws of our country, have a direct tendency to draw down upon our own citizens at large the multiplied evils of a foreign war and expose to injurious imputations the good faith and honor of the country. As such they deserve to be put down with promptitude and decision. I can not be mistaken, I am confident, in counting on the cordial and general concurrence of our fellow-citizens in this sentiment. A copy of the proclamation which I have felt it my duty to issue is herewith communicated. I can not but hope that the good sense and patriotism, the regard for the honor and reputation of their country, the respect for the laws which they have themselves enacted for their own government, and the love of order for which the mass of our people have been so long and so justly distinguished will deter the comparatively few who are engaged in them from a further prosecution of such desperate enterprises. In the meantime the existing laws have been and will continue to be faithfully executed, and every effort will be made to carry them out in their full extent. Whether they are sufficient or not to meet the actual state of things on the Canadian frontier it is for Congress to decide.

It will appear from the correspondence herewith submitted that the Government of Russia declines a renewal of the fourth article of the convention of April, 1824, between the United States and His Imperial Majesty, by the third article of which it is agreed that “hereafter there shall not be formed by the citizens of the United States or under the authority of the said States any establishment upon the northwest coast of America, nor in any of the islands adjacent, to the north of 54° 40’ of north latitude, and that in the same manner there shall be none formed by Russian subjects or under the authority of Russia south of the same parallel;” and by the fourth article, “that during a term of ten years, counting from the signature of the present convention, the ships of both powers, or which belong to their citizens or subjects, respectively, may reciprocally frequent, without any hindrance whatever, the interior seas, gulfs, harbors, and creeks upon the coast mentioned in the preceding article, for the purpose of fishing and trading with the natives of the country.” The reasons assigned for declining to renew the provisions of this article are, briefly, that the only use made by our citizens

Page 470

of the privileges it secures to them has been to supply the Indians with spirituous liquors, ammunition, and firearms; that this traffic has been excluded from the Russian trade; and as the supplies furnished from the United States are injurious to the Russian establishments on the northwest coast and calculated to produce complaints between the two Governments, His Imperial Majesty thinks it for the interest of both countries not to accede to the proposition made by the American Government for the renewal of the article last referred to.

The correspondence herewith communicated will show the grounds upon which we contend that the citizens of the United States have, independent of the provisions of the convention of 1824, a right to trade with the natives upon the coast in question at unoccupied places, liable, however, it is admitted, to be at any time extinguished by the creation of Russian establishments at such points. This right is denied by the Russian Government, which asserts that by the operation of the treaty of 1824 each party agreed to waive the general right to land on the vacant coasts on the respective sides of the degree of latitude referred to, and accepted in lieu thereof the mutual privileges mentioned in the fourth article. The capital and tonnage employed by our citizens in their trade with the northwest coast of America will, perhaps, on adverting to the official statements of the commerce and navigation of the United States for the last few years, be deemed too inconsiderable in amount to attract much attention; yet the subject may in other respects deserve the careful consideration of Congress.

I regret to state that the blockade of the principal ports on the eastern coast of Mexico, which, in consequence of differences between that Republic and France, was instituted in May last, unfortunately still continues, enforced by a competent French naval armament, and is necessarily embarrassing to our own trade in the Gulf, in common with that of other nations. Every disposition, however, is believed to exist on the part of the French Government to render this measure as little onerous as practicable to the interests of the citizens of the United States and to those of neutral commerce, and it is to be hoped that an early settlement of the difficulties between France and Mexico will soon reestablish the harmonious relations formerly subsisting between them and again open the ports of that Republic to the vessels of all friendly nations.

A convention for marking that part of the boundary between the United States and the Republic of Texas which extends from the mouth of the Sabine to the Red River was concluded and signed at this city on the 25th of April last. It has since been ratified by both Governments, and seasonable measures will be taken to carry it into effect on the part of the United States.

The application of that Republic for admission into this Union, made in August, 1837, and which was declined for reasons already made known to you, has been formally withdrawn, as will appear from the accompanying copy of the note of the minister

plenipotentiary of Texas, which was presented to the Secretary of State on the occasion of the exchange of the ratifications of the convention above mentioned.

Page 471

Copies of the convention with Texas, of a commercial treaty concluded with the King of Greece, and of a similar treaty with the Peru-Bolivian Confederation, the ratifications of which have been recently exchanged, accompany this message, for the information of Congress and for such legislative enactments as may be found necessary or expedient in relation to either of them.

To watch over and foster the interests of a gradually increasing and widely extended commerce, to guard the rights of American citizens whom business or pleasure or other motives may tempt into distant climes, and at the same time to cultivate those sentiments of mutual respect and good will which experience has proved so beneficial in international intercourse, the Government of the United States has deemed it expedient from time to time to establish diplomatic connections with different foreign states, by the appointment of representatives to reside within their respective territories. I am gratified to be enabled to announce to you that since the close of your last session these relations have been opened under the happiest auspices with Austria and the Two Sicilies, that new nominations have been made in the respective missions of Russia, Brazil, Belgium, and Sweden and Norway in this country, and that a minister extraordinary has been received, accredited to this Government, from the Argentine Confederation.

An exposition of the fiscal affairs of the Government and of their condition for the past year will be made to you by the Secretary of the Treasury.

The available balance in the Treasury on the 1st of January next is estimated at $2,765,342. The receipts of the year from customs and lands will probably amount to $20,615,598. These usual sources of revenue have been increased by an issue of Treasury notes, of which less than $8,000,000, including interest and principal, will be outstanding at the end of the year, and by the sale of one of the bonds of the Bank of the United States for $2,254,871. The aggregate of means from these and other sources, with the balance on hand on the 1st of January last, has been applied to the payment of appropriations by Congress. The whole expenditure for the year on their account, including the redemption of more than eight millions of Treasury notes, constitutes an aggregate of about $40,000,000, and will still leave in the Treasury the balance before stated.

Nearly $8,000,000 of Treasury notes are to be paid during the coming year in addition to the ordinary appropriations for the support of Government. For both these purposes the resources of the Treasury will undoubtedly be sufficient if the charges upon it are not increased beyond the annual estimates. No excess, however, is likely to exist. Nor can the postponed installment of the surplus revenue be deposited with the States nor any considerable appropriations beyond the estimates be made without causing a deficiency in the Treasury. The great caution, advisable

Page 472

at all times, of limiting appropriations to the wants of the public service is rendered necessary at present by the prospective and rapid reduction of the tariff, while the vigilant jealousy evidently excited among the people by the occurrences of the last few years assures us that they expect from their representatives, and will sustain them in the exercise of, the most rigid economy. Much can be effected by postponing appropriations not immediately required for the ordinary public service or for any pressing emergency, and much by reducing the expenditures where the entire and immediate accomplishment of the objects in view is not indispensable.

When we call to mind the recent and extreme embarrassments produced by excessive issues of bank paper, aggravated by the unforeseen withdrawal of much foreign capital and the inevitable derangement arising from the distribution of the surplus revenue among the States as required by Congress, and consider the heavy expenses incurred by the removal of Indian tribes, by the military operations in Florida, and on account of the unusually large appropriations made at the last two annual sessions of Congress for other objects, we have striking evidence in the present efficient state of our finances of the abundant resources of the country to fulfill all its obligations. Nor is it less gratifying to find that the general business of the community, deeply affected as it has been, is reviving with additional vigor, chastened by the lessons of the past and animated by the hopes of the future. By the curtailment of paper issues, by curbing the sanguine and adventurous spirit of speculation, and by the honorable application of all available means to the fulfillment of obligations, confidence has been restored both at home and abroad, and ease and facility secured to all the operations of trade.

The agency of the Government in producing these results has been as efficient as its powers and means permitted. By withholding from the States the deposit of the fourth installment, and leaving several millions at long credits with the banks, principally in one section of the country, and more immediately beneficial to it, and at the same time aiding the banks and commercial communities in other sections by postponing the payment of bonds for duties to the amount of between four and five millions of dollars; by an issue of Treasury notes as a means to enable the Government to meet the consequences of their indulgences, but affording at the same time facilities for remittance and exchange; and by steadily declining to employ as general depositories of the public revenues, or receive the notes of, all banks which refused to redeem them with specie—by these measures, aided by the favorable action of some of the banks and by the support and cooperation of a large portion of the community, we have witnessed an early resumption of specie payments in our great commercial capital, promptly followed in almost every part of the United States. This result has been alike salutary to the true interests of agriculture, commerce, and manufactures; to public morals, respect for the laws, and that confidence between man and man which is so essential in all our social relations.

Page 473

The contrast between the suspension of 1814 and that of 1837 is most striking. The short duration of the latter, the prompt restoration of business, the evident benefits resulting from an adherence by the Government to the constitutional standard of value instead of sanctioning the suspension by the receipt of irredeemable paper, and the advantages derived from the large amount of specie introduced into the country previous to 1837 afford a valuable illustration of the true policy of the Government in such a crisis. Nor can the comparison fail to remove the impression that a national bank is necessary in such emergencies. Not only were specie payments resumed without its aid, but exchanges have also been more rapidly restored than when it existed, thereby showing that private capital, enterprise, and prudence are fully adequate to these ends. On all these points experience seems to have confirmed the views heretofore submitted to Congress. We have been saved the mortification of seeing the distresses of the community for the third time seized on to fasten upon the country so dangerous an institution, and we may also hope that the business of individuals will hereafter be relieved from the injurious effects of a continued agitation of that disturbing subject. The limited influence of a national bank in averting derangement in the exchanges of the country or in compelling the resumption of specie payments is now not less apparent than its tendency to increase inordinate speculation by sudden expansions and contractions; its disposition to create panic and embarrassment for the promotion of its own designs; its interference with politics, and its far greater power for evil than for good, either in regard to the local institutions or the operations of Government itself. What was in these respects but apprehension or opinion when a national bank was first established now stands confirmed by humiliating experience. The scenes through which we have passed conclusively prove how little our commerce, agriculture, manufactures, or finances require such an institution, and what dangers are attendant on its power—a power, I trust, never to be conferred by the American people upon their Government, and still less upon individuals not responsible to them for its unavoidable abuses.

My conviction of the necessity of further legislative provisions for the safe-keeping and disbursement of the public moneys and my opinion in regard to the measures best adapted to the accomplishment of those objects have been already submitted to you. These have been strengthened by recent events, and in the full conviction that time and experience must still further demonstrate their propriety I feel it my duty, with respectful deference to the conflicting views of others, again to invite your attention to them.

With the exception of limited sums deposited in the few banks still employed under the act of 1836, the amounts received for duties, and, with very inconsiderable exceptions, those accruing from lands also, have since the general suspension of specie payments by the deposit banks been kept and disbursed by the Treasurer under his general legal powers, subject to the superintendence of the Secretary of the Treasury. The propriety of defining more specifically and of regulating by law the exercise of this wide scope of Executive discretion has been already submitted to Congress.

Page 474

A change in the office of collector at one of our principal ports has brought to light a defalcation of the gravest character, the particulars of which will be laid before you in a special report from the Secretary of the Treasury. By his report and the accompanying documents it will be seen that the weekly returns of the defaulting officer apparently exhibited throughout a faithful administration of the affairs intrusted to his management. It, however, now appears that he commenced abstracting the public moneys shortly after his appointment and continued to do so, progressively increasing the amount, for the term of more than seven years, embracing a portion of the period during which the public moneys were deposited in the Bank of the United States, the whole of that of the State bank deposit system, and concluding only on his retirement from office, after that system had substantially failed in consequence of the suspension of specie payments.

The way in which this defalcation was so long concealed and the steps taken to indemnify the United States, as far as practicable, against loss will also be presented to you. The case is one which imperatively claims the attention of Congress and furnishes the strongest motive for the establishment of a more severe and secure system for the safe-keeping and disbursement of the public moneys than any that has heretofore existed.

It seems proper, at all events, that by an early enactment similar to that of other countries the application of public money by an officer of Government to private uses should be made a felony and visited with severe and ignominious punishment. This is already in effect the law in respect to the Mint, and has been productive of the most salutary results. Whatever system is adopted, such an enactment would be wise as an independent measure, since much of the public moneys must in their collection and ultimate disbursement pass twice through the hands of public officers, in whatever manner they are intermediately kept. The Government, it must be admitted, has been from its commencement comparatively fortunate in this respect. But the appointing power can not always be well advised in its selections, and the experience of every country has shown that public officers are not at all times proof against temptation. It is a duty, therefore, which the Government owes, as well to the interests committed to its care as to the officers themselves, to provide every guard against transgressions of this character that is consistent with reason and humanity. Congress can not be too jealous of the conduct of those who are intrusted with the public money, and I shall at all times be disposed to encourage a watchful discharge of this duty.

Page 475

If a more direct cooperation on the part of Congress in the supervision of the conduct of the officers intrusted with the custody and application of the public money is deemed desirable, it will give me pleasure to assist in the establishment of any judicious and constitutional plan by which that object may be accomplished. You will in your wisdom determine upon the propriety of adopting such a plan and upon the measures necessary to its effectual execution. When the late Bank of the United States was incorporated and made the depository of the public moneys, a right was reserved to Congress to inspect at its pleasure, by a committee of that body, the books and the proceedings of the bank. In one of the States, whose banking institutions are supposed to rank amongst the first in point of stability, they are subjected to constant examination by commissioners appointed for that purpose, and much of the success of its banking system is attributed to this watchful supervision.

The same course has also, in view of its beneficial operation, been adopted by an adjoining State, favorably known for the care it has always bestowed upon whatever relates to its financial concerns. I submit to your consideration whether a committee of Congress might not be profitably employed in inspecting, at such intervals as might be deemed proper, the affairs and accounts of officers intrusted with the custody of the public moneys. The frequent performance of this duty might be made obligatory on the committee in respect to those officers who have large sums in their possession, and left discretionary in respect to others. They might report to the Executive such defalcations as were found to exist, with a view to a prompt removal from office unless the default was satisfactorily accounted for, and report also to Congress, at the commencement of each session, the result of their examinations and proceedings. It does appear to me that with a subjection of this class of public officers to the general supervision of the Executive, to examinations by a committee of Congress at periods of which they should have no previous notice, and to prosecution and punishment as for felony for every breach of trust, the safe-keeping of the public moneys might under the system proposed be placed on a surer foundation than it has ever occupied since the establishment of the Government.

The Secretary of the Treasury will lay before you additional information containing new details on this interesting subject. To these I ask your early attention. That it should have given rise to great diversity of opinion can not be a subject of surprise. After the collection and custody of the public moneys had been for so many years connected with and made subsidiary to the advancement of private interests, a return to the simple self-denying ordinances of the Constitution could not but be difficult. But time and free discussion, eliciting the sentiments of the people, and aided by that conciliatory spirit

Page 476

which has ever characterized their course on great emergencies, were relied upon for a satisfactory settlement of the question. Already has this anticipation, on one important point at least—the impropriety of diverting public money to private purposes—been fully realized. There is no reason to suppose that legislation upon that branch of the subject would now be embarrassed by a difference of opinion, or fail to receive the cordial support of a large majority of our constituents.

The connection which formerly existed between the Government and banks was in reality injurious to both, as well as to the general interests of the community at large. It aggravated the disasters of trade and the derangements of commercial intercourse, and administered new excitements and additional means to wild and reckless speculations, the disappointment of which threw the country into convulsions of panic, and all but produced violence and bloodshed. The imprudent expansion of bank credits, which was the natural result of the command of the revenues of the State, furnished the resources for unbounded license in every species of adventure, seduced industry from its regular and salutary occupations by the hope of abundance without labor, and deranged the social state by tempting all trades and professions into the vortex of speculation on remote contingencies.

The same wide-spreading influence impeded also the resources of the Government, curtailed its useful operations, embarrassed the fulfillment of its obligations, and seriously interfered with the execution of the laws. Large appropriations and oppressive taxes are the natural consequences of such a connection, since they increase the profits of those who are allowed to use the public funds, and make it their interest that money should be accumulated and expenditures multiplied. It is thus that a concentrated money power is tempted to become an active agent in political affairs; and all past experience has shown on which side that influence will be arrayed. We deceive ourselves if we suppose that, it will ever be found asserting and supporting the rights of the community at large in opposition to the claims of the few.

In a government whose distinguishing characteristic should be a diffusion and equalization of its benefits and burdens the advantage of individuals will be augmented at the expense of the community at large. Nor is it the nature of combinations for the acquisition of legislative influence to confine their interference to the single object for which they were originally formed. The temptation to extend it to other matters is, on the contrary, not unfrequently too strong to be resisted. The rightful influence in the direction of public affairs of the mass of the people is therefore in no slight danger of being sensibly and injuriously affected by giving to a comparatively small but very efficient class a direct and exclusive personal interest in so important a portion of the legislation of Congress

Page 477

as that which relates to the custody of the public moneys. If laws acting upon private interests can not always be avoided, they should be confined within the narrowest limits, and left wherever possible to the legislatures of the States. When not thus restricted they lead to combinations of powerful associations, foster an influence necessarily selfish, and turn the fair course of legislation to sinister ends rather than to objects that advance public liberty and promote the general good.

The whole subject now rests with you, and I can not but express a hope that some definite measure will be adopted at the present session.

It will not, I am sure, be deemed out of place for me here to remark that the declaration of my views in opposition to the policy of employing banks as depositories of the Government funds can not justly be construed as indicative of hostility, official or personal, to those institutions; or to repeat in this form and in connection with this subject opinions which I have uniformly entertained and on all proper occasions expressed. Though always opposed to their creation in the form of exclusive privileges, and, as a State magistrate, aiming by appropriate legislation to secure the community against the consequences of their occasional mismanagement, I have yet ever wished to see them protected in the exercise of rights conferred by law, and have never doubted their utility when properly managed in promoting the interests of trade, and through that channel the other interests of the community. To the General Government they present themselves merely as State institutions, having no necessary connection with its legislation or its administration. Like other State establishments, they may be used or not in conducting the affairs of the Government, as public policy and the general interests of the Union may seem to require. The only safe or proper principle upon which their intercourse with the Government can be regulated is that which regulates their intercourse with the private citizen—the conferring of mutual benefits. When the Government can accomplish a financial operation better with the aid of the banks than without it, it should be at liberty to seek that aid as it would the services of a private banker or other capitalist or agent, giving the preference to those who will serve it on the best terms. Nor can there ever exist an interest in the officers of the General Government, as such, inducing them to embarrass or annoy the State banks any more than to incur the hostility of any other class of State institutions or of private citizens. It is not in the nature of things that hostility to these institutions can spring from this source, or any opposition to their course of business, except when they themselves depart from the objects of their creation and attempt to usurp powers not conferred upon them or to subvert the standard of value established by the Constitution. While opposition to their regular operations can not exist in this quarter, resistance to any attempt to make the Government dependent upon them for the successful administration of public affairs is a matter of duty, as I trust it ever will be of inclination, no matter from what motive or consideration the attempt may originate.

Page 478

It is no more than just to the banks to say that in the late emergency most of them firmly resisted the strongest temptations to extend their paper issues when apparently sustained in a suspension of specie payments by public opinion, even though in some cases invited by legislative enactments. To this honorable course, aided by the resistance of the General Government, acting in obedience to the Constitution and laws of the United States, to the introduction of an irredeemable paper medium, may be attributed in a great degree the speedy restoration of our currency to a sound state and the business of the country to its wonted prosperity.

The banks have but to continue in the same safe course and be content in their appropriate sphere to avoid all interference from the General Government and to derive from it all the protection and benefits which it bestows on other State establishments, on the people of the States, and on the States themselves. In this, their true position, they can not but secure the confidence and good will of the people and the Government, which they can only lose when, leaping from their legitimate sphere, they attempt to control the legislation of the country and pervert the operations of the Government to their own purposes.

Our experience under the act, passed at the last session, to grant preemption rights to settlers on the public lands has as yet been too limited to enable us to pronounce with safety upon the efficacy of its provisions to carry out the wise and liberal policy of the Government in that respect. There is, however, the best reason to anticipate favorable results from its operation. The recommendations formerly submitted to you in respect to a graduation of the price of the public lands remain to be finally acted upon. Having found no reason to change the views then expressed, your attention to them is again respectfully requested.

Every proper exertion has been made and will be continued to carry out the wishes of Congress in relation to the tobacco trade, as indicated in the several resolutions of the House of Representatives and the legislation of the two branches. A favorable impression has, I trust, been made in the different foreign countries to which particular attention has been directed; and although we can not hope for an early change in their policy, as in many of them a convenient and large revenue is derived from monopolies in the fabrication and sale of this article, yet, as these monopolies are really injurious to the people where they are established, and the revenue derived from them may be less injuriously and with equal facility obtained from another and a liberal system of administration, we can not doubt that our efforts will be eventually crowned with, success if persisted in with temperate firmness and sustained by prudent legislation.

In recommending to Congress the adoption of the necessary provisions at this session for taking the next census or enumeration of the inhabitants of the United States, the suggestion presents itself whether the scope of the measure might not be usefully extended by causing it to embrace authentic statistical returns of the great interests specially intrusted to or necessarily affected by the legislation of Congress.

Page 479

The accompanying report of the Secretary of War presents a satisfactory account of the state of the Army and of the several branches of the public service confided to the superintendence of that officer.

The law increasing and organizing the military establishment of the United States has been nearly carried into effect, and the Army has been extensively and usefully employed during the past season.

I would again call to your notice the subjects connected with and essential to the military defenses of the country which were submitted to you at the last session, but which were not acted upon, as is supposed, for want of time. The most important of them is the organization of the militia on the maritime and inland frontiers. This measure is deemed important, as it is believed that it will furnish an effective volunteer force in aid of the Regular Army, and may form the basis of a general system of organization for the entire militia of the United States. The erection of a national foundry and gunpowder manufactory, and one for making small arms, the latter to be situated at some point west of the Allegany Mountains, all appear to be of sufficient importance to be again urged upon your attention.

The plan proposed by the Secretary of War for the distribution of the forces of the United States in time of peace is well calculated to promote regularity and economy in the fiscal administration of the service, to preserve the discipline of the troops, and to render them available for the maintenance of the peace and tranquillity of the Country. With this view, likewise, I recommend the adoption of the plan presented by that officer for the defense of the western frontier. The preservation of the lives and property of our fellow-citizens who are settled upon that border country, as well as the existence of the Indian population, which might be tempted by our want of preparation to rush on their own destruction and attack the white settlements, all seem to require that this subject should be acted upon without delay, and the War Department authorized to place that country in a state of complete defense against any assault from the numerous and warlike tribes which are congregated on that border.

It affords me sincere pleasure to be able to apprise you of the entire removal of the Cherokee Nation of Indians to their new homes west of the Mississippi. The measures authorized by Congress at its last session, with a view to the long-standing controversy with them, have had the happiest effects. By an agreement concluded with them by the commanding general in that country, who has performed the duties assigned to him on the occasion with commendable energy and humanity, their removal has been principally under the conduct of their own chiefs, and they have emigrated without any apparent reluctance.

Page 480

The successful accomplishment of this important object, the removal also of the entire Creek Nation with the exception of a small number of fugitives amongst the Seminoles in Florida, the progress already made toward a speedy completion of the removal of the Chickasaws, the Choctaws, the Pottawatamies, the Ottawas, and the Chippewas, with the extensive purchases of Indian lands during the present year, have rendered the speedy and successful result of the long-established policy of the Government upon the subject of Indian affairs entirely certain. The occasion is therefore deemed a proper one to place this policy in such a point of view as will exonerate the Government of the United States from the undeserved reproach which has been cast upon it through several successive Administrations. That a mixed occupancy of the same territory by the white and red man is incompatible with the safety or happiness of either is a position in respect to which there has long since ceased to be room for a difference of opinion. Reason and experience have alike demonstrated its impracticability. The bitter fruits of every attempt heretofore to overcome the barriers interposed by nature have only been destruction, both physical and moral, to the Indian, dangerous conflicts of authority between the Federal and State Governments, and detriment to the individual prosperity of the citizen as well as to the general improvement of the country. The remedial policy, the principles of which were settled more than thirty years ago under the Administration of Mr. Jefferson, consists in an extinction, for a fair consideration, of the title to all the lands still occupied by the Indians within the States and Territories of the United States; their removal to a country west of the Mississippi much more extensive and better adapted to their condition than that on which they then resided; the guarantee to them by the United States of their exclusive possession of that country forever, exempt from all intrusions by white men, with ample provisions for their security against external violence and internal dissensions, and the extension to them of suitable facilities for their advancement in civilization. This has not been the policy of particular Administrations only, but of each in succession since the first attempt to carry it out under that of Mr. Monroe. All have labored for its accomplishment, only with different degrees of success. The manner of its execution has, it is true, from time to time given rise to conflicts of opinion and unjust imputations; but in respect to the wisdom and necessity of the policy itself there has not from the beginning existed a doubt in the mind of any calm, judicious, disinterested friend of the Indian race accustomed to reflection and enlightened by experience.

Page 481

Occupying the double character of contractor on its own account and guardian for the parties contracted with, it was hardly to be expected that the dealings of the Federal Government with the Indian tribes would escape misrepresentation. That there occurred ill the early settlement of this country, as in all others where the civilized race has succeeded to the possessions of the savage, instances of oppression and fraud on the part of the former there is too much reason to believe. No such offenses can, however, be justly charged upon this Government since it became free to pursue its own course. Its dealings with the Indian tribes have been just and friendly throughout; its efforts for their civilization constant, and directed by the best feelings of humanity; its watchfulness in protecting them from individual frauds unremitting; its forbearance under the keenest provocations, the deepest injuries, and the most flagrant outrages may challenge at least a comparison with any nation, ancient or modern, in similar circumstances; and if in future times a powerful, civilized, and happy nation of Indians shall be found to exist within the limits of this northern continent it will be owing to the consummation of that policy which has been so unjustly assailed. Only a very brief reference to facts in confirmation of this assertion can in this form be given, and you are therefore necessarily referred to the report of the Secretary of War for further details. To the Cherokees, whose case has perhaps excited the greatest share of attention and sympathy, the United States have granted in fee, with a perpetual guaranty of exclusive and peaceable possession, 13,554,135 acres of land on the west side of the Mississippi, eligibly situated, in a healthy climate, and in all respects better suited to their condition than the country they have left, in exchange for only 9,492, 160 acres on the east side of the same river. The United States have in addition stipulated to pay them $5,600,000 for their interest in and improvements on the lands thus relinquished, and $1,160,000 for subsistence and other beneficial purposes, thereby putting it in their power to become one of the most wealthy and independent separate communities of the same extent in the world.

By the treaties made and ratified with the Miamies, the Chippewas, the Sioux, the Sacs and Foxes, and the Winnebagoes during the last year the Indian title to 18,458,000 acres has been extinguished. These purchases have been much more extensive than those of any previous year, and have, with other Indian expenses, borne very heavily upon the Treasury. They leave, however, but a small quantity of unbought Indian lands within the States and Territories, and the Legislature and Executive were equally sensible of the propriety of a final and more speedy extinction of Indian titles within those limits. The treaties, which were with a single exception made in pursuance of previous appropriations for defraying the expenses,

Page 482

have subsequently been ratified by the Senate, and received the sanction of Congress by the appropriations necessary to carry them into effect. Of the terms upon which these important negotiations were concluded I can speak from direct knowledge, and I feel no difficulty in affirming that the interest of the Indians in the extensive territory embraced by them is to be paid for at its fair value, and that no more favorable terms have been granted to the United States than would have been reasonably expected in a negotiation with civilized men fully capable of appreciating and protecting their own rights. For the Indian title to 116,349,897 acres acquired since the 4th of March, 1829, the United States have paid $72,560,056 in permanent annuities, lands, reservations for Indians, expenses of removal and subsistence, merchandise, mechanical and agricultural establishments and implements. When the heavy expenses incurred by the United States and the circumstance that so large a portion of the entire territory will be forever unsalable are considered, and this price is compared with that for which the United States sell their own lands, no one can doubt that justice has been done to the Indians in these purchases also. Certain it is that the transactions of the Federal Government with the Indians have been uniformly characterized by a sincere and paramount desire to promote their welfare; and it must be a source of the highest gratification to every friend to justice and humanity to learn that not withstanding the obstructions from time to time thrown in its way and the difficulties which have arisen from the peculiar and impracticable nature of the Indian character, the wise, humane, and undeviating policy of the Government in this the most difficult of all our relations, foreign or domestic, has at length been justified to the world in its near approach to a happy and certain consummation.

The condition of the tribes which occupy the country set apart for them in the West is highly prosperous, and encourages the hope of their early civilization. They have for the most part abandoned the hunter state and turned their attention to agricultural pursuits. All those who have been established for any length of time in that fertile region maintain themselves by their own industry. There are among them traders of no inconsiderable capital, and planters exporting cotton to some extent, but the greater number are small agriculturists, living in comfort upon the produce of their farms. The recent emigrants, although they have in some instances removed reluctantly, have readily acquiesced in their unavoidable destiny. They have found at once a recompense for past sufferings and an incentive to industrious habits in the abundance and comforts around them. There is reason to believe that all these tribes are friendly in their feelings toward the United States; and it is to be hoped that the acquisition of individual wealth, the pursuits of agriculture, and habits of industry will

Page 483

gradually subdue their warlike propensities and incline them to maintain peace among themselves. To effect this desirable object the attention of Congress is solicited to the measures recommended by the Secretary of War for their future government and protection, as well from each other as from the hostility of the warlike tribes around them and the intrusions of the whites. The policy of the Government has given them a permanent home and guaranteed to them its peaceful and undisturbed possession. It only remains to give them a government and laws which will encourage industry and secure to them the rewards of their exertions. The importance of some form of government can not be too much insisted upon. The earliest effects will be to diminish the causes and occasions for hostilities among the tribes, to inspire an interest in the observance of laws to which they will have themselves assented, and to multiply the securities of property and the motives for self-improvement. Intimately connected with this subject is the establishment of the military defenses recommended by the Secretary of War, which have been already referred to. Without them the Government will be powerless to redeem its pledge of protection to the emigrating Indians against the numerous warlike tribes that surround them and to provide for the safety of the frontier settlers of the bordering States.

The case of the Seminoles constitutes at present the only exception to the successful efforts of the Government to remove the Indians to the homes assigned them west of the Mississippi. Four hundred of this tribe emigrated in 1836 and 1,500 in 1837 and 1838, leaving in the country, it is supposed, about 2,000 Indians. The continued treacherous conduct of these people; the savage and unprovoked murders they have lately committed, butchering whole families of the settlers of the Territory without distinction of age or sex, and making their way into the very center and heart of the country, so that no part of it is free from their ravages; their frequent attacks on the light-houses along that dangerous coast, and the barbarity with which they have murdered the passengers and crews of such vessels as have been wrecked upon the reefs and keys which border the Gulf, leave the Government no alternative but to continue the military operations against them until they are totally expelled from Florida. There are other motives which would urge the Government to pursue this course toward the Seminoles. The United States have fulfilled in good faith all their treaty stipulations with the Indian tribes, and have in every other instance insisted upon a like performance of their obligations. To relax from this salutary rule because the Seminoles have maintained themselves so long in the territory they had relinquished, and in defiance of their frequent and solemn engagements still continue to wage a ruthless war against the United States, would not only evince a want of constancy on our part, but be of evil example

Page 484

in our intercourse with other tribes. Experience has shown that but little is to be gained by the march of armies through a country so intersected with inaccessible swamps and marshes, and which, from the fatal character of the climate, must be abandoned at the end of the winter. I recommend, therefore, to your attention the plan submitted by the Secretary of War in the accompanying report, for the permanent occupation of the portion of the Territory freed from the Indians and the more efficient protection of the people of Florida from their inhuman warfare.

From the report of the Secretary of the Navy herewith transmitted it will appear that a large portion of the disposable naval force is either actively employed or in a state of preparation for the purposes of experience and discipline and the protection of our commerce. So effectual has been this protection that so far as the information of Government extends not a single outrage has been attempted on a vessel carrying the flag of the United States within the present year, in any quarter, however distant or exposed.

The exploring expedition sailed from Norfolk on the 19th of August last, and information has been received of its safe arrival at the island of Madeira. The best spirit animates the officers and crews, and there is every reason to anticipate from its efforts results beneficial to commerce and honorable to the nation.

It will also be seen that no reduction of the force now in commission is contemplated. The unsettled state of a portion of South America renders it indispensable that our commerce should receive protection in that quarter; the vast and increasing interests embarked in the trade of the Indian and China seas, in the whale fisheries of the Pacific Ocean, and in the Gulf of Mexico require equal attention to their safety, and a small squadron may be employed to great advantage on our Atlantic coast in meeting sudden demands for the reenforcement of other stations, in aiding merchant vessels in distress, in affording active service to an additional number of officers, and in visiting the different ports of the United States, an accurate knowledge of which is obviously of the highest importance.

The attention of Congress is respectfully called to that portion of the report recommending an increase in the number of smaller vessels, and to other suggestions contained in that document. The rapid increase and wide expansion of our commerce, which is every day seeking new avenues of profitable adventure; the absolute necessity of a naval force for its protection precisely in the degree of its extension; a due regard to the national rights and honor; the recollection of its former exploits, and the anticipation of its future triumphs whenever opportunity presents itself, which we may rightfully indulge from the experience of the past—all seem to point to the Navy as a most efficient arm of our national defense and a proper object of legislative encouragement.

Page 485

The progress and condition of the Post-Office Department will be seen by reference to the report of the Postmaster-General. The extent of post-roads covered by mail contracts is stated to be 134,818 miles, and the annual transportation upon them 34,580,202 miles. The number of post-offices in the United States is 12,553, and rapidly increasing. The gross revenue for the year ending on the 30th day of June last was $4,262,145; the accruing expenditures, $4,680,068; excess of expenditures, $417,923. This has been made up out of the surplus previously on hand. The cash on hand on the 1st instant was $314,068. The revenue for the year ending June 30, 1838, was $161,540 more than that for the year ending June 30, 1837. The expenditures of the Department had been graduated upon the anticipation of a largely increased revenue. A moderate curtailment of mail service consequently became necessary, and has been effected, to shield the Department against the danger of embarrassment. Its revenue is now improving, and it will soon resume its onward course in the march of improvement.

Your particular attention is requested to so much of the Postmaster-Generals report as relates to the transportation of the mails upon railroads. The laws on that subject do not seem adequate to secure that service, now become almost essential to the public interests, and at the same time protect the Department from combinations and unreasonable demands.

Nor can I too earnestly request your attention to the necessity of providing a more secure building for this Department. The danger of destruction to which its important books and papers are continually exposed, as well from the highly combustible character of the building occupied as from that of others in the vicinity, calls loudly for prompt action.

Your attention is again earnestly invited to the suggestions and recommendations submitted at the last session in respect to the District of Columbia.

I feel it my duty also to bring to your notice certain proceedings at law which have recently been prosecuted in this District in the name of the United States, on the relation of Messrs. Stockton & Stokes, of the State of Maryland, against the Postmaster-General, and which have resulted in the payment of money out of the National Treasury, for the first time since the establishment of the Government, by judicial compulsion exercised by the common-law writ of mandamus issued by the circuit court of this District.

The facts of the case and the grounds of the proceedings will be found fully stated in the report of the decision, and any additional information which you may desire will be supplied by the proper Department. No interference in the particular case is contemplated. The money has been paid, the claims of the prosecutors have been satisfied, and the whole subject, so far as they are concerned, is finally disposed of; but it is on the supposition that the case may be regarded as an authoritative exposition of

the law as it now stands that I have thought it necessary to present it to your consideration.

Page 486

The object of the application to the circuit court was to compel the Postmaster-General to carry into effect an award made by the Solicitor of the Treasury, under a special act of Congress for the settlement of certain claims of the relators on the Post-Office Department, which award the Postmaster-General declined to execute in full until he should receive further legislative direction on the subject. If the duty imposed on the Postmaster-General by that law was to be regarded as one of an official nature, belonging to his office as a branch of the executive, then it is obvious that the constitutional competency of the judiciary to direct and control him in its discharge was necessarily drawn in question; and if the duty so imposed on the Postmaster-General was to be considered as merely ministerial, and not executive, it yet remained to be shown that the circuit court of this District had authority to interfere by mandamus, such a power having never before been asserted or claimed by that court. With a view to the settlement of these important questions, the judgment of the circuit court was carried by a writ of error to the Supreme Court of the United States. In the opinion of that tribunal the duty imposed on the Postmaster-General was not an official executive duty, but one of a merely ministerial nature. The grave constitutional questions which had been discussed were therefore excluded from the decision of the case, the court, indeed, expressly admitting that with powers and duties properly belonging to the executive no other department can interfere by the writ of mandamus; and the question therefore resolved itself into this: Has Congress conferred upon the circuit court of this District the power to issue such a writ to an officer of the General Government commanding him to perform a ministerial act? A majority of the court have decided that it has, but have rounded their decision upon a process of reasoning which in my judgment renders further legislative provision indispensable to the public interests and the equal administration of justice.

It has long since been decided by the Supreme Court that neither that tribunal nor the circuit courts of the United States, held within the respective States, possess the power in question; but it is now held that this power, denied to both of these high tribunals (to the former by the Constitution and to the latter by Congress), has been by its legislation vested in the circuit court of this District. No such direct grant of power to the circuit court of this District is claimed, but it has been held to result by necessary implication from several sections of the law establishing the court. One of these sections declares that the laws of Maryland, as they existed at the time of the cession, should be in force in that part of the District ceded by that State, and by this provision the common law in civil and criminal cases, as it prevailed in Maryland in 1801, was established in that part of the District.

Page 487

In England the court of king's bench—because the Sovereign, who, according to the theory of the constitution, is the fountain of justice originally sat there in person, and is still deemed to be present in construction of law—alone possesses the high power of issuing the writ of mandamus, not only to inferior jurisdictions and corporations, but also to magistrates and others, commanding them in the King's name to do what their duty requires in cases where there is a vested right and no other specific remedy. It has been held in the case referred to that as the Supreme Court of the United States is by the Constitution rendered incompetent to exercise this power, and as the circuit court of this District is a court of general jurisdiction in cases at common law, and the highest court of original jurisdiction in the District, the right to issue the writ of mandamus is incident to its common-law powers. Another ground relied upon to maintain the power in question is that it was included by fair construction in the powers granted to the circuit courts of the United States by the act "to provide for the more convenient organization of the courts of the United States," passed 13th February, 1801; that the act establishing the circuit court of this District, passed the 27th day of February, 1801, conferred upon that court and the judges thereof the same powers as were by law vested in the circuit courts of the United States and in the judges of the said courts; that the repeal of the first-mentioned act, which took place in the next year, did not divest the circuit court of this District of the authority in dispute, but left it still clothed with the powers over the subject which, it is conceded, were taken away from the circuit courts of the United States by the repeal of the act of 13th February, 1801.

Admitting that the adoption of the laws of Maryland for a portion of this District confers on the circuit court thereof, in that portion, the transcendent extrajudicial prerogative powers of the court of king's bench in England, or that either of the acts of Congress by necessary implication authorizes the former court to issue a writ of mandamus to an officer of the United States to compel him to perform a ministerial duty, the consequences are in one respect the same. The result in either case is that the officers of the United States stationed in different parts of the United States are, in respect to the performance of their official duties, subject to different laws and a different supervision—those in the States to one rule, and those in the District of Columbia to another and a very different one. In the District their official conduct is subject to a judicial control from which in the States they are exempt.

Whatever difference of opinion may exist as to the expediency of vesting such a power in the judiciary in a system of government constituted like that of the United States, all must agree that these disparaging discrepancies in the law and in the administration of justice ought not to he permitted to continue; and as Congress alone can provide the remedy, the subject is unavoidably presented to your consideration.

Page 488

M. VAN BUREN

***

State of the Union Address
Martin van Buren
December 2, 1839

Fellow-Citizens of the Senate and House of Representatives:

I regret that I can not on this occasion congratulate you that the past year has been one of unalloyed prosperity. The ravages of fire and disease have painfully afflicted otherwise flourishing portions of our country, and serious embarrassments yet derange the trade of many of our cities. But notwithstanding these adverse circumstances, that general prosperity which has been heretofore so bountifully bestowed upon us by the Author of All Good still continues to call for our warmest gratitude. Especially have we reason to rejoice in the exuberant harvests which have lavishly recompensed well-directed industry and given to it that sure reward which is vainly sought in visionary speculations. I cannot, indeed, view without peculiar satisfaction the evidences afforded by the past season of the benefits that spring from the steady devotion of the husbandman to his honorable pursuit. No means of individual comfort is more certain and no source of national prosperity is so sure. Nothing can compensate a people for a dependence upon others for the bread they eat, and that cheerful abundance on which the happiness of everyone so much depends is to be looked for nowhere with such sure reliance as in the industry of the agriculturist and the bounties of the earth.

With foreign countries our relations exhibit the same favorable aspect which was presented in my last annual message, and afford continued proof of the wisdom of the pacific, just, and forbearing policy adopted by the first Administration of the Federal Government and pursued by its successors. The extraordinary powers vested in me by an act of Congress for the defense of the country in an emergency, considered so far probable as to require that the Executive should possess ample means to meet it, have not been exerted. They have therefore been attended with no other result than to increase, by the confidence thus reposed in me, my obligations to maintain with religious exactness the cardinal principles that govern our intercourse with other nations. Happily, in our pending questions with Great Britain, out of which this unusual grant of authority arose, nothing has occurred to require its exertion, and as it is about to return to the Legislature I trust that no future necessity may call for its exercise by them or its delegation to another Department of the Government.

Page 489

For the settlement of our northeastern boundary the proposition promised by Great Britain for a commission of exploration and survey has been received, and a counter project, including also a provision for the certain and final adjustment of the limits in dispute, is now before the British Government for its consideration. A just regard to the delicate state of this question and a proper respect for the natural impatience of the State of Maine, not less than a conviction that the negotiation has been already protracted longer than is prudent on the part of either Government, have led me to believe that the present favorable moment should on no account be suffered to pass without putting the question forever at rest. I feel confident that the Government of Her Britannic Majesty will take the same view of this subject, as I am persuaded it is governed by desires equally strong and sincere for the amicable termination of the controversy.

To the intrinsic difficulties of questions of boundary lines, especially those described in regions unoccupied and but partially known, is to be added in our country the embarrassment necessarily arising out of our Constitution by which the General Government is made the organ of negotiating and deciding upon the particular interests of the States on whose frontiers these lines are to be traced. To avoid another controversy in which a State government might rightfully claim to have her wishes consulted previously to the conclusion of conventional arrangements concerning her rights of jurisdiction or territory, I have thought it necessary to call the attention of the Government of Great Britain to another portion of our conterminous dominion of which the division still remains to be adjusted I refer to the line from the entrance of Lake Superior to the most northwestern point of the Lake of the Woods, stipulations for the settlement of which are to be found in the seventh article of the treaty of Ghent. The commissioners appointed under that article by the two Governments having differed in their opinions, made separate reports, according to its stipulations, upon the points of disagreement, and these differences are now to be submitted to the arbitration of some friendly sovereign or state. The disputed points should be settled and the line designated before the Territorial government of which it is one of the boundaries takes its place in the Union as a State, and I rely upon the cordial cooperation of the British Government to effect that object.

There is every reason to believe that disturbances like those which lately agitated the neighboring British Provinces will not again prove the sources of border contentions or interpose obstacles to the continuance of that good understanding which it is the mutual interest of Great Britain and the United States to preserve and maintain.

Page 490

Within the Provinces themselves tranquillity is restored, and on our frontier that misguided sympathy in favor of what was presumed to be a general effort in behalf of popular rights, and which in some instances misled a few of our more inexperienced citizens, has subsided into a rational conviction strongly opposed to all intermeddling with the internal affairs of our neighbors. The people of the United States feel, as it is hoped they always will, a warm solicitude for the success of all who are sincerely endeavoring to improve the political condition of mankind. This generous feeling they cherish toward the most distant nations, and it was natural, therefore, that it should be awakened with more than common warmth in behalf of their immediate neighbors; but it does not belong to their character as a community to seek the gratification of those feelings in acts which violate their duty as citizens, endanger the peace of their country, and tend to bring upon it the stain of a violated faith toward foreign nations. If, zealous to confer benefits on others, they appear for a moment to lose sight of the permanent obligations imposed upon them as citizens, they are seldom long misled. From all the information I receive, confirmed to some extent by personal observation, I am satisfied that no one can now hope to engage in such enterprises without encountering public indignation, in addition to the severest penalties of the law.

Recent information also leads me to hope that the emigrants from Her Majesty's Provinces who have sought refuge within our boundaries are disposed to become peaceable residents and to abstain from all attempts to endanger the peace of that country which has afforded them an asylum. On a review of the occurrences on both sides of the line it is satisfactory to reflect that in almost every complaint against our country the offense may be traced to emigrants from the Provinces who have sought refuge here. In the few instances in which they were aided by citizens of the United States the acts of these misguided men were not only in direct contravention of the laws and well-known wishes of their own Government, but met with the decided disapprobation of the people of the United States.

I regret to state the appearance of a different spirit among Her Majesty's subjects in the Canadas. The sentiments of hostility to our people and institutions which have been so frequently expressed there, and the disregard of our rights which has been manifested on some occasions, have, I am sorry to say, been applauded and encouraged by the people, and even by some of the subordinate local authorities, of the Provinces. The chief officers in Canada, fortunately, have not entertained the same feeling, and have probably prevented excesses that must have been fatal to the peace of the two countries.

I look forward anxiously to a period when all the transactions which have grown out of this condition of our affairs, and which have been made the subjects of complaint and remonstrance by the two Governments, respectively, shall be fully examined, and the proper satisfaction given where it is due from either side.

Page 491

Nothing has occurred to disturb the harmony of our intercourse with Austria, Belgium, Denmark, France, Naples, Portugal, Prussia, Russia, or Sweden. The internal state of Spain has sensibly improved, and a well-grounded hope exists that the return of peace will restore to the people of that country their former prosperity and enable the Government to fulfill all its obligations at home and abroad. The Government of Portugal, I have the satisfaction to state, has paid in full the eleventh and last installment due to our citizens for the claims embraced in the settlement made with it on the 3d of March, 1837.

I lay before you treaties of commerce negotiated with the Kings of Sardinia and of the Netherlands, the ratifications of which have been exchanged since the adjournment of Congress. The liberal principles of these treaties will recommend them to your approbation. That with Sardinia is the first treaty of commerce formed by that Kingdom, and it will, I trust, answer the expectations of the present Sovereign by aiding the development of the resources of his country and stimulating the enterprise of his people. That with the Netherlands happily terminates a long-existing subject of dispute and removes from our future commercial intercourse all apprehension of embarrassment. The King of the Netherlands has also, in further illustration of his character for justice and of his desire to remove every cause of dissatisfaction, made compensation for an American vessel captured in 1800 by a French privateer, and carried into Curacoa, where the proceeds were appropriated to the use of the colony, then, and for a short time after, under the dominion of Holland.

The death of the late Sultan has produced no alteration in our relations with Turkey. Our newly appointed minister resident has reached Constantinople, and I have received assurances from the present ruler that the obligations of our treaty and those of friendship will be fulfilled by himself in the same spirit that actuated his illustrious father.

I regret to be obliged to inform you that no convention for the settlement of the claims of our citizens upon Mexico has yet been ratified by the Government of that country. The first convention formed for that purpose was not presented by the President of Mexico for the approbation of its Congress, from a belief that the King of Prussia, the arbitrator in case of disagreement in the joint commission to be appointed by the United States and Mexico, would not consent to take upon himself that friendly office. Although not entirely satisfied with the course pursued by Mexico, I felt no hesitation in receiving in the most conciliatory spirit the explanation offered, and also cheerfully consented to a new convention, in order to arrange the payments proposed to be made to our citizens in a manner which, while equally just to them, was deemed less onerous and inconvenient to the Mexican Government. Relying confidently upon the intentions of that Government, Mr. Ellis was directed to repair to Mexico, and diplomatic intercourse has been resumed between the two countries. The new convention has, he informs us, been recently submitted by the President of that Republic to its Congress under circumstances which promise a speedy ratification, a result which I can not allow myself to doubt.

Page 492

Instructions have been given to the commissioner of the United States under our convention with Texas for the demarcation of the line which separates us from that Republic. The commissioners of both Governments met in New Orleans in August last. The joint commission was organized, and adjourned to convene at the same place on the 12th of October. It is presumed to be now in the performance of its duties.

The new Government of Texas has shown its desire to cultivate friendly relations with us by a prompt reparation for injuries complained of in the cases of two vessels of the United States.

With Central America a convention has been concluded for the renewal of its former treaty with the United States. This was not ratified before the departure of our late charge d'affaires from that country, and the copy of it brought by him was not received before the adjournment of the Senate at the last session. In the meanwhile, the period limited for the exchange of ratifications having expired, I deemed it expedient, in consequence of the death of the charge d'affaires, to send a special agent to Central America to close the affairs of our mission there and to arrange with the Government an extension of the time for the exchange of ratifications.

The commission created by the States which formerly composed the Republic of Colombia for adjusting the claims against that Government has by a very unexpected construction of the treaty under which it acts decided that no provision was made for those claims of citizens of the United States which arose from captures by Colombian privateers and were adjudged against the claimants in the judicial tribunals. This decision will compel the United States to apply to the several Governments formerly united for redress. With all these—New Granada, Venezuela, and Ecuador—a perfectly good understanding exists. Our treaty with Venezuela is faithfully carried into execution, and that country, in the enjoyment of tranquillity, is gradually advancing in prosperity under the guidance of its present distinguished President, General Paez. With Ecuador a liberal commercial convention has lately been concluded, which will be transmitted to the Senate at an early day.

With the great American Empire of Brazil our relations continue unchanged, as does our friendly intercourse with the other Governments of South America—the Argentine Republic and the Republics of Uruguay, Chili, Peru, and Bolivia. The dissolution of the Peru-Bolivian Confederation may occasion some temporary inconvenience to our citizens in that quarter, but the obligations on the new Governments which have arisen out of that Confederation to observe its treaty stipulations will no doubt be soon understood, and it is presumed that no indisposition will exist to fulfill those which it contracted with the United States.

Page 493

The financial operations of the Government during the present year have, I am happy to say, been very successful. The difficulties under which the Treasury Department has labored, from known defects in the existing laws relative to the safe-keeping of the public moneys, aggravated by the suspension of specie payments by several of the banks holding public deposits or indebted to public officers for notes received in payment of public dues, have been surmounted to a very gratifying extent. The large current expenditures have been punctually met, and the faith of the Government in all its pecuniary concerns has been scrupulously maintained.

The nineteen millions of Treasury notes authorized by the act of Congress of 1837, and the modifications thereof with a view to the indulgence of merchants on their duty bonds and of the deposit banks in the payment of public moneys held by them, have been so punctually redeemed as to leave less than the original ten millions outstanding at any one time, and the whole amount unredeemed now falls short of three millions. Of these the chief portion is not due till next year, and the whole would have been already extinguished could the Treasury have realized the payments due to it from the banks. If those due from them during the next year shall be punctually made, and if Congress shall keep the appropriations within the estimates, there is every reason to believe that all the outstanding Treasury notes can be redeemed and the ordinary expenses defrayed without imposing on the people any additional burden, either of loans or increased taxes.

To avoid this and to keep the expenditures within reasonable bounds is a duty second only in importance to the preservation of our national character and the protection of our citizens in their civil and political rights. The creation in time of peace of a debt likely to become permanent is an evil for which there is no equivalent. The rapidity with which many of the States are apparently approaching to this condition admonishes us of our own duties in a manner too impressive to be disregarded. One, not the least important, is to keep the Federal Government always in a condition to discharge with ease and vigor its highest functions should their exercise be required by any sudden conjuncture of public affairs—a condition to which we are always exposed and which may occur when it is least expected. To this end it is indispensable that its finances should be untrammeled and its resources as far as practicable unencumbered. No circumstance could present greater obstacles to the accomplishment of these vitally important objects than the creation of an onerous national debt. Our own experience and also that of other nations have demonstrated the unavoidable and fearful rapidity with which a public debt is increased when the Government has once surrendered itself to the ruinous practice of supplying its supposed necessities by new loans. The struggle, therefore,

Page 494

on our part to be successful must be made at the threshold. To make our efforts effective, severe economy is necessary. This is the surest provision for the national welfare, and it is at the same time the best preservative of the principles on which our institutions rest. Simplicity and economy in the affairs of state have never failed to chasten and invigorate republican principles, while these have been as surely subverted by national prodigality, under whatever specious pretexts it may have been introduced or fostered.

These considerations can not be lost upon a people who have never been inattentive to the effect of their policy upon the institutions they have created for themselves, but at the present moment their force is augmented by the necessity which a decreasing revenue must impose. The check lately given to importations of articles subject to duties, the derangements in the operations of internal trade, and especially the reduction gradually taking place in our tariff of duties, all tend materially to lessen our receipts; indeed, it is probable that the diminution resulting from the last cause alone will not fall short of $5,000,000 in the year 1842, as the final reduction of all duties to 20 per cent then takes effect. The whole revenue then accruing from the customs and from the sales of public lands, if not more, will undoubtedly be wanted to defray the necessary expenses of the Government under the most prudent administration of its affairs. These are circumstances that impose the necessity of rigid economy and require its prompt and constant exercise. With the Legislature rest the power and duty of so adjusting the public expenditure as to promote this end. By the provisions of the Constitution it is only in consequence of appropriations made by law that money can be drawn from the Treasury. No instance has occurred since the establishment of the Government in which the Executive, though a component part of the legislative power, has interposed an objection to an appropriation bill on the sole ground of its extravagance. His duty in this respect has been considered fulfilled by requesting such appropriations only as the public service may be reasonably expected to require. In the present earnest direction of the public mind toward this subject both the Executive and the Legislature have evidence of the strict responsibility to which they will be held; and while I am conscious of my own anxious efforts to perform with fidelity this portion of my public functions, it is a satisfaction to me to be able to count on a cordial cooperation from you.

Page 495

At the time I entered upon my present duties our ordinary disbursements, without including those on account of the public debt, the Post-Office, and the trust funds in charge of the Government, had been largely increased by appropriations for the removal of the Indians, for repelling Indian hostilities, and for other less urgent expenses which grew out of an overflowing Treasury. Independent of the redemption of the public debt and trusts, the gross expenditures of seventeen and eighteen millions in 1834 and 1835 had by these causes swelled to twenty-nine millions in 1836, and the appropriations for 1837, made previously to the 4th of March, caused the expenditure to rise to the very large amount of thirty-three millions. We were enabled during the year 1838, notwithstanding the continuance of our Indian embarrassments, somewhat to reduce this amount, and that for the present year (1839) will not in all probability exceed twenty-six millions, or six millions less than it was last year. With a determination, so far as depends on me, to continue this reduction, I have directed the estimates for 1840 to be subjected to the severest scrutiny and to be limited to the absolute requirements of the public service. They will be found less than the expenditures of 1839 by over $5,000,000.

The precautionary measures which will be recommended by the Secretary of the Treasury to protect faithfully the public credit under the fluctuations and contingencies to which our receipts and expenditures are exposed, and especially in a commercial crisis like the present, are commended to your early attention.

On a former occasion your attention was invited to various considerations in support of a preemption law in behalf of the settlers on the public lands, and also of a law graduating the prices for such lands as had long been in the market unsold in consequence of their inferior quality. The execution of the act which was passed on the first subject has been attended with the happiest consequences in quieting titles and securing improvements to the industrious, and it has also to a very gratifying extent been exempt from the frauds which were practiced under previous preemption laws. It has at the same time, as was anticipated, contributed liberally during the present year to the receipts of the Treasury.

The passage of a graduation law, with the guards before recommended, would also, I am persuaded, add considerably to the revenue for several years, and prove in other respects just and beneficial. Your early consideration of the subject is therefore once more earnestly requested.

The present condition of the defenses of our principal seaports and navy-yards, as represented by the accompanying report of the Secretary of War, calls for the early and serious attention of Congress; and, as connecting itself intimately with this subject, I can not recommend too strongly to your consideration the plan submitted by that officer for the organization of the militia of the United States.

Page 496

In conformity with the expressed wishes of Congress, an attempt was made in the spring to terminate the Florida war by negotiation. It is to be regretted that these humane intentions should have been frustrated and that the effort to bring these unhappy difficulties to a satisfactory conclusion should have failed; but after entering into solemn engagements with the commanding general, the Indians, without any provocation, recommenced their acts of treachery and murder. The renewal of hostilities in that Territory renders it necessary that I should recommend to your favorable consideration the plan which will be submitted to you by the Secretary of War, in order to enable that Department to conduct them to a successful issue.

Having had an opportunity of personally inspecting a portion of the troops during the last summer, it gives me pleasure to bear testimony to the success of the effort to improve their discipline by keeping them together in as large bodies as the nature of our service will permit. I recommend, therefore, that commodious and permanent barracks be constructed at the several posts designated by the Secretary of War. Notwithstanding the high state of their discipline and excellent police, the evils resulting to the service from the deficiency of company officers were very apparent, and I recommend that the staff officers be permanently separated from the line.

The Navy has been usefully and honorably employed in protecting the rights and property of our citizens wherever the condition of affairs seemed to require its presence. With the exception of one instance, where an outrage, accompanied by murder, was committed on a vessel of the United States while engaged in a lawful commerce, nothing is known to have occurred to impede or molest the enterprise of our citizens on that element, where it is so signally displayed. On learning this daring act of piracy, Commodore Reed proceeded immediately to the spot, and receiving no satisfaction, either in the surrender of the murderers or the restoration of the plundered property, inflicted severe and merited chastisement on the barbarians.

It will be seen by the report of the Secretary of the Navy respecting the disposition of our ships of war that it has been deemed necessary to station a competent force on the coast of Africa to prevent a fraudulent use of our flag by foreigners.

Recent experience has shown that the provisions in our existing laws which relate to the sale and transfer of American vessels while abroad are extremely defective. Advantage has been taken of these defects to give to vessels wholly belonging to foreigners and navigating the ocean an apparent American ownership. This character has been so well simulated as to afford them comparative security in prosecuting the slave trade—a traffic emphatically denounced in our statutes, regarded with abhorrence by our citizens, and of which the effectual suppression is nowhere more

Page 497

sincerely desired than in the United States. These circumstances make it proper to recommend to your early attention a careful revision of these laws, so that without impeding the freedom and facilities of our navigation or impairing an important branch of our industry connected with it the integrity and honor of our flag may be carefully preserved. Information derived from our consul at Havana showing the necessity of this was communicated to a committee of the Senate near the close of the last session, but too late, as it appeared, to be acted upon. It will be brought to your notice by the proper Department, with additional communications from other sources.

The latest accounts from the exploring expedition represent it as proceeding successfully in its objects and promising results no less useful to trade and navigation than to science.

The extent of post-roads covered by mail service on the 1st of July last was about 133,999 miles and the rate of annual transportation upon them 34,496,878 miles. The number of post-offices on that day was 12,780 and on the 30th ultimo 13,028.

The revenue of the Post-Office Department for the year ending with the 30th of June last was $4,476,638, exhibiting an increase over the preceding year of $241,560. The engagements and liabilities of the Department for the same period are $4,624,117.

The excess of liabilities over the revenue for the last two years has been met out of the surplus which had previously accumulated. The cash on hand on the 30th ultimo was about $206,701.95 and the current income of the Department varies very little from the rate of current expenditures. Most of the service suspended last year has been restored, and most of the new routes established by the act of 7th July, 1838, have been set in operation, at an annual cost of $136,963. Notwithstanding the pecuniary difficulties of the country, the revenue of the Department appears to be increasing, and unless it shall be seriously checked by the recent suspension of payment by so many of the banks it will be able not only to maintain the present mail service, but in a short time to extend it. It is gratifying to witness the promptitude and fidelity with which the agents of this Department in general perform their public duties.

Some difficulties have arisen in relation to contracts for the transportation of the mails by railroad and steamboat companies. It appears that the maximum of compensation provided by Congress for the transportation of the mails upon railroads is not sufficient to induce some of the companies to convey them at such hours as are required for the accommodation of the public. It is one of the most important duties of the General Government to provide and maintain for the use of the people of the States the best practicable mail establishment. To arrive at that end it is indispensable that the Post-Office Department shall be enabled to control the hours at which the mails shall be carried over railroads, as it now does over all other roads. Should serious

inconveniences arise from the inadequacy of the compensation now provided by law, or from unreasonable demands by any of the railroad companies, the subject is of such general importance as to require the prompt attention of Congress.

Page 498

In relation to steamboat lines, the most efficient remedy is obvious and has been suggested by the Postmaster-General. The War and Navy Departments already employ steamboats in their service; and although it is by no means desirable that the Government should undertake the transportation of passengers or freight as a business, there can be no reasonable objection to running boats, temporarily, whenever it may be necessary to put down attempts at extortion, to be discontinued as soon as reasonable contracts can be obtained.

The suggestions of the Postmaster-General relative to the inadequacy of the legal allowance to witnesses in cases of prosecutions for mail depredations merit your serious consideration. The safety of the mails requires that such prosecutions shall be efficient, and justice to the citizen whose time is required to be given to the public demands not only that his expenses shall be paid, but that he shall receive a reasonable compensation.

The reports from the War, Navy, and Post-Office Departments will accompany this communication, and one from the Treasury Department will be presented to Congress in a few days.

For various details in respect to the matters in charge of these Departments I would refer you to those important documents, satisfied that you will find in them many valuable suggestions which will be found well deserving the attention of the Legislature.

From a report made in December of last year by the Secretary of State to the Senate, showing the trial docket of each of the circuit courts and the number of miles each judge has to travel in the performance of his duties, a great inequality appears in the amount of labor assigned to each judge. The number of terms to be held in each of the courts composing the ninth circuit, the distances between the places at which they sit and from thence to the seat of Government, are represented to be such as to render it impossible for the judge of that circuit to perform in a manner corresponding with the public exigencies his term and circuit duties. A revision, therefore, of the present arrangement of the circuit seems to be called for and is recommended to your notice.

I think it proper to call your attention to the power assumed by Territorial legislatures to authorize the issue of bonds by corporate companies on the guaranty of the Territory. Congress passed a law in 1836 providing that no act of a Territorial legislature incorporating banks should have the force of law until approved by Congress, but acts of a very exceptionable character previously passed by the legislature of Florida were suffered to remain in force, by virtue of which bonds may be issued to a very large amount by those institutions upon the faith of the Territory. A resolution, intending to be a joint one, passed the Senate at the same session, expressing the sense of Congress that the laws in question ought not to be permitted to remain in force unless amended in many material respects; but it failed in the House of Representatives for want of time,

and the desired amendments have not been made. The interests involved are of great importance, and the subject deserves your early and careful attention.

Page 499

The continued agitation of the question relative to the best mode of keeping and disbursing the public money still injuriously affects the business of the country. The suspension of specie payments in 1837 rendered the use of deposit banks as prescribed by the act of 1836 a source rather of embarrassment than aid, and of necessity placed the custody of most of the public money afterwards collected in charge of the public officers. The new securities for its safety which this required were a principal cause of my convening an extra session of Congress, but in consequence of a disagreement between the two Houses neither then nor at any subsequent period has there been any legislation on the subject. The effort made at the last session to obtain the authority of Congress to punish the use of public money for private purposes as a crime a measure attended under other governments with signal advantage—was also unsuccessful, from diversities of opinion in that body, notwithstanding the anxiety doubtless felt by it to afford every practicable security. The result of this is still to leave the custody of the public money without those safeguards which have been for several years earnestly desired by the Executive, and as the remedy is only to be found in the action of the Legislature it imposes on me the duty of again submitting to you the propriety of passing a law providing for the safe-keeping of the public moneys, and especially to ask that its use for private purposes by any officers intrusted with it may be declared to be a felony, punishable with penalties proportioned to the magnitude of the offense.

These circumstances, added to known defects in the existing laws and unusual derangement in the general operations of trade, have during the last three years much increased the difficulties attendant on the collection, keeping, and disbursement of the revenue, and called forth corresponding exertions from those having them in charge. Happily these have been successful beyond expectation. Vast sums have been collected and disbursed by the several Departments with unexpected cheapness and ease, transfers have been readily made to every part of the Union, however distant, and defalcations have been far less than might have been anticipated from the absence of adequate legal restraints. Since the officers of the Treasury and Post-Office Departments were charged with the custody of most of the public moneys received by them there have been collected $66,000,000, and, excluding the case of the late collector at New York, the aggregate amount of losses sustained in the collection can not, it is believed, exceed $60,000. The defalcation of the late collector at that city, of the extent and circumstances of which Congress have been fully informed, ran through all the modes of keeping the public money that have been hitherto in use, and was distinguished by an aggravated disregard of duty that broke through the restraints of every system, and can not, therefore, be usefully

Page 500

referred to as a test of the comparative safety of either. Additional information will also be furnished by the report of the Secretary of the Treasury, in reply to a call made upon that officer by the House of Representatives at the last session requiring detailed information on the subject of defaults by public officers or agents under each Administration from 1789 to 1837. This document will be submitted to you in a few days. The general results (independent of the Post-Office, which is kept separately and will be stated by itself), so far as they bear upon this subject, are that the losses which have been and are likely to be sustained by any class of agents have been the greatest by banks, including, as required in the resolution, their depreciated paper received for public dues; that the next largest have been by disbursing officers, and the least by collectors and receivers. If the losses on duty bonds are included, they alone will be threefold those by both collectors and receivers. Our whole experience, therefore, furnishes the strongest evidence that the desired legislation of Congress is alone wanting to insure in those operations the highest degree of security and facility. Such also appears to have been the experience of other nations. From the results of inquiries made by the Secretary of the Treasury in regard to the practice among them I am enabled to state that in twenty-two out of twenty-seven foreign governments from which undoubted information has been obtained the public moneys are kept in charge of public officers. This concurrence of opinion in favor of that system is perhaps as great as exists on any question of internal administration.

In the modes of business and official restraints on disbursing officers no legal change was produced by the suspension of specie payments. The report last referred to will be found to contain also much useful information in relation to this subject.

I have heretofore assigned to Congress my reasons for believing that the establishment of an independent National Treasury, as contemplated by the Constitution, is necessary to the safe action of the Federal Government. The suspension of specie payments in 1837 by the banks having the custody of the public money showed in so alarming a degree our dependence on those institutions for the performance of duties required by law that I then recommended the entire dissolution of that connection. This recommendation has been subjected, as I desired it should be, to severe scrutiny and animated discussion, and I allow myself to believe that notwithstanding the natural diversities of opinion which may be anticipated on all subjects involving such important considerations, it has secured in its favor as general a concurrence of public sentiment as could be expected on one of such magnitude.

Page 501

Recent events have also continued to develop new objections to such a connection. Seldom is any bank, under the existing system and practice, able to meet on demand all its liabilities for deposits and notes in circulation. It maintains specie payments and transacts a profitable business only by the confidence of the public in its solvency, and whenever this is destroyed the demands of its depositors and note holders, pressed more rapidly than it can make collections from its debtors, force it to stop payment. This loss of confidence, with its consequences, occurred in 1837, and afforded the apology of the banks for their suspension. The public then acquiesced in the validity of the excuse, and while the State legislatures did not exact from them their forfeited charters, Congress, in accordance with the recommendation of the Executive, allowed them time to pay over the public money they held, although compelled to issue Treasury notes to supply the deficiency thus created.

It now appears that there are other motives than a want of public confidence under which the banks seek to justify themselves in a refusal to meet their obligations. Scarcely were the country and Government relieved in a degree from the difficulties occasioned by the general suspension of 1837 when a partial one, occurring within thirty months of the former, produced new and serious embarrassments, though it had no palliation in such circumstances as were alleged in justification of that which had previously taken place. There was nothing in the condition of the country to endanger a well-managed banking institution; commerce was deranged by no foreign war; every branch of manufacturing industry was crowned with rich rewards, and the more than usual abundance of our harvests, after supplying our domestic wants, had left our granaries and storehouses filled with a surplus for exportation. It is in the midst of this that an irredeemable and depreciated paper currency is entailed upon the people by a large portion of the banks. They are not driven to it by the exhibition of a loss of public confidence or of a sudden pressure from their depositors or note holders, but they excuse themselves by alleging that the current of business and exchange with foreign countries, which draws the precious metals from their vaults, would require in order to meet it a larger curtailment of their loans to a comparatively small portion of the community than it will be convenient for them to bear or perhaps safe for the banks to exact. The plea has ceased to be one of necessity. Convenience and policy are now deemed sufficient to warrant these institutions in disregarding their solemn obligations. Such conduct is not merely an injury to individual creditors, but it is a wrong to the whole community, from whose liberality they hold most valuable privileges, whose rights they violate, whose business they derange, and the value of whose property they render unstable and insecure. It must be evident that this new ground for bank suspensions, in reference to which their action is not only disconnected with, but wholly independent of, that of the public, gives a character to their suspensions more alarming than any which they exhibited before, and greatly increases the impropriety of relying on the banks in the transactions of the Government.

Page 502

A large and highly respectable portion of our banking institutions are, it affords me unfeigned pleasure to state, exempted from all blame on account of this second delinquency. They have, to their great credit, not only continued to meet their engagements, but have even repudiated the grounds of suspension now resorted to. It is only by such a course that the confidence and good will of the community can be preserved, and in the sequel the best interests of the institutions themselves promoted.

New dangers to the banks are also daily disclosed from the extension of that system of extravagant credit of which they are the pillars. Formerly our foreign commerce was principally rounded on an exchange of commodities, including the precious metals, and leaving in its transactions but little foreign debt. Such is not now the case. Aided by the facilities afforded by the banks, mere credit has become too commonly the basis of trade. Many of the banks themselves, not content with largely stimulating this system among others, have usurped the business, while they impair the stability, of the mercantile community; they have become borrowers instead of lenders; they establish their agencies abroad; they deal largely in stocks and merchandise; they encourage the issue of State securities until the foreign market is glutted with them; and, unsatisfied with the legitimate use of their own capital and the exercise of their lawful privileges, they raise by large loans additional means for every variety of speculation. The disasters attendant on this deviation from the former course of business in this country are now shared alike by banks and individuals to an extent of which there is perhaps no previous example in the annals of our country. So long as a willingness of the foreign lender and a sufficient export of our productions to meet any necessary partial payments leave the flow of credit undisturbed all appears to be prosperous, but as soon as it is checked by any hesitation abroad or by an inability to make payment there in our productions the evils of the system are disclosed. The paper currency, which might serve for domestic purposes, is useless to pay the debt due in Europe. Gold and silver are therefore drawn in exchange for their notes from the banks. To keep up their supply of coin these institutions are obliged to call upon their own debtors, who pay them principally in their own notes, which are as unavailable to them as they are to the merchants to meet the foreign demand. The calls of the banks, therefore, in such emergencies of necessity exceed that demand, and produce a corresponding curtailment of their accommodations and of the currency at the very moment when the state of trade renders it most inconvenient to be borne. The intensity of this pressure on the community is in proportion to the previous liberality of credit and consequent expansion of the currency. Forced sales of property are made at the time when the means of purchasing are most reduced, and the worst calamities to individuals are only at last arrested by an open violation of their obligations by the banks—a refusal to pay specie for their notes and an imposition upon the community of a fluctuating and depreciated currency.

Page 503

These consequences are inherent in the present system. They are not influenced by the banks being large or small, created by National or State Governments. They are the results of the irresistible laws of trade or credit. In the recent events, which have so strikingly illustrated the certain effects of these laws, we have seen the bank of the largest capital in the Union, established under a national charter, and lately strengthened, as we were authoritatively informed, by exchanging that for a State charter with new and unusual privileges—in a condition, too, as it was said, of entire soundness and great prosperity—not merely unable to resist these effects, but the first to yield to them.

Nor is it to be overlooked that there exists a chain of necessary dependence among these institutions which obliges them to a great extent to follow the course of others, notwithstanding its injustice to their own immediate creditors or injury to the particular community in which they are placed. This dependence of a bank, which is in proportion to the extent of its debts for circulation and deposits, is not merely on others in its own vicinity, but on all those which connect it with the center of trade. Distant banks may fail without seriously affecting those in our principal commercial cities, but the failure of the latter is felt at the extremities of the Union. The suspension at New York in 1837 was everywhere, with very few exceptions, followed as soon as it was known. That recently at Philadelphia immediately affected the banks of the South and West in a similar manner. This dependence of our whole banking system on the institutions in a few large cities is not found in the laws of their organization, but in those of trade and exchange. The banks at that center, to which currency flows and where it is required in payments for merchandise, hold the power of controlling those in regions whence it comes, while the latter possess no means of restraining them; so that the value of individual property and the prosperity of trade through the whole interior of the country are made to depend on the good or bad management of the banking institutions in the great seats of trade on the seaboard.

But this chain of dependence does not stop here. It does not terminate at Philadelphia or New York. It reaches across the ocean and ends in London, the center of the credit system. The same laws of trade which give to the banks in our principal cities power over the whole banking system of the United States subject the former, in their turn, to the money power in Great Britain. It is not denied that the suspension of the New York banks in 1837, which was followed in quick succession throughout the Union, was produced by an application of that power, and it is now alleged, in extenuation of the present condition of so large a portion of our banks, that their embarrassments have arisen from the same cause.

Page 504

From this influence they can not now entirely escape, for it has its origin in the credit currencies of the two countries; it is strengthened by the current of trade and exchange which centers in London, and is rendered almost irresistible by the large debts contracted there by our merchants, our banks, and our States. It is thus that an introduction of a new bank into the most distant of our villages places the business of that village within the influence of the money power in England; it is thus that every new debt which we contract in that country seriously affects our own currency and extends over the pursuits of our citizens its powerful influence. We can not escape from this by making new banks, great or small, State or national. The same chains which bind those now existing to the center of this system of paper credit must equally fetter every similar institution we create. It is only by the extent to which this system has been pushed of late that we have been made fully aware of its irresistible tendency to subject our own banks and currency to a vast controlling power in a foreign lad, and it adds a new argument to those which illustrate their precarious situation.. Endangered in the first place by their own mismanagement and again by the conduct of every institution which connects them with the center of trade in our own country, they are yet subjected beyond all this to the effect of whatever measures policy, necessity, or caprice may induce those who control the credits of England to resort to. I mean not to comment upon these measures, present or past, and much less to discourage the prosecution of fair commercial dealing between the two countries, based on reciprocal benefits; but it having now been made manifest that the power of inflicting these and similar injuries is by the resistless law of a credit currency and credit trade equally capable of extending their consequences through all the ramifications of our banking system, and by that means indirectly obtaining, particularly when our banks are used as depositories of the public moneys, a dangerous political influence in the United States, I have deemed it my duty to bring the subject to your notice and ask for it your serious consideration.

Is an argument required beyond the exposition of these facts to show the impropriety of using our banking institutions as depositories of the public money? Can we venture not only to encounter the risk of their individual and mutual mismanagement, but at the same time to place our foreign and domestic policy entirely under the control of a foreign moneyed interest? To do so is to impair the independence of our Government, as the present credit system has already impaired the independence of our banks; it is to submit all its important operations, whether of peace or war, to be controlled or thwarted, at first by our own banks and then by a power abroad greater than themselves. I can not bring myself to depict the humiliation to which this Government and people might be sooner or later reduced if the means for defending their rights are to be made dependent upon those who may have the most powerful of motives to impair them.

Page 505

Nor is it only in reference to the effect of this state of things on the independence of our Government or of our banks that the subject presents itself for consideration; it is to be viewed also in its relations to the general trade of our country. The time is not long passed when a deficiency of foreign crops was thought to afford a profitable market for the surplus of our industry, but now we await with feverish anxiety the news of the English harvest, not so much from motives of commendable sympathy, but fearful lest its anticipated failure should narrow the field of credit there. Does not this speak volumes to the patriot? Can a system be beneficent, wise, or just which creates greater anxiety for interests dependent on foreign credit than for the general prosperity of our own country and the profitable exportation of the surplus produce of our labor?

The circumstances to which I have thus adverted appear to me to afford weighty reasons, developed by late events, to be added to those which I have on former occasions offered when submitting to your better knowledge and discernment the propriety of separating the custody of the public money from banking institutions. Nor has anything occurred to lessen, in my opinion, the force of what has been heretofore urged. The only ground on which that custody can be desired by the banks is the profitable use which they may make of the money. Such use would be regarded in individuals as a breach of trust or a crime of great magnitude, and yet it may be reasonably doubted whether, first and last, it is not attended with more mischievous consequences when permitted to the former than to the latter. The practice of permitting the public money to be used by its keepers, as here, is believed to be peculiar to this country and to exist scarcely anywhere else. To procure it here improper influences are appealed to, unwise connections are established between the Government and vast numbers of powerful State institutions, other motives than the public good are brought to bear both on the executive and legislative departments, and selfish combinations leading to special legislation are formed. It is made the interest of banking institutions and their stockholders throughout the Union to use their exertions for the increase of taxation and the accumulation of a surplus revenue, and while an excuse is afforded the means are furnished for those excessive issues which lead to extravagant trading and speculation and are the forerunners of a vast debt abroad and a suspension of the banks at home.

Impressed, therefore, as I am with the propriety of the funds of the Government being withdrawn from the private use of either banks or individuals, and the public money kept by duly appointed public agents, and believing as I do that such also is the judgment which discussion, reflection, and experience have produced on the public mind, I leave the subject with you. It is, at all events, essential to the interests of the community and the business of the Government that a decision should be made.

Page 506

Most of the arguments that dissuade us from employing banks in the custody and disbursement of the public money apply with equal force to the receipt of their notes for public dues. The difference is only in form. In one instance the Government is a creditor for its deposits, and in the other for the notes it holds. They afford the same opportunity for using the public moneys, and equally lead to all the evils attendant upon it, since a bank can as safely extend its discounts on a deposit of its notes in the hands of a public officer as on one made in its own vaults. On the other hand, it would give to the Government no greater security, for in case of failure the claim of the note holder would be no better than that of a depositor.

I am aware that the danger of inconvenience to the public and unreasonable pressure upon sound banks have been urged as objections to requiring the payment of the revenue in gold and silver. These objections have been greatly exaggerated. From the best estimates we may safely fix the amount of specie in the country at $85,000,000, and the portion of that which would be employed at any one time in the receipts and disbursements of the Government, even if the proposed change were made at once, would not, it is now, after fuller investigation, believed exceed four or five millions. If the change were gradual, several years would elapse before that sum would be required, with annual opportunities in the meantime to alter the law should experience prove it to be oppressive or inconvenient. The portions of the community on whose business the change would immediately operate are comparatively small, nor is it believed that its effect would be in the least unjust or injurious to them.

In the payment of duties, which constitute by far the greater portion of the revenue, a very large proportion is derived from foreign commission houses and agents of foreign manufacturers, who sell the goods consigned to them generally at auction, and after paying the duties out of the avails remit the rest abroad in specie or its equivalent. That the amount of duties should in such cases be also retained in specie can hardly be made a matter of complaint. Our own importing merchants, by whom the residue of the duties is paid, are not only peculiarly interested in maintaining a sound currency, which the measure in question will especially promote, but are from the nature of their dealings best able to know when specie will be needed and to procure it with the least difficulty or sacrifice. Residing, too, almost universally in places where the revenue is received and where the drafts used by the Government for its disbursements must concentrate, they have every opportunity to obtain and use them in place of specie should it be for their interest or convenience. Of the number of these drafts and the facilities they may afford, as well as of the rapidity with which the public funds are drawn and disbursed, an idea may be formed from the fact that of nearly $20,000,000 paid to collectors and receivers during the present year the average amount in their hands at any one time has not exceeded a million and a half, and of the fifteen millions received by the collector of New York alone during the present year the average amount held by him subject to draft during each week has been less than half a million.

Page 507

The ease and safety of the operations of the Treasury in keeping the public money are promoted by the application of its own drafts to the public dues. The objection arising from having them too long outstanding might be obviated and they yet made to afford to merchants and banks holding them an equivalent for specie, and in that way greatly lessen the amount actually required. Still less inconvenience will attend the requirement of specie in purchases of public lands. Such purchases, except when made on speculation, are in general but single transactions, rarely repeated by the same person; and it is a fact that for the last year and a half, during which the notes of sound banks have been received, more than a moiety of these payments has been voluntarily made in specie, being a larger proportion than would have been required in three years under the graduation proposed.

It is, moreover, a principle than which none is better settled by experience that the supply of the precious metals will always be found adequate to the uses for which they are required. They abound in countries where no other currency is allowed. In our own States, where small notes are excluded, gold and silver supply their place. When driven to their hiding places by bank suspensions, a little firmness in the community soon restores them in a sufficient quantity for ordinary purposes. Postage and other public dues have been collected in coin without serious inconvenience even in States where a depreciated paper currency has existed for years, and this, with the aid of Treasury notes for a part of the time, was done without interruption during the suspension of 1837. At the present moment the receipts and disbursements of the Government are made in legal currency in the largest portion of the Union. No one suggests a departure from this rule, and if it can now be successfully carried out it will be surely attended with even less difficulty when bank notes are again redeemed in specie.

Indeed, I can not think that a serious objection would anywhere be raised to the receipt and payment of gold and silver in all public transactions were it not from an apprehension that a surplus in the Treasury might withdraw a large portion of it from circulation and lock it up unprofitably in the public vaults. It would not, in my opinion, be difficult to prevent such an inconvenience from occurring; but the authentic statements which I have already submitted to you in regard to the actual amount in the public Treasury at any one time during the period embraced in them and the little probability of a different state of the Treasury for at least some years to come seem to render it unnecessary to dwell upon it. Congress, moreover, as I have before observed, will in every year have an opportunity to guard against it should the occurrence of any circumstances lead us to apprehend injury from this source. Viewing the subject in all its aspects, I can not believe that any period will be more auspicious than the present for the adoption of all measures necessary to maintain the sanctity of our own engagements and to aid in securing to the community that abundant supply of the precious metals which adds so much to their prosperity and gives such increased stability to all their dealings.

Page 508

In a country so commercial as ours banks in some form will probably always exist, but this serves only to render it the more incumbent on us, notwithstanding the discouragements of the past, to strive in our respective stations to mitigate the evils they produce; to take from them as rapidly as the obligations of public faith and a careful consideration of the immediate interests of the community will permit the unjust character of monopolies; to check, so far as may be practicable, by prudent legislation those temptations of interest and those opportunities for their dangerous indulgence which beset them on every side, and to confine them strictly to the performance of their paramount duty—that of aiding the operations of commerce rather than consulting their own exclusive advantage. These and other salutary reforms may, it is believed, be accomplished without the violation of any of the great principles of the social compact, the observance of which is indispensable to its existence, or interfering in any way with the useful and profitable employment of real capital.

Institutions so framed have existed and still exist elsewhere, giving to commercial intercourse all necessary facilities without inflating or depreciating the currency or stimulating speculation. Thus accomplishing their legitimate ends, they have gained the surest guaranty for their protection and encouragement in the good will of the community. Among a people so just as ours the same results could not fail to attend a similar course. The direct supervision of the banks belongs, from the nature of our Government, to the States who authorize them. It is to their legislatures that the people must mainly look for action on that subject. But as the conduct of the Federal Government in the management of its revenue has also a powerful, though less immediate, influence upon them, it becomes our duty to see that a proper direction is given to it. While the keeping of the public revenue in a separate and independent treasury and of collecting it in gold and silver will have a salutary influence on the system of paper credit with which all banks are connected, and thus aid those that are sound and well managed, it will at the same time sensibly check such as are otherwise by at once withholding the means of extravagance afforded by the public funds and restraining them from excessive issues of notes which they would be constantly called upon to redeem.

I am aware it has been urged that this control may be best attained and exerted by means of a national bank. The constitutional objections which I am well known to entertain would prevent me in any event from proposing or assenting to that remedy; but in addition to this, I can not after past experience bring myself to think that it can any longer be extensively regarded as effective for such a purpose. The history of the late national bank, through all its mutations, shows that it was not so. On the contrary,

Page 509

it may, after a careful consideration of the subject, be, I think, safely stated that at every period of banking excess it took the lead; that in 1817 and 1818, in 1823, in 1831, and in 1834 its vast expansions, followed by distressing contractions, led to those of the State institutions. It swelled and maddened the tides of the banking system, but seldom allayed or safely directed them. At a few periods only was a salutary control exercised, but an eager desire, on the contrary, exhibited for profit in the first place; and if afterwards its measures were severe toward other institutions, it was because its own safety compelled it to adopt them. It did not differ from them in principle or in form; its measures emanated from the same spirit of gain; it felt the same temptation to overissues; it suffered from and was totally unable to avert those inevitable laws of trade by which it was itself affected equally with them; and at least on one occasion, at an early day, it was saved only by extraordinary exertions from the same fate that attended the weakest institution it professed to supervise. In 1837 it failed equally with others in redeeming its notes (though the two years allowed by its charter for that purpose had not expired), a large amount of which remains to the present time outstanding. It is true that, having so vast a capital and strengthened by the use of all the revenues of the Government, it possessed more power; but while it was itself by that circumstance freed from the control which all banks require, its paramount object and inducement were left the same—to make the most for its stockholders, not to regulate the currency of the country. Nor has it, as far as we are advised, been found to be greatly otherwise elsewhere. The national character given to the Bank of England has not prevented excessive fluctuations in their currency, and it proved unable to keep off a suspension of specie payments, which lasted for nearly a quarter of a century. And why should we expect it to be otherwise? A national institution, though deriving its charter from a different source than the State banks, is yet constituted upon the same principles, is conducted by men equally exposed to temptation, and is liable to the same disasters, with the additional disadvantage that its magnitude occasions an extent of confusion and distress which the mismanagement of smaller institutions could not produce. It can scarcely be doubted that the recent suspension of the United State Bank of Pennsylvania, of which the effects are felt not in that State alone, but over half the Union, had its origin in a course of business commenced while it was a national institution, and there is no good reason for supposing that the same consequences would not have followed had it still derived its powers from the General Government. It is in vain, when the influences and impulses are the same, to look for a difference in conduct or results. By such creations we do, therefore, but increase the

Page 510

mass of paper credit and paper currency, without checking their attendant evils and fluctuations. The extent of power and the efficiency of organization which we give, so far from being beneficial, are in practice positively injurious. They strengthen the chain of dependence throughout the Union, subject all parts more certainly to common disaster, and bind every bank more effectually in the first instance to those of our commercial cities, and in the end to a foreign power. In a word, I can not but believe that, with the full understanding of the operations of our banking system which experience has produced, public sentiment is not less opposed to the creation of a national bank for purposes connected with currency and commerce than for those connected with the fiscal operations of the Government.

Yet the commerce and currency of the country are suffering evils from the operations of the State banks which can not and ought not to be overlooked. By their means we have been flooded with a depreciated paper, which it was evidently the design of the framers of the Constitution to prevent when they required Congress to “Coin money and regulate the value of foreign coins,” and when they forbade the States “to coin money, emit bills of credit, make anything but gold and silver a tender in payment of debts,” or “pass any law impairing the obligation of contracts.” If they did not guard more explicitly against the present state of things, it was because they could not have anticipated that the few banks then existing were to swell to an extent which would expel to so great a degree the gold and silver for which they had provided from the channels of circulation, and fill them with a currency that defeats the objects they had in view. The remedy for this must chiefly rest with the States from whose legislation it has sprung. No good that might accrue in a particular case front the exercise of powers not obviously conferred on the General Government would authorize its interference or justify a course that might in the slightest degree increase at the expense of the States the power of the Federal authorities; nor do I doubt that the States will apply the remedy. Within the last few years events have appealed to them too strongly to be disregarded. They have seen that the Constitution, though theoretically adhered to, is subverted in practice; that while on the statute books there is no legal tender but gold and silver, no law impairing the obligations of contracts, yet that in point of fact the privileges conferred on banking corporations have made their notes the currency of the country; that the obligations imposed by these notes are violated under the impulses of interest or convenience, and that the number and power of the persons connected with these corporations or placed under their influence give them a fearful weight when their interest is in opposition to the spirit of the Constitution and laws. To the people it is immaterial whether

Page 511

these results are produced by open violations of the latter or by the workings of a system of which the result is the same. An inflexible execution even of the existing statutes of most of the States would redress many evils now endured, would effectually show the banks the dangers of mismanagement which impunity encourages them to repeat, and would teach all corporations the useful lesson that they are the subjects of the law and the servants of the people. What is still wanting to effect these objects must be sought in additional legislation, or, if that be inadequate, in such further constitutional grants or restrictions as may bring us back into the path from which we have so widely wandered.

In the meantime it is the duty of the General Government to cooperate with the States by a wise exercise of its constitutional powers and the enforcement of its existing laws. The extent to which it may do so by further enactments I have already adverted to, and the wisdom of Congress may yet enlarge them. But above all, it is incumbent upon us to hold erect the principles of morality and law, constantly executing our own contracts in accordance with the provisions of the Constitution, and thus serving as a rallying point by which our whole country may be brought back to that safe and honored standard.

Our people will not long be insensible to the extent of the burdens entailed upon them by the false system that has been operating on their sanguine, energetic, and industrious character, nor to the means necessary to extricate themselves from these embarrassments. The weight which presses upon a large portion of the people and the States is an enormous debt, foreign and domestic. The foreign debt of our States, corporations, and men of business can scarcely be less than $200,000,000, requiring more than $10,000,000 a year to pay the interest. This sum has to be paid out of the exports of the country, and must of necessity cut off imports to that extent or plunge the country more deeply in debt from year to year. It is easy to see that the increase of this foreign debt must augment the annual demand on the exports to pay the interest, and to the same extent diminish the imports, and in proportion to the enlargement of the foreign debt and the consequent increase of interest must be the decrease of the import trade. In lieu of the comforts which it now brings us we might have our. gigantic banking institutions and splendid, but in many instances profitless, railroads and canals absorbing to a great extent in interest upon the capital borrowed to construct them the surplus fruits of national industry for years to come, and securing to posterity no adequate return for the comforts which the labors of their hands might otherwise have secured. It is not by the increase of this debt that relief is to be sought, but in its diminution. Upon this point there is, I am happy to say, hope before us; not so much in the return of confidence abroad,

Page 512

which will enable the States to borrow more money, as in a change of public feeling at home, which prompts our people to pause in their career and think of the means by which debts are to be paid before they are contracted. If we would escape embarrassment, public and private, we must cease to run in debt except for objects of necessity or such as will yield a certain return. Let the faith of the States, corporations, and individuals already pledged be kept with the most punctilious regard. It is due to our national character as well as to justice that this should on the part of each be a fixed principle of conduct. But it behooves us all to be more chary in pledging it hereafter. By ceasing to run in debt and applying the surplus of our crops and incomes to the discharge of existing obligations, buying less and selling more, and managing all affairs, public and private, with strict economy and frugality, we shall see our country soon recover from a temporary depression, arising not from natural and permanent causes, but from those I have enumerated, and advance with renewed vigor in her career of prosperity.

Fortunately for us at this moment, when the balance of trade is greatly against us and the difficulty of meeting it enhanced by the disturbed state of our money affairs, the bounties of Providence have come to relieve us from the consequences of past errors. A faithful application of the immense results of the labors of the last season will afford partial relief for the present, and perseverance in the same course will in due season accomplish the rest. We have had full experience in times past of the extraordinary results which can in this respect be brought about in a short period by the united and well-directed efforts of a community like ours. Our surplus profits, the energy and industry of our population, and the wonderful advantages which Providence has bestowed upon our country in its climate, its various productions, indispensable to other nations, will in due time afford abundant means to perfect the most useful of those objects for which the States have been plunging themselves of late in embarrassment and debt, without imposing on ourselves or our children such fearful burdens.

But let it be indelibly engraved on our minds that relief is not to be found in expedients. Indebtedness can not be lessened by borrowing more money or by changing the form of the debt. The balance of trade is not to be turned in our favor by creating new demands upon us abroad. Our currency can not be improved by the creation of new banks or more issues from those which now exist. Although these devices sometimes appear to give temporary relief, they almost invariably aggravate the evil in the end. It is only by retrenchment and reform—by curtailing public and private expenditures, by paying our debts, and by reforming our banking system—that we are to expect effectual relief, security for the future, and an enduring prosperity. In shaping the institutions and policy of the General Government so as to promote as far as it can with its limited powers these important ends, you may rely on my most cordial cooperation.

Page 513

That there should have been in the progress of recent events doubts in many quarters and in some a heated opposition to every change can not surprise us. Doubts are properly attendant on all reform, and it is peculiarly in the nature of such abuses as we are now encountering to seek to perpetuate their power by means of the influence they have been permitted to acquire. It is their result, if not their object, to gain for the few an ascendency over the many by securing to them a monopoly of the currency, the medium through which most of the wants of mankind are supplied; to produce throughout society a chain of dependence which leads all classes to look to privileged associations for the means of speculation and extravagance; to nourish, in preference to the manly virtues that give dignity to human nature, a craving desire for luxurious enjoyment and sudden wealth, which renders those who seek them dependent on those who supply them; to substitute for republican simplicity and economical habits a sickly appetite for effeminate indulgence and an imitation of that reckless extravagance which impoverished and enslaved the industrious people of foreign lands, and at last to fix upon us, instead of those equal political rights the acquisition of which was alike the object and supposed reward of our Revolutionary struggle, a system of exclusive privileges conferred by partial legislation. To remove the influences which had thus gradually grown up among us, to deprive them of their deceptive advantages, to test them by the light of wisdom and truth, to oppose the force which they concentrate in their sup-port—all this was necessarily the work of time, even among a people so enlightened and pure as that of the United States. In most other countries, perhaps, it could only be accomplished through that series of revolutionary movements which are too often found necessary to effect any great and radical reform; but it is the crowning merit of our institutions that they create and nourish in the vast majority of our people a disposition and a power peaceably to remedy abuses which have elsewhere caused the effusion of rivers of blood and the sacrifice of thousands of the human race. The result thus far is most honorable to the self-denial, the intelligence, and the patriotism of our citizens; it justifies the confident hope that they will carry through the reform which has been so well begun, and that they will go still further than they have yet gone in illustrating the important truth that a people as free and enlightened as ours will, whenever it becomes necessary, show themselves to be indeed capable of self-government by voluntarily adopting appropriate remedies for every abuse, and submitting to temporary sacrifices, however great, to insure their permanent welfare.

Page 514

My own exertions for the furtherance of these desirable objects have been bestowed throughout my official career with a zeal that is nourished by ardent wishes for the welfare of my country, and by an unlimited reliance on the wisdom that marks its ultimate decision on all great and controverted questions. Impressed with the solemn obligations imposed upon me by the Constitution, desirous also of laying before my fellow-citizens, with whose confidence and support I have been so highly honored, such measures as appear to me conducive to their prosperity, and anxious to submit to their fullest consideration the grounds upon which my opinions are formed, I have on this as on preceding occasions freely offered my views on those points of domestic policy that seem at the present time most prominently to require the action of the Government. I know that they will receive from Congress that full and able consideration which the importance of the subjects merits, and I can repeat the assurance heretofore made that I shall cheerfully and readily cooperate with you in every measure that will tend to promote the welfare of the Union.

M. VAN BUREN

***

State of the Union Address
Martin van Buren
December 5, 1840

Fellow-Citizens of the Senate and House of Representatives:

Our devout gratitude is due to the Supreme Being for having graciously continued to our beloved country through the vicissitudes of another year the invaluable blessings of health, plenty, and peace. Seldom has this favored land been so generally exempted from the ravages of disease or the labor of the husbandman more amply rewarded, and never before have our relations with other countries been placed on a more favorable basis than that which they so happily occupy at this critical conjuncture in the affairs of the world. A rigid and persevering abstinence from all interference with the domestic and political relations of other States, alike due to the genius and distinctive character of our Government and to the principles by which it is directed; a faithful observance in the management of our foreign relations of the practice of speaking plainly, dealing justly, and requiring truth and justice in return as the best conservatives of the peace of nations; a strict impartiality in our manifestations of friendship in the commercial privileges we concede and those we require from others—these, accompanied by a disposition as prompt to maintain in every emergency our own rights as we are from principle averse to the invasion of those of others, have given to our country and Government a standing in the great family of nations of which we have just cause to be proud and the advantages of which are experienced by our citizens throughout every portion of the earth to which their enterprising and adventurous spirit may carry them.

Few, if any, remain insensible to the value of our friendship or ignorant of the terms on which it can be acquired and by which it can alone be preserved.

Page 515

A series of questions of long standing, difficult in their adjustment and important in their consequences, in which the rights of our citizens and the honor of the country were deeply involved, have in the course of a few years (the most of them during the successful Administration of my immediate predecessor) been brought to a satisfactory conclusion; and the most important of those remaining are, I am happy to believe, in a fair way of being speedily and satisfactorily adjusted.

With all the powers of the world our relations are those of honorable peace. Since your adjournment nothing serious has occurred to interrupt or threaten this desirable harmony. If clouds have lowered above the other hemisphere, they have not cast their portentous shadows upon our happy shores. Bound by no entangling alliances, yet linked by a common nature and interest with the other nations of mankind, our aspirations are for the preservation of peace, in whose solid and civilizing triumphs all may participate with a generous emulation. Yet it behooves us to be prepared for any event and to be always ready to maintain those just and enlightened principles of national intercourse for which this Government has ever contended. In the shock of contending empires it is only by assuming a resolute bearing and clothing themselves with defensive armor that neutral nations can maintain their independent rights.

The excitement which grew out of the territorial controversy between the United States and Great Britain having in a great measure subsided, it is hoped that a favorable period is approaching for its final settlement. Both Governments must now be convinced of the dangers with which the question is fraught, and it must be their desire, as it is their interest, that this perpetual cause of irritation should be removed as speedily as practicable. In my last annual message you were informed that the proposition for a commission of exploration and survey promised by Great Britain had been received, and that a counter project, including also a provision for the certain and final adjustment of the limits in dispute, was then before the British Government for its consideration. The answer of that Government, accompanied by additional propositions of its own, was received through its minister here since your separation. These were promptly considered, such as were deemed correct in principle and consistent with a due regard to the just rights of the United States and of the State of Maine concurred in, and the reasons for dissenting from the residue, with an additional suggestion on our part, communicated by the Secretary of State to Mr. Fox. That minister, not feeling himself sufficiently instructed upon some of the points raised in the discussion, felt it to be his duty to refer the matter to his own Government for its further decision. Having now been for some time under its advisement, a speedy answer may be confidently expected. From the character of

Page 516

the points still in difference and the undoubted disposition of both parties to bring the matter to an early conclusion, I look with entire confidence to a prompt and satisfactory termination of the negotiation. Three commissioners were appointed shortly after the adjournment of Congress under the act of the last session providing for the exploration and survey of the line which separates the States of Maine and New Hampshire from the British Provinces. They have been actively employed until their progress was interrupted by the inclemency of the season, and will resume their labors as soon as practicable in the ensuing year.

It is understood that their respective examinations will throw new light upon the subject in controversy and serve to remove any erroneous impressions which may have been made elsewhere prejudicial to the rights of the United States. It was, among other reasons, with a view of preventing the embarrassments which in our peculiar system of government impede and complicate negotiations involving the territorial rights of a State that I thought it my duty, as you have been informed on a previous occasion, to propose to the British Government, through its minister at Washington, that early steps should be taken to adjust the points of difference on the line of boundary from the entrance of Lake Superior to the most northwestern point of the Lake of the Woods by the arbitration of a friendly power in conformity with the seventh article of the treaty of Ghent. No answer has yet been returned by the British Government to this proposition.

With Austria, France, Prussia, Russia, and the remaining powers of Europe I am happy to inform you our relations continue to be of the most friendly character. With Belgium a treaty of commerce and navigation, based upon liberal principles of reciprocity and equality, was concluded in March last, and, having been ratified by the Belgian Government, will be duly laid before the Senate. It is a subject of congratulation that it provides for the satisfactory adjustment of a long-standing question of controversy, thus removing the only obstacle which could obstruct the friendly and mutually advantageous intercourse between the two nations. A messenger has been dispatched with the Hanoverian treaty to Berlin, where, according to stipulation, the ratifications are to be exchanged. I am happy to announce to you that after many delays and difficulties a treaty of commerce and navigation between the United States and Portugal was concluded and signed at Lisbon on the 26th of August last by the plenipotentiaries of the two Governments. Its stipulations are founded upon those principles of mutual liberality and advantage which the United States have always sought to make the basis of their intercourse with foreign powers, and it is hoped they will tend to foster and strengthen the commercial intercourse of the two countries.

Under the appropriation of the last session of Congress an agent has been sent to Germany for the purpose of promoting the interests of our tobacco trade.

Page 517

The commissioners appointed under the convention for the adjustment of claims of citizens of the United States upon Mexico having met and organized at Washington in August last, the papers in the possession of the Government relating to those claims were communicated to the board. The claims not embraced by that convention are now the subject of negotiation between the two Governments through the medium of our minister at Mexico.

Nothing has occurred to disturb the harmony of our relations with the different Governments of South America. I regret, however, to be obliged to inform you that the claims of our citizens upon the late Republic of Colombia have not yet been satisfied by the separate Governments into which it has been resolved.

The charge d'affaires of Brazil having expressed the intention of his Government not to prolong the treaty of 1828, it will cease to be obligatory upon either party on the 12th day of December, 1841, when the extensive commercial intercourse between the United States and that vast Empire will no longer be regulated by express stipulations.

It affords me pleasure to communicate to you that the Government of Chili has entered into an agreement to indemnify the claimants in the case of the Macectonian for American property seized in 1819, and to add that information has also been received which justifies the hope of an early adjustment of the remaining claims upon that Government.

The commissioners appointed in pursuance of the convention between the United States and Texas for marking the boundary between them have, according to the last report received from our commissioner, surveyed and established the whole extent of the boundary north along the western bank of the Sabine River from its entrance into the Gulf of Mexico to the thirty-second degree of north latitude. The commission adjourned on the 16th of June last, to reassemble on the 1st of November for the purpose of establishing accurately the intersection of the thirty-second degree of latitude with the western bank of the Sabine and the meridian line thence to Red River. It is presumed that the work will be concluded in the present season.

The present sound condition of their finances and the success with which embarrassments in regard to them, at times apparently insurmountable, have been overcome are matters upon which the people and Government of the United States may well congratulate themselves. An overflowing Treasury, however it may be regarded as an evidence of public prosperity, is seldom conducive to the permanent welfare of any people, and experience has demonstrated its incompatibility with the salutary action of political institutions like those of the United States. Our safest reliance for financial efficiency and independence has, on the contrary, been found to consist in ample resources unencumbered with debt, and in this respect the Federal Government occupies a singularly fortunate and truly enviable position.

Page 518

When I entered upon the discharge of my official duties in March, 1837, the act for the distribution of the surplus revenue was in a course of rapid execution. Nearly $28,000,000 of the public moneys were, in pursuance of its provisions, deposited with the States in the months of January, April, and July of that year. In May there occurred a general suspension of specie payments by the banks, including, with very few exceptions, those in which the public moneys were deposited and upon whose fidelity the Government had unfortunately made itself dependent for the revenues which had been collected from the people and were indispensable to the public service.

This suspension and the excesses in banking and commerce out of which it arose, and which were greatly aggravated by its occurrence, made to a great extent unavailable the principal part of the public money then on hand, suspended the collection of many millions accruing on merchants' bonds, and greatly reduced the revenue arising from customs and the public lands. These effects have continued to operate in various degrees to the present period, and in addition to the decrease in the revenue thus produced two and a half millions of duties have been relinquished by two biennial reductions under the act of 1833, and probably as much more upon the importation of iron for railroads by special legislation.

Whilst such has been our condition for the last four years in relation to revenue, we have during the same period been subjected to an unavoidable continuance of large extraordinary expenses necessarily growing out of past transactions, and which could not be immediately arrested without great prejudice to the public interest. Of these, the charge upon the Treasurer in consequence of the Cherokee treaty alone, without adverting to others arising out of Indian treaties, has already exceeded $5,000,000; that for the prosecution of measures for the removal of the Seminole Indians, which were found in progress, has been nearly fourteen millions, and the public buildings have required the unusual sum of nearly three millions.

It affords me, however, great pleasure to be able to say that from the commencement of this period to the present day every demand upon the Government, at home or abroad, has been promptly met. This has been done not only without creating a permanent debt or a resort to additional taxation in any form, but in the midst of a steadily progressive reduction of existing burdens upon the people, leaving still a considerable balance of available funds which will remain in the Treasury at the end of the year. The small amount of Treasury notes, not exceeding $4,500,000, still outstanding, and less by twenty-three millions than the United States have in deposit with the States, is composed of such only as are not yet due or have not been presented for payment. They may be redeemed out of the accruing revenue if the expenditures do not exceed the amount within which they may, it is thought, be kept without prejudice to the public interest, and the revenue shall prove to be as large as may justly be anticipated.

Page 519

Among the reflections arising from the contemplation of these circumstances, one, not the least gratifying, is the consciousness that the Government had the resolution and the ability to adhere in every emergency to the sacred obligations of law, to execute all its contracts according to the requirements of the Constitution, and thus to present when most needed a rallying point by which the business of the whole country might be brought back to a safe and unvarying standard—a result vitally important as well to the interests as to the morals of the people. There can surely now be no difference of opinion in regard to the incalculable evils that would have arisen if the Government at that critical moment had suffered itself to be deterred from upholding the only true standard of value, either by the pressure of adverse circumstances or the violence of unmerited denunciation. The manner in which the people sustained the performance of this duty was highly honorable to their fortitude and patriotism. It can not fail to stimulate their agents to adhere under all circumstances to the line of duty and to satisfy them of the safety with which a course really right and demanded by a financial crisis may in a community like ours be pursued, however apparently severe its immediate operation.

The policy of the Federal Government in extinguishing as rapidly as possible the national debt, and subsequently in resisting every temptation to create a new one, deserves to be regarded in the same favorable light. Among the many objections to a national debt, the certain tendency of public securities to concentrate ultimately in the coffers of foreign stockholders is one which is every day gathering strength. Already have the resources of many of the States and the future industry of their citizens been indefinitely mortgaged to the subjects of European Governments to the amount of twelve millions annually to pay the constantly accruing interest on borrowed money—a sum exceeding half the ordinary revenues of the whole United States. The pretext which this relation affords to foreigners to scrutinize the management of our domestic affairs, if not actually to intermeddle with them, presents a subject for earnest attention, not to say of serious alarm. Fortunately, the Federal Government, with the exception of an obligation entered into in behalf of the District of Columbia, which must soon be discharged, is wholly exempt from any such embarrassment. It is also, as is believed, the only Government which, having fully and faithfully paid all its creditors, has also relieved itself entirely from debt. To maintain a distinction so desirable and so honorable to our national character should be an object of earnest solicitude. Never should a free people, if it be possible to avoid it, expose themselves to the necessity of having to treat of the peace, the honor, or the safety of the Republic with the governments of foreign creditors, who, however well disposed they

Page 520

may be to cultivate with us in general friendly relations, are nevertheless by the law of their own condition made hostile to the success and permanency of political institutions like ours. Most humiliating may be the embarrassments consequent upon such a condition. Another objection, scarcely less formidable, to the commencement of a new debt is its inevitable tendency to increase in magnitude and to foster national extravagance. He has been an unprofitable observer of events who needs at this day to be admonished of the difficulties which a government habitually dependent on loans to sustain its ordinary expenditures has to encounter in resisting the influences constantly exerted in favor of additional loans; by capitalists, who enrich themselves by government securities for amounts much exceeding the money they actually advance—a prolific source of individual aggrandizement in all borrowing countries; by stockholders, who seek their gains in the rise and fall of public stocks; and by the selfish importunities of applicants for appropriations for works avowedly for the accommodation of the public, but the real objects of which are too frequently the advancement of private interests. The known necessity which so many of the States will be under to impose taxes for the payment of the interest on their debts furnishes an additional and very cogent reason why the Federal Governments should refrain from creating a national debt, by which the people would be exposed to double taxation for a similar object. We possess within ourselves ample resources for every emergency, and we may be quite sure that our citizens in no future exigency will be unwilling to supply the Government with all the means asked for the defense of the country. In time of peace there can, at all events, be no justification for the creation of a permanent debt by the Federal Government. Its limited range of constitutional duties may certainly under such circumstances be performed without such a resort. It has, it is seen, been avoided during four years of greater fiscal difficulties than have existed in a similar period since the adoption of the Constitution, and one also remarkable for the occurrence of extraordinary causes of expenditures.

But to accomplish so desirable an object two things are indispensable: First, that the action of the Federal Government be kept within the boundaries prescribed by its founders, and, secondly, that all appropriations for objects admitted to be constitutional, and the expenditure of them also, be subjected to a standard of rigid but well-considered and practical economy. The first depends chiefly on the people themselves—the opinions they form of the true construction of the Constitution and the confidence they repose in the political sentiments of those they select as their representatives in the Federal Legislature; the second rests upon the fidelity with which their more immediate representatives and other public functionaries

Page 521

discharge the trusts committed to them. The duty of economizing the expenses of the public service is admitted on all hands; yet there are few subjects upon which there exists a wider difference of opinion than is constantly manifested in regard to the fidelity with which that duty is discharged. Neither diversity of sentiment nor even mutual recriminations upon a point in respect to which the public mind is so justly sensitive can well be entirely avoided, and least so at periods of great political excitement. An intelligent people, however, seldom fail to arrive in the end at correct conclusions in such a matter. Practical economy in the management of public affairs can have no adverse influence to contend with more powerful than a large surplus revenue, and the unusually large appropriations for 1837 may without doubt, independently of the extraordinary requisitions for the public service growing out of the state of our Indian relations, be in no inconsiderable degree traced to this source. The sudden and rapid distribution of the large surplus then in the Treasury and the equally sudden and unprecedentedly severe revulsion in the commerce and business of the country, pointing with unerring certainty to a great and protracted reduction of the revenue, strengthened the propriety of the earliest practicable reduction of the public expenditures.

But to change a system operating upon so large a surface and applicable to such numerous and diversified interests and objects was more than the work of a day. The attention of every department of the Government was immediately and in good faith directed to that end, and has been so continued to the present moment. The estimates and appropriations for the year 1838 (the first over which I had any control) were somewhat diminished. The expenditures of 1839 were reduced $6,000,000. Those of 1840, exclusive of disbursements for public debt and trust claims, will probably not exceed twenty-two and a half millions, being between two and three millions less than those of the preceding year and nine or ten millions less than those of 1837. Nor has it been found necessary in order to produce this result to resort to the power conferred by Congress of postponing certain classes of the public works, except by deferring expenditures for a short period upon a limited portion of them, and which postponement terminated some time since—at the moment the Treasury Department by further receipts from the indebted banks became fully assured of its ability to meet them without prejudice to the public service in other respects. Causes are in operation which will, it is believed, justify a still further reduction without injury to any important national interest. The expenses of sustaining the troops employed in Florida have been gradually and greatly reduced through the persevering efforts of the War Department, and a reasonable hope may be entertained that the necessity for military operations in that quarter will soon cease. The removal of the Indians from within our settled borders is nearly completed. The pension list, one of the heaviest charges upon the Treasury, is rapidly diminishing by death. The most costly of our public buildings are either finished or nearly so, and we may, I think, safely promise ourselves a continued exemption from border difficulties.

Page 522

The available balance in the Treasury on the 1st of January next is estimated at $ 1,500,000. This sum, with the expected receipts from all sources during the next year, will, it is believed, be sufficient to enable the Government to meet every engagement and have a suitable balance, in the Treasury at the end of the year, if the remedial measures connected with the customs and the public lands heretofore recommended are adopted and the new appropriations by Congress shall not carry the expenditures beyond the official estimates.

The new system established by Congress for the safe-keeping of the public money, prescribing the kind of currency to be received for the public revenue and providing additional guards and securities against losses, has now been several mouths in operation. Although it might be premature upon an experience of such limited duration to form a definite opinion in regard to the extent of its influences in correcting many evils under which the Federal Government and the country have hitherto suffered, especially those that have grown out of banking expansions, a depreciated currency, and official defalcations, yet it is but right to say that nothing has occurred in the practical operation of the system to weaken in the slightest degree, but much to strengthen, the confident anticipations of its friends. The grounds of these have been heretofore so fully explained as to require no recapitulation. In respect to the facility and convenience it affords in conducting the public service, and the ability of the Government to discharge through its agency every duty attendant on the collection, transfer, and disbursement of the public money with promptitude and success, I can say with confidence that the apprehensions of those who felt it to be their duty to oppose its adoption have proved to be unfounded. On the contrary, this branch of the fiscal affairs of the Government has been, and it is believed may always be, thus carried on with every desirable facility and security. A few changes and improvements in the details of the system, without affecting any principles involved in it, will be submitted to you by the Secretary of the Treasury, and will, I am sure, receive at your hands that attention to which they may on examination be found to be entitled.

I have deemed this brief summary of our fiscal affairs necessary to the due performance of a duty specially enjoined upon me by the Constitution. It will serve also to illustrate more fully the principles by which I have been guided in reference to two contested points in our public policy which were earliest in their development and have been more important in their consequences than any that have arisen under our complicated and difficult, yet admirable, system of government. I allude to a national debt and a national bank. It was in these that the political contests by which the country has been agitated ever since the adoption of the Constitution in a great measure originated, and there is too much reason to apprehend that the conflicting interests and opposing principles thus marshaled will continue as heretofore to produce similar if not aggravated consequences. Coming into office the declared enemy of both, I have earnestly endeavored to prevent a resort to either.

Page 523

The consideration that a large public debt affords an apology, and produces in some degree a necessity also, for resorting to a system and extent of taxation which is not only oppressive throughout, but is likewise so apt to lead in the end to the commission of that most odious of all offenses against the principles of republican government, the prostitution of political power, conferred for the general benefit, to the aggrandizement of particular classes and the gratification of individual cupidity, is alone sufficient, independently of the weighty objections which have already been urged, to render its creation and existence the sources of bitter and unappeasable discord. If we add to this its inevitable tendency to produce and foster extravagant expenditures of the public moneys, by which a necessity is created for new loans and new burdens on the people, and, finally, refer to the examples of every government which has existed for proof, how seldom it is that the system, when once adopted and implanted in the policy of a country, has failed to expand itself until public credit was exhausted and the people were no longer able to endure its increasing weight, it seems impossible to resist the conclusion that no benefits resulting from its career, no extent of conquest, no accession of wealth to particular classes, nor any nor all its combined advantages, can counterbalance its ultimate but certain results—a splendid government and an impoverished people.

If a national bank was, as is undeniable, repudiated by the framers of the Constitution as incompatible with the rights of the States and the liberties of the people; if from the beginning it has been regarded by large portions of our citizens as coming in direct collision with that great and vital amendment of the Constitution which declares that all powers not conferred by that instrument on the General Government are reserved to the States and to the people; if it has been viewed by them as the first great step in the march of latitudinous construction, which unchecked would render that sacred instrument of as little value as an unwritten constitution, dependent, as it would alone be, for its meaning on the interested interpretation of a dominant party, and affording no security to the rights of the minority—if such is undeniably the case, what rational grounds could have been conceived for anticipating aught but determined opposition to such an institution at the present day.

Could a different result have been expected when the consequences which have flowed from its creation, and particularly from its struggles to perpetuate its existence, had confirmed in so striking a manner the apprehensions of its earliest opponents; when it had been so clearly demonstrated that a concentrated money power, wielding so vast a capital and combining such incalculable means of influence, may in those peculiar conjunctures to which this Government is unavoidably exposed prove an overmatch for the political

Page 524

power of the people themselves; when the true character of its capacity to regulate according to its will and its interests and the interests of its favorites the value and production of the labor and property of every man in this extended country had been so fully and fearfully developed; when it was notorious that all classes of this great community had, by means of the power and influence it thus possesses, been infected to madness with a spirit of heedless speculation; when it had been seen that, secure in the support of the combination of influences by which it was surrounded, it could violate its charter and set the laws at defiance with impunity; and when, too, it had become most apparent that to believe that such an accumulation of powers can ever be granted without the certainty of being abused was to indulge in a fatal delusion?

To avoid the necessity of a permanent debt and its inevitable consequences I have advocated and endeavored to carry into effect the policy of confining the appropriations for the public service to such objects only as are clearly within the constitutional authority of the Federal Government; of excluding from its expenses those improvident and unauthorized grants of public money for works of internal improvement which were so wisely arrested by the constitutional interposition of my predecessor, and which, if they had not been so checked, would long before this time have involved the finances of the General Government in embarrassments far greater than those which are now experienced by any of the States; of limiting all our expenditures to that simple, unostentatious, and economical administration of public affairs which is alone consistent with the character of our institutions; of collecting annually from the customs, and the sales of public lands a revenue fully adequate to defray all the expenses thus incurred; but under no pretense whatsoever to impose taxes upon the people to a greater amount than was actually necessary to the public service conducted upon the principles I have stated.

In lieu of a national bank or a dependence upon banks of any description for the management of our fiscal affairs, I recommended the adoption of the system which is now in successful operation. That system affords every requisite facility for the transaction of the pecuniary concerns of the Government; will, it is confidently anticipated, produce in other respects many of the benefits which have been from time to time expected from the creation of a national bank, but which have never been realized; avoid the manifold evils inseparable from such an institution; diminish to a greater extent than could be accomplished by any other measure of reform the patronage of the Federal Government—a wise policy in all governments, but more especially so in one like ours, which works well only in proportion as it is made to rely for its support upon the unbiased and unadulterated opinions of its constituents; do away forever all dependence on corporate bodies either in the raising, collecting, safekeeping, or disbursing the public revenues, and place the Government equally above the temptation of fostering a dangerous and unconstitutional institution at home

or the necessity of adapting its policy to the views and interests of a still more formidable money power abroad.

Page 525

It is by adopting and carrying out these principles under circumstances the most arduous and discouraging that the attempt has been made, thus far successfully, to demonstrate to the people of the United States that a national bank at all times, and a national debt except it be incurred at a period when the honor and safety of the nation demand the temporary sacrifice of a policy which should only be abandoned in such exigencies, are not merely unnecessary, but in direct and deadly hostility to the principles of their Government and to their own permanent welfare.

The progress made in the development of these positions appears in the preceding sketch of the past history and present state of the financial concerns of the Federal Government. The facts there stated fully authorize the assertion that all the purposes for which this Government was instituted have been accomplished during four years of greater pecuniary embarrassment than were ever before experienced in time of peace, and in the face of opposition as formidable as any that was ever before arrayed against the policy of an Administration; that this has been done when the ordinary revenues of the Government were generally decreasing as well from the operation of the laws as the condition of the country, without the creation of a permanent public debt or incurring any liability other than such as the ordinary resources of the Government will speedily discharge, and without the agency of a national bank.

If this view of the proceedings of the Government for the period it embraces be warranted by the facts as they are known to exist; if the Army and Navy have been sustained to the full extent authorized by law, and which Congress deemed sufficient for the defense of the country and the protection of its rights and its honor; if its civil and diplomatic service has been equally sustained; if ample provision has been made for the administration of justice and the execution of the laws; if the claims upon public gratitude in behalf of the soldiers of the Revolution have been promptly met and faithfully discharged; if there have been no failures in defraying the very large expenditures growing out of that long-continued and salutary policy of peacefully removing the Indians to regions of comparative safety and prosperity; if the public faith has at all times and everywhere been most scrupulously maintained by a prompt discharge of the numerous, extended, and diversified claims on the Treasury—if all these great and permanent objects, with many others that might be stated, have for a series of years, marked by peculiar obstacles and difficulties, been successfully accomplished without a resort to a permanent debt or the aid of a national bank, have we not a right to expect that a policy the object of which has been to sustain the public service independently of either of these fruitful sources of discord will receive the final sanction of a people whose unbiased and fairly elicited judgment upon public affairs is never ultimately wrong?

Page 526

That embarrassments in the pecuniary concerns of individuals of unexampled extent and duration have recently existed in this as in other commercial nations is undoubtedly true. To suppose it necessary now to trace these reverses to their sources would be a reflection on the intelligence of my fellow-citizens. Whatever may have been the obscurity in which the subject was involved during the earlier stages of the revulsion, there can not now be many by whom the whole question is not fully understood.

Not deeming it within the constitutional powers of the General Government to repair private losses sustained by reverses in business having no connection with the public service, either by direct appropriations from the Treasury or by special legislation designed to secure exclusive privileges and immunities to individuals or classes in preference to or at the expense of the great majority necessarily debarred from any participation in them, no attempt to do so has been either made, recommended, or encouraged by the present Executive.

It is believed, however, that the great purposes for the attainment of which the Federal Government was instituted have not been lost sight of. Intrusted only with certain limited powers, cautiously enumerated, distinctly specified, and defined with a precision and clearness which would seem to defy misconstruction, it has been my constant aim to confine myself within the limits so clearly marked out and so carefully guarded. Having always been of opinion that the best preservative of the union of the States is to be found in a total abstinence from the exercise of all doubtful powers on the part of the Federal Government rather than in attempts to assume them by a loose construction of the Constitution or an ingenious perversion of its words, I have endeavored to avoid recommending any measure which I had reason to apprehend would, in the opinion even of a considerable minority of my fellow-citizens, be regarded as trenching on the rights of the States or the provisions of the hallowed instrument of our Union. Viewing the aggregate powers of the Federal Government as a voluntary concession of the States, it seemed to me that such only should be exercised as were at the time intended to be given.

I have been strengthened, too, in the propriety of this course by the conviction that all efforts to go beyond this tend only to produce dissatisfaction and distrust, to excite jealousies, and to provoke resistance. Instead of adding strength to the Federal Government, even when successful they must ever prove a source of incurable weakness by alienating a portion of those whose adhesion is indispensable to the great aggregate of united strength and whose voluntary attachment is in my estimation far more essential to the efficiency of a government strong in the best of all possible strength—the confidence and attachment of all those who make up its constituent elements.

Page 527

Thus believing, it has been my purpose to secure to the whole people and to every member of the Confederacy, by general, salutary, and equal laws alone, the benefit of those republican institutions which it was the end and aim of the Constitution to establish, and the impartial influence of which is in my judgment indispensable to their preservation. I can not bring myself to believe that the lasting happiness of the people, the prosperity of the States, or the permanency of their Union can be maintained by giving preference or priority to any class of citizens in the distribution of benefits or privileges, or by the adoption of measures which enrich one portion of the Union at the expense of another; nor can I see in the interference of the Federal Government with the local legislation and reserved rights of the States a remedy for present or a security against future dangers.

The first, and assuredly not the least, important step toward relieving the country from the condition into which it had been plunged by excesses in trade, banking, and credits of all kinds was to place the business transactions of the Government itself on a solid basis, giving and receiving in all cases value for value, and neither countenancing nor encouraging in others that delusive system of credits from which it has been found so difficult to escape, and which has left nothing behind it but the wrecks that mark its fatal career.

That the financial affairs of the Government are now and have been during the whole period of these wide-spreading difficulties conducted with a strict and invariable regard to this great fundamental principle, and that by the assumption and maintenance of the stand thus taken on the very threshold of the approaching crisis more than by any other cause or causes whatever the community at large has been shielded from the incalculable evils of a general and indefinite suspension of specie payments, and a consequent annihilation for the whole period it might have lasted of a just and invariable standard of value, will, it is believed, at this period scarcely be questioned.

A steady adherence on the part of the Government to the policy which has produced such salutary results, aided by judicious State legislation and, what is not less .important, by the industry, enterprise, perseverance, and economy of the American people, can not fail to raise the whole country at an early period to a state of solid and enduring prosperity, not subject to be again overthrown by the suspension of banks or the explosion of a bloated credit system. It is for the people and their representatives to decide whether or not the permanent welfare of the country (which all good citizens equally desire, however widely they may differ as to the means of its accomplishment) shall be in this way secured, or whether the management of the pecuniary concerns of the Government, and by consequence to a great extent those of individuals also, shall be carried back to a condition of things

Page 528

which fostered those contractions and expansions of the currency and those reckless abuses of credit from the baleful effects of which the country has so deeply suffered—a return that can promise in the end no better results than to reproduce the embarrassments the Government has experienced, and to remove from the shoulders of the present to those of fresh victims the bitter fruits of that spirit of speculative enterprise to which our countrymen are so liable and upon which the lessons of experience are so unavailing. The choice is an important one, and I sincerely hope that it may be wisely made.

A report from the Secretary of War, presenting a detailed view of the affairs of that Department, accompanies this communication.

The desultory duties connected with the removal of the Indians, in which the Army has been constantly engaged on the northern and western frontiers and in Florida, have rendered it impracticable to carry into full effect the plan recommended by the Secretary for improving its discipline. In every instance where the regiments have been concentrated they have made great progress, and the best results may be anticipated from a continuance of this system. During the last season a part of the troops have been employed in removing Indians from the interior to the territory assigned them in the West—a duty which they have performed efficiently and with praiseworthy humanity—and that portion of them which has been stationed in Florida continued active operations there throughout the heats of summer.

The policy of the United States in regard to the Indians, of which a succinct account is given in my message of 1838, and of the wisdom and expediency of which I am fully satisfied, has been continued in active operation throughout the whole period of my Administration. Since the spring of 1837 more than 40,000 Indians have been removed to their new homes west of the Mississippi, and I am happy to add that all accounts concur in representing the result of this measure as eminently beneficial to that people.

The emigration of the Seminoles alone has been attended with serious difficulty and occasioned bloodshed, hostilities having been commenced by the Indians in Florida under the apprehension that they would be compelled by force to comply with their treaty stipulations. The execution of the treaty of Paynes Landing, signed in 1832, but not ratified until 1834, was postponed at the solicitation of the Indians until 1836, when they again renewed their agreement to remove peaceably to their new homes in the West. In the face of this solemn and renewed compact they broke their faith and commenced hostilities by the massacre of Major Dade's command, the murder of their agent, General Thompson, and other acts of cruel treachery. When this alarming and unexpected intelligence reached the seat of Government, every effort appears to have been made to reenforce General Clinch, who commanded the troops then in Florida. General Eustis was dispatched with reenforcements from Charleston, troops were

called out from Alabama, Tennessee, and Georgia, and General Scott was sent to take the command, with ample powers and ample means. At the first alarm General Gaines organized a force at New Orleans, and without waiting for orders landed in Florida, where he delivered over the troops he had brought with him to General Scott.

Page 529

Governor Call was subsequently appointed to conduct a summer campaign, and at the close of it was replaced by General Jesup. These events and changes took place under the Administration of my predecessor. Notwithstanding the exertions of the experienced officers who had command there for eighteen months, on entering upon the administration of the Government I found the Territory of Florida a prey to Indian atrocities. A strenuous effort was immediately made to bring those hostilities to a close, and the army under General Jesup was reenforced until it amounted to 10,000 men, and furnished with abundant supplies of every description. In this campaign a great number of the enemy were captured and destroyed, but the character of the contest only was changed. The Indians, having been defeated in every engagement, dispersed in small bands throughout the country and became an enterprising, formidable, and ruthless banditti. General Taylor, who succeeded General Jesup, used his best exertions to subdue them, and was seconded in his efforts by the officers under his command; but he too failed to protect the Territory from their depredations. By an act of signal and cruel treachery they broke the truce made with them by General MacGrab, who was sent from Washington for the purpose of carrying into effect the expressed wishes of Congress, and have continued their devastations ever since. General Armistead, who was in Florida when General Taylor left the army by permission, assumed the command, and after active summer operations was met by propositions for peace, and from the fortunate coincidence of the arrival in Florida at the same period of a delegation from the Seminoles who are happily settled west of the Mississippi and are now anxious to persuade their countrymen to join them there hopes were for some time entertained that the Indians might be induced to leave the Territory without further difficulty. These hopes have proved fallacious and hostilities have been renewed throughout the whole of the Territory. That this contest has endured so long is to be attributed to causes beyond the control of the Government. Experienced generals have had the command of the troops, officers and soldiers have alike distinguished themselves for their activity, patience, and enduring courage, the army has been constantly furnished with supplies of every description, and we must look for the causes which have so long procrastinated the issue of the contest in the vast extent of the theater of hostilities, the almost insurmountable obstacles presented by the nature of the country, the climate, and the wily character of the savages.

The sites for marine hospitals on the rivers and lakes which I was authorized to select and cause to be purchased have all been designated, but the appropriation not proving sufficient, conditional arrangements only have been made for their acquisition. It is for Congress to decide whether these Conditional purchases shall be sanctioned and the humane intentions of the law carried into full effect.

Page 530

The Navy, as will appear from the accompanying report of the Secretary, has been usefully and honorably employed in the protection of our commerce and citizens in the Mediterranean, the Pacific, on the coast of Brazil, and in the Gulf of Mexico. A small squadron, consisting of the frigate Constellation and the sloop of war Boston, under Commodore Kearney, is now on its way to the China and Indian seas for the purpose of attending to our interests in that quarter, and Commander Aulick, in the sloop of war Yorktown, has been instructed to visit the Sandwich and Society islands, the coasts of New Zealand and Japan, together with other ports and islands frequented by our whale ships, for the purpose of giving them countenance and protection should they be required. Other smaller vessels have been and still are employed in prosecuting the surveys of the coast of the United States directed by various acts of Congress, and those which have been completed will shortly be laid before you.

The exploring expedition at the latest date was preparing to leave the Bay of Islands, New Zealand, in further prosecution of objects which have thus far been successfully accomplished. The discovery of a new continent, which was first seen in latitude 66° 2' south, longitude 154° 27' east, and afterwards in latitude 66° 31' south, longitude 153° 40' east, by Lieutenants Wilkes and Hudson, for an extent of 1,800 miles, but on which they were prevented from landing by vast bodies of ice which encompassed it, is one of the honorable results of the enterprise. Lieutenant Wilkes bears testimony to the zeal and good conduct of his officers and men, and it is but justice to that officer to state that he appears to have performed the duties assigned him with an ardor, ability, and perseverance which give every assurance of an honorable issue to the undertaking.

The report of the Postmaster-General herewith transmitted will exhibit the service of that Department the past year and its present condition. The transportation has been maintained during the year to the full extent authorized by the existing laws; some improvements have been effected which the public interest seemed urgently to demand, but not involving any material additional expenditure; the contractors have generally performed their engagements with fidelity; the postmasters, with few exceptions, have rendered their accounts and paid their quarterly balances with promptitude, and the whole service of the Department has maintained the efficiency for which it has for several years been distinguished.

The acts of Congress establishing new mail routes and requiring more expensive services on others and the increasing wants of the country have for three years past carried the expenditures something beyond the accruing revenues, the excess having been met until the past year by the surplus which had previously accumulated. That surplus having been exhausted and the anticipated increase in the revenue not having

Page 531

been realized owing to the depression in the commercial business of the country, the finances of the Department exhibit a small deficiency at the close of the last fiscal year. Its resources, however, are ample, and the reduced rates of compensation for the transportation service which may be expected on the future lettings from the general reduction of prices, with the increase of revenue that may reasonably be anticipated from the revival of commercial activity, must soon place the finances of the Department in a prosperous condition.

Considering the unfavorable circumstances which have existed during the past year, it is a gratifying result that the revenue has not declined as compared with the preceding year, but, on the contrary, exhibits a small increase, the circumstances referred to having had no other effect than to check the expected income.

It will be seen that the Postmaster-General suggests certain improvements in the establishment designed to reduce the weight of the mails, cheapen the transportation, insure greater regularity in the service, and secure a considerable reduction in the rates of letter postage—an object highly desirable. The subject is one of general interest to the community, and is respectfully recommended to your consideration.

The suppression of the African slave trade has received the continued attention of the Government. The brig Dolphin and schooner Grampus have been employed during the last season on the coast of Africa for the purpose of preventing such portions of that trade as were said to be prosecuted under the American flag. After cruising off those parts of the coast most usually resorted to by slavers until the commencement of the rainy season, these vessels returned to the United States for supplies, and have since been dispatched on a similar service.

From the reports of the commanding officers it appears that the trade is now principally carried on under Portuguese colors, and they express the opinion that the apprehension of their presence on the slave coast has in a great degree arrested the prostitution of the American flag to this inhuman purpose. It is hoped that by continuing to maintain this force in that quarter and by the exertions of the officers in command much will be done to put a stop to whatever portion of this traffic may have been carried on under the American flag and to prevent its use in a trade which, while it violates the laws, is equally an outrage on the rights of others and the feelings of humanity. The efforts of the several Governments who are anxiously seeking to suppress this traffic must, however, be directed against the facilities afforded by what are now recognized as legitimate commercial pursuits before that object can be fully accomplished.

Page 532

Supplies of provisions, water casks, merchandise, and articles connected with the prosecution of the slave trade are, it is understood, freely carried by vessels of different nations to the slave factories, and the effects of the factors are transported openly from one slave station to another without interruption or punishment by either of the nations to which they belong engaged in the commerce of that region. I submit to your judgments whether this Government, having been the first to prohibit by adequate penalties the slave trade, the first to declare it piracy, should not be the first also to forbid to its citizens all trade with the slave factories on the coast of Africa, giving an example to all nations in this respect which if fairly followed can not fail to produce the most effective results in breaking up those dens of iniquity.

M. VAN BUREN

***

State of the Union Address
John Tyler
December 7, 1841

To the Senate and House of Representatives of the United States:

In coming together, fellow-citizens, to enter again upon the discharge of the duties with which the people have charged us severally, we find great occasion to rejoice in the general prosperity of the country. We are in the enjoyment of all the blessings of civil and religious liberty, with unexampled means of education, knowledge, and improvement. Through the year which is now drawing to a close peace has been in our borders and plenty in our habitations, and although disease has visited some few portions of the land with distress and mortality, yet in general the health of the people has been preserved, and we are all called upon by the highest obligations of duty to renew our thanks and our devotion to our Heavenly Parent, who has continued to vouchsafe to us the eminent blessings which surround us and who has so signally crowned the year with His goodness. If we find ourselves increasing beyond example in numbers, in strength, in wealth, in knowledge, in everything which promotes human and social happiness, let us ever remember our dependence for all these on the protection and merciful dispensations of Divine Providence.

Since your last adjournment Alexander McLeod, a British subject who was indicted for the murder of an American citizen, and whose case has been the subject of a correspondence heretofore communicated to you, has been acquitted by the verdict of an impartial and intelligent jury, and has under the judgment of the court been regularly discharged.

Great Britain having made known to this Government that the expedition which was fitted out from Canada for the destruction of the steamboat Caroline in the winter of 1837, and which resulted in the destruction of said boat and in the death of an American citizen, was undertaken by orders emanating from the authorities of the British Government in Canada, and demanding the discharge of McLeod upon the ground that if engaged

Page 533

in that expedition he did but fulfill the orders of his Government, has thus been answered in the only way in which she could be answered by a government the powers of which are distributed among its several departments by the fundamental law. Happily for the people of Great Britain, as well as those of the United States, the only mode by which an individual arraigned for a criminal offense before the courts of either can obtain his discharge is by the independent action of the judiciary and by proceedings equally familiar to the courts of both countries.

If in Great Britain a power exists in the Crown to cause to be entered a nolle prosequi, which is not the case with the Executive power of the United States upon a prosecution pending in a State court, yet there no more than here can the chief executive power rescue a prisoner from custody without an order of the proper tribunal directing his discharge. The precise stage of the proceedings at which such order may be made is a matter of municipal regulation exclusively, and not to be complained of by any other government. In cases of this kind a government becomes politically responsible only when its tribunals of last resort are shown to have rendered unjust and injurious judgments in matters not doubtful. To the establishment and elucidation of this principle no nation has lent its authority more efficiently than Great Britain. Alexander McLeod, having his option either to prosecute a writ of error from the decision of the supreme court of New York, which had been rendered upon his application for a discharge, to the Supreme Court of the United States, or to submit his case to the decision of a jury, preferred the latter, deeming it the readiest mode of obtaining his liberation; and the result has fully sustained the wisdom of his choice. The manner in which the issue submitted was tried will satisfy the English Government that the principles of justice will never fail to govern the enlightened decision of an American tribunal. I can not fail, however, to suggest to Congress the propriety, and in some degree the necessity, of making such provisions by law, so far as they may constitutionally do so, for the removal at their commencement and at the option of the party of all such cases as may hereafter arise, and which may involve the faithful observance and execution of our international obligations, from the State to the Federal judiciary. This Government, by our institutions, is charged with the maintenance of peace and the preservation of amicable relations with the nations of the earth, and ought to possess without question all the reasonable and proper means of maintaining the one and preserving the other. While just confidence is felt in the judiciary of the States, yet this Government ought to be competent in itself for the fulfillment of the high duties which have been devolved upon it under the organic law by the States themselves.

Page 534

In the month of September a party of armed men from Upper Canada invaded the territory of the United States and forcibly seized upon the person of one Grogan, and under circumstances of great harshness hurriedly carried him beyond the limits of the United States and delivered him up to the authorities of Upper Canada. His immediate discharge was ordered by those authorities upon the facts of the case being brought to their knowledge—a course of procedure which was to have been expected from a nation with whom we are at peace, and which was not more due to the rights of the United States than to its own regard for justice. The correspondence which passed between the Department of State and the British envoy, Mr. Fox, and with the governor of Vermont, as soon as the facts had been made known to this department, are herewith communicated.

I regret that it is not in my power to make known to you an equally satisfactory conclusion in the case of the Caroline steamer, with the circumstances connected with the destruction of which, in December, 1837, by an armed force fitted out in the Province of Upper Canada, you are already made acquainted. No such atonement as was due for the public wrong done to the United States by this invasion of her territory, so wholly irreconcilable with her rights as an independent power, has yet been made. In the view taken by this Government the inquiry whether the vessel was in the employment of those who were prosecuting an unauthorized war against that Province or was engaged by the owner in the business of transporting passengers to and from Navy Island in hopes of private gain, which was most probably the case, in no degree alters the real question at issue between the two Governments. This Government can never concede to any foreign government the power, except in a case of the most urgent and extreme necessity, of invading its territory, either to arrest the persons or destroy the property of those who may have violated the municipal laws of such foreign government or have disregarded their obligations arising under the law of nations. The territory of the United States must be regarded as sacredly secure against all such invasions until they shall voluntarily acknowledge their inability to acquit themselves of their duties to others. And in announcing this sentiment I do but affirm a principle which no nation on earth would be more ready to vindicate at all hazards than the people and Government of Great Britain. If upon a full investigation of all the facts it shall appear that the owner of the Caroline was governed by a hostile intent or had made common cause with those who were in the occupancy of Navy Island, then so far as he is concerned there can be no claim to indemnity for the destruction of his boat which this Government would feel itself bound to prosecute, since he would have acted not only in derogation of the rights of Great Britain, but in clear violation of the laws of the United States; but that is a question

Page 535

which, however settled, in no manner involves the higher consideration of the violation of territorial sovereignty and jurisdiction. To recognize it as an admissible practice that each Government in its turn, upon any sudden and unauthorized outbreak which, on a frontier the extent of which renders it impossible for either to have an efficient force on every mile of it, and which outbreak, therefore, neither may be able to suppress in a day, may take vengeance into its own hands, and without even a remonstrance, and in the absence of any pressing or overruling necessity may invade the territory of the other, would inevitably lead to results equally to be deplored by both. When border collisions come to receive the sanction or to be made on the authority of either Government general war must be the inevitable result. While it is the ardent desire of the United States to cultivate the relations of peace with all nations and to fulfill all the duties of good neighborhood toward those who possess territories adjoining their own, that very desire would lead them to deny the right of any foreign power to invade their boundary with an armed force. The correspondence between the two Governments on this subject will at a future day of your session be submitted to your consideration; and in the meantime I can not but indulge the hope that the British Government will see the propriety of renouncing as a rule of future action the precedent which has been set in the affair at Schlosser.

I herewith submit the correspondence which has recently taken place between the American minister at the Court of St. James, Mr. Stevenson, and the minister of foreign affairs of that Government on the right claimed by that Government to visit and detain vessels sailing under the American flag and engaged in prosecuting lawful commerce in the African seas. Our commercial interests in that region have experienced considerable increase and have become an object of much importance, and it is the duty of this Government to protect them against all improper and vexatious interruption. However desirous the United States may be for the suppression of the slave trade, they can not consent to interpolations into the maritime code at the mere will and pleasure of other governments. We deny the right of any such interpolation to any one or all the nations of the earth without our consent. We claim to have a voice in all amendments or alterations of that code, and when we are given to understand, as in this instance, by a foreign government that its treaties with other nations can not be executed without the establishment and enforcement of new principles of maritime police, to be applied without our consent, we must employ a language neither of equivocal import or susceptible of misconstruction. American citizens prosecuting a lawful commerce in the African seas under the flag of their country are not responsible for the abuse or unlawful use of that flag by others; nor can they rightfully on account of any such alleged

Page 536

abuses be interrupted, molested, or detained while on the ocean, and if thus molested and detained while pursuing honest voyages in the usual way and violating no law themselves they are unquestionably entitled to indemnity. This Government has manifested its repugnance to the slave trade in a manner which can not be misunderstood. By its fundamental law it prescribed limits in point of time to its continuance, and against its own citizens who might so far forget the rights of humanity as to engage in that wicked traffic it has long since by its municipal laws denounced the most condign punishment. Many of the States composing this Union had made appeals to the civilized world for its suppression long before the moral sense of other nations had become shocked by the iniquities of the traffic. Whether this Government should now enter into treaties containing mutual stipulations upon this subject is a question for its mature deliberation. Certain it is that if the right to detain American ships on the high seas can be justified on the plea of a necessity for such detention arising out of the existence of treaties between other nations, the same plea may, be extended and enlarged by the new stipulations of new treaties to which the United States may not be a party. This Government will not cease to urge upon that of Great Britain full and ample remuneration for all losses, whether arising from detention or otherwise, to which American citizens have heretofore been or may hereafter be subjected by the exercise of rights which this Government can not recognize as legitimate and proper. Nor will I indulge a doubt but that the sense of justice of Great Britain will constrain her to make retribution for any wrong or loss which any American citizen engaged in the prosecution of lawful commerce may have experienced at the hands of her cruisers or other public authorities. This Government, at the same time, will relax no effort to prevent its citizens, if there be any so disposed, from prosecuting a traffic so revolting to the feelings of humanity. It seeks to do no more than to protect the fair and honest trader from molestation and injury; but while the enterprising mariner engaged in the pursuit of an honorable trade is entitled to its protection, it will visit with condign punishment others of an opposite character.

I invite your attention to existing laws for the suppression of the African slave trade, and recommend all such alterations as may give to them greater force and efficacy. That the American flag is grossly abused by the abandoned and profligate of other nations is but too probable. Congress has not long since had this subject under its consideration, and its importance well justifies renewed and anxious attention.

I also communicate herewith the copy of a correspondence between Mr. Stevenson and Lord Palmerston upon the subject, so interesting to several of the Southern States, of the rice duties, which resulted honorably to the justice of Great Britain and advantageously to the United States.

Page 537

At the opening of the last annual session the President informed Congress of the progress which had then been made in negotiating a convention between this Government and that of England with a view to the final settlement of the question of the boundary between the territorial limits of the two countries. I regret to say that little further advancement of the object has been accomplished since last year, but this is owing to circumstances no way indicative of any abatement of the desire of both parties to hasten the negotiation to its conclusion and to settle the question in dispute as early as possible. In the course of the session it is my hope to be able to announce some further degree of progress toward the accomplishment of this highly desirable end.

The commission appointed by this Government for the exploration and survey of the line of boundary separating the States of Maine and New Hampshire from the conterminous British Provinces is, it is believed, about to close its field labors and is expected soon to report the results of its examinations to the Department of State. The report, when received, will be laid before Congress.

The failure on the part of Spain to pay with punctuality the interest due under the convention of 1834 for the settlement of claims between the two countries has made it the duty of the Executive to call the particular attention of that Government to the subject. A disposition has been manifested by it, which is believed to be entirely sincere, to fulfill its obligations in this respect so soon as its internal condition and the state of its finances will permit. An arrangement is in progress from the result of which it is trusted that those of our citizens who have claims under the convention will at no distant day receive the stipulated payments.

A treaty of commerce and navigation with Belgium was concluded and signed at Washington on the 29th of March, 1840, and was duly sanctioned by the Senate of the United States. The treaty was ratified by His Belgian Majesty, but did not receive the approbation of the Belgian Chambers within the time limited by its terms, and has therefore become void.

This occurrence assumes the graver aspect from the consideration that in 1833 a treaty negotiated between the two Governments and ratified on the part of the United States failed to be ratified on the part of Belgium. The representative of that Government at Washington informs the Department of State that he has been instructed to give explanations of the causes which occasioned delay in the approval of the late treaty by the legislature, and to express the regret of the King at the occurrence.

The joint commission under the convention with Texas to ascertain the true boundary between the two countries has concluded its labors, but the final report of the commissioner of the United States has not been received. It is understood, however, that the meridian line as traced by the commission lies somewhat farther east than the position hitherto generally assigned to it, and consequently includes in Texas some part

of the territory which had been considered as belonging to the States of Louisiana and Arkansas.

Page 538

The United States can not but take a deep interest in whatever relates to this young but growing Republic. Settled principally by emigrants from the United States, we have the happiness to know that the great principles of civil liberty are there destined to flourish under wise institutions and wholesome laws, and that through its example another evidence is to be afforded of the capacity of popular institutions to advance the prosperity, happiness, and permanent glory of the human race. The great truth that government was made for the people and not the people for government has already been established in the practice and by the example of these United States, and we can do no other than contemplate its further exemplification by a sister republic with the deepest interest.

Our relations with the independent States of this hemisphere, formerly under the dominion of Spain, have not undergone any material change within the past year. The incessant sanguinary conflicts in or between those countries are to be greatly deplored as necessarily tending to disable them from performing their duty as members of the community of nations and rising to the destiny which the position and natural resources of many of them might lead them justly to anticipate, as constantly giving occasion also, directly or indirectly, for complaints on the part of our citizens who resort thither for purposes of commercial intercourse, and as retarding reparation for wrongs already committed, some of which are by no means of recent date.

The failure of the Congress of Ecuador to hold a session at the time appointed for that purpose, in January last, will probably render abortive a treaty of commerce with that Republic, which was signed at Quito on the 13th of June, 1839, and had been duly ratified on our part, but which required the approbation of that body prior to its ratification by the Ecuadorian Executive.

A convention which has been concluded with the Republic of Peru, providing for the settlement of certain claims of citizens of the United States upon the Government of that Republic, will be duly submitted to the Senate.

The claims of our citizens against the Brazilian Government originating from captures and other causes are still unsatisfied. The United States have, however, so uniformly shown a disposition to cultivate relations of amity with that Empire that it is hoped the unequivocal tokens of the same spirit toward us which an adjustment of the affairs referred to would afford will be given without further avoidable delay.

The war with the Indian tribes on the peninsula of Florida has during the last summer and fall been prosecuted with untiring activity and zeal. A summer campaign was resolved upon as the best mode of bringing it to a close. Our brave officers and men who have been engaged in that service have suffered toils and privations and exhibited an energy which in any other war would have won for them unfading laurels.

Page 539

In despite of the sickness incident to the climate, they have penetrated the fastnesses of the Indians, broken up their encampments, and harassed them unceasingly. Numbers have been captured, and still greater numbers have surrendered and have been transported to join their brethren on the lands elsewhere allotted to them by the Government, and a strong hope is entertained that under the conduct of the gallant officer at the head of the troops in Florida that troublesome and expensive war is destined to a speedy termination. With all the other Indian tribes we are enjoying the blessings of peace. Our duty as well as our best interests prompts us to observe in all our intercourse with them fidelity in fulfilling our engagements, the practice of strict justice, as well as the constant exercise of acts of benevolence and kindness. These are the great instruments of civilization, and through the use of them alone can the untutored child of the forest be induced to listen to its teachings.

The Secretary of State, on whom the acts of Congress have devolved the duty of directing the proceedings for the taking of the sixth census or enumeration of the inhabitants of the United States, will report to the two Houses the progress of that work. The enumeration of persons has been completed, and exhibits a grand total of 17,069,453, making an increase over the census of 1830 of 4,202,646 inhabitants, and showing a gain in a ratio exceeding 32 1/2 per cent for the last ten years.

From the report of the Secretary of the Treasury you will be informed of the condition of the finances. The balance in the Treasury on the 1st of January last, as stated in the report of the Secretary of the Treasury submitted to Congress at the extra session, was $987,345.03. The receipts into the Treasury during the first three quarters of this year from all sources amount to $23,467,072.52; the estimated receipts for the fourth quarter amount to $6,943,095.25, amounting to $30,410,167.77, and making with the balance in the Treasury on the 1st of January last $31,397,512.80. The expenditures for the first three quarters of this year amount to $24,734,346.97. The expenditures for the fourth quarter as estimated will amount to $7,290,723.73, thus making a total of $32,025,070.70, and leaving a deficit to be provided for on the 1st of January next of about $627,557.90.

Of the loan of $12,000,000 which was authorized by Congress at its late session only $5,432,726.88 have been negotiated. The shortness of time which it had to run has presented no inconsiderable impediment in the way of its being taken by capitalists at home, while the same cause would have operated with much greater force in the foreign market. For that reason the foreign market has not been resorted to; and it is now submitted whether it would not be advisable to amend the law by making what remains undisposed of payable at a more distant day.

Page 540

Should it be necessary, in any view that Congress may take of the subject, to revise the existing tariff of duties, I beg leave to say that in the performance of that most delicate operation moderate counsels would seem to be the wisest. The Government under which it is our happiness to live owes its existence to the spirit of compromise which prevailed among its framers; jarring and discordant opinions could only have been reconciled by that noble spirit of patriotism which prompted conciliation and resulted in harmony. In the same spirit the compromise bill, as it is commonly called, was adopted at the session of 1833. While the people of no portion of the Union will ever hesitate to pay all necessary taxes for the support of Government, yet an innate repugnance exists to the imposition of burthens not really necessary for that object. In imposing duties, however, for the purposes of revenue a right to discriminate as to the articles on which the duty shall be laid, as well as the amount, necessarily and most properly exists; otherwise the Government would be placed in the condition of having to levy the same duties upon all articles, the productive as well as the unproductive. The slightest duty upon some might have the effect of causing their importation to cease, whereas others, entering extensively into the consumption of the country, might bear the heaviest without any sensible diminution in the amount imported. So also the Government may be justified in so discriminating by reference to other considerations of domestic policy connected with our manufactures. So long as the duties shall be laid with distinct reference to the wants of the Treasury no well-rounded objection can exist against them. It might be esteemed desirable that no such augmentation of the taxes should take place as would have the effect of annulling the land-proceeds distribution act of the last session, which act is declared to be inoperative the moment the duties are increased beyond 20 per cent, the maximum rate established by the compromise act. Some of the provisions of the compromise act, which will go into effect on the 30th day of June next, may, however, be found exceedingly inconvenient in practice under any regulations that Congress may adopt. I refer more particularly to that relating to the home valuation. A difference in value of the same articles to some extent will necessarily exist at different ports, but that is altogether insignificant when compared with the conflicts in valuation which are likely to arise from the differences of opinion among the numerous appraisers of merchandise. In many instances the estimates of value must be conjectural, and thus as many different rates of value may be established as there are appraisers. These differences in valuation may also be increased by the inclination which, without the slightest imputation on their honesty, may arise on the part of the appraisers in favor of their respective ports of entry. I recommend this

Page 541

whole subject to the consideration of Congress with a single additional remark. Certainty and permanency in any system of governmental policy are in all respects eminently desirable, but more particularly is this true in all that affects trade and commerce, the operations of which depend much more on the certainty of their returns and calculations which embrace distant periods of time than on high bounties or duties, which are liable to constant fluctuations.

At your late session I invited your attention to the condition of the currency and exchanges and urged the necessity of adopting such measures as were consistent with the constitutional competency of the Government in order to correct the unsoundness of the one and, as far as practicable, the inequalities of the other. No country can be in the enjoyment of its full measure of prosperity without the presence of a medium of exchange approximating to uniformity of value. What is necessary as between the different nations of the earth is also important as between the inhabitants of different parts of the same country. With the first the precious metals constitute the chief medium of circulation, and such also would be the case as to the last but for inventions comparatively modern, which have furnished in place of gold and silver a paper circulation. I do not propose to enter into a comparative analysis of the merits of the two systems. Such belonged more properly to the period of the introduction of the paper system. The speculative philosopher might find inducements to prosecute the inquiry, but his researches could only lead him to conclude that the paper system had probably better never have been introduced and that society might have been much happier without it. The practical statesman has a very different task to perform. He has to look at things as they are, to take them as he finds them, to supply deficiencies and to prune excesses as far as in him lies. The task of furnishing a corrective for derangements of the paper medium with us is almost inexpressibly great. The power exerted by the States to charter banking corporations, and which, having been carried to a great excess, has filled the country with, in most of the States, an irredeemable paper medium, is an evil which in some way or other requires a corrective. The rates at which bills of exchange are negotiated between different parts of the country furnish an index of the value of the local substitute for gold and silver, which is in many parts so far depreciated as not to be received except at a large discount in payment of debts or in the purchase of produce. It could earnestly be desired that every bank not possessing the means of resumption should follow the example of the late United States Bank of Pennsylvania and go into liquidation rather than by refusing to do so to continue embarrassments in the way of solvent institutions, thereby augmenting the difficulties incident to the present condition of things. Whether this Government,

Page 542

with due regard to the rights of the States, has any power to constrain the banks either to resume specie payments or to force them into liquidation, is an inquiry which will not fail to claim your consideration. In view of the great advantages which are allowed the corporators, not among the least of which is the authority contained in most of their charters to make loans to three times the amount of their capital, thereby often deriving three times as much interest on the same amount of money as any individual is permitted by law to receive, no sufficient apology can be urged for a long-continued suspension of specie payments. Such suspension is productive of the greatest detriment to the public by expelling from circulation the precious metals and seriously hazarding the success of any effort that this Government can make to increase commercial facilities and to advance the public interests.

This is the more to be regretted and the indispensable necessity for a sound currency becomes the more manifest when we reflect on the vast amount of the internal commerce of the country. Of this we have no statistics nor just data for forming adequate opinions. But there can be no doubt but that the amount of transportation coastwise by sea, and the transportation inland by railroads and canals, and by steamboats and other modes of conveyance over the surface of our vast rivers and immense lakes, and the value of property carried and interchanged by these means form a general aggregate to which the foreign commerce of the country, large as it is, makes but a distant approach.

In the absence of any controlling power over this subject, which, by forcing a general resumption of specie payments, would at once have the effect of restoring a sound medium of exchange and would leave to the country but little to desire, what measure of relief falling within the limits of our constitutional competency does it become this Government to adopt? It was my painful duty at your last session, under the weight of most solemn obligations, to differ with Congress on the measures which it proposed for my approval, and which it doubtless regarded as corrective of existing evils. Subsequent reflection and events since occurring have only served to confirm me in the opinions then entertained and frankly expressed. I must be permitted to add that no scheme of governmental policy unaided by individual exertions can be available for ameliorating the present condition of things. Commercial modes of exchange and a good currency are but the necessary means of commerce and intercourse, not the direct productive sources of wealth. Wealth can only be accumulated by the earnings of industry and the savings of frugality, and nothing can be more ill judged than to look to facilities in borrowing or to a redundant circulation for the power of discharging pecuniary obligations. The country is full of resources and the people fall of energy, and the great and permanent remedy for present

Page 543

embarrassments must be sought in industry, economy, the observance of good faith, and the favorable influence of time. In pursuance of a pledge given to you in my last message to Congress, which pledge I urge as an apology for adventuring to present you the details of any plan, the Secretary of the Treasury will be ready to submit to you, should you require it, a plan of finance which, while it throws around the public treasure reasonable guards for its protection and rests on powers acknowledged in practice to exist from the origin of the Government, will at the same time furnish to the country a sound paper medium and afford all reasonable facilities for regulating the exchanges. When submitted, you will perceive in it a plan amendatory of the existing laws in relation to the Treasury Department, subordinate in all respects to the will of Congress directly and the will of the people indirectly, self-sustaining should it be found in practice to realize its promises in theory, and repealable at the pleasure of Congress. It proposes by effectual restraints and by invoking the true spirit of our institutions to separate the purse from the sword, or, more properly to speak, denies any other control to the President over the agents who may be selected to carry it into execution but what may be indispensably necessary to secure the fidelity of such agents, and by wise regulations keeps plainly apart from each other private and public funds. It contemplates the establishment of a board of control at the seat of government, with agencies at prominent commercial points or wherever else Congress shall direct, for the safe-keeping and disbursement of the public moneys and a substitution at the option of the public creditor of Treasury notes in lieu of gold and silver. It proposes to limit the issues to an amount not to exceed $15,000,000 without the express sanction of the legislative power. It also authorizes the receipt of individual deposits of gold and silver to a limited amount, and the granting certificates of deposit divided into such sums as may be called for by the depositors. It proceeds a step further and authorizes the purchase and sale of domestic bills and drafts resting on a real and substantial basis, payable at sight or having but a short time to run, and drawn on places not less than 100 miles apart, which authority, except in so far as may be necessary for Government purposes exclusively, is only to be exerted upon the express condition that its exercise shall not be prohibited by the State in which the agency is situated. In order to cover the expenses incident to the plan, it will be authorized to receive moderate premiums for certificates issued on deposits and on bills bought and sold, and thus, as far as its dealings extend, to furnish facilities to commercial intercourse at the lowest possible rates and to subduct from the earnings of industry the least possible sum. It uses the State banks at a distance from the agencies as auxiliaries without imparting any power to trade

Page 544

in its name. It is subjected to such guards and restraints as have appeared to be necessary. It is the creature of law and exists only at the pleasure of the Legislature. It is made to rest on an actual specie basis in order to redeem the notes at the places of issue, produces no dangerous redundancy of circulation, affords no temptation to speculation, is attended by no inflation of prices, is equable in its operation, makes the Treasury notes (which it may use along with the certificates of deposit and the notes of specie-paying banks) convertible at the place where collected, receivable in payment of Government dues, and without violating any principle of the Constitution affords the Government and the people such facilities as are called for by the wants of both. Such, it has appeared to me, are its recommendations, and in view of them it will be submitted, whenever you may require it, to your consideration.

I am not able to perceive that any fair and candid objection can be urged against the plan, the principal outlines of which I have thus presented. I can not doubt but that the notes which it proposes to furnish at the voluntary option of the public creditor, issued in lieu of the revenue and its certificates of deposit, will be maintained at an equality with gold and silver everywhere. They are redeemable in gold and silver on demand at the places of issue. They are receivable everywhere in payment of Government dues. The Treasury notes are limited to an amount of one-fourth less than the estimated annual receipts of the Treasury, and in addition they rest upon the faith of the Government for their redemption. If all these assurances are not sufficient to make them available, then the idea, as it seems to me, of furnishing a sound paper medium of exchange may be entirely abandoned.

If a fear be indulged that the Government may be tempted to run into excess in its issues at any future day, it seems to me that no such apprehension can reasonably be entertained until all confidence in the representatives of the States and of the people, as well as of the people themselves, shall be lost. The weightiest considerations of policy require that the restraints now proposed to be thrown around the measure should not for light causes be removed. To argue against any proposed plan its liability to possible abuse is to reject every expedient, since everything dependent on human action is liable to abuse. Fifteen millions of Treasury notes may be issued as the maximum, but a discretionary power is to be given to the board of control under that sum, and every consideration will unite in leading them to feel their way with caution. For the first eight years of the existence of the late Bank of the United States its circulation barely exceeded $4,000,000, and for five of its most prosperous years it was about equal to $16,000,000; furthermore, the authority given to receive private deposits to a limited amount and to issue certificates

Page 545

in such sums as may be called for by the depositors may so far fill up the channels of circulation as greatly to diminish the necessity of any considerable issue of Treasury notes. A restraint upon the amount of private deposits has seemed to be indispensably necessary from an apprehension, thought to be well founded, that in any emergency of trade confidence might be so far shaken in the banks as to induce a withdrawal from them of private deposits with a view to insure their unquestionable safety when deposited with the Government, which might prove eminently disastrous to the State banks. Is it objected that it is proposed to authorize the agencies to deal in bills of exchange? It is answered that such dealings are to be carried on at the lowest possible premium, are made to rest on an unquestionably sound basis, are designed to reimburse merely the expenses which would otherwise devolve upon the Treasury, and are in strict subordination to the decision of the Supreme Court in the case of the Bank of Augusta against Earle, and other reported cases, and thereby avoids all conflict with State jurisdiction, which I hold to be indispensably requisite. It leaves the banking privileges of the States without interference, looks to the Treasury and the Union, and while furnishing every facility to the first is careful of the interests of the last. But above all, it is created by law, is amendable by law, and is repealable by law, and, wedded as I am to no theory, but looking solely to the advancement of the public good, I shall be among the very first to urge its repeal if it be found not to subserve the purposes and objects for which it may be created. Nor will the plan be submitted in any overweening confidence in the sufficiency of my own judgment, but with much greater reliance on the wisdom and patriotism of Congress. I can not abandon this subject without urging upon you in the most emphatic manner, whatever may be your action on the suggestions which I have felt it to be my duty to submit, to relieve the Chief Executive Magistrate, by any and all constitutional means, from a controlling power over the public Treasury. If in the plan proposed, should you deem it worthy of your consideration, that separation is not as complete as you may desire, you will doubtless amend it in that particular. For myself, I disclaim all desire to have any control over the public moneys other than what is indispensably necessary to execute the laws which you may pass.

Nor can I fail to advert in this connection to the debts which many of the States of the Union have contracted abroad and under which they continue to labor. That indebtedness amounts to a sum not less than $200,000,000, and which has been retributed to them for the most part in works of internal improvement which are destined to prove of vast importance in ultimately advancing their prosperity and wealth. For the debts thus contracted the States are alone responsible. I can do not more than express the belief that each

Page 546

State will feel itself bound by every consideration of honor as well as of interest to meet its engagements with punctuality. The failure, however, of any one State to do so should in no degree affect the credit of the rest, and the foreign capitalist will have no just cause to experience alarm as to all other State stocks because any one or more of the States may neglect to provide with punctuality the means of redeeming their engagements. Even such States, should there be any, considering the great rapidity with which their resources are developing themselves, will not fail to have the means at no very distant day to redeem their obligations to the uttermost farthing; nor will I doubt but that, in view of that honorable conduct which has evermore governed the States and the people of the Union, they will each and all resort to every legitimate expedient before they will forego a faithful compliance with their obligations.

From the report of the Secretary of War and other reports accompanying it you will be informed of the progress which has been made in the fortifications designed for the protection of our principal cities, roadsteads, and inland frontier during the present year, together with their true state and condition. They will be prosecuted to completion with all the expedition which the means placed by Congress at the disposal of the Executive will allow.

I recommend particularly to your consideration that portion of the Secretary's report which proposes the establishment of a chain of military posts from Council Bluffs to some point on the Pacific Ocean within our limits. The benefit thereby destined to accrue to our citizens engaged in the fur trade over that wilderness region, added to the importance of cultivating friendly relations with savage tribes inhabiting it, and at the same time of giving protection to our frontier settlements and of establishing the means of safe intercourse between the American settlements at the mouth of the Columbia River and those on this side of the Rocky Mountains, would seem to suggest the importance of carrying into effect the recommendations upon this head with as little delay as may be practicable.

The report of the Secretary of the Navy will place you in possession of the present condition of that important arm of the national defense. Every effort will be made to add to its efficiency, and I can not too strongly urge upon you liberal appropriations to that branch of the public service. Inducements of the weightiest character exist for the adoption of this course of policy. Our extended and otherwise exposed maritime frontier calls for protection, to the furnishing of which an efficient naval force is indispensable. We look to no foreign conquests, nor do we propose to enter into competition with any other nation for supremacy on the ocean; but it is due not only to the honor but to the security of the people of the United States that no nation should be permitted to invade our waters at pleasure and

Page 547

subject our towns and villages to conflagration or pillage. Economy in all branches of the public service is due from all the public agents to the people, but parsimony alone would suggest the withholding of the necessary means for the protection of our domestic firesides from invasion and our national honor from disgrace. I would most earnestly recommend to Congress to abstain from all appropriations for objects not absolutely necessary; but I take upon myself, without a moment of hesitancy, all the responsibility of recommending the increase and prompt equipment of that gallant Navy which has lighted up every sea with its victories and spread an imperishable glory over the country.

The report of the Postmaster-General will claim your particular attention, not only because of the valuable suggestions which it contains, but because of the great importance which at all times attaches to that interesting branch of the public service. The increased expense of transporting the mail along the principal routes necessarily claims the public attention, and has awakened a corresponding solicitude on the part of the Government. The transmission of the mail must keep pace with those facilities of intercommunication which are every day becoming greater through the building of railroads and the application of steam power, but it can not be disguised that in order to do so the Post-Office Department is subjected to heavy exactions. The lines of communication between distant parts of the Union are to a great extent occupied by railroads, which, in the nature of things, possess a complete monopoly, and the Department is therefore liable to heavy and unreasonable charges. This evil is destined to great increase in future, and some timely measure may become necessary to guard against it.

I feel it my duty to bring under your consideration a practice which has grown up in the administration of the Government, and which, I am deeply convinced, ought to be corrected. I allude to the exercise of the power which usage rather than reason has vested in the Presidents of removing incumbents from office in order to substitute others more in favor with the dominant party. My own conduct in this respect has been governed by a conscientious purpose to exercise the removing power only in cases of unfaithfulness or inability, or in those in which its exercise appeared necessary in order to discountenance and suppress that spirit of active partisanship on the part of holders of office which not only withdraws them from the steady and impartial discharge of their official duties, but exerts an undue and injurious influence over elections and degrades the character of the Government itself, inasmuch as it exhibits the Chief Magistrate as being a party through his agents in the secret plots or open workings of political parties.

Page 548

In respect to the exercise of this power nothing should be left to discretion which may safely be regulated by law, and it is of high importance to restrain as far as possible the stimulus of personal interests in public elections. Considering the great increase which has been made in public offices in the last quarter of a century and the probability of further increase, we incur the hazard of witnessing violent political contests, directed too often to the single object of retaining office by those who are in or obtaining it by those who are out. Under the influence of these convictions I shall cordially concur in any constitutional measure for regulating and, by regulating, restraining the power of removal.

I suggest for your consideration the propriety of making without further delay some specific application of the funds derived under the will of Mr. Smithson, of England, for the diffusion of knowledge, and which have heretofore been vested in public stocks until such time as Congress should think proper to give them a specific direction. Nor will you, I feel confident, permit any abatement of the principal of the legacy to be made should it turn out that the stocks in which the investments have been made have undergone a depreciation.

In conclusion I commend to your care the interests of this District, for which you are the exclusive legislators. Considering that this city is the residence of the Government and for a large part of the year of Congress, and considering also the great cost of the public buildings and the propriety of affording them at all times careful protection, it seems not unreasonable that Congress should contribute toward the expense of an efficient police.

***

State of the Union Address
John Tyler
December 6, 1842

To the Senate and House of Representatives of the United States:

We have continued reason to express our profound gratitude to the Great Creator of All Things for numberless benefits conferred upon us as a people. Blessed with genial seasons, the husbandman has his garners filled with abundance, and the necessaries of life, not to speak of its luxuries, abound in every direction. While in some other nations steady and industrious labor can hardly find the means of subsistence, the greatest evil which we have to encounter is a surplus of production beyond the home demand, which seeks, and with difficulty finds, a partial market in other regions. The health of the country, with partial exceptions, has for the past year been well preserved, and under their free and wise institutions the United States are rapidly advancing toward the consummation of the high destiny which an overruling Providence seems to have marked out for them. Exempt from domestic convulsion and at peace with all the world, we are left free to consult as to the best means of securing and advancing the

happiness of the people. Such are the circumstances under which you now assemble in your respective chambers and which should lead us to unite in praise and thanksgiving to that great Being who made us and who preserves us as a nation.

Page 549

I congratulate you, fellow-citizens, on the happy change in the aspect of our foreign affairs since my last annual message. Causes of complaint at that time existed between the United States and Great Britain which, attended by irritating circumstances, threatened most seriously the public peace. The difficulty of adjusting amicably the questions at issue between the two countries was in no small degree augmented by the lapse of time since they had their origin. The opinions entertained by the Executive on several of the leading topics in dispute were frankly set forth in the message at the opening of your late session. The appointment of a special minister by Great Britain to the United States with power to negotiate upon most of the points of difference indicated a desire on her part amicably to adjust them, and that minister was met by the Executive in the same spirit which had dictated his mission. The treaty consequent thereon having been duly ratified by the two Governments, a copy, together with the correspondence which accompanied it, is herewith communicated. I trust that whilst you may see in it nothing objectionable, it may be the means of preserving for an indefinite period the amicable relations happily existing between the two Governments. The question of peace or war between the United States and Great Britain is a question of the deepest interest, not only to themselves, but to the civilized world, since it is scarcely possible that a war could exist between them without endangering the peace of Christendom. The immediate effect of the treaty upon ourselves will be felt in the security afforded to mercantile enterprise, which, no longer apprehensive of interruption, adventures its speculations in the most distant seas, and, freighted with the diversified productions of every land, returns to bless our own. There is nothing in the treaty which in the slightest degree compromits the honor or dignity of either nation. Next to the settlement of the boundary line, which must always be a matter of difficulty between states as between individuals, the question which seemed to threaten the greatest embarrassment was that connected with the African slave trade.

By the tenth article of the treaty of Ghent it was expressly declared that—

Whereas the traffic in slaves is irreconcilable with the principles of humanity and justice, and whereas both His Majesty and the United States are desirous of continuing their efforts to promote its entire abolition, it is hereby agreed that both the contracting parties shall use their best endeavors to accomplish so desirable an object.

Page 550

In the enforcement of the laws and treaty stipulations of Great Britain a practice had threatened to grow up on the part of its cruisers of subjecting to visitation ships sailing under the American flag, which, while it seriously involved our maritime rights, would subject to vexation a branch of our trade which was daily increasing, and which required the fostering care of Government. And although Lord Aberdeen in his correspondence with the American envoys at London expressly disclaimed all right to detain an American ship on the high seas, even if found with a cargo of slaves on board, and restricted the British pretension to a mere claim to visit and inquire, yet it could not well be discerned by the Executive of the United States how such visit and inquiry could be made without detention on the voyage and consequent interruption to the trade. It was regarded as the right of search presented only in a new form and expressed in different words, and I therefore felt it to be my duty distinctly to declare in my annual message to Congress that no such concession could be made, and that the United States had both the will and the ability to enforce their own laws and to protect their flag from being used for purposes wholly forbidden by those laws and obnoxious to the moral censure of the world. Taking the message as his letter of instructions, our then minister at Paris felt himself required to assume the same ground in a remonstrance which he felt it to be his duty to present to Mr. Guizot, and through him to the King of the French, against what has been called the “quintuple treaty;” and his conduct in this respect met with the approval of this Government. In close conformity with these views the eighth article of the treaty was framed; which provides “that each nation shall keep afloat in the African seas a force not less than 80 guns, to act separately and apart, under instructions from their respective Governments, and for the enforcement of their respective laws and obligations.” From this it will be seen that the ground assumed in the message has been fully maintained at the same time that the stipulations of the treaty of Ghent are to be carried out in good faith by the two countries, and that all pretense is removed for interference with our commerce for any purpose whatever by a foreign government. While, therefore, the United States have been standing up for the freedom of the seas, they have not thought proper to make that a pretext for avoiding a fulfillment of their treaty stipulations or a ground for giving countenance to a trade reprobated by our laws. A similar arrangement by the other great powers could not fail to sweep from the ocean the slave trade without the interpolation of any new principle into the maritime code. We may be permitted to hope that the example thus set will be followed by some if not all of them. We thereby also afford suitable protection to the fair trader in those seas, thus fulfilling at the same time the dictates of a sound policy and complying with the claims of justice and humanity.

Page 551

It would have furnished additional cause for congratulation if the treaty could have embraced all subjects calculated in future to lead to a misunderstanding between the two Governments. The Territory of the United States commonly called the Oregon Territory, lying on the Pacific Ocean north of the forty-second degree of latitude, to a portion of which Great Britain lays claim, begins to attract the attention of our fellow-citizens, and the tide of population which has reclaimed what was so lately an unbroken wilderness in more contiguous regions is preparing to flow over those vast districts which stretch from the Rocky Mountains to the Pacific Ocean. In advance of the acquirement of individual rights to these lands, sound policy dictates that every effort should be resorted to by the two Governments to settle their respective claims. It became manifest at an early hour of the late negotiations that any attempt for the time being satisfactorily to determine those rights would lead to a protracted discussion, which might embrace in its failure other more pressing matters, and the Executive did not regard it as proper to waive all the advantages of an honorable adjustment of other difficulties of great magnitude and importance because this, not so immediately pressing, stood in the way. Although the difficulty referred to may not for several years to come involve the peace of the two countries, yet I shall not delay to urge on Great Britain the importance of its early settlement. Nor will other matters of commercial importance to the two countries be overlooked, and I have good reason to believe that it will comport with the policy of England, as it does with that of the United States, to seize upon this moment, when most of the causes of irritation have passed away, to cement the peace and amity of the two countries by wisely removing all grounds of probable future collision.

With the other powers of Europe our relations continue on the most amicable footing. Treaties now existing with them should be rigidly observed, and every opportunity compatible with the interests of the United States should be seized upon to enlarge the basis of commercial intercourse. Peace with all the world is the true foundation of our policy, which can only be rendered permanent by the practice of equal and impartial justice to all. Our great desire should be to enter only into that rivalry which looks to the general good in the cultivation of the sciences, the enlargement of the field for the exercise of the mechanical arts, and the spread of commerce—that great civilizer—to every land and sea. Carefully abstaining from interference in all questions exclusively referring themselves to the political interests of Europe, we may be permitted to hope an equal exemption from the interference of European Governments in what relates to the States of the American continent.

Page 552

On the 23d of April last the commissioners on the part of the United States under the convention with the Mexican Republic of the 11th of April, 1839, made to the proper Department a final report in relation to the proceedings of the commission. From this it appears that the total amount awarded to the claimants by the commissioners and the umpire appointed under that convention was $2,026,079.68. The arbiter having considered that his functions were required by the convention to terminate at the same time with those of the commissioners, returned to the board, undecided for want of time, claims which had been allowed by the American commissioners to the amount of $928,620.88. Other claims, in which the amount sought to be recovered was $3,336,837.05, were submitted to the board too late for its consideration. The minister of the United States at Mexico has been duly authorized to make demand for payment of the awards according to the terms of the convention and the provisions of the act of Congress of the 12th of June, 1840. He has also been instructed to communicate to that Government the expectations of the Government of the United States in relation to those claims which were not disposed of according to the provisions of the convention, and all others of citizens of the United States against the Mexican Government. He has also been furnished with other instructions, to be followed by him in case the Government of Mexico should not find itself in a condition to make present payment of the amount of the awards in specie or its equivalent.

I am happy to be able to say that information which is esteemed favorable both to a just satisfaction of the awards and a reasonable provision for other claims has been recently received from Mr. Thompson, the minister of the United States, who has promptly and efficiently executed the instructions of his Government in regard to this important subject.

The citizens of the United States who accompanied the late Texan expedition to Santa Fe, and who were wrongfully taken and held as prisoners of war in Mexico, have all been liberated.

A correspondence has taken place between the Department of State and the Mexican minister of foreign affairs upon the complaint of Mexico that citizens of the United States were permitted to give aid to the inhabitants of Texas in the war existing between her and that Republic. Copies of this correspondence are herewith communicated to Congress, together with copies of letters on the same subject addressed to the diplomatic corps at Mexico by the American minister and the Mexican secretary of state.

Mexico has thought proper to reciprocate the mission of the United States to that Government by accrediting to this a minister of the same rank as that of the representative of the United States in Mexico. From the circumstances connected with his mission favorable results are anticipated from it. It is so obviously for the interest of both countries as neighbors and friends that all just causes of mutual dissatisfaction should be removed that it is to be hoped neither will omit or delay the employment of any practicable and honorable means to accomplish that end.

Page 553

The affairs pending between this Government and several others of the States of this hemisphere formerly under the dominion of Spain have again within the past year been materially obstructed by the military revolutions and conflicts in those countries.

The ratifications of the treaty between the United States and the Republic of Ecuador of the 13th of June, 1839, have been exchanged, and that instrument has been duly promulgated on the part of this Government. Copies are now communicated to Congress with a view to enable that body to make such changes in the laws applicable to our intercourse with that Republic as may be deemed requisite.

Provision has been made by the Government of Chile for the payment of the claim on account of the illegal detention of the brig Warrior at Coquimbo in 1820. This Government has reason to expect that other claims of our citizens against Chile will be hastened to a final and satisfactory close.

The Empire of Brazil has not been altogether exempt from those convulsions which so constantly afflict the neighboring republics. Disturbances which recently broke out are, however, now understood to be quieted. But these occurrences, by threatening the stability of the governments, or by causing incessant and violent changes in them or in the persons who administer them, tend greatly to retard provisions for a just indemnity for losses and injuries suffered by individual subjects or citizens of other states. The Government of the United States will feel it to be its duty, however, to consent to no delay not unavoidable in making satisfaction for wrongs and injuries sustained by its own citizens. Many years having in some cases elapsed, a decisive and effectual course of proceeding will be demanded of the respective governments against whom claims have been preferred.

The vexatious, harassing, and expensive war which so long prevailed with the Indian tribes inhabiting the peninsula of Florida has happily been terminated, whereby our Army has been relieved from a service of the most disagreeable character and the Treasury from a large expenditure. Some casual outbreaks may occur, such as are incident to the close proximity of border settlers and the Indians, but these, as in all other cases, may be left to the care of the local authorities, aided when occasion may require by the forces of the United States. A sufficient number of troops will be maintained in Florida so long as the remotest apprehensions of danger shall exist, yet their duties will be limited rather to the garrisoning of the necessary posts than to the maintenance of active hostilities. It is to be hoped that a territory so long retarded in its growth will now speedily recover from the evils incident to a protracted war, exhibiting in the increased amount of its rich productions true evidences of returning wealth and prosperity. By the practice of rigid justice toward the numerous Indian tribes residing within our territorial

Page 554

limits and the exercise of a parental vigilance over their interests, protecting them against fraud and intrusion, and at the same time using every proper expedient to introduce among them the arts of civilized life, we may fondly hope not only to wean them from their love of war, but to inspire them with a love for peace and all its avocations. With several of the tribes great progress in civilizing them has already been made. The schoolmaster and the missionary are found side by side, and the remnants of what were once numerous and powerful nations may yet be preserved as the builders up of a new name for themselves and their posterity.

The balance in the Treasury on the 1st of January, 1842, exclusive of the amount deposited with the States, trust funds, and indemnities, was $230,483.68. The receipts into the Treasury during the three first quarters of the present year from all sources amount to $26,616,593.78, of which more than fourteen millions were received from customs and about one million from the public lands. The receipts for the fourth quarter are estimated at nearly eight millions, of which four millions are expected from customs and three millions and a half from loans and Treasury notes. The expenditures of the first three quarters of the present year exceed twenty-six millions, and those estimated for the fourth quarter amount to about eight millions; and it is anticipated there will be a deficiency of half a million on the 1st of January next, but that the amount of outstanding warrants (estimated at $800,000) will leave an actual balance of about $224,000 in the Treasury. Among the expenditures of this year are more than eight millions for the public debt and about $600,000 on account of the distribution to the States of the proceeds of sales of the public lands.

The present tariff of duties was somewhat hastily and hurriedly passed near the close of the late session of Congress. That it should have defects can therefore be surprising to no one. To remedy such defects as may be found to exist in any of its numerous provisions will not fail to claim your serious attention. It may well merit inquiry whether the exaction of all duties in cash does not call for the introduction of a system which has proved highly beneficial in countries where it has been adopted. I refer to the warehousing system. The first and most prominent effect which it would produce would be to protect the market alike against redundant or deficient supplies of foreign fabrics, both of which in the long run are injurious as well to the manufacturer as the importer. The quantity of goods in store being at all times readily known, it would enable the importer with an approach to accuracy to ascertain the actual wants of the market and to regulate himself accordingly. If, however, he should fall into error by importing an excess above the public wants, he could readily correct its evils by availing himself of the benefits and advantages of the system thus established. In the storehouse the goods imported would await the demand of the market and their issues would be governed by the fixed principles of demand and supply. Thus an approximation would be made to a steadiness and uniformity of price, which if attainable would conduce to the decided advantage of mercantile and mechanical operations.

Page 555

The apprehension may be well entertained that without something to ameliorate the rigor of cash payments the entire import trade may fall into the hands of a few wealthy capitalists in this country and in Europe. The small importer, who requires all the money he can raise for investments abroad, and who can but ill afford to pay the lowest duty, would have to subduct in advance a portion of his funds in order to pay the duties, and would lose the interest upon the amount thus paid for all the time the goods might remain unsold, which might absorb his profits. The rich capitalist, abroad as well as at home, would thus possess after a short time an almost exclusive monopoly of the import trade, and laws designed for the benefit of all would thus operate for the benefit of a few—a result wholly uncongenial with the spirit of our institutions and antirepublican in all its tendencies. The warehousing system would enable the importer to watch the market and to select his own time for offering his goods for sale. A profitable portion of the carrying trade in articles entered for the benefit of drawback must also be most seriously affected without the adoption of some expedient to relieve the cash system. The warehousing system would afford that relief, since the carrier would have a safe recourse to the public storehouses and might without advancing the duty reship within some reasonable period to foreign ports. A further effect of the measure would be to supersede the system of drawbacks, thereby effectually protecting the Government against fraud, as the right of debenture would not attach to goods after their withdrawal from the public stores.

In revising the existing tariff of duties, should you deem it proper to do so at your present session, I can only repeat the suggestions and recommendations which upon several occasions I have heretofore felt it to be my duty to offer to Congress. The great primary and controlling interest of the American people is union—union not only in the mere forms of government, forms which may be broken, but union rounded in an attachment of States and individuals for each other. This union in sentiment and feeling can only be preserved by the adoption of that course of policy which, neither giving exclusive benefits to some nor imposing unnecessary burthens upon others, shall consult the interests of all by pursuing a course of moderation and thereby seeking to harmonize public opinion, and causing the people everywhere to feel and to know that the Government is careful of the interests of all alike. Nor is there any subject in regard to which moderation, connected with a wise discrimination, is more necessary than in the imposition of duties on imports. Whether reference be had to revenue, the primary object in the imposition of taxes, or to the incidents which necessarily flow from their imposition, this is entirely true. Extravagant duties defeat their end and object, not only by exciting in the public mind an hostility to

Page 556

the manufacturing interests, but by inducing a system of smuggling on an extensive scale and the practice of every manner of fraud upon the revenue, which the utmost vigilance of Government can not effectually suppress. An opposite course of policy would be attended by results essentially different, of which every interest of society, and none more than those of the manufacturer, would reap important advantages. Among the most striking of its benefits would be that derived from the general acquiescence of the country in its support and the consequent permanency and stability which would be given to all the operations of industry. It can not be too often repeated that no system of legislation can be wise which is fluctuating and uncertain. No interest can thrive under it. The prudent capitalist will never adventure his capital in manufacturing establishments, or in any other leading pursuit of life, if there exists a state of uncertainty as to whether the Government will repeal to-morrow what it has enacted to-day. Fitful profits, however high, if threatened with a ruinous reduction by a vacillating policy on the part of Government, will scarcely tempt him to trust the money which he has acquired by a life of labor upon the uncertain adventure. I therefore, in the spirit of conciliation, and influenced by no other desire than to rescue the great interests of the country from the vortex of political contention, and in the discharge of the high and solemn duties of the place which I now occupy, recommend moderate duties, imposed with a wise discrimination as to their several objects, as being not only most likely to be durable, but most advantageous to every interest of society.

The report of the Secretary of the War Department exhibits a very full and satisfactory account of the various and important interests committed to the charge of that officer. It is particularly gratifying to find that the expenditures for the military service are greatly reduced in amount—that a strict system of economy has been introduced into the service and the abuses of past years greatly reformed. The fortifications on our maritime frontier have been prosecuted with much vigor, and at many points our defenses are in a very considerable state of forwardness. The suggestions in reference to the establishment of means of communication with our territories on the Pacific and to the surveys so essential to a knowledge of the resources of the intermediate country are entitled to the most favorable consideration. While I would propose nothing inconsistent with friendly negotiations to settle the extent of our claims in that region, yet a prudent forecast points out the necessity of such measures as may enable us to maintain our rights. The arrangements made for preserving our neutral relations on the boundary between us and Texas and keeping in check the Indians in that quarter will be maintained so long as circumstances may require. For several years angry contentions have grown out of the disposition

Page 557

directed by law to be made of the mineral lands held by the Government in several of the States. The Government is constituted the landlord, and the Citizens of the States wherein lie the lands are its tenants. The relation is an unwise one, and it would be much more conducive of the public interest that a sale of the lands should be made than that they should remain in their present condition. The supply of the ore would be more abundantly and certainly furnished when to be drawn from the enterprise and the industry of the proprietor than under the present system.

The recommendations of the Secretary in regard to the improvements of the Western waters and certain prominent harbors on the Lakes merit, and I doubt not will receive, your serious attention. The great importance of these subjects to the prosperity of the extensive region referred to and the security of the whole country in time of war can not escape observation. The losses of life and property which annually occur in the navigation of the Mississippi alone because of the dangerous obstructions in the river make a loud demand upon Congress for the adoption of efficient measures for their removal.

The report of the Secretary of the Navy will bring you acquainted with that important branch of the public defenses. Considering the already vast and daily increasing commerce of the country, apart from the exposure to hostile inroad of an extended seaboard, all that relates to the Navy is calculated to excite particular attention. Whatever tends to add to its efficiency without entailing unnecessary charges upon the Treasury is well worthy of your serious consideration. It will be seen that while an appropriation exceeding by more than a million the appropriations of the current year is asked by the Secretary, yet that in this sum is proposed to be included $400,000 for the purchase of clothing, which when once expended will be annually reimbursed by the sale of the clothes, and will thus constitute a perpetual fund without any new appropriation to the same object. To this may also be added $50,000 asked to cover the arrearages of past years and $250,000 in order to maintain a competent squadron on the coast of Africa; all of which when deducted will reduce the expenditures nearly within the limits of those of the current year. While, however, the expenditures will thus remain very nearly the same as of the antecedent year, it is proposed to add greatly to the operations of the marine, and in lieu of only 25 ships in commission and but little in the way of building, to keep with the same expenditure 41 vessels afloat and to build 12 ships of a small class.

A strict system of accountability is established and great pains are taken to insure industry, fidelity, and economy in every department of duty. Experiments have been instituted to test the quality of various materials, particularly copper, iron, and coal, so as to prevent fraud and imposition.

Page 558

It will appear by the report of the Postmaster-General that the great point which for several years has been so much desired has during the current year been fully accomplished. The expenditures of the Department for current service have been brought within its income without lessening its general usefulness. There has been an increase of revenue equal to $166,000 for the year 1842 over that of 1841, without, as it is believed, any addition having been made to the number of letters and newspapers transmitted through the mails. The post-office laws have been honestly administered, and fidelity has been observed in accounting for and paying over by the subordinates of the Department the moneys which have been received. For the details of the service I refer you to the report.

I flatter myself that the exhibition thus made of the condition of the public administration will serve to convince you that every proper attention has been paid to the interests of the country by those who have been called to the heads of the different Departments. The reduction in the annual expenditures of the Government already accomplished furnishes a sure evidence that economy in the application of the public moneys is regarded as a paramount duty.

At peace with all the world, the personal liberty of the citizen sacredly maintained and his rights secured under political institutions deriving all their authority from the direct sanction of the people, with a soil fertile almost beyond example and a country blessed with every diversity of climate and production, what remains to be done in order to advance the happiness and prosperity of such a people? Under ordinary circumstances this inquiry could readily be answered. The best that probably could be done for a people inhabiting such a country would be to fortify their peace and security in the prosecution of their various pursuits by guarding them against invasion from without and violence from within. The rest for the greater part might be left to their own energy and enterprise. The chief embarrassments which at the moment exhibit themselves have arisen from overaction, and the most difficult task which remains to be accomplished is that of correcting and overcoming its effects. Between the years 1833 and 1838 additions were made to bank capital and bank issues, in the form of notes designed for circulation, to an extent enormously great. The question seemed to be not how the best currency could be provided, but in what manner the greatest amount of bank paper could be put in circulation. Thus a vast amount of what was called money—since for the time being it answered the purposes of money—was thrown upon the country, an overissue which was attended, as a necessary consequence, by an extravagant increase of the prices of all articles of property, the spread of a speculative mania all over the country, and has finally ended in a general indebtedness on the part of States and individuals, the prostration of public

Page 559

and private credit, a depreciation in the market value of real and personal estate, and has left large districts of country almost entirely without any circulating medium. In view of the fact that in 1830 the whole bank-note circulation within the United States amounted to but $61,323,898, according to the Treasury statements, and that an addition had been made thereto of the enormous sum of $88,000,000 in seven years (the circulation on the 1st of January, 1837, being stated at $149,185,890), aided by the great facilities afforded in obtaining loans from European capitalists, who were seized with the same speculative mania which prevailed in the United States, and the large importations of funds from abroad—the result of stock sales and loans—no one can be surprised at the apparent but unsubstantial state of prosperity which everywhere prevailed over the land; and as little cause of surprise should be felt at the present prostration of everything and the ruin which has befallen so many of our fellow-citizens in the sudden withdrawal from circulation of so large an amount of bank issues since 1837—exceeding, as is believed, the amount added to the paper currency for a similar period antecedent to 1837—it ceases to be a matter of astonishment that such extensive shipwreck should have been made of private fortunes or that difficulties should exist in meeting their engagements on the part of the debtor States; apart from which, if there be taken into account the immense losses sustained in the dishonor of numerous banks, it is less a matter of surprise that insolvency should have visited many of our fellow-citizens than that so many should have escaped the blighting influences of the times.

In the solemn conviction of these truths and with an ardent desire to meet the pressing necessities of the country, I felt it to be my duty to cause to be submitted to you at the commencement of your last session the plan of an exchequer, the whole power and duty of maintaining which in purity and vigor was to be exercised by the representatives of the people and the States, and therefore virtually by the people themselves. It was proposed to place it under the control and direction of a Treasury board to consist of three commissioners, whose duty it should be to see that the law of its creation was faithfully executed and that the great end of supplying a paper medium of exchange at all times convertible into gold and silver should be attained. The board thus constituted was given as much permanency as could be imparted to it without endangering the proper share of responsibility which should attach to all public agents. In order to insure all the advantages of a well-matured experience, the commissioners were to hold their offices for the respective periods of two, four, and six years, thereby securing at all times in the management of the exchequer the services of two men of experience; and to place them in a condition to exercise perfect independence

Page 560

of mind and action it was provided that their removal should only take place for actual incapacity or infidelity to the trust, and to be followed by the President with an exposition of the causes of such removal, should it occur. It was proposed to establish subordinate boards in each of the States, under the same restrictions and limitations of the power of removal, which, with the central board, should receive, safely keep, and disburse the public moneys. And in order to furnish a sound paper medium of exchange the exchequer should retain of the revenues of the Government a sum not to exceed $5,000,000 in specie, to be set apart as required by its operations, and to pay the public creditor at his own option either in specie or Treasury notes of denominations not less than $5 nor exceeding $100, which notes should be redeemed at the several places of issue, and to be receivable at all times and everywhere in payment of Government dues, with a restraint upon such issue of bills that the same should not exceed the maximum of $15,000,000. In order to guard against all the hazards incident to fluctuations in trade, the Secretary of the Treasury was invested with authority to issue $5,000,000 of Government stock, should the same at any time be regarded as necessary in order to place beyond hazard the prompt redemption of the bills which might be thrown into circulation; thus in fact making the issue of $15,000,000 of exchequer bills rest substantially on $10,000,000, and keeping in circulation never more than one and one-half dollars for every dollar in specie. When to this it is added that the bills are not only everywhere receivable in Government dues, but that the Government itself would be bound for their ultimate redemption, no rational doubt can exist that the paper which the exchequer would furnish would readily enter into general circulation and be maintained at all times at or above par with gold and silver, thereby realizing the great want of the age and fulfilling the wishes of the people. In order to reimburse the Government the expenses of the plan, it was proposed to invest the exchequer with the limited authority to deal in bills of exchange (unless prohibited by the State in which an agency might be situated) having only thirty days to run and resting on a fair and bona fide basis. The legislative will on this point might be so plainly announced as to avoid all pretext for partiality or favoritism. It was furthermore proposed to invest this Treasury agent with authority to receive on deposit to a limited amount the specie funds of individuals and to grant certificates therefor to be redeemed on presentation, under the idea, which is believed to be well founded, that such certificates would come in aid of the exchequer bills in supplying a safe and ample paper circulation. Or if in place of the contemplated dealings in exchange the exchequer should be authorized not only to exchange its bills for actual deposits of specie, but, for specie

Page 561

or its equivalent, to sell drafts, charging therefor a small but reasonable premium, I can not doubt but that the benefits of the law would be speedily manifested in the revival of the credit, trade, and business of the whole country. Entertaining this opinion, it becomes my duty to urge its adoption upon Congress by reference to the strongest considerations of the public interests, with such alterations in its details as Congress may in its wisdom see fit to make.

I am well aware that this proposed alteration and amendment of the laws establishing the Treasury Department has encountered various objections, and that among others it has been proclaimed a Government bank of fearful and dangerous import. It is proposed to confer upon it no extraordinary power. It purports to do no more than pay the debts of the Government with the redeemable paper of the Government, in which respect it accomplishes precisely what the Treasury does daily at this time in issuing to the public creditors the Treasury notes which under law it is authorized to issue. It has no resemblance to an ordinary bank, as it furnishes no profits to private stockholders and lends no capital to individuals. If it be objected to as a Government bank and the objection be available, then should all the laws in relation to the Treasury be repealed and the capacity of the Government to collect what is due to it or pay what it owes be abrogated.

This is the chief purpose of the proposed exchequer, and surely if in the accomplishment of a purpose so essential it affords a sound circulating medium to the country and facilities to trade it should be regarded as no slight recommendation of it to public consideration. Properly guarded by the provisions of law, it can run into no dangerous evil, nor can any abuse arise under it but such as the Legislature itself will be answerable for if it be tolerated, since it is but the creature of the law and is susceptible at all times of modification, amendment, or repeal at the pleasure of Congress. I know that it has been objected that the system would be liable to be abused by the Legislature, by whom alone it could be abused, in the party conflicts of the day; that such abuse would manifest itself in a change of the law which would authorize an excessive issue of paper for the purpose of inflating prices and winning popular favor. To that it may be answered that the ascription of such a motive to Congress is altogether gratuitous and inadmissible. The theory of our institutions would lead us to a different conclusion. But a perfect security against a proceeding so reckless would be found to exist in the very nature of things. The political party which should be so blind to the true interests of the country as to resort to such an expedient would inevitably meet with final overthrow in the fact that the moment the paper ceased to be convertible into specie or otherwise promptly redeemed it would become worthless, and would in the end dishonor

Page 562

the Government, involve the people in ruin and such political party in hopeless disgrace. At the same time, such a view involves the utter impossibility of furnishing any currency other than that of the precious metals; for if the Government itself can not forego the temptation of excessive paper issues what reliance can be placed in corporations upon whom the temptations of individual aggrandizement would most strongly operate? The people would have to blame none but themselves for any injury that might arise from a course so reckless, since their agents would be the wrongdoers and they the passive spectators.

There can be but three kinds of public currency—first, gold and silver; second, the paper of State institutions; or, third, a representative of the precious metals provided by the General Government or under its authority. The subtreasury system rejected the last in any form, and as it was believed that no reliance could be placed on the issues of local institutions for the purposes of general circulation it necessarily and unavoidably adopted specie as the exclusive currency for its own use; and this must ever be the case unless one of the other kinds be used. The choice in the present state of public sentiment lies between an exclusive specie currency on the one hand and Government issues of some kind on the other. That these issues can not be made by a chartered institution is supposed to be conclusively settled. They must be made, then, directly by Government agents. For several years past they have been thus made in the form of Treasury notes, and have answered a valuable purpose. Their usefulness has been limited by their being transient and temporary; their ceasing to bear interest at given periods necessarily causes their speedy return and thus restricts their range of circulation, and being used only in the disbursements of Government they can not reach those points where they are most required. By rendering their use permanent, to the moderate extent already mentioned, by offering no inducement for their return and by exchanging them for coin and other values, they will constitute to a certain extent the general currency so much needed to maintain the internal trade of the country. And this is the exchequer plan so far as it may operate in furnishing a currency.

I can not forego the occasion to urge its importance to the credit of the Government in a financial point of view. The great necessity of resorting to every proper and becoming expedient in order to place the Treasury on a footing of the highest respectability is entirely obvious. The credit of the Government may be regarded as the very soul of the Government itself—a principle of vitality without which all its movements are languid and all its operations embarrassed. In this spirit the Executive felt itself bound by the most imperative sense of duty to submit to Congress at its last session the propriety of making a specific pledge of the land fund as the

Page 563

basis for the negotiation of the loans authorized to be contracted. I then thought that such an application of the public domain would without doubt have placed at the command of the Government ample funds to relieve the Treasury from the temporary embarrassments under which it labored. American credit has suffered a considerable shock in Europe from the large indebtedness of the States and the temporary inability of some of them to meet the interest on their debts. The utter and disastrous prostration of the United States Bank of Pennsylvania had contributed largely to increase the sentiment of distrust by reason of the loss and ruin sustained by the holders of its stock, a large portion of whom were foreigners and many of whom were alike ignorant of our political organization and of our actual responsibilities.

It was the anxious desire of the Executive that in the effort to negotiate the loan abroad the American negotiator might be able to point the money lender to the fund mortgaged for the redemption of the principal and interest of any loan he might contract, and thereby vindicate the Government from all suspicion of bad faith or inability to meet its engagements. Congress differed from the Executive in this view of the subject. It became, nevertheless, the duty of the Executive to resort to every expedient in its power to do so.

After a failure in the American market a citizen of high character and talent was sent to Europe, with no better success; and thus the mortifying spectacle has been presented of the inability of this Government to obtain a loan so small as not in the whole to amount to more than one-fourth of its ordinary annual income, at a time when the Governments of Europe, although involved in debt and with their subjects heavily burthened with taxation, readily obtained loans of any amount at a greatly reduced rate of interest. It would be unprofitable to look further into this anomalous state of things, but I can not conclude without adding that for a Government which has paid off its debts of two wars with the largest maritime power of Europe, and now owing a debt which is almost next to nothing when compared with its boundless resources—a Government the strongest in the world, because emanating from the popular will and firmly rooted in the affections of a great and free people, and whose fidelity to its engagements has never been questioned—for such a Government to have tendered to the capitalists of other countries an opportunity for a small investment in its stock, and yet to have failed, implies either the most unfounded distrust in its good faith or a purpose to obtain which the course pursued is the most fatal which could have been adopted. It has now become obvious to all men that the Government must look to its own means for supplying its wants, and it is consoling to know that these means are altogether adequate for the object. The exchequer, if adopted, will greatly aid in bringing about this result.

Page 564

Upon what I regard as a well-rounded supposition that its bills would be readily sought for by the public creditors and that the issue would in a short time reach the maximum of $15,000,000, it is obvious that $10,000,000 would thereby be added to the available means of the Treasury without cost or charge. Nor can I fail to urge the great and beneficial effects which would be produced in aid of all the active pursuits of life. Its effects upon the solvent State banks, while it would force into liquidation those of an opposite character through its weekly settlements, would be highly beneficial; and with the advantages of a sound currency the restoration of confidence and credit would follow with a numerous train of blessings. My convictions are most strong that these benefits would flow from the adoption of this measure; but if the result should be adverse there is this security in connection with it—that the law creating it may be repealed at the pleasure of the Legislature without the slightest implication of its good faith.

I recommend to Congress to take into consideration the propriety of reimbursing a fine imposed on General Jackson at New Orleans at the time of the attack and defense of that city, and paid by him. Without designing any reflection on the judicial tribunal which imposed the fine, the remission at this day may be regarded as not unjust or inexpedient. The voice of the civil authority was heard amidst the glitter of arms and obeyed by those who held the sword, thereby giving additional luster to a memorable military achievement. If the laws were offended, their majesty was fully vindicated; and although the penalty incurred and paid is worthy of little regard in a pecuniary point of view, it can hardly be doubted that it would be gratifying to the war-worn veteran, now in retirement and in the winter of his days, to be relieved from the circumstances in which that judgment placed him. There are cases in which public functionaries may be called on to weigh the public interest against their own personal hazards, and if the civil law be violated from praiseworthy motives or an overruling sense of public danger and public necessity punishment may well be restrained within that limit which asserts and maintains the authority of the law and the subjection of the military to the civil power. The defense of New Orleans, while it saved a city from the hands of the enemy, placed the name of General Jackson among those of the greatest captains of the age and illustrated one of the brightest pages of our history. Now that the causes of excitement existing at the time have ceased to operate, it is believed that the remission of this fine and whatever of gratification that remission might cause the eminent man who incurred and paid it would be in accordance with the general feeling and wishes of the American people.

I have thus, fellow-citizens, acquitted myself of my duty under the Constitution by laying before you as succinctly as I have been able the state of the Union and by inviting your attention to measures of much importance to the country. The executive will most zealously unite its efforts with those of the legislative department in the accomplishment

of all that is required to relieve the wants of a common constituency or elevate the destinies of a beloved country.

Page 565

***

State of the Union Address
John Tyler
December 1843

To the Senate and House of Representatives of the United States:

If any people ever had cause to render up thanks to the Supreme Being for parental care and protection extended to them in all the trials and difficulties to which they have been from time to time exposed, we certainly are that people. From the first settlement of our forefathers on this continent, through the dangers attendant upon the occupation of a savage wilderness, through a long period of colonial dependence, through the War of the Revolution, in the wisdom which led to the adoption of the existing forms of republican government, in the hazards incident to a war subsequently waged with one of the most powerful nations of the earth, in the increase of our population, in the spread of the arts and sciences, and in the strength and durability conferred on political institutions emanating from the people and sustained by their will, the superintendence of an overruling Providence has been plainly visible. As preparatory, therefore, to entering once more upon the high duties of legislation, it becomes us humbly to acknowledge our dependence upon Him as our guide and protector and to implore a continuance of His parental watchfulness over our beloved country. We have new cause for the expression of our gratitude in the preservation of the health of our fellow-citizens, with some partial and local exceptions, during the past season, for the abundance with which the earth has yielded up its fruits to the labors of the husbandman, for the renewed activity which has been imparted to commerce, for the revival of trade in all its departments, for the increased rewards attendant on the exercise of the mechanic arts, for the continued growth of our population and the rapidly reviving prosperity of the whole country. I shall be permitted to exchange congratulations with you, gentlemen of the two Houses of Congress, on these auspicious circumstances, and to assure you in advance of my ready disposition to concur with you in the adoption of all such measures as shall be calculated to increase the happiness of our constituents and to advance the glory of our common country.

Since the last adjournment of Congress the Executive has relaxed no effort to render indestructible the relations of amity which so happily exist between the United States and other countries. The treaty lately concluded with Great Britain has tended greatly to increase the good understanding which a reciprocity of interests is calculated to encourage, and it is most ardently to be hoped that nothing may transpire to interrupt the relations of amity which it is so obviously the policy of both nations to cultivate. A question of much importance still remains to be adjusted between them. The territorial limits of the two countries relation to what is commonly known as the Oregon Territory still remain in dispute. The

Page 566

United States would be at all times indisposed to aggrandize itself at the expense of any other nation; but while they would be restrained by principles of honor, which should govern the conduct of nations as well as that of individuals, from setting up a demand for territory which does not belong to them, they would as unwillingly sent to a surrender of their rights. After the most rigid and, as far as practicable, unbiased examination of the subject, the United States have always contended that their rights appertain to the entire region of country lying on the Pacific and embraced within 42° and 54° 40' of north latitude. This claim being controverted by Great Britain, those who have preceded the present Executive—actuated, no doubt, by an earnest desire to adjust the matter upon terms mutually satisfactory to both countries—have caused to be submitted to the British Government propositions for settlement and final adjustment, which, however, have not proved heretofore acceptable to it. Our minister at London has, under instructions, again brought the subject to the consideration of that Government, and while nothing will be done to compromise the rights or honor of the United States, every proper expedient will be resorted to in order to bring the negotiation now in the progress of resumption to a speedy and happy termination. In the meantime it is proper to remark that many of our citizens are either already established in the Territory or are on their way thither for the purpose of forming permanent settlements, while others are preparing to follow; and in view of these facts I must repeat the recommendation contained in previous messages for the establishment of military posts at such places on the line of travel as will furnish security and protection to our hardy adventurers against hostile tribes of Indians inhabiting those extensive regions. Our laws should also follow them, so modified as the circumstances of the case may seem to require. Under the influence of our free system of government new republics are destined to spring up at no distant day on the shores of the Pacific similar in policy and in feeling to those existing on this side of the Rocky Mountains, and giving a wider and more extensive spread to the principles of civil and religious liberty.

I am happy to inform you that the cases which have from time to time arisen of the detention of American vessels by British cruisers on the coast of Africa under pretense of being engaged in the slave trade have been placed in a fair train of adjustment. In the case of the William and Francis full satisfaction will be allowed. In the cases of the Tygris and Seamew the British Government admits that satisfaction is due. In the case of the Jones the sum accruing from the sale of that vessel and cargo will be paid to the owners, while I can not but flatter myself that full indemnification will be allowed for all damages sustained by the detention of the vessel; and in the case of the Douglas Her Majesty's Government has expressed its determination to make indemnification. Strong hopes are therefore entertained that most, if not all, of these cases will be speedily adjusted. No new cases have arisen since the ratification of the treaty of Washington, and it is confidently anticipated that the slave trade, under the operation of the eighth article of that treaty, will be altogether suppressed.

Page 567

The occasional interruption experienced by our fellow-citizens engaged in the fisheries on the neighboring coast of Nova Scotia has not failed to claim the attention of the Executive. Representations upon this subject have been made, but as yet no definitive answer to those representations has been received from the British Government.

Two other subjects of comparatively minor importance, but nevertheless of too much consequence to be neglected, remain still to be adjusted between the two countries. By the treaty between the United States and Great Britain of July, 1815, it is provided that no higher duties shall be levied in either country on articles imported from the other than on the same articles imported from any other place. In 1836 rough rice by act of Parliament was admitted from the coast of Africa into Great Britain on the payment of a duty of 1 penny a quarter, while the same article from all other countries, including the United States, was subjected to the payment of a duty of 20 shillings a quarter. Our minister at London has from time to time brought this subject to the attention of the British Government, but so far without success. He is instructed to renew his representations upon it.

Some years since a claim was preferred against the British Government on the part of certain American merchants for the return of export duties paid by them on shipments of woolen goods to the United States after the duty on similar articles exported to other countries had been repealed, and consequently in contravention of the commercial convention between the two nations securing to us equality in such cases. The principle on which the claim rests has long since been virtually admitted by Great Britain, but obstacles to a settlement have from time to time been interposed, so that a large portion of the amount claimed has not yet been refunded. Our minister is now engaged in the prosecution of the claim, and I can not but persuade myself that the British Government will no longer delay its adjustment.

I am happy to be able to say that nothing has occurred to disturb in any degree the relations of amity which exist between the United States and France, Austria, and Russia, as well as with the other powers of Europe, since the adjournment of Congress. Spain has been agitated with internal convulsions for many years, from the effects of which, it is hoped, she is destined speedily to recover, when, under a more liberal system of commercial policy on her part, our trade with her may again fill its old and, so far as her continental possessions are concerned, its almost forsaken channels, thereby adding to the mutual prosperity of the two countries.

Page 568

The Germanic Association of Customs and Commerce, which since its establishment in 1833 has been steadily growing in power and importance, and consists at this time of more than twenty German States, and embraces a population of 27,000,000 people united for all fire purposes of commercial intercourse with each other and with foreign states, offers to the latter the most valuable exchanges on principles more liberal than are offered in the fiscal system of any other European power. From its origin the importance of the German union has never been lost sight of by the United States. The industry, morality, and other valuable qualities of the German nation have always been well known and appreciated. On this subject I invite the attention of Congress to the report of the Secretary of State, from which it will be seen that while our cotton is admitted free of duty and the duty on rice has been much reduced (which has already led to a greatly increased consumption), a strong disposition has been recently evinced by that great body to reduce, upon certain conditions, their present duty upon tobacco. This being the first intimation of a concession on this interesting subject ever made by any European power, I can not but regard it as well calculated to remove the only impediment which has so far existed to the most liberal commercial intercourse between us and them. In this view our minister at Berlin, who has heretofore industriously pursued the subject, has been instructed to enter upon the negotiation of a commercial treaty, which, while it will open new advantages to the agricultural interests of the United States and a more free and expanded field for commercial operations, will affect injuriously no existing interest of the Union. Should the negotiation be crowned with success, its results will be communicated to both Houses of Congress.

I communicate herewith certain dispatches received from our minister at Mexico, and also a correspondence which has recently occurred between the envoy from that Republic and the Secretary of State. It must but be regarded as not a little extraordinary that the Government of Mexico, in anticipation of a public discussion (which it has been pleased to infer from newspaper publications as likely to take place in Congress, relating to the annexation of Texas to the United States), should have so far anticipated the result of such discussion as to have announced its determination to visit any such anticipated decision by a formal declaration of war against the United States. If designed to prevent Congress from introducing that question as a fit subject for its calm deliberation and final judgment, the Executive has no reason to doubt that it will entirely fail of its object. The representatives of a brave and patriotic people will suffer no apprehension of future consequences to embarrass them in the course of their proposed deliberations, nor will the executive department of the Government fail for any such cause to discharge its whole duty to the country.

Page 569

The war which has existed for so long a time between Mexico and Texas has since the battle of San Jacinto consisted for the most part of predatory incursions, which, while they have been attended with much of suffering to individuals and have kept the borders of the two countries in a state of constant alarm, have failed to approach to any definitive result. Mexico has fitted out no formidable armament by land or by sea for the subjugation of Texas. Eight years have now elapsed since Texas declared her independence of Mexico, and during that time she has been recognized as a sovereign power by several of the principal civilized states. Mexico, nevertheless, perseveres in her plans of reconquest, and refuses to recognize her independence. The predatory incursions to which I have alluded have been attended in one instance with the breaking up of the courts of justice, by the seizing upon the persons of the judges, jury, and officers of the court and dragging them along with unarmed, and therefore noncombatant, citizens into a cruel and oppressive bondage, thus leaving crime to go unpunished and immorality to pass unreproved. A border warfare is evermore to be deprecated, and over such a war as has existed for so many years between these two States humanity has had great cause to lament. Nor is such a condition of things to be deplored only because of the individual suffering attendant upon it. The effects are far more extensive. The Creator of the Universe has given man the earth for his resting place and its fruits for his subsistence. Whatever, therefore, shall make the first or any part of it a scene of desolation affects injuriously his heritage and may be regarded as a general calamity. Wars may sometimes be necessary, but all nations have a common interest in bringing them speedily to a close. The United States have an immediate interest in seeing an end put to the state of hostilities existing between Mexico and Texas. They are our neighbors, of the same continent, with whom we are not only desirous of cultivating the relations of amity, but of the most extended commercial intercourse, and to practice all the rites of a neighborhood hospitality. Our own interests are involved in the matter, since, however neutral may be our course of policy, we can not hope to escape the effects of a spirit of jealousy on the part of both of the powers. Nor can this Government be indifferent to the fact that a warfare such as is waged between those two nations is calculated to weaken both powers and finally to render them—and especially the weaker of the two—the subjects of interference on the part of stronger and more powerful nations, who, intent only on advancing their own peculiar views, may sooner or later attempt to bring about a compliance with terms as the condition of their interposition alike derogatory to the nation granting them and detrimental to the interests of the United States. We could not be expected quietly to permit any such interference

Page 570

to our disadvantage. Considering that Texas is separated from the United States by a mere geographical line; that her territory, in the opinion of many, down to a late period formed a portion of the territory of the United States; that it is homogeneous in its population and pursuits with adjoining States, makes contributions to the commerce of the world in the same articles with them, and that most of her inhabitants have been citizens of the United States, speak the same language, and live under similar political institutions with ourselves, this Government is bound by every consideration of interest as well as of sympathy to see that she shall be left free to act, especially in regard to her domestic affairs, unawed by force and unrestrained by the policy or views of other countries. In full view of all these considerations, the Executive has not hesitated to express to the Government of Mexico how deeply it deprecated a continuance of the war and how anxiously it desired to witness its termination. I can not but think that it becomes the United States, as the oldest of the American Republics, to hold a language to Mexico upon this subject of an unambiguous character. It is time that this war had ceased. There must be a limit to all wars, and if the parent state after an eight years' struggle has failed to reduce to submission a portion of its subjects standing out in revolt against it, and who have not only proclaimed themselves to be independent, but have been recognized as such by other powers, she ought not to expect that other nations will quietly look on, to their obvious injury, upon a protraction of hostilities. These United States threw off their colonial dependence and established independent governments, and Great Britain, after having wasted her energies in the attempt to subdue them for a less period than Mexico has attempted to subjugate Texas, had the wisdom and justice to acknowledge their independence, thereby recognizing the obligation which rested on her as one of the family of nations. An example thus set by one of the proudest as well as most powerful nations of the earth it could in no way disparage Mexico to imitate. While, therefore, the Executive would deplore any collision with Mexico or any disturbance of the friendly relations which exist between the two countries, it can not permit that Government to control its policy, whatever it may be, toward Texas, but will treat her—as by the recognition of her independence the United States have long since declared they would do—as entirely independent of Mexico. The high obligations of public duty may enforce from the constituted authorities of the United States a policy which the course persevered in by Mexico will have mainly contributed to produce, and the Executive in such a touting they will with confidence throw itself upon the patriotism of the people to sustain the Government in its course of action.

Page 571

Measures of an unusual character have recently been adopted by the Mexican Government, calculated in no small degree to affect the trade of other nations with Mexico and to operate injuriously to the United States. All foreigners, by a decree of the 23d day of September, and after six months from the day of its promulgation, are forbidden to carry on the business of selling by retail any goods within the confines of Mexico. Against this decree our minister has not failed to remonstrate.

The trade heretofore carried on by our citizens with Santa Fe, in which much capital was already invested and which was becoming of daily increasing importance, has suddenly been arrested by a decree of virtual prohibition on the part of the Mexican Government. Whatever may be the right of Mexico to prohibit any particular course of trade to the citizens or subjects of foreign powers, this late procedure, to say the least of it, wears a harsh and unfriendly aspect.

The installments on the claims recently settled by the convention with Mexico have been punctually paid as they have fallen due, and our minister is engaged in urging the establishment of a new commission in pursuance of the convention for the settlement of unadjusted claims.

With the other American States our relations of amity and good will have remained uninterrupted. Our minister near the Republic of New Granada has succeeded in effecting an adjustment of the claim upon that Government for the schooner By Chance, which had been pending for many years. The claim for the brig Morris, which had its origin during the existence of the Republic of Colombia, and indemnification for which since the dissolution of that Republic has devolved upon its several members, will be urged with renewed zeal.

I have much pleasure in saying that the Government of Brazil has adjusted the claim upon that Government in the case of the schooner John S. Bryan, and that sanguine hopes are entertained that the same spirit of justice will influence its councils in arriving at an early decision upon the remaining claims, thereby removing all cause of dissension between two powers whose interests are to some extent interwoven with each other.

Our minister at Chili has succeeded in inducing a recognition by that Government of the adjustment effected by his predecessor of the first claim in the case of the Macedonian. The first installment has been received by the claimants in the United States.

Notice of the exchange of ratifications of the treaty with Peru, which will take place at Lima, has not yet reached this country, but is shortly expected to be received, when the claims upon that Republic will doubtless be liquidated and paid.

In consequence of a misunderstanding between this Government and that of Buenos Ayres, occurring several years ago, this Government has remained unrepresented at

that Court, while a minister from it has been constantly resident here. The causes of irritation have in a great measure passed away, and it is in contemplation, in view of important interests which have grown up in that country, at some early period during the present session of Congress, with the concurrence of the Senate, to restore diplomatic relations between the two countries.

Page 572

Under the provisions of an act of Congress of the last session a minister was dispatched from the United States to China in August of the present year, who, from the latest accounts we have from him, was at Suez, in Egypt, on the 25th of September last, on his route to China.

In regard to the Indian tribes residing within our jurisdictional limits, the greatest vigilance of the Government has been exerted to preserve them at peace among themselves and to inspire them with feelings of confidence in the justice of this Government and to cultivate friendship with the border inhabitants. This has happily succeeded to a great extent, but it is a subject of regret that they suffer themselves in some instances to be imposed upon by artful and designing men and this notwithstanding all efforts of the Government to prevent it.

The receipts into the Treasury for the calendar year 1843, exclusive of loans, were little more than $ 18,000,000, and the expenditures, exclusive of the payments on the public debt, will have been about $23,000,000. By the act of 1842 a new arrangement of the fiscal year was made, so that it should commence on the 1st day of July in each year. The accounts and estimates for the current fiscal year will show that the loans and Treasury notes made and issued before the close of the last Congress to meet the anticipated deficiency have not been entirely adequate. Although on the 1st of October last there was a balance in the Treasury, in consequence of the provisions thus made, of $3,914,082.77, yet the appropriations already made by Congress will absorb that balance and leave a probable deficiency of $2,000,000 at the close of the present fiscal year. There are outstanding Treasury notes to about the amount of $4,600,000, and should they be returned upon the Treasury during the fiscal year they will require provision for their redemption. I do not, however, regard this as probable, since they have obviously entered into the currency of the country and will continue to form a portion of it if the system now adopted be continued. The loan of 1841, amounting to $5,672,976.88, falls due on the 1st day of January, 1845, and must be provided for or postponed by a new loan; and unless the resources of revenue should be materially increased by you there will be a probable deficiency for the service of the fiscal year ending June 30, 1845, of upward of $4,000,000.

The delusion incident to an enormously excessive paper circulation, which gave a fictitious value to everything and stimulated adventure and speculation to an extravagant extent, has been happily succeeded by the substitution of the precious metals and paper promptly redeemable in specie; and thus false values have disappeared and a sounder condition of things has been introduced. This transition, although intimately connected with the prosperity of the country, has nevertheless been attended with much embarrassment to the Government in its financial concerns. So long as the foreign

Page 573

importers could receive payment for their cargoes in a currency of greatly less value than that in Europe, but fully available here in the purchase of our agricultural productions (their profits being immeasurably augmented by the operation), the shipments were large and the revenues of the Government became superabundant. But the change in the character of the circulation from a nominal and apparently real value in the first stage of its existence to an obviously depreciated value in its second, so that it no longer answered the purposes of exchange or barter, and its ultimate substitution by a sound metallic and paper circulation combined, has been attended by diminished importations and a consequent falling off in the revenue. This has induced Congress, from 1837, to resort to the expedient of issuing Treasury notes, and finally of funding them, in order to supply deficiencies. I can not, however, withhold the remark that it is in no way compatible with the dignity of the Government that a public debt should be created in time of peace to meet the current expenses of the Government, or that temporary expedients should be resorted to an hour longer than it is possible to avoid them. The Executive can do no more than apply the means which Congress places in its hands for the support of Government, and, happily for the good of the country and for the preservation of its liberties, it possesses no power to levy exactions on the people or to force from them contributions to the public revenue in any form. It can only recommend such measures as may in its opinion be called for by the wants of the public service to Congress, with whom alone rests the power to “lay and collect taxes, duties, imposts, and excises.” This duty has upon several occasions heretofore been performed. The present condition of things gives flattering promise that trade and commerce are rapidly reviving, and, fortunately for the country, the sources of revenue have only to be opened in order to prove abundant.

While we can anticipate no considerable increase in the proceeds of the sales of the public lands, for reasons perfectly obvious to all, for several years to come, yet the public lands can not otherwise than be regarded as the foundation of the public credit. With so large a body of the most fertile lands in the world under the control and at the disposal of this Government, no one can reasonably doubt the entire ability to meet its engagements under every emergency. In seasons of trial and difficulty similar to those through which we are passing the capitalist makes his investments in the Government cut stocks with the most assured confidence of ultimate reimbursement; and whatever may be said of a period of great financial prosperity, such as existed for some years after 1833, I should regard it as suicidal in a season of financial embarrassment either to alienate the lands themselves or the proceeds arising from their sales. The first and paramount duty of those to whom may be intrusted

Page 574

the administration of public affairs is to guard the public credit. In reestablishing the credit of this central Government the readiest and most obvious mode is taken to restore the credit of the States. The extremities can only be made sound by producing a healthy action in the central Government, and the history of the present day fully establishes the fact that an increase in the value of the stocks of this Government will in a great majority of instances be attended by an increase in the value of the stocks of the States. It should therefore be a matter of general congratulation that amidst all the embarrassments arising from surrounding circumstances the credit of the Government should have been so fully restored that it has been enabled to effect a loan of $7,000,000 to redeem that amount of Treasury notes on terms more favorable than any that have been offered for many years. And the 6 per cent stock which was created in 1842 has advanced in the hands of the holders nearly 20 per cent above its par value. The confidence of the people in the integrity of their Government has thus been signally manifested. These opinions relative to the public lands do not in any manner conflict with the observance of the most liberal policy toward those of our fellow-citizens who press forward into the wilderness and are the pioneers in the work of its reclamation. In securing to all such their rights of preemption the Government performs but an act of retributive justice for sufferings encountered and hardships endured, and finds ample remuneration in the comforts which its policy insures and the happiness which it imparts.

Should a revision of the tariff with a view to revenue become necessary in the estimation of Congress, I doubt not you will approach the subject with a just and enlightened regard to the interests of the whole Union. The principles and views which I have heretofore had occasion to submit remain unchanged. It can, however, never be too often repeated that the prominent interest of every important pursuit of life requires for success permanency and stability in legislation. These can only be attained by adopting as the basis of action moderation in all things, which is as indispensably necessary to secure the harmonious action of the political as of the animal system. In our political organization no one section of the country should desire to have its supposed interests advanced at the sacrifice of all others, but union, being the great interest, equally precious to all, should be fostered and sustained by mutual concessions and the cultivation of that spirit of compromise from which the Constitution itself proceeded.

You will be informed by the report from the Treasury Department of the measures taken under the act of the last session authorizing the reissue of Treasury notes in lieu of those then outstanding. The system adopted in pursuance of existing laws seems well calculated to save the country a large amount of interest, while it affords conveniences and obviates dangers and expense in the transmission of funds to disbursing agents. I refer you also to that report for the means proposed by the Secretary to increase the revenue, and particularly to that portion of it which relates to the subject of the

warehousing system, which I earnestly urged upon Congress at its last session and as to the importance of which my opinion has undergone no change.

Page 575

In view of the disordered condition of the currency at the time and the high rates of exchange between different parts of the country, I felt it to be incumbent on me to present to the consideration of your predecessors a proposition conflicting in no degree with the Constitution or with the rights of the States and having the sanction (not in detail, but in principle) of some of the eminent men who have preceded me in the Executive office. That proposition contemplated the issuing of Treasury notes of denominations of not less than $5 nor more than $100, to be employed in the payment of the obligations of the Government in lieu of gold and silver at the option of the public creditor, and to an amount not exceeding $15,000,000. It was proposed to make them receivable everywhere and to establish at various points depositories of gold and silver to be held in trust for the redemption of such notes, so as to insure their convertibility into specie. No doubt was entertained that such notes would have maintained a par value with gold and silver, thus furnishing a paper currency of equal value over the Union, thereby meeting the just expectations of the people and fulfilling the duties of a parental government. Whether the depositories should be permitted to sell or purchase bills under very limited restrictions, together with all its other details, was submitted to the wisdom of Congress and was regarded as of secondary importance. I thought then and think now that such an arrangement would have been attended with the happiest results. The whole matter of the currency would have been placed where by the Constitution it was designed to be placed—under the immediate supervision and control of Congress. The action of the Government would have been independent of all corporations, and the same eye which rests unceasingly on the specie currency and guards it against adulteration would also have rested on the paper currency, to control and regulate its issues and protect it against depreciation. The same reasons which would forbid Congress from parting with the power over the coinage would seem to operate with nearly equal force hi regard to any substitution for the precious metals in the form of a circulating medium. Paper when substituted for specie constitutes a standard of value by which the operations of society are regulated, and whatsoever causes its depreciation affects society to an extent nearly, if not quite, equal to the adulteration of the coin. Nor can I withhold the remark that its advantages contrasted with a bank of the United States, apart from the fact that a bank was esteemed as obnoxious to the public sentiment as well on the score of expediency as of constitutionality, appeared to me to be striking and obvious. The relief which a bank would afford by an issue of $15,000,000 of its notes, judging from the experience of the late United States Bank, would not have occurred in less than fifteen years, whereas under the proposed arrangement

Page 576

the relief arising from the issue of $15,000,000 of Treasury notes would have been consummated in one year, thus furnishing in one-fifteenth part of the time in which a bank could have accomplished it a paper medium of exchange equal in amount to the real wants of the country at par value with gold and silver. The saving to the Government would have been equal to all the interest which it has had to pay on Treasury notes of previous as well as subsequent issues, thereby relieving the Government and at the same time affording relief to the people. Under all the responsibilities attached to the station which I occupy, and in redemption of a pledge given to the last Congress at the close of its first session, I submitted the suggestion to its consideration at two consecutive sessions. The recommendation, however, met with no favor at its hands. While I am free to admit that the necessities of the times have since become greatly ameliorated and that there is good reason to hope that the country is safely and rapidly emerging from the difficulties and embarrassments which everywhere surrounded it in 1841, yet I can not but think that its restoration to a sound and healthy condition would be greatly expedited by a resort to the expedient in a modified form.

The operations of the Treasury now rest upon the act of 1789 and the resolution of 1816, and those laws have been so administered as to produce as great a quantum of good to the country as their provisions are capable of yielding. If there had been any distinct expression of opinion going to show that public sentiment is averse to the plan, either as heretofore recommended to Congress or in a modified form, while my own opinion in regard to it would remain unchanged I should be very far from again presenting it to your consideration. The Government has originated with the States and the people, for their own benefit and advantage, and it would be subversive of the foundation principles of the political edifice which they have reared to persevere in a measure which in their mature judgments they had either repudiated or condemned. The will of our constituents clearly expressed should be regarded as the light to guide our footsteps, the true difference between a monarchical or aristocratical government and a republic being that in the first the will of the few prevails over the will of the many, while in the last the will of the many should be alone consulted.

The report of the Secretary of War will bring you acquainted with the condition of that important branch of the public service. The Army may be regarded, in consequence of the small number of the rank and file in each company and regiment, as little more than a nucleus around which to rally the military force of the country in case of war, and yet its services in preserving the peace of the frontiers are of a most important nature. In all cases of emergency the reliance of the country is properly placed in the militia of the several States, and it may well deserve the consideration of Congress whether a new and more perfect organization might not be introduced, looking mainly to the volunteer companies of the Union for the present and of easy application to the great body of the militia in time of war.

Page 577

The expenditures of the War Department have been considerably reduced in the last two years. Contingencies, however, may arise which would call for the filling up of the regiments with a full complement of men and make it very desirable to remount the corps of dragoons, which by an act of the last Congress was directed to be dissolved.

I refer you to the accompanying report of the Secretary for information in relation to the Navy of the United States. While every effort has been and will continue to be made to retrench all superfluities and lop off all excrescences which from time to time may have grown up, yet it has not been regarded as wise or prudent to recommend any material change in the annual appropriations. The interests which are involved are of too important a character to lead to the recommendation of any other than a liberal policy. Adequate appropriations ought to be made to enable the Executive to fit out all the ships that are now in a course of building or that require repairs for active service in the shortest possible time should any emergency arise which may require it. An efficient navy, while it is the cheapest means of public defense, enlists in its support the feelings of pride and confidence which brilliant deeds and heroic valor have heretofore served to strengthen and confirm.

I refer you particularly to that part of the Secretary's report which has reference to recent experiments in the application of steam and in the construction of our war steamers, made under the superintendence of distinguished officers of the Navy. In addition to other manifest improvements in the construction of the steam engine and application of the motive power which has rendered them more appropriate to the uses of ships of war, one of those officers has brought into use a power which makes the steamship most formidable either for attack or defense. I can not too strongly recommend this subject to your consideration and do not hesitate to express my entire conviction of its great importance.

I call your particular attention also to that portion of the Secretary's report which has reference to the act of the late session of Congress which prohibited the transfer of any balance of appropriation from other heads of appropriation to that for building, equipment, and repair. The repeal of that prohibition will enable the Department to give renewed employment to a large class of workmen who have been necessarily discharged in consequence of the want of means to pay them—a circumstance attended, especially at this season of the year, with much privation and suffering.

Page 578

It gives me great pain to announce to you the loss of the steamship the Missouri by fire in the Bay of Gibraltar, where she had stopped to renew her supplies of coal on her voyage to Alexandria, with Mr. Cushing, the American minister to China, on board. There is ground for high commendation of the officers and men for the coolness and intrepidity and perfect submission to discipline evinced under the most trying circumstances. Surrounded by a raging fire, which the utmost exertions could not subdue, and which threatened momentarily the explosion of her well-supplied magazines, the officers exhibited no signs of fear and the men obeyed every order with alacrity. Nor was she abandoned until the last gleam of hope of saving her had expired. It is well worthy of your consideration whether the losses sustained by the officers and crew in this unfortunate affair should not be reimbursed to them.

I can not take leave of this painful subject without adverting to the aid rendered upon the occasion by the British authorities at Gibraltar and the commander, officers, and crew of the British ship of the line the Malabar, which was lying at the time in the bay. Everything that generosity or humanity could dictate was promptly performed. It is by such acts of good will by one to another of the family of nations that fraternal feelings are nourished and the blessings of permanent peace secured.

The report of the Postmaster-General will bring you acquainted with the operations of that Department during the past year, and will suggest to you such modifications of the existing laws as in your opinion the exigencies of the public service may require. The change which the country has undergone of late years in the mode of travel and transportation has afforded so many facilities for the transmission of mail matter out of the regular mail as to require the greatest vigilance and circumspection in order to enable the officer at the head of the Department to restrain the expenditures within the income. There is also too much reason to fear that the franking privilege has run into great abuse. The Department, nevertheless, has been conducted with the greatest vigor, and has attained at the least possible expense all the useful objects for which it was established.

In regard to all the Departments, I am quite happy in the belief that nothing has been left undone which was called for by a true spirit of economy or by a system of accountability rigidly enforced. This is in some degree apparent from the fact that the Government has sustained no loss by the default of any of its agents. In the complex, but at the same time beautiful, machinery of our system of government, it is not a matter of surprise that some remote agency may have failed for an instant to fulfill its desired office; but I feel confident in the assertion that nothing has occurred to interrupt the harmonious action of the Government itself, and that, while the laws have been executed with efficiency and vigor, the rights neither of States nor individuals have been trampled on or disregarded.

Page 579

In the meantime the country has been steadily advancing in all that contributes to national greatness. The tide of population continues unbrokenly to flow into the new States and Territories, where a refuge is found not only for our native-born fellow-citizens, but for emigrants from all parts of the civilized world, who come among us to partake of the blessings of our free institutions and to aid by their labor to swell the current of our wealth and power.

It is due to every consideration of public policy that the lakes and rivers of the West should receive all such attention at the hands of Congress as the Constitution will enable it to bestow. Works in favorable and proper situations on the Lakes would be found to be as indispensably necessary, in case of war, to carry on safe and successful naval operations as fortifications on the Atlantic seaboard. The appropriation made by the last Congress for the improvement of the navigation of the Mississippi River has been diligently and efficiently applied.

I can not close this communication, gentlemen, without recommending to your most favorable consideration the interests of this District. Appointed by the Constitution its exclusive legislators, and forming in this particular the only anomaly in our system of government—of the legislative body being elected by others than those for whose advantage they are to legislate—you will feel a superadded obligation to look well into their condition and to leave no cause for complaint or regret. The seat of Government of our associated republics can not but be regarded as worthy of your parental care.

In connection with its other interests, as well as those of the whole country, I recommend that at your present session you adopt such measures in order to carry into effect the Smithsonian bequest as in your judgment will be best calculated to consummate the liberal intent of the testator.

When, under a dispensation of Divine Providence, I succeeded to the presidential office, the state of public affairs was embarrassing and critical. To add to the irritation consequent upon a long-standing controversy with one of the most powerful nations of modern times, involving not only questions of boundary (which under the most favorable circumstances are always embarrassing), but at the same time important and high principles of maritime law, border controversies between the citizens and subjects of the two countries had engendered a state of feeling and of conduct which threatened the most calamitous consequences. The hazards incident to this state of things were greatly heightened by the arrest and imprisonment of a subject of Great Britain, who, acting (as it was alleged) as a part of a military force, had aided in the commission of an act violative of the territorial jurisdiction of the United States and involving the murder of a citizen, of the State of New York. A large amount of claims against the Government of Mexico remained

Page 580

unadjusted and a war of several years' continuance with the savage tribes of Florida still prevailed, attended with the desolation of a large portion of that beautiful Territory and with the sacrifice of many valuable lives. To increase the embarrassments of the Government, individual and State credit had been nearly stricken down and confidence in the General Government was so much impaired that-loans of a small amount could only be negotiated at a considerable sacrifice. As a necessary consequence of the blight which had fallen on commerce and mechanical industry, the ships of the one were thrown out of employment and the operations of the other had been greatly diminished. Owing to the condition of the currency, exchanges between different parts of the country had become ruinously high and trade had to depend on a depreciated paper currency in conducting its transactions. I shall be permitted to congratulate the country that under an overruling Providence peace was preserved without a sacrifice of the national honor; the war in Florida was brought to a speedy termination; a large portion of the claims on Mexico have been fully adjudicated and are in a course of payment, while justice has been rendered to us in other matters by other nations; confidence between man and man is in a great measure restored and the credit of this Government fully and perfectly reestablished; commerce is becoming more and more extended in its operations and manufacturing and mechanical industry once more reap the rewards of skill and labor honestly applied; the operations of trade rest on a sound currency and the rates of exchange are reduced to their lowest amount.

In this condition of things I have felt it to be my duty to bring to your favorable consideration matters of great interest in their present and ultimate results; and the only desire which I feel in connection with the future is and will continue to be to leave the country prosperous and its institutions unimpaired.

***

State of the Union Address
John Tyler
December 3, 1844

To the Senate and House of Representatives of the United States:

We have continued cause for expressing our gratitude to the Supreme Ruler of the Universe for the benefits and blessings which our country, under His kind providence, has enjoyed during the past year. Notwithstanding the exciting scenes through which we have passed, nothing has occurred to disturb the general peace or to derange the harmony of our political system. The great moral spectacle has been exhibited of a nation approximating in number to 20,000,000 people having performed the high and important function of electing their Chief Magistrate for the term of four years without the commission of any acts of violence or the manifestation of a spirit of insubordination to

the laws. The great and inestimable right of suffrage has been exercised by all who were invested with it under the laws of the different States in a spirit

Page 581

dictated alone by a desire, in the selection of the agent, to advance the interests of the country and to place beyond jeopardy the institutions under which it is our happiness to live. That the deepest interest has been manifested by all our countrymen in the result of the election is not less true than highly creditable to them. Vast multitudes have assembled from time to time at various places for the purpose of canvassing the merits and pretensions of those who were presented for their suffrages, but no armed soldiery has been necessary to restrain within proper limits the popular zeal or to prevent violent outbreaks. A principle much more controlling was found in the love of order and obedience to the laws, which, with mere individual exceptions, everywhere possesses the American mind, and controls with an influence far more powerful than hosts of armed men. We can not dwell upon this picture without recognizing in it that deep and devoted attachment on the part of the people to the institutions under which we live which proclaims their perpetuity. The great objection which has always prevailed against the election by the people of their chief executive officer has been the apprehension of tumults and disorders which might involve in ruin the entire Government. A security against this is found not only in the fact before alluded to, trot in the additional fact that we live under a Confederacy embracing already twenty-six States, no one of which has power to control the election. The popular vote in each State is taken at the time appointed by the laws, and such vote is announced by the electoral college without reference to the decision of other States. The right of suffrage and the mode of conducting the election are regulated by the laws of each State, and the election is distinctly federative in all its prominent features. Thus it is that, unlike what might be the results under a consolidated system, riotous proceedings, should they prevail, could only affect the elections in single States without disturbing to any dangerous extent the tranquillity of others. The great experiment of a political confederation each member of which is supreme as to all matters appertaining to its local interests and its internal peace and happiness, while by a voluntary compact with others it confides to the united power of all the protection of its citizens in matters not domestic has been so far crowned with complete success. The world has witnessed its rapid growth in wealth and population, and under the guide and direction of a superintending Providence the developments of the past may be regarded but as the shadowing forth of the mighty future. In the bright prospects of that future we shall find, as patriots and philanthropists, the highest inducements to cultivate and cherish a love of union and to frown down every measure or effort which may be made to alienate the States or the people of the States in sentiment and feeling from each other. A rigid

Page 582

and close adherence to the terms of our political compact and, above all, a sacred observance of the guaranties of the Constitution will preserve union on a foundation which can not be shaken, while personal liberty is placed beyond hazard or jeopardy. The guaranty of religious freedom, of the freedom of the press, of the liberty of speech, of the trial by jury, of the habeas corpus, and of the domestic institutions of each of the States, leaving the private citizen in the full exercise of the high and ennobling attributes of his nature and to each State the privilege (which can only be judiciously exerted by itself) of consulting the means best calculated to advance its own happiness—these are the great and important guaranties of the Constitution which the lovers of liberty must cherish and the advocates of union must ever cultivate. Preserving these and avoiding all interpolations by forced construction under the guise of an imagined expediency upon the Constitution, the influence of our political system is destined to be as actively and as beneficially felt on the distant shores of the Pacific as it is now on those of the Atlantic Ocean. The only formidable impediments in the way of its successful expansion (time and space) are so far in the progress of modification by the improvements of the age as to render no longer speculative the ability of representatives from that remote region to come up to the Capitol, so that their constituents shall participate in all the benefits of Federal legislation. Thus it is that in the progress of time the inestimable principles of civil liberty will be enjoyed by millions yet unborn and the great benefits of our system of government be extended to now distant and uninhabited regions. In view of the vast wilderness yet to be reclaimed, we may well invite the lover of freedom of every land to take up his abode among us and assist us in the great work of advancing the standard of civilization and giving a wider spread to the arts and refinements of cultivated life. Our prayers should evermore be offered up to the Father of the Universe for His wisdom to direct us in the path of our duty so as to enable us to consummate these high purposes.

One of the strongest objections which has been urged against confederacies by writers on government is the liability of the members to be tampered with by foreign governments or the people of foreign states, either in their local affairs or in such as affected the peace of others or endangered the safety of the whole confederacy. We can not hope to be entirely exempt from such attempts on our peace and safety. The United States are becoming too important in population and resources not to attract the observation of other nations. It therefore may in the progress of time occur that opinions entirely abstract in the States which they may prevail and in no degree affecting their domestic institutions may be artfully but secretly encouraged with a view to undermine the Union.

Page 583

Such opinions may become the foundation of political parties, until at last the conflict of opinion, producing an alienation of friendly feeling among the people of the different States, may involve in general destruction the happy institutions under which we live. It should ever be borne in mind that what is true in regard to individuals is equally so in regard to states. An interference of one in the affairs of another is the fruitful cause of family dissensions and neighborhood disputes, and the same cause affects the peace, happiness, and prosperity of states. It may be most devoutly hoped that the good sense of the American people will ever be ready to repel all such attempts should they ever be made.

There has been no material change in our foreign relations since my last annual message to Congress. With all the powers of Europe we continue on the most friendly terms. Indeed, it affords me much satisfaction to state that at no former period has the peace of that enlightened and important quarter of the globe ever been, apparently, more firmly established. The conviction that peace is the true policy of nations would seem to be growing and becoming deeper amongst the enlightened everywhere, and there is no people who have a stronger interest in cherishing the sentiments and adopting the means of preserving and giving it permanence than those of the United States. Amongst these, the first and most effective are, no doubt, the strict observance of justice and the honest and punctual fulfillment of all engagements. But it is not to be forgotten that in the present state of the world it is no less necessary to be ready to enforce their observance and fulfillment in reference to ourselves than to observe and fulfill them on our part in regard to others.

Since the close of your last session a negotiation has been formally entered upon between the Secretary of State and Her Britannic Majesty's minister plenipotentiary and envoy extraordinary residing at Washington relative to the rights of their respective nations in and over the Oregon Territory. That negotiation is still pending. Should it during your session be brought to a definitive conclusion, the result will be promptly communicated to Congress. I would, however, again call your attention to the recommendations contained in previous messages designed to protect and facilitate emigration to that Territory. The establishment of military posts at suitable points upon the extended line of land travel would enable our citizens to emigrate in comparative safety to the fertile regions below the Falls of the Columbia, and make the provision of the existing convention for the joint occupation of the territory by subjects of Great Britain and the citizens of the United States more available than heretofore to the latter. These posts would constitute places of rest for the weary emigrant, where he would be sheltered securely against the danger of attack from the Indians and

Page 584

be enabled to recover from the exhaustion of a long line of travel. Legislative enactments should also be made which should spread over him the aegis of our laws, so as to afford protection to his person and property when he shall have reached his distant home. In this latter respect the British Government has been much more careful of the interests of such of her people as are to be found in that country than the United States. She has made necessary provision for their security and protection against the acts of the viciously disposed and lawless, and her emigrant reposes in safety under the panoply of her laws. Whatever may be the result of the pending negotiation, such measures are necessary. It will afford me the greatest pleasure to witness a happy and favorable termination to the existing negotiation upon terms compatible with the public honor, and the best efforts of the Government will continue to be directed to this end.

It would have given me the highest gratification in this my last annual communication to Congress to have been able to announce to you the complete and entire settlement and adjustment of other matters in difference between the United States and the Government of Her Britannic Majesty, which were adverted to in a previous message. It is so obviously the interest of both countries, in respect to the large and valuable commerce which exists between them, that all causes of complaint, however inconsiderable, should be with the greatest promptitude removed that it must be regarded as cause of regret that any unnecessary delays should be permitted to intervene. It is true that in a pecuniary point of view the matters alluded to are altogether insignificant in amount when compared with the ample resources of that great nation, but they nevertheless, more particularly that limited class which arise under seizures and detentions of American ships on the coast of Africa upon the mistaken supposition indulged in at the time the wrong was committed of their being engaged in the slave trade, deeply affect the sensibilities of this Government and people. Great Britain, having recognized her responsibility to repair all such wrongs by her action in other cases, leaves nothing to be regretted upon the subject as to all cases arising prior to the treaty of Washington than the delay in making suitable reparation in such of them as fall plainly within the principle of others which she has long since adjusted. The injury inflicted by delays in the settlement of these claims falls with severity upon the individual claimants and makes a strong appeal to her magnanimity and sense of justice for a speedy settlement. Other matters arising out of the construction of existing treaties also remain unadjusted, and will continue to be urged upon her attention.

The labors of the joint commission appointed by the two Governments to run the dividing line established by the treaty of Washington were, unfortunately, much delayed in the commencement of the season by the failure of Congress at its last session to make a timely appropriation of funds to meet the expenses of the American party, and by other causes. The United States commissioner, however, expresses his expectation that by increased diligence and energy the party will be able to make up for lost time.

Page 585

We continue to receive assurances of the most friendly feelings on the part of all the other European powers, with each and all of whom it is so obviously our interest to cultivate the most amicable relations; nor can I anticipate the occurrence of any event which would be likely in any degree to disturb those relations. Russia, the great northern power, under the judicious sway of her Emperor, is constantly advancing in the road of science and improvement, while France, guided by the counsels of her wise Sovereign, pursues a course calculated to consolidate the general peace. Spain has obtained a breathing spell of some duration from the internal convulsions which have through so many years marred her prosperity, while Austria, the Netherlands, Prussia, Belgium, and the other powers of Europe reap a rich harvest of blessings from the prevailing peace.

I informed the two Houses of Congress in my message of December last that instructions had been given to Mr. Wheaton, our minister at Berlin, to negotiate a treaty with the Germanic States composing the Zollverein if it could be done, stipulating, as far as it was practicable to accomplish it, for a reduction of the heavy and onerous duties levied on our tobacco and other leading articles of agricultural production, and yielding in return on our part a reduction of duties on such articles the product of their industry as should not come into competition, or but a limited one, with articles the product of our manufacturing industry. The Executive in giving such instructions considered itself as acting in strict conformity with the wishes of Congress as made known through several measures which it had adopted, all directed to the accomplishment of this important result. The treaty was therefore negotiated, by which essential reductions were secured in the duties levied by the Zollverein on tobacco, rice, and lard, accompanied by a stipulation for the admission of raw cotton free of duty; in exchange for which highly important concessions a reduction of duties imposed by the laws of the United States on a variety of articles, most of which were admitted free of all duty under the act of Congress commonly known as the compromise law, and but few of which were produced in the United States, was stipulated for on our part. This treaty was communicated to the Senate at an early day of its last session, but not acted upon until near its close, when, for the want (as I am bound to presume) of full time to consider it, it was laid upon the table. This procedure had the effect of virtually rejecting it, in consequence of a stipulation contained in the treaty that its ratifications should be exchanged on or before a day which has already passed. The Executive, acting upon the fair inference that the Senate did not intend its absolute rejection, gave instructions to our minister at Berlin to reopen the negotiation so far as to obtain an extension of time for the exchange of ratifications. I regret, however, to say that his efforts in this respect have been unsuccessful. I am nevertheless not without hope that the great advantages which were intended to be secured by the treaty may yet be realized.

Page 586

I am happy to inform you that Belgium has, by an “arrete royale” issued in July last, assimilated the flag of the United States to her own, so far as the direct trade between the two countries is concerned. This measure will prove of great service to our shipping interest, the trade having heretofore been carried on chiefly in foreign bottoms. I flatter myself that she will speedily resort to a modification of her system relating to the tobacco trade, which would decidedly benefit the agriculture of the United States and operate to the mutual advantage of both countries.

No definitive intelligence has yet been received from our minister of the conclusion of a treaty with the Chinese Empire, but enough is known to induce the strongest hopes that the mission will be crowned with success.

With Brazil our relations continue on the most friendly footing. The commercial intercourse between that growing Empire and the United States is becoming daily of greater importance to both, and it is to the interest of both that the firmest relations of amity and good will should continue to be cultivated between them.

The Republic of New Granada still withholds, notwithstanding the most persevering efforts have been employed by our charge d’affaires, Mr. Blackford, to produce a different result, indemnity in the case of the brig Morris; and the Congress of Venezuela, although an arrangement has been effected between our minister and the minister of foreign affairs of that Government for the payment of $18,000 in discharge of its liabilities in the same case, has altogether neglected to make provision for its payment. It is to be hoped that a sense of justice will soon induce a settlement of these claims.

Our late minister to Chili, Mr. Pendleton, has returned to the United States without having effected an adjustment in the second claim of the Macedonian, which is delayed on grounds altogether frivolous and untenable. Mr. Pendleton’s successor has been directed to urge the claim in the strongest terms, and, in the event of a failure to obtain a prompt adjustment, to report the fact to the Executive at as early a day as possible, so that the whole matter may be communicated to Congress.

At your last session I submitted to the attention of Congress the convention with the Republic of Peru of the 17th March, 1841, providing for the adjustment of the claims of citizens of the United States against that Republic, but no definitive action was taken upon the subject. I again invite to it your attention and prompt action.

In my last annual message I felt it to be my duty to make known to Congress, in terms both plain and emphatic, my opinion in regard to the war which has so long existed between Mexico and Texas which since the battle of San Jacinto has consisted altogether of predatory incursions, attended by circumstances revolting to humanity. I repeat now what I then said, that after eight years of feeble and ineffectual

Page 587

efforts to reconquer Texas it was time that the war should have ceased. The United States have a direct interest in the question. The contiguity of the two nations to our territory was but too well calculated to involve our peace. Unjust suspicions were engendered in the mind of one or the other of the belligerents against us, and as a necessary consequence American interests were made to suffer and our peace became daily endangered; in addition to which it must have been obvious to all that the exhaustion produced by the war subjected both Mexico and Texas to the interference of other powers, which, without the interposition of this Government, might eventuate in the most serious injury to the United States. This Government from time to time exerted its friendly offices to bring about a termination of hostilities upon terms honorable alike to both the belligerents. Its efforts in this behalf proved unavailing. Mexico seemed almost without an object to persevere in the war, and no other alternative was left the Executive but to take advantage of the well-known dispositions of Texas and to invite her to enter into a treaty for annexing her territory to that of the United States.

Since your last session Mexico has threatened to renew the war, and has either made or proposes to make formidable preparations for invading Texas. She has issued decrees and proclamations, preparatory to the commencement of hostilities, full of threats revolting to humanity, and which if carried into effect would arouse the attention of all Christendom. This new demonstration of feeling, there is too much reason to believe, has been produced in consequence of the negotiation of the late treaty of annexation with Texas. The Executive, therefore, could not be indifferent to such proceedings, and it felt it to be due as well to itself as to the honor of the country that a strong representation should be made to the Mexican Government upon the subject. This was accordingly done, as will be seen by the copy of the accompanying dispatch from the Secretary of State to the United States envoy at Mexico. Mexico has no right to jeopard the peace of the world by urging any longer a useless and fruitless contest. Such a condition of things would not be tolerated on the European continent. Why should it be on this? A war of desolation, such as is now threatened by Mexico, can not be waged without involving our peace and tranquillity. It is idle to believe that such a war could be looked upon with indifference by our own citizens inhabiting adjoining States; and our neutrality would be violated in despite of all efforts on the part of the Government to prevent it. The country is settled by emigrants from the United States under invitations held out to them by Spain and Mexico. Those emigrants have left behind them friends and relatives, who would not fail to sympathize with them in their difficulties, and who would be led by those sympathies to participate in their struggles, however energetic the action of

Page 588

the Government to prevent it. Nor would the numerous and formidable bands of Indians—the most warlike to be found in any land—which occupy the extensive regions contiguous to the States of Arkansas and Missouri, and who are in possession of large tracts of country within the limits of Texas, be likely to remain passive. The inclinations of those numerous tribes lead them invariably to war whenever pretexts exist.

Mexico had no just ground of displeasure against this Government or people for negotiating the treaty. What interest of hers was affected by the treaty? She was despoiled of nothing, since Texas was forever lost to her. The independence of Texas was recognized by several of the leading powers of the earth. She was free to treat, free to adopt her own line of policy, free to take the course which she believed was best calculated to secure her happiness.

Her Government and people decided on annexation to the United States, and the Executive saw in the acquisition of such a territory the means of advancing their permanent happiness and glory. What principle of good faith, then, was violated? What rule of political morals trampled under foot? So far as Mexico herself was concerned, the measure should have been regarded by her as highly beneficial. Her inability to reconquer Texas had been exhibited, I repeat, by eight (now nine) years of fruitless and ruinous contest. In the meantime Texas has been growing in population and resources. Emigration has flowed into her territory from all parts of the world in a current which continues to increase in strength. Mexico requires a permanent boundary between that young Republic and herself. Texas at no distant day, if she continues separate and detached from the United States, will inevitably seek to consolidate her strength by adding to her domain the contiguous Provinces of Mexico. The spirit of revolt from the control of the central Government has heretofore manifested itself in some of those Provinces, and it is fair to infer that they would be inclined to take the first favorable opportunity to proclaim their independence and to form close alliances with Texas. The war would thus be endless, or if cessations of hostilities should occur they would only endure for a season. The interests of Mexico, therefore, could in nothing be better consulted than in a peace with her neighbors which would result in the establishment of a permanent boundary. Upon the ratification of the treaty the Executive was prepared to treat with her on the most liberal basis. Hence the boundaries of Texas were left undefined by the treaty. The Executive proposed to settle these upon terms that all the world should have pronounced just and reasonable. No negotiation upon that point could have been undertaken between the United States and Mexico in advance of the ratification of the treaty. We should have had no right, no power, no authority, to have conducted such a negotiation,

Page 589

and to have undertaken it would have been an assumption equally revolting to the pride of Mexico and Texas and subjecting us to the charge of arrogance, while to have proposed in advance of annexation to satisfy Mexico for any contingent interest she might have in Texas would have been to have treated Texas not as an independent power, but as a mere dependency of Mexico. This assumption could not have been acted on by the Executive without setting at defiance your own solemn declaration that that Republic was an independent State. Mexico had, it is true, threatened war against the United States in the event the treaty of annexation was ratified. The Executive could not permit itself to be influenced by this threat. It represented in this the spirit of our people, who are ready to sacrifice much for peace, but nothing to intimidation. A war under any circumstances is greatly to be deplored, and the United States is the last nation to desire it; but if, as the condition of peace, it be required of us to forego the unquestionable right of treating with an independent power of our own continent upon matters highly interesting to both, and that upon a naked and unsustained pretension of claim by a third power to control the free will of the power with whom we treat, devoted as we may be to peace and anxious to cultivate friendly relations with the whole world, the Executive does not hesitate to say that the people of the United States would be ready to brave all consequences sooner than submit to such condition. But no apprehension of war was entertained by the Executive, and I must express frankly the opinion that had the treaty been ratified by the Senate it would have been followed by a prompt settlement, to the entire satisfaction of Mexico, of every matter in difference between the two countries. Seeing, then, that new preparations for hostile invasion of Texas were about to be adopted by Mexico, and that these were brought about because Texas had adopted the suggestions of the Executive upon the subject of annexation, it could not passively have folded its arms and permitted a war, threatened to be accompanied by every act that could mark a barbarous age, to be waged against her because she had done so.

Other considerations of a controlling character influenced the course of the Executive. The treaty which had thus been negotiated had failed to receive the ratification of the Senate. One of the chief objections which was urged against it was found to consist in the fact that the question of annexation had not been submitted to the ordeal of public opinion in the United States. However untenable such an objection was esteemed to be, in view of the unquestionable power of the Executive to negotiate the treaty and the great and lasting interests involved in the question, I felt it to be my duty to submit the whole subject to Congress as the best expounders of popular sentiment. No definitive action having been taken on the subject

Page 590

by Congress, the question referred itself directly to the decision of the States and people. The great popular election which has just terminated afforded the best opportunity of ascertaining the will of the States and the people upon it. Pending that issue it became the imperative duty of the Executive to inform Mexico that the question of annexation was still before the American people, and that until their decision was pronounced any serious invasion of Texas would be regarded as an attempt to forestall their judgment and could not be looked upon with indifference. I am most happy to inform you that no such invasion has taken place; and I trust that whatever your action may be upon it Mexico will see the importance of deciding the matter by a resort to peaceful expedients in preference to those of arms. The decision of the people and the States on this great and interesting subject has been decisively manifested. The question of annexation has been presented nakedly to their consideration. By the treaty itself all collateral and incidental issues which were calculated to divide and distract the public councils were carefully avoided. These were left to the wisdom of the future to determine. It presented, I repeat, the isolated question of annexation, and in that form it has been submitted to the ordeal of public sentiment. A controlling majority of the people and a large majority of the States have declared in favor of immediate annexation. Instructions have thus come up to both branches of Congress from their respective constituents in terms the most emphatic. It is the will of both the people and the States that Texas shall be annexed to the Union promptly and immediately. It may be hoped that in carrying into execution the public will thus declared all collateral issues may be avoided. Future Legislatures can best decide as to the number of States which should be formed out of the territory when the time has arrived for deciding that question. So with all others. By the treaty the United States assumed the payment of the debts of Texas to an amount not exceeding $10,000,000, to be paid, with the exception of a sum falling short of $400,000, exclusively out of the proceeds of the sales of her public lands. We could not with honor take the lands without assuming the full payment of all incumbencies upon them.

Nothing has occurred since your last session to induce a doubt that the dispositions of Texas remain unaltered. No intimation of an altered determination on the part of her Government and people has been furnished to the Executive. She still desires to throw herself under the protection of our laws and to partake of the blessings of our federative system, while every American interest would seem to require it. The extension of our coastwise and foreign trade to an amount almost incalculable, the enlargement of the market for our manufactures, a constantly growing market for our agricultural productions, safety to our frontiers,

Page 591

and additional strength and stability to the Union—these are the results which would rapidly develop themselves upon the consummation of the measure of annexation. In such event I will not doubt but that Mexico would find her true interest to consist in meeting the advances of this Government in a spirit of amity. Nor do I apprehend any serious complaint from any other quarter; no sufficient ground exists for such complaint. We should interfere in no respect with the rights of any other nation. There can not be gathered from the act any design on our part to do so with their possessions on this continent. We have interposed no impediments in the way of such acquisitions of territory, large and extensive as many of them are, as the leading powers of Europe have made from time to time in every part of the world. We seek no conquest made by war. No intrigue will have been resorted to or acts of diplomacy essayed to accomplish the annexation of Texas. Free and independent herself, she asks to be received into our Union. It is a question for our own decision whether she shall be received or not.

The two Governments having already agreed through their respective organs on the terms of annexation, I would recommend their adoption by Congress in the form of a joint resolution or act to be perfected and made binding on the two countries when adopted in like manner by the Government of Texas.

In order that the subject may be fully presented in all its bearings, the correspondence which has taken place in reference to it since the adjournment of Congress between the United States, Texas, and Mexico is herewith transmitted.

The amendments proposed by the Senate to the convention concluded between the United States and Mexico on the 20th of November, 1843, have been transmitted through our minister for the concurrence of the Mexican Government, but, although urged thereto, no action has yet been had on the subject, nor has any answer been given which would authorize a favorable conclusion in the future.

The decree of September, 1843, in relation to the retail trade, the order for the expulsion of foreigners, and that of a more recent date in regard to passports—all which are considered as in violation of the treaty of amity and commerce between the two countries—have led to a correspondence of considerable length between the minister for foreign relations and our representatives at Mexico, but without any satisfactory result. They remain still unadjusted, and many and serious inconveniences have already resulted to our citizens in consequence of them.

Page 592

Questions growing out of the act of disarming a body of Texan troops under the command of Major Snively by an officer in the service of the United States, acting under the orders of our Government, and the forcible entry into the custom-house at Bryarlys Landing, on Red River, by certain citizens of the United States, and taking away therefrom the goods seized by the collector of the customs as forfeited under the laws of Texas, have been adjusted so far as the powers of the Executive extend. The correspondence between the two Governments in reference to both subjects will be found amongst the accompanying documents. It contains a full statement of all the facts and circumstances, with the views taken on both sides and the principles on which the questions have been adjusted. It remains for Congress to make the necessary appropriation to carry the arrangement into effect, which I respectfully recommend.

The greatly improved condition of the Treasury affords a subject for general congratulation. The paralysis which had fallen on trade and commerce, and which subjected the Government to the necessity of resorting to loans and the issue of Treasury notes to a large amount, has passed away, and after the payment of upward of $7,000,000 on account of the interest, and in redemption of more than $5,000,000 of the public debt which falls due on the 1st of January next, and setting apart upward of $2,000,000 for the payment of outstanding Treasury notes and meeting an installment of the debts of the corporate cities of the District of Columbia, an estimated surplus of upward of $7,000,000 over and above the existing appropriations will remain in the Treasury at the close of the fiscal year. Should the Treasury notes continue outstanding as heretofore, that surplus will be considerably augmented. Although all interest has ceased upon them and the Government has invited their return to the Treasury, yet they remain outstanding, affording great facilities to commerce, and establishing the fact that under a well-regulated system of finance the Government has resources within itself which render it independent in time of need, not only of private loans, but also of bank facilities.

The only remaining subject of regret is that the remaining stocks of the Government do not fall due at an earlier day, since their redemption would be entirely within its control. As it is, it may be well worthy the consideration of Congress whether the law establishing the sinking fund (under the operation of which the debts of the Revolution and last war with Great Britain were to a great extent extinguished) should not, with proper modifications, so as to prevent an accumulation of surpluses, and limited in amount to a specific sum, be reenacted. Such provision, which would authorize the Government to go into the market for a purchase of its own stock on fair terms, would serve to maintain its credit at the highest point and prevent to a great extent those fluctuations in the price of

Page 593

its securities which might under other circumstances affect its credit. No apprehension of this sort is at this moment entertained, since the stocks of the Government, which but two years ago were offered for sale to capitalists at home and abroad at a depreciation, and could find no purchasers, are now greatly above par in the hands of the holders; but a wise and prudent forecast admonishes us to place beyond the reach of contingency the public credit.

It must also be a matter of unmingled gratification that under the existing financial system (resting upon the act of 1789 and the resolution of 1816) the currency of the country has attained a state of perfect soundness; and the rates of exchange between different parts of the Union, which in 1841 denoted by their enormous amount the great depreciation and, in fact, worthlessness of the currency in most of the States, are now reduced to little more than the mere expense of transporting specie from place to place and the risk incident to the operation. In a new country like that of the United States, where so many inducements are held out for speculation, the depositories of the surplus revenue, consisting of banks of any description, when it reaches any considerable amount, require the closest vigilance on the part of the Government. All banking institutions, under whatever denomination they may pass, are governed by an almost exclusive regard to the interest of the stockholders. That interest consists in the augmentation of profits in the form of dividends, and a large surplus revenue intrusted to their custody is but too apt to lead to excessive loans and to extravagantly large issues of paper. As a necessary consequence prices are nominally increased and the speculative mania very soon seizes upon the public mind. A fictitious state of prosperity for a season exists, and, in the language of the day, money becomes plenty. Contracts are entered into by individuals resting on this unsubstantial state of things, but the delusion speedily passes away and the country is overrun with an indebtedness so weighty as to overwhelm many and to visit every department of industry with great and ruinous embarrassment. The greatest vigilance becomes necessary on the part of Government to guard against this state of things. The depositories must be given distinctly to understand that the favors of the Government will be altogether withdrawn, or substantially diminished, if its revenues shall be regarded as additions to their banking capital or as the foundation of an enlarged circulation.

The Government, through its revenue, has at all times an important part to perform in connection with the currency, and it greatly depends upon its vigilance and care whether the country be involved in embarrassments similar to those which it has had recently to encounter, or, aided by the action of the Treasury, shall be preserved in a sound and healthy condition.

Page 594

The dangers to be guarded against are greatly augmented by too large a surplus of revenue. When that surplus greatly exceeds in amount what shall be required by a wise and prudent forecast to meet unforeseen contingencies, the Legislature itself may come to be seized with a disposition to indulge in extravagant appropriations to objects many of which may, and most probably would, be found to conflict with the Constitution. A fancied expediency is elevated above constitutional authority, and a reckless and wasteful extravagance but too certainly follows.

The important power of taxation, which when exercised in its most restricted form is a burthen on labor and production, is resorted to under various pretexts for purposes having no affinity to the motives which dictated its grant, and the extravagance of Government stimulates individual extravagance until the spirit of a wild and ill-regulated speculation involves one and all in its unfortunate results. In view of such fatal consequences, it may be laid down as an axiom rounded in moral and political truth that no greater taxes should be imposed than are necessary for an economical administration of the Government, and that whatever exists beyond should be reduced or modified. This doctrine does in no way conflict with the exercise of a sound discrimination in the selection of the articles to be taxed, which a due regard to the public weal would at all times suggest to the legislative mind. It leaves the range of selection undefined; and such selection should always be made with an eye to the great interests of the country. Composed as is the Union of separate and independent States, a patriotic Legislature will not fail in consulting the interests of the parts to adopt such course as will be best calculated to advance the harmony of the whole, and thus insure that permanency in the policy of the Government without which all efforts to advance the public prosperity are vain and fruitless.

This great and vitally important task rests with Congress, and the Executive can do no more than recommend the general principles which should govern in its execution.

I refer you to the report of the Secretary of War for an exhibition of the condition of the Army, and recommend to you as well worthy your best consideration many of the suggestions it contains. The Secretary in no degree exaggerates the great importance of pressing forward without delay in the work of erecting and finishing the fortifications to which he particularly alludes. Much has been done toward placing our cities and roadsteads in a state of security against the hazards of hostile attack within the last four years; but considering the new elements which have been of late years employed in the propelling of ships and the formidable implements of destruction which have been brought into service, we can not be too active or vigilant in preparing and perfecting the means of defense. I refer you also to his report

Page 595

for a full statement of the condition of the Indian tribes within our jurisdiction. The Executive has abated no effort in carrying into effect the well-established policy of the Government which contemplates a removal of all the tribes residing within the limits of the several States beyond those limits, and it is now enabled to congratulate the country at the prospect of an early consummation of this object. Many of the tribes have already made great progress in the arts of civilized life, and through the operation of the schools established among them, aided by the efforts of the pious men of various religious denominations who devote themselves to the task of their improvement, we may fondly hope that the remains of the formidable tribes which were once masters of this country will in their transition from the savage state to a condition of refinement and cultivation add another bright trophy to adorn the labors of a well-directed philanthropy.

The accompanying report of the Secretary of the Navy will explain to you the situation of that branch of the service. The present organization of the Department imparts to its operations great efficiency, but I concur fully in the propriety of a division of the Bureau of Construction, Equipment, Increase, and Repairs into two bureaus. The subjects as now arranged are incongruous, and require to a certain extent information and qualifications altogether dissimilar.

The operations of the squadron on the coast of Africa have been conducted with all due attention to the object which led to its origination, and I am happy to say that the officers and crews have enjoyed the best possible health under the system adopted by the officer in command. It is believed that the United States is the only nation which has by its laws subjected to the punishment of death as pirates those who may be engaged in the slave trade. A similar enactment on the part of other nations would not fail to be attended by beneficial results.

In consequence of the difficulties which have existed in the way of securing titles for the necessary grounds, operations have not yet been commenced toward the establishment of the navy-yard at Memphis. So soon as the title is perfected no further delay will be permitted to intervene. It is well worthy of your consideration whether Congress should not direct the establishment of a ropewalk in connection with the contemplated navy-yard, as a measure not only of economy, but as highly useful and necessary. The only establishment of the sort now connected with the service is located at Boston, and the advantages of a similar establishment convenient to the hemp-growing region must be apparent to all.

The report of the Secretary presents other matters to your consideration of an important character in connection with the service.

Page 596

In referring you to the accompanying report of the Postmaster-General it affords me continued cause of gratification to be able to advert to the fact that the affairs of the Department for the last four years have been so conducted as from its unaided resources to meet its large expenditures. On my coming into office a debt of nearly $500,000 existed against the Department, which Congress discharged by an appropriation from the Treasury. The Department on the 4th of March next will be found, under the management of its present efficient head, free of debt or embarrassment, which could only have been done by the observance and practice of the greatest vigilance and economy. The laws have contemplated throughout that the Department should be self-sustained, but it may become necessary, with the wisest regard to the public interests, to introduce amendments and alterations in the system.

There is a strong desire manifested in many quarters so to alter the tariff of letter postage as to reduce the amount of tax at present imposed. Should such a measure be carried into effect to the full extent desired, it can not well be doubted but that for the first years of its operation a diminished revenue would be collected, the supply of which would necessarily constitute a charge upon the Treasury. Whether such a result would be desirable it will be for Congress in its wisdom to determine. It may in general be asserted as true that radical alterations in any system should rather be brought about gradually than by sudden changes and by pursuing this prudent policy in the reduction of letter postage the Department might still sustain itself through the revenue which would accrue by the increase of letters. The state and condition of the public Treasury has heretofore been such as to have precluded the recommendation of any material change. The difficulties upon this head have, however, ceased, and a larger discretion is now left to the Government.

I can not too strongly urge the policy of authorizing the establishment of a line of steamships regularly to ply between this country and foreign ports and upon our own waters for the transportation of the mail. The example of the British Government is well worthy of imitation in this respect. The belief is strongly entertained that the emoluments arising from the transportation of mail matter to foreign countries would operate of itself as an inducement to cause individual enterprise to undertake that branch of the task, and the remuneration of the Government would consist in the addition readily made to our steam navy in case of emergency by the ships so employed. Should this suggestion meet your approval, the propriety of placing such ships under the command of experienced officers of the Navy will not escape your observation. The application of steam to the purposes of naval warfare cogently recommends an extensive steam marine as important in estimating the defenses of the country. Fortunately

Page 597

this may be obtained by us to a great extent without incurring any large amount of expenditure. Steam vessels to be engaged in the transportation of the mails on our principal water courses, lakes, and ports of our coast could also be so constructed as to be efficient as war vessels when needed, and would of themselves constitute a formidable force in order to repel attacks from abroad.. We can not be blind to the fact that other nations have already added large numbers of steamships to their naval armaments and that this new and powerful agent is destined to revolutionize the condition of the world. It becomes the United States, therefore, looking to their security, to adopt a similar policy, and the plan suggested will enable them to do so at a small comparative cost.

I take the greatest pleasure in bearing testimony to the zeal and untiring industry which has characterized the conduct of the members of the Executive Cabinet. Each in his appropriate sphere has rendered me the most efficient aid in carrying on the Government, and it will not, I trust, appear out of place for me to bear this public testimony. The cardinal objects which should ever be held in view by those intrusted with the administration of public affairs are rigidly, and without favor or affection, so to interpret the national will expressed in the laws as that injustice should be done to none, justice to all. This has been the rule upon which they have acted, and thus it is believed that few cases, if any, exist wherein our fellow-citizens, who from time to time have been drawn to the seat of Government for the settlement of their transactions with the Government, have gone away dissatisfied. Where the testimony has been perfected and was esteemed satisfactory their claims have been promptly audited, and this in the absence of all favoritism or partiality. The Government which is not just to its own people can neither claim their affection nor the respect of the world. At the same time, the Closest attention has been paid to those matters which relate more immediately to the great concerns of the country. Order and efficiency in each branch of the public service have prevailed, accompanied by a system of the most rigid responsibility on the part of the receiving and disbursing agents. The fact, in illustration of the truth of this remark, deserves to be noticed that the revenues of the Government, amounting in the last four years to upward of $120,000,000, have been collected and disbursed through the numerous governmental agents without the loss by default of any amount worthy of serious commentary.

The appropriations made by Congress for the improvement of the rivers of the West and of the harbors on the Lakes are in a course of judicious expenditure under suitable agents, and are destined, it is to be hoped, to realize all the benefits designed to be accomplished by Congress. I can not, however, sufficiently impress upon Congress the great importance of withholding appropriations from improvements which are not ascertained by previous examination and survey to be necessary for the shelter and protection of trade from the dangers of stores and tempests. Without this precaution the expenditures are but too apt to inure to the benefit of individuals, without reference to

the only consideration which can render them constitutional—the public interests and the general good.

Page 598

I can not too earnestly urge upon you the interests of this District, over which by the Constitution Congress has exclusive jurisdiction. It would be deeply to be regretted should there be at any time ground to complain of neglect on the part of a community which, detached as it is from the parental care of the States of Virginia and Maryland, can only expect aid from Congress as its local legislature. Amongst the subjects which claim your attention is the prompt organization of an asylum for the insane who may be found from time to time sojourning within the District. Such course is also demanded by considerations which apply to branches of the public service. For the necessities in this behalf I invite your particular attention to the report of the Secretary of the Navy.

I have thus, gentlemen of the two Houses of Congress, presented you a true and faithful picture of the condition of public affairs, both foreign and domestic. The wants of the public service are made known to you, and matters of no ordinary importance are urged upon your consideration. Shall I not be permitted to congratulate you on the happy auspices under which you have assembled and at the important change in the condition of things which has occurred in the last three years? During that period questions with foreign powers of vital importance to the peace of our country have been settled and adjusted. A desolating and wasting war with savage tribes has been brought to a close. The internal tranquillity of the country, threatened by agitating questions, has been preserved. The credit of the Government, which had experienced a temporary embarrassment, has been thoroughly restored. Its coffers, which for a season were empty, have been replenished. A currency nearly uniform in its value has taken the place of one depreciated and almost worthless. Commerce and manufactures, which had suffered in common with every other interest, have once more revived, and the whole country exhibits an aspect of prosperity and happiness. Trade and barter, no longer governed by a wild and speculative mania, rest upon a solid and substantial footing, and the rapid growth of our cities in every direction bespeaks most strongly the favorable circumstances by which we are surrounded. My happiness in the retirement which shortly awaits me is the ardent hope which I experience that this state of prosperity is neither deceptive nor destined to be short lived, and that measures which have not yet received its sanction, but which I can not but regard as closely connected with the honor, the glory, and still more enlarged prosperity of the country, are destined at an early day to receive the approval of Congress. Under these circumstances and with these anticipations I shall most gladly leave to others more able than myself the noble and pleasing task of sustaining the public prosperity. I shall carry with me into retirement the gratifying reflection that as my sole object throughout has been to advance the public good I may not entirely have failed in accomplishing it; and this gratification is heightened in no small degree by the fact that when under a deep and abiding sense of duty I have found myself constrained to resort to the qualified veto it has neither been followed by disapproval on the part of the people nor weakened in any degree their attachment to that great conservative feature of our Government.

Page 599

***

State of the Union Address
James Polk
December 2, 1845

Fellow-Citizens of the Senate and of the House of Representatives:

It is to me a source of unaffected satisfaction to meet the representatives of the States and the people in Congress assembled, as it will be to receive the aid of their combined wisdom in the administration of public affairs. In performing for the first time the duty imposed on me by the Constitution of giving to you information of the state of the Union and recommending to your consideration such measures as in my judgment are necessary and expedient, I am happy that I can congratulate you on the continued prosperity of our country. Under the blessings of Divine Providence and the benign influence of our free institutions, it stands before the world a spectacle of national happiness.

With our unexampled advancement in all the elements of national greatness, the affection of the people is confirmed for the Union of the States and for the doctrines of popular liberty which lie at the foundation of our Government.

It becomes us in humility to make our devout acknowledgments to the Supreme Ruler of the Universe for the inestimable civil and religious blessings with which we are favored.

In calling the attention of Congress to our relations with foreign powers, I am gratified to be able to state that though with some of them there have existed since your last session serious causes of irritation and misunderstanding, yet no actual hostilities have taken place. Adopting the maxim in the conduct of our foreign affairs “to ask nothing that is not right and submit to nothing that is wrong,” it has been my anxious desire to preserve peace with all nations, but at the same time to be prepared to resist aggression and maintain all our just rights.

In pursuance of the joint resolution of Congress “for annexing Texas to the United States,” my predecessor, on the 3d day of March, 1845, elected to submit the first and second sections of that resolution to the Republic of Texas as an overture on the part of the United States for her admission as a State into our Union. This election I approved, and accordingly the charge d’affaires of the United States in Texas, under instructions of the 10th of March, 1845, presented these sections of the resolution for the acceptance of that Republic. The executive government, the Congress, and the people of Texas in convention have successively complied with all the terms and conditions of the joint resolution. A constitution for the government of the State of Texas, formed by a convention of deputies, is herewith laid before Congress. It is well known, also, that the people of Texas at the polls have accepted the terms of annexation and ratified the

constitution. I communicate to Congress the correspondence between the Secretary of State and our charge d'affaires in Texas, and also the correspondence of the latter with the

Page 600

authorities of Texas, together with the official documents transmitted by him to his own Government. The terms of annexation which were offered by the United States having been accepted by Texas, the public faith of both parties is solemnly pledged to the compact of their union. Nothing remains to consummate the event but the passage of an act by Congress to admit the State of Texas into the Union upon an equal footing with the original States. Strong reasons exist why this should be done at an early period of the session. It will be observed that by the constitution of Texas the existing government is only continued temporarily till Congress can act, and that the third Monday of the present month is the day appointed for holding the first general election. On that day a governor, a lieutenant-governor, and both branches of the legislature will be chosen by the people. The President of Texas is required, immediately after the receipt of official information that the new State has been admitted into our Union by Congress, to convene the legislature, and upon its meeting the existing government will be superseded and the State government organized. Questions deeply interesting to Texas, in common with the other States, the extension of our revenue laws and judicial system over her people and territory, as well as measures of a local character, will claim the early attention of Congress, and therefore upon every principle of republican government she ought to be represented in that body without unnecessary delay. I can not too earnestly recommend prompt action on this important subject. As soon as the act to admit Texas as a State shall be passed the union of the two Republics will be consummated by their own voluntary consent.

This accession to our territory has been a bloodless achievement. No arm of force has been raised to produce the result. The sword has had no part in the victory. We have not sought to extend our territorial possessions by conquest, or our republican institutions over a reluctant people. It was the deliberate homage of each people to the great principle of our federative union. If we consider the extent of territory involved in the annexation, its prospective influence on America, the means by which it has been accomplished, springing purely from the choice of the people themselves to share the blessings of our union, the history of the world may be challenged to furnish a parallel. The jurisdiction of the United States, which at the formation of the Federal Constitution was bounded by the St. Marys on the Atlantic, has passed the capes of Florida and been peacefully extended to the Del Norte. In contemplating the grandeur of this event it is not to be forgotten that the result was achieved in despite of the diplomatic interference of European monarchies. Even France, the country which had been our ancient ally, the country which has a common interest with us in maintaining the freedom of the seas, the country which, by the cession of

Page 601

Louisiana, first opened to us access to the Gulf of Mexico, the country with which we have been every year drawing more and more closely the bonds of successful commerce, most unexpectedly, and to our unfeigned regret, took part in an effort to prevent annexation and to impose on Texas, as a condition of the recognition of her independence by Mexico, that she would never join herself to the United States. We may rejoice that the tranquil and pervading influence of the American principle of self-government was sufficient to defeat the purposes of British and French interference, and that the almost unanimous voice of the people of Texas has given to that interference a peaceful and effective rebuke. From this example European Governments may learn how vain diplomatic arts and intrigues must ever prove upon this continent against that system of self-government which seems natural to our soil, and which will ever resist foreign interference.

Toward Texas I do not doubt that a liberal and generous spirit will actuate Congress in all that concerns her interests and prosperity, and that she will never have cause to regret that she has united her “lone star” to our glorious constellation.

I regret to inform you that our relations with Mexico since your last session have not been of the amicable character which it is our desire to cultivate with all foreign nations. On the 6th day of March last the Mexican envoy extraordinary and minister plenipotentiary to the United States made a formal protest in the name of his Government against the joint resolution passed by Congress “for the annexation of Texas to the United States,” which he chose to regard as a violation of the rights of Mexico, and in consequence of it he demanded his passports. He was informed that the Government of the United States did not consider this joint resolution as a violation of any of the rights of Mexico, or that it afforded any just cause of offense to his Government; that the Republic of Texas was an independent power, owing no allegiance to Mexico and constituting no part of her territory or rightful sovereignty and jurisdiction. He was also assured that it was the sincere desire of this Government to maintain with that of Mexico relations of peace and good understanding. That functionary, however, notwithstanding these representations and assurances, abruptly terminated his mission and shortly afterwards left the country. Our envoy extraordinary and minister plenipotentiary to Mexico was refused all official intercourse with that Government, and, after remaining several months, by the permission of his own Government he returned to the United States. Thus, by the acts of Mexico, all diplomatic intercourse between the two countries was suspended.

Page 602

Since that time Mexico has until recently occupied an attitude of hostility toward the United States—has been marshaling and organizing armies, issuing proclamations, and avowing the intention to make war on the United States, either by an open declaration or by invading Texas. Both the Congress and convention of the people of Texas invited this Government to send an army into that territory to protect and defend them against the menaced attack. The moment the terms of annexation offered by the United States were accepted by Texas the latter became so far a part of our own country as to make it our duty to afford such protection and defense. I therefore deemed it proper, as a precautionary measure, to order a strong squadron to the coasts of Mexico and to concentrate an efficient military force on the western frontier of Texas. Our Army was ordered to take position in the country between the Nueces and the Del Norte, and to repel any invasion of the Texan territory which might be attempted by the Mexican forces. Our squadron in the Gulf was ordered to cooperate with the Army. But though our Army and Navy were placed in a position to defend our own and the rights of Texas, they were ordered to commit no act of hostility against Mexico unless she declared war or was herself the aggressor by striking the first blow. The result has been that Mexico has made no aggressive movement, and our military and naval commanders have executed their orders with such discretion that the peace of the two Republics has not been disturbed. Texas had declared her independence and maintained it by her arms for more than nine years. She has had an organized government in successful operation during that period. Her separate existence as an independent state had been recognized by the United States and the principal powers of Europe. Treaties of commerce and navigation had been concluded with her by different nations, and it had become manifest to the whole world that any further attempt on the part of Mexico to conquer her or overthrow her Government would be vain. Even Mexico herself had become satisfied of this fact, and whilst the question of annexation was pending before the people of Texas during the past summer the Government of Mexico, by a formal act, agreed to recognize the independence of Texas on condition that she would not annex herself to any other power. The agreement to acknowledge the independence of Texas, whether with or without this condition, is conclusive against Mexico. The independence of Texas is a fact conceded by Mexico herself, and she had no right or authority to prescribe restrictions as to the form of government which Texas might afterwards choose to assume. But though Mexico can not complain of the United States on account of the annexation of Texas, it is to be regretted that serious causes of misunderstanding between the two countries continue to exist, growing out of unredressed injuries inflicted by the Mexican authorities and people on the persons and property

Page 603

of citizens of the United States through a long series of years. Mexico has admitted these injuries, but has neglected and refused to repair them. Such was the character of the wrongs and such the insults repeatedly offered to American citizens and the American flag by Mexico, in palpable violation of the laws of nations and the treaty between the two countries of the 5th of April, 1831, that they have been repeatedly brought to the notice of Congress by my predecessors. As early as the 6th of February, 1837, the President of the United States declared in a message to Congress that—

The length of time since some of the injuries have been committed, the repeated and unavailing applications for redress, the wanton character of some of the outrages upon the property and persons of our citizens, upon the officers and flag of the United States, independent of recent insults to this Government and people by the late extraordinary Mexican minister, would justify in the eyes of all nations immediate war.

He did not, however, recommend an immediate resort to this extreme measure, which, he declared, “should not be used by just and generous nations, confiding in their strength for injuries committed, if it can be honorably avoided,” but, in a spirit of forbearance, proposed that another demand be made on Mexico for that redress which had been so long and unjustly withheld. In these views committees of the two Houses of Congress, in reports made to their respective bodies, concurred. Since these proceedings more than eight years have elapsed, during which, in addition to the wrongs then complained of, others of an aggravated character have been committed on the persons and property of our citizens. A special agent was sent to Mexico in the summer of 1838 with full authority to make another and final demand for redress. The demand was made; the Mexican Government promised to repair the wrongs of which we complained, and after much delay a treaty of indemnity with that view was concluded between the two powers on the 11th of April, 1839, and was duly ratified by both Governments. By this treaty a joint commission was created to adjudicate and decide on the claims of American citizens on the Government of Mexico. The commission was organized at Washington on the 25th day of August, 1840. Their time was limited to eighteen months, at the expiration of which they had adjudicated and decided claims amounting to $2,026,139.68 in favor of citizens of the United States against the Mexican Government, leaving a large amount of claims undecided. Of the latter the American commissioners had decided in favor of our citizens claims amounting to $928,627.88, which were left unacted on by the umpire authorized by the treaty. Still further claims, amounting to between three and four millions of dollars, were submitted to the board too late to be considered, and were left undisposed of. The sum of $2,026,139.68, decided by the board, was a liquidated and ascertained

Page 604

debt due by Mexico to the claimants, and there was no justifiable reason for delaying its payment according to the terms of the treaty. It was not, however, paid. Mexico applied for further indulgence, and, in that spirit of liberality and forbearance which has ever marked the policy of the United States toward that Republic, the request was granted, and on the 30th of January, 1843, a new treaty was concluded. By this treaty it was provided that the interest due on the awards in favor of claimants under the convention of the 11th of April, 1839, should be paid out the 30th of April, 1843, and that—

The principal of the said awards and the interest accruing thereon shall be paid in five years, in equal installments every three months, the said term of five years to commence on the 30th day of April, 1843, aforesaid.

The interest due on the 30th day of April, 1843, and the three first of the twenty installments have been paid. Seventeen of these installments, remain unpaid, seven of which are now due.

The claims which were left undecided by the joint commission, amounting to more than $3,000,000, together with other claims for spoliations on the property of our citizens, were subsequently presented to the Mexican Government for payment, and were so far recognized that a treaty providing for their examination and settlement by a joint commission was concluded and signed at Mexico on the 20th day of November, 1843. This treaty was ratified by the United States with certain amendments to which no just exception could have been taken, but it has not yet received the ratification of the Mexican Government. In the meantime our citizens, who suffered great losses—and some of whom have been reduced from affluence to bankruptcy—are without remedy unless their rights be enforced by their Government. Such a continued and unprovoked series of wrongs could never have been tolerated by the United States had they been committed by one of the principal nations of Europe. Mexico was, however, a neighboring sister republic, which, following our example, had achieved her independence, and for whose success and prosperity all our sympathies were early enlisted. The United States were the first to recognize her independence and to receive her into the family of nations, and have ever been desirous of cultivating with her a good understanding. We have therefore borne the repeated wrongs she has committed with great patience, in the hope that a returning sense of justice would ultimately guide her councils and that we might, if possible, honorably avoid any hostile collision with her. Without the previous authority of Congress the Executive possessed no power to adopt or enforce adequate remedies for the injuries we had suffered, or to do more than to be prepared to repel the threatened aggression on the part of Mexico. After our Army and Navy had remained on the frontier and coasts of Mexico for many weeks without any hostile movement

Page 605

on her part, though her menaces were continued, I deemed it important to put an end, if possible, to this state of things. With this view I caused steps to be taken in the month of September last to ascertain distinctly and in an authentic form what the designs of the Mexican Government were—whether it was their intention to declare war, or invade Texas, or whether they were disposed to adjust and settle in an amicable manner the pending differences between the two countries. On the 9th of November an official answer was received that the Mexican Government consented to renew the diplomatic relations which had been suspended in March last, and for that purpose were willing to accredit a minister from the United States. With a sincere desire to preserve peace and restore relations of good understanding between the two Republics, I waived all ceremony as to the manner of renewing diplomatic intercourse between them, and, assuming the initiative, on the 10th of November a distinguished citizen of Louisiana was appointed envoy extraordinary and minister plenipotentiary to Mexico, clothed with full powers to adjust and definitively settle all pending differences between the two countries, including those of boundary between Mexico and the State of Texas. The minister appointed has set out on his mission and is probably by this time near the Mexican capital. He has been instructed to bring the negotiation with which he is charged to a conclusion at the earliest practicable period, which it is expected will be in time to enable me to communicate the result to Congress during the present session. Until that result is known I forbear to recommend to Congress such ulterior measures of redress for the wrongs and injuries we have so long borne as it would have been proper to make had no such negotiation been instituted.

Congress appropriated at the last session the sum of $275,000 for the payment of the April and July installments of the Mexican indemnities for the year 1844:

Provided it shall be ascertained to the satisfaction of the American Government that said installments have been paid by the Mexican Government to the agent appointed by the United States to receive the same in such manner as to discharge all claim on the Mexican Government, and said agent to be delinquent in remitting the money to the United States.

The unsettled state of our relations with Mexico has involved this subject in much mystery. The first information in an authentic form from the agent of the United States, appointed under the Administration of my predecessor, was received at the State Department on the 9th of November last. This is contained in a letter, dated the 17th of October, addressed by him to one of our citizens then in Mexico with a view of having it communicated to that Department. From this it appears that the agent on the 20th of September, 1844, gave a receipt to the treasury of Mexico for the amount of the April and July installments

Page 606

of the indemnity. In the same communication, however, he asserts that he had not received a single dollar in cash, but that he holds such securities as warranted him at the time in giving the receipt, and entertains no doubt but that he will eventually obtain the money. As these installments appear never to have been actually paid by the Government of Mexico to the agent, and as that Government has not, therefore, been released so as to discharge the claim, I do not feel myself warranted in directing payment to be made to the claimants out of the Treasury without further legislation. Their case is undoubtedly one of much hardship, and it remains for Congress to decide whether any, and what, relief ought to be granted to them. Our minister to Mexico has been instructed to ascertain the facts of the case from the Mexican Government in an authentic and official form and report the result with as little delay as possible.

My attention was early directed to the negotiation which on the 4th of March last I found pending at Washington between the United States and Great Britain on the subject of the Oregon Territory. Three several attempts had been previously made to settle the questions in dispute between the two countries by negotiation upon the principle of compromise, but each had proved unsuccessful. These negotiations took place at London in the years 1818, 1824, and 1826—the two first under the Administration of Mr. Monroe and the last under that of Mr. Adams. The negotiation of 1818, having failed to accomplish its object, resulted in the convention of the 20th of October of that year.

By the third article of that convention it was—

Agreed that any country that may be claimed by either party on the northwest coast of America westward of the Stony Mountains shall, together with its harbors, bays, and creeks, and the navigation of all rivers within the same, be free and open for the term of ten years from the date of the signature of the present convention to the vessels, citizens, and subjects of the two powers; it being well understood that this agreement is not to be construed to the prejudice of any claim which either of the two high contracting parties may have to any part of the said country, nor shall it be taken to affect the claims of any other power or state to any part of the said country, the only object of the high contracting parties in that respect being to prevent disputes and differences amongst themselves.

The negotiation of 1824 was productive of no result, and the convention of 1818 was left unchanged.

The negotiation of 1826, having also failed to effect an adjustment by compromise, resulted in the convention of August 6, 1827, by which it was agreed to continue in force for an indefinite period the provisions of the third article of the convention of the 20th of October, 1818; and it was further provided that—

It shall be competent, however, to either of the contracting parties, in case either should think fit, at any time after the 20th of October, 1828, on giving due notice of twelve months to the other contracting party, to annul and abrogate this convention; and it shall in such case be accordingly entirely annulled and abrogated after the expiration of the said term of notice.

Page 607

In these attempts to adjust the controversy the parallel of the forty-ninth degree of north latitude had been offered by the United States to Great Britain, and in those of 1818 and 1826, with a further concession of the free navigation of the Columbia River south of that latitude. The parallel of the forty-ninth degree from the Rocky Mountains to its intersection with the northeasternmost branch of the Columbia, and thence down the channel of that river to the sea, had been offered by Great Britain, with an addition of a small detached territory north of the Columbia. Each of these propositions had been rejected by the parties respectively. In October, 1843, the envoy extraordinary and minister plenipotentiary of the United States in London was authorized to make a similar offer to those made in 1818 and 1826. Thus stood the question when the negotiation was shortly afterwards transferred to Washington, and on the 23d of August, 1844, was formally opened under the direction of my immediate predecessor. Like all the previous negotiations, it was based upon principles of “compromise,” and the avowed purpose of the parties was “to treat of the respective claims of the two countries to the Oregon Territory with the view to establish a permanent boundary between them westward of the Rocky Mountains to the Pacific Ocean.”

Accordingly, on the 26th of August, 1844, the British plenipotentiary offered to divide the Oregon Territory by the forty-ninth parallel of north latitude from the Rocky Mountains to the point of its intersection with the northeasternmost branch of the Columbia River, and thence down that river to the sea, leaving the free navigation of the river to be enjoyed in common by both parties, the country south of this line to belong to the United States and that north of it to Great Britain. At the same time he proposed in addition to yield to the United States a detached territory north of the Columbia extending along the Pacific and the Straits of Fuca from Bulfinchs Harbor, inclusive, to Hoods Canal, and to make free to the United States any port or ports south of latitude 49° which they might desire, either on the mainland or on Quadra and Vancouvers Island. With the exception of the free ports, this was the same offer which had been made by the British and rejected by the American Government in the negotiation of 1826. This proposition was properly rejected by the American plenipotentiary on the day it was submitted. This was the only proposition of compromise offered by the British plenipotentiary. The proposition on the part of Great Britain having been rejected, the British plenipotentiary requested that a proposal should be made by the United States for “an equitable adjustment of the question.” When I came into office I found this to be the state of the negotiation. Though entertaining the settled conviction that the British pretensions of title could not be maintained to any portion of the Oregon Territory

Page 608

upon any principle of public law recognized by nations, yet in deference to what had been done by my predecessors, and especially in consideration that propositions of compromise had been thrice made by two preceding Administrations to adjust the question on the parallel of 49°, and in two of them yielding to Great Britain the free navigation of the Columbia, and that the pending negotiation had been commenced on the basis of compromise, I deemed it to be my duty not abruptly to break it off. In consideration, too, that under the conventions of 1818 and 1827 the citizens and subjects of the two powers held a joint occupancy of the country, I was induced to make another effort to settle this long-pending controversy in the spirit of moderation which had given birth to the renewed discussion. A proposition was accordingly made, which was rejected by the British plenipotentiary, who, without submitting any other proposition, suffered the negotiation on his part to drop, expressing his trust that the United States would offer what he saw fit to call “some further proposal for the settlement of the Oregon question more consistent with fairness and equity and with the reasonable expectations of the British Government.” The proposition thus offered and rejected repeated the offer of the parallel of 49° of north latitude, which had been made by two preceding Administrations, but without proposing to surrender to Great Britain, as they had done, the free navigation of the Columbia River. The right of any foreign power to the free navigation of any of our rivers through the heart of our country was one which I was unwilling to concede. It also embraced a provision to make free to Great Britain any port or ports on the cap of Quadra and Vancouvers Island south of this parallel. Had this been a new question, coming under discussion for the first time, this proposition would not have been made. The extraordinary and wholly inadmissible demands of the British Government and the rejection of the proposition made in deference alone to what had been done by my predecessors and the implied obligation which their acts seemed to impose afford satisfactory evidence that no compromise which the United States ought to accept can be effected. With this conviction the proposition of compromise which had been made and rejected was by my direction subsequently withdrawn and our title to the whole Oregon Territory asserted, and, as is believed, maintained by irrefragable facts and arguments.

The civilized world will see in these proceedings a spirit of liberal concession on the part of the United States, and this Government will be relieved from all responsibility which may follow the failure to settle the controversy.

Page 609

All attempts at compromise having failed, it becomes the duty of Congress to consider what measures it may be proper to adopt for the security and protection of our citizens now inhabiting or who may hereafter inhabit Oregon, and for the maintenance of our just title to that Territory. In adopting measures for this purpose care should be taken that nothing be done to violate the stipulations of the convention of 1827, which is still in force. The faith of treaties, in their letter and spirit, has ever been, and, I trust, will ever be, scrupulously observed by the United States. Under that convention a year's notice is required to be given by either party to the other before the joint occupancy shall terminate and before either can rightfully assert or exercise exclusive jurisdiction over any portion of the territory. This notice it would, in my judgment, be proper to give, and I recommend that provision be made by law for giving it accordingly, and terminating in this manner the convention of the 6th of August, 1827.

It will become proper for Congress to determine what legislation they can in the meantime adopt without violating this convention. Beyond all question the protection of our laws and our jurisdiction, civil and criminal, ought to be immediately extended over our citizens in Oregon. They have had just cause to complain of our long neglect in this particular, and have in consequence been compelled for their own security and protection to establish a provisional government for themselves. Strong in their allegiance and ardent in their attachment to the United States, they have been thus cast upon their own resources. They are anxious that our laws should be extended over them, and I recommend that this be done by Congress with as little delay as possible in the full extent to which the British Parliament have proceeded in regard to British subjects in that Territory by their act of July 2, 1821, "for regulating the fur trade and establishing a criminal and civil jurisdiction within certain parts of North America." By this act Great Britain extended her laws and jurisdiction, civil and criminal, over her subjects engaged in the fur trade in that Territory. By it the courts of the Province of Upper Canada were empowered to take cognizance of causes civil and criminal. Justices of the peace and other judicial officers were authorized to be appointed in Oregon with power to execute all process issuing from the courts of that Province, and to "sit and hold courts of record for the trial of criminal offenses and misdemeanors" not made the subject of capital punishment, and also of civil cases where the cause of action shall not "exceed in value the amount or sum of lbs. 200."

Page 610

Subsequent to the date of this act of Parliament a grant was made from the “British Crown” to the Hudsons Bay Company of the exclusive trade with the Indian tribes in the Oregon Territory, subject to a reservation that it shall not operate to the exclusion “of the subjects of any foreign states who, under or by force of any convention for the time being between us and such foreign states, respectively, may be entitled to and shall be engaged in the said trade.” It is much to be regretted that while under this act British subjects have enjoyed the protection of British laws and British judicial tribunals throughout the whole of Oregon, American citizens in the same Territory have enjoyed no such protection from their Government. At the same time, the result illustrates the character of our people and their institutions. In spite of this neglect they have multiplied, and their number is rapidly increasing in that Territory. They have made no appeal to arms, but have peacefully fortified themselves in their new homes by the adoption of republican institutions for themselves, furnishing another example of the truth that self-government is inherent in the American breast and must prevail. It is due to them that they should be embraced and protected by our laws. It is deemed important that our laws regulating trade and intercourse with the Indian tribes east of the Rocky Mountains should be extended to such tribes as dwell beyond them. The increasing emigration to Oregon and the care and protection which is due from the Government to its citizens in that distant region make it our duty, as it is our interest, to cultivate amicable relations with the Indian tribes of that Territory. For this purpose I recommend that provision be made for establishing an Indian agency and such subagencies as may be deemed necessary beyond the Rocky Mountains.

For the protection of emigrants whilst on their way to Oregon against the attacks of the Indian tribes occupying the country through which they pass, I recommend that a suitable number of stockades and blockhouse forts be erected along the usual route between our frontier settlements on the Missouri and the Rocky Mountains, and that an adequate force of mounted riflemen be raised to guard and protect them on their journey. The immediate adoption of these recommendations by Congress will not violate the provisions of the existing treaty. It will be doing nothing more for American citizens than British laws have long since done for British subjects in the same territory.

It requires several months to perform the voyage by sea from the Atlantic States to Oregon, and although we have a large number of whale ships in the Pacific, but few of them afford an opportunity of interchanging intelligence without great delay between our settlements in that distant region and the United States. An overland mail is believed to be entirely practicable, and the importance of establishing such a mail at least once a month is submitted to the favorable consideration of Congress.

Page 611

It is submitted to the wisdom of Congress to determine whether at their present session, and until after the expiration of the year's notice, any other measures may be adopted consistently with the convention of 1827 for the security of our rights and the government and protection of our citizens in Oregon. That it will ultimately be wise and proper to make liberal grants of land to the patriotic pioneers who amidst privations and dangers lead the way through savage tribes inhabiting the vast wilderness intervening between our frontier settlements and Oregon, and who cultivate and are ever ready to defend the soil, I am fully satisfied. To doubt whether they will obtain such grants as soon as the convention between the United States and Great Britain shall have ceased to exist would be to doubt the justice of Congress; but, pending the year's notice, it is worthy of consideration whether a stipulation to this effect may be made consistently with the spirit of that convention.

The recommendations which I have made as to the best manner of securing our rights in Oregon are submitted to Congress with great deference. Should they in their wisdom devise any other mode better calculated to accomplish the same object, it shall meet with my hearty concurrence.

At the end of the year's notice, should Congress think it proper to make provision for giving that notice, we shall have reached a period when the national rights in Oregon must either be abandoned or firmly maintained. That they can not be abandoned without a sacrifice of both national honor and interest is too clear to admit of doubt.

Oregon is a part of the North American continent, to which, it is confidently affirmed, the title of the United States is the best now in existence. For the grounds on which that title rests I refer you to the correspondence of the late and present Secretary of State with the British plenipotentiary during the negotiation. The British proposition of compromise, which would make the Columbia the line south of 49°, with a trifling addition of detached territory to the United States north of that river, and would leave on the British side two-thirds of the whole Oregon Territory, including the free navigation of the Columbia and all the valuable harbors on the Pacific, can never for a moment be entertained by the United States without an abandonment of their just and dear territorial rights, their own self-respect, and the national honor. For the information of Congress, I communicate herewith the correspondence which took place between the two Governments during the late negotiation.

The rapid extension of our settlements over our territories heretofore unoccupied, the addition of new States to our Confederacy, the expansion of free principles, and our rising greatness as a nation are attracting the attention of the powers of Europe, and lately the doctrine has been broached in some of them of a "balance of power" on this continent to check our advancement. The United States, sincerely desirous of preserving relations of good understanding with all nations, can not in silence permit any European interference on the North American continent, and should any such interference be attempted will be ready to resist it at any and all hazards.

Page 612

It is well known to the American people and to all nations that this Government has never interfered with the relations subsisting between other governments. We have never made ourselves parties to their wars or their alliances; we have not sought their territories by conquest; we have not mingled with parties in their domestic struggles; and believing our own form of government to be the best, we have never attempted to propagate it by intrigues, by diplomacy, or by force. We may claim on this continent a like exemption from European interference. The nations of America are equally sovereign and independent with those of Europe. They possess the same rights, independent of all foreign interposition, to make war, to conclude peace, and to regulate their internal affairs. The people of the United States can not, therefore, view with indifference attempts of European powers to interfere with the independent action of the nations on this continent. The American system of government is entirely different from that of Europe. Jealousy among the different sovereigns of Europe, lest any one of them might become too powerful for the rest, has caused them anxiously to desire the establishment of what they term the “balance of power.” It can not be permitted to have any application on the North American continent, and especially to the United States. We must ever maintain the principle that the people of this continent alone have the right to decide their own destiny. Should any portion of them, constituting an independent state, propose to unite themselves with our Confederacy, this will be a question for them and us to determine without any foreign interposition. We can never consent that European powers shall interfere to prevent such a union because it might disturb the “balance of power” which they may desire to maintain upon this continent. Near a quarter of a century ago the principle was distinctly announced to the world, in the annual message of one of my predecessors, that—

The American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for colonization by any European powers.

This principle will apply with greatly increased force should any European power attempt to establish any new colony in North America. In the existing circumstances of the world the present is deemed a proper occasion to reiterate and reaffirm the principle avowed by Mr. Monroe and to state my cordial concurrence in its wisdom and sound policy. The reassertion of this principle, especially in reference to North America, is at this day but the promulgation of a policy which no European power should cherish the disposition to resist. Existing rights of every European nation should be respected, but it is due alike to our safety and our interests that the efficient protection of our laws should be extended over our whole territorial limits, and that it should be distinctly announced to the world as our settled policy that no future European colony or dominion shall with our consent be planted or established on any part of the North American continent.

Page 613

A question has recently arisen under the tenth article of the subsisting treaty between the United States and Prussia. By this article the consuls of the two countries have the right to sit as judges and arbitrators “in such differences as may arise between the captains and crews of the vessels belonging to the nation whose interests are committed to their charge without the interference of the local authorities, unless the conduct of the crews or of the captain should disturb the order or tranquillity of the country, or the said consuls should require their assistance to cause their decisions to be carried into effect or supported.”

The Prussian consul at New Bedford in June, 1844, applied to Mr. Justice Story to carry into effect a decision made by him between the captain and crew of the Prussian ship Borussia, but the request was refused on the ground that without previous legislation by Congress the judiciary did not possess the power to give effect to this article of the treaty. The Prussian Government, through their minister here, have complained of this violation of the treaty, and have asked the Government of the United States to adopt the necessary measures to prevent similar violations hereafter. Good faith to Prussia, as well as to other nations with whom we have similar treaty stipulations, requires that these should be faithfully observed. I have deemed it proper, therefore, to lay the subject before Congress and to recommend such legislation as may be necessary to give effect to these treaty obligations.

By virtue of an arrangement made between the Spanish Government and that of the United States in December, 1831, American vessels, since the 29th of April, 1832, have been admitted to entry in the ports of Spain, including those of the Balearic and Canary islands, on payment of the same tonnage duty of 5 cents per ton, as though they had been Spanish vessels; and this whether our vessels arrive in Spain directly from the United States or indirectly from any other country. When Congress, by the act of 13th July, 1832, gave effect to this arrangement between the two Governments, they confined the reduction of tonnage duty merely to Spanish vessels “coming from a port in Spain,” leaving the former discriminating duty to remain against such vessels coming from a port in any other country. It is manifestly unjust that whilst American vessels arriving in the ports of Spain from other countries pay no more duty than Spanish vessels, Spanish vessels arriving in the ports of the United States from other countries should be subjected to heavy discriminating tonnage duties. This is neither equality nor reciprocity, and is in violation of the arrangement concluded in December, 1831, between the two countries. The Spanish Government have made repeated and earnest remonstrances against this inequality, and the favorable attention of Congress has been several times invoked to the subject by my predecessors. I recommend,

Page 614

as an act of justice to Spain, that this inequality be removed by Congress and that the discriminating duties which have been levied under the act of the 13th of July, 1832, on Spanish vessels coming to the United States from any other foreign country be refunded. This recommendation does not embrace Spanish vessels arriving in the United States from Cuba and Porto Rico, which will still remain subject to the provisions of the act of June 30, 1834, concerning tonnage duty on such vessels. By the act of the 14th of July, 1832, coffee was exempted from duty altogether. This exemption was universal, without reference to the country where it was produced or the national character of the vessel in which it was imported. By the tariff act of the 30th of August, 1842, this exemption from duty was restricted to coffee imported in American vessels from the place of its production, whilst coffee imported under all other circumstances was subjected to a duty of 20 per cent ad valorem. Under this act and our existing treaty with the King of the Netherlands Java coffee imported from the European ports of that Kingdom into the United States, whether in Dutch or American vessels, now pays this rate of duty. The Government of the Netherlands complains that such a discriminating duty should have been imposed on coffee the production of one of its colonies, and which is chiefly brought from Java to the ports of that Kingdom and exported from thence to foreign countries. Our trade with the Netherlands is highly beneficial to both countries and our relations with them have ever been of the most friendly character. Under all the circumstances of the case, I recommend that this discrimination should be abolished and that the coffee of Java imported from the Netherlands be placed upon the same footing with that imported directly from Brazil and other countries where it is produced.

Under the eighth section of the tariff act of the 30th of August, 1842, a duty of 15 cents per gallon was imposed on port wine in casks, while on the red wines of several other countries, when imported in casks, a duty of only 6 cents per gallon was imposed. This discrimination, so far as regarded the port wine of Portugal, was deemed a violation of our treaty with that power, which provides that—

No higher or other duties shall be imposed on the importation into the United States of America of any article the growth, produce, or manufacture of the Kingdom and possessions of Portugal than such as are or shall be payable on the like article being the growth, produce, or manufacture of any other foreign country.

Page 615

Accordingly, to give effect to the treaty as well as to the intention of Congress, expressed in a proviso to the tariff act itself, that nothing therein contained should be so construed as to interfere with subsisting treaties with foreign nations, a Treasury circular was issued on the 16th of July, 1844, which, among other things, declared the duty on the port wine of Portugal, in casks, under the existing laws and treaty to be 6 cents per gallon, and directed that the excess of duties which had been collected on such wine should be refunded. By virtue of another clause in the same section of the act it is provided that all imitations of port or any other wines "shall be subject to the duty provided for the genuine article." Imitations of port wine, the production of France, are imported to some extent into the United States, and the Government of that country now claims that under a correct construction of the act these imitations ought not to pay a higher duty than that imposed upon the original port wine of Portugal. It appears to me to be unequal and unjust that French imitations of port wine should be subjected to a duty of 15 cents, while the more valuable article from Portugal should pay a duty of 6 cents only per gallon. I therefore recommend to Congress such legislation as may be necessary to correct the inequality.

The late President, in his annual message of December last, recommended an appropriation to satisfy the claims of the Texan Government against the United States, which had been previously adjusted so far as the powers of the Executive extend. These claims arose out of the act of disarming a body of Texan troops under the command of Major Snively by an officer in the service of the United States, acting under the orders of our Government, and the forcible entry into the custom-house at Bryarlys Landing, on Red River, by certain citizens of the United States and taking away therefrom the goods seized by the collector of the customs as forfeited under the laws of Texas. This was a liquidated debt ascertained to be due to Texas when an independent state. Her acceptance of the terms of annexation proposed by the United States does not discharge or invalidate the claim. I recommend that provision be made for its payment.

The commissioner appointed to China during the special session of the Senate in March last shortly afterwards set out on his mission in the United States ship Columbus. On arriving at Rio de Janeiro on his passage the state of his health had become so critical that by the advice of his medical attendants he returned to the United States early in the month of October last. Commodore Biddle, commanding the East India Squadron, proceeded on his voyage in the Columbus, and was charged by the commissioner with the duty of exchanging with the proper authorities the ratifications of the treaty lately concluded with the Emperor of China. Since the return of the commissioner to the United States his health has been much improved, and he entertains the confident belief that he will soon be able to proceed on his mission.

Page 616

Unfortunately, differences continue to exist among some of the nations of South America which, following our example, have established their independence, while in others internal dissensions prevail. It is natural that our sympathies should be warmly enlisted for their welfare; that we should desire that all controversies between them should be amicably adjusted and their Governments administered in a manner to protect the rights and promote the prosperity of their people. It is contrary, however, to our settled policy to interfere in their controversies, whether external or internal.

I have thus adverted to all the subjects connected with our foreign relations to which I deem it necessary to call your attention. Our policy is not only peace with all, but good will toward all the powers of the earth. While we are just to all, we require that all shall be just to us. Excepting the differences with Mexico and Great Britain, our relations with all civilized nations are of the most satisfactory character. It is hoped that in this enlightened age these differences may be amicably adjusted.

The Secretary of the Treasury in his annual report to Congress will communicate a full statement of the condition of our finances. The imports for the fiscal year ending on the 30th of June last were of the value of $117,254,564, of which the amount exported was $15,346,830, leaving a balance of $101,907,734 for domestic consumption. The exports for the same year were of the value of $114,646,606, of which the amount of domestic articles was $99,299,776. The receipts into the Treasury during the same year were $29,769,133.56, of which there were derived from customs $27,528,122.70, from sales of public lands $2,077,022.30, and from incidental and miscellaneous sources $163,998.56. The expenditures for the same period were $29,968,206.98, of which $8,588,157.62 were applied to the payment of the public debt. The balance in the Treasury on the 1st of July last was $7,658,306.22. The amount of the public debt remaining unpaid on the 1st of October last was $17,075,445.52. Further payments of the public debt would have been made, in anticipation of the period of its reimbursement under the authority conferred upon the Secretary of the Treasury by the acts of July 21, 1841, and of April 15, 1842, and March 3, 1843, had not the unsettled state of our relations with Mexico menaced hostile collision with that power. In view of such a contingency it was deemed prudent to retain in the Treasury an amount unusually large for ordinary purposes.

A few years ago our whole national debt growing out of the Revolution and the War of 1812 with Great Britain was extinguished, and we presented to the world the rare and noble spectacle of a great and growing people who had fully discharged every obligation. Since that time the existing debt has been contracted, and, small as it is in comparison with the similar burdens of most other nations, it should be extinguished at

Page 617

the earliest practicable period. Should the state of the country permit, and especially if our foreign relations interpose no obstacle, it is contemplated to apply all the moneys in the Treasury as they accrue, beyond what is required for the appropriations by Congress, to its liquidation. I cherish the hope of soon being able to congratulate the country on its recovering once more the lofty position which it so recently occupied. Our country, which exhibits to the world the benefits of self-government, in developing all the sources of national prosperity owes to mankind the permanent example of a nation free from the blighting influence of a public debt.

The attention of Congress is invited to the importance of making suitable modifications and reductions of the rates of duty imposed by our present tariff laws. The object of imposing duties on imports should be to raise revenue to pay the necessary expenses of Government. Congress may undoubtedly, in the exercise of a sound discretion, discriminate in arranging the rates of duty on different articles, but the discriminations should be within the revenue standard and be made with the view to raise money for the support of Government.

It becomes important to understand distinctly what is meant by a revenue standard the maximum of which should not be exceeded in the rates of duty imposed. It is conceded, and experience proves, that duties may be laid so high as to diminish or prohibit altogether the importation of any given article, and thereby lessen or destroy the revenue which at lower rates would be derived from its importation. Such duties exceed the revenue rates and are not imposed to raise money for the support of Government. If Congress levy a duty for revenue of 1 per cent on a given article, it will produce a given amount of money to the Treasury and will incidentally and necessarily afford protection or advantage to the amount of 1 per cent to the home manufacturer of a similar or like article over the importer. If the duty be raised to 10 per cent, it will produce a greater amount of money and afford greater protection. If it be still raised to 20, 25, or 30 per cent, and if as it is raised the revenue derived from it is found to be increased, the protection or advantage will also be increased; but if it be raised to 31 per cent, and it is found that the revenue produced at that rate is less than at 30 per cent, it ceases to be a revenue duty. The precise point in the ascending scale of duties at which it is ascertained from experience that the revenue is greatest is the maximum rate of duty which can be laid for the bona fide purpose of collecting money for the support of Government. To raise the duties higher than that point, and thereby diminish the amount collected, is to levy them for protection merely, and not for revenue. As long, then, as Congress may gradually increase the rate of duty on a given article, and the revenue is increased by such increase of duty, they

Page 618

are within the revenue standard. When they go beyond that point, and as they increase the duties, the revenue is diminished or destroyed; the act ceases to have for its object the raising of money to support Government, but is for protection merely. It does not follow that Congress should levy the highest duty on all articles of import which they will bear within the revenue standard, for such rates would probably produce a much larger amount than the economical administration of the Government would require. Nor does it follow that the duties on all articles should be at the same or a horizontal rate. Some articles will bear a much higher revenue duty than others. Below the maximum of the revenue standard Congress may and ought to discriminate in the rates imposed, taking care so to adjust them on different articles as to produce in the aggregate the amount which, when added to the proceeds of the sales of public lands, may be needed to pay the economical expenses of the Government.

In levying a tariff of duties Congress exercise the taxing power, and for purposes of revenue may select the objects of taxation. They may exempt certain articles altogether and permit their importation free of duty. On others they may impose low duties. In these classes should be embraced such articles of necessity as are in general use, and especially such as are consumed by the laborer and poor as well as by the wealthy citizen. Care should be taken that all the great interests of the country, including manufactures, agriculture, commerce, navigation, and the mechanic arts, should, as far as may be practicable, derive equal advantages from the incidental protection which a just system of revenue duties may afford. Taxation, direct or indirect, is a burden, and it should be so imposed as to operate as equally as may be on all classes in the proportion of their ability to bear it. To make the taxing power an actual benefit to one class necessarily increases the burden of the others beyond their proportion, and would be manifestly unjust. The terms “protection to domestic industry” are of popular import, but they should apply under a just system to all the various branches of industry in our country. The farmer or planter who toils yearly in his fields is engaged in “domestic industry,” and is as much entitled to have his labor “protected” as the manufacturer, the man of commerce, the navigator, or the mechanic, who are engaged also in “domestic industry” in their different pursuits. The joint labors of all these classes constitute the aggregate of the “domestic industry” of the nation, and they are equally entitled to the nation’s “protection.” No one of them can justly claim to be the exclusive recipient of “protection,” which can only be afforded by increasing burdens on the “domestic industry” of the others.

If these views be correct, it remains to inquire how far the tariff act of 1842 is consistent with them. That many of the provisions of that act are in violation of the cardinal principles here laid down all must concede. The rates of duty imposed by it on some articles are prohibitory and on others so high as greatly to diminish importations and to produce a less amount of revenue than would be derived from lower rates. They

operate as “protection merely” to one branch of “domestic industry” by taxing other branches.

Page 619

By the introduction of minimums, or assumed and false values, and by the imposition of specific duties the injustice and inequality of the act of 1842 in its practical operations on different classes and pursuits are seen and felt. Many of the oppressive duties imposed by it under the operation of these principles range from 1 per cent to more than 200 per cent. They are prohibitory on some articles and partially so on others, and bear most heavily on articles of common necessity and but lightly on articles of luxury. It is so framed that much the greatest burden which it imposes is thrown on labor and the poorer classes, who are least able to bear it, while it protects capital and exempts the rich from paying their just proportion of the taxation required for the support of Government. While it protects the capital of the wealthy manufacturer and increases his profits, it does not benefit the operatives or laborers in his employment, whose wages have not been increased by it. Articles of prime necessity or of coarse quality and low price, used by the masses of the people, are in many instances subjected by it to heavy taxes, while articles of finer quality and higher price, or of luxury, which can be used only by the opulent, are lightly taxed. It imposes heavy and unjust burdens on the farmer, the planter, the commercial man, and those of all other pursuits except the capitalist who has made his investments in manufactures. All the great interests of the country are not as nearly as may be practicable equally protected by it.

The Government in theory knows no distinction of persons or classes, and should not bestow upon some favors and privileges which all others may not enjoy. It was the purpose of its illustrious founders to base the institutions which they reared upon the great and unchanging principles of justice and equity, conscious that if administered in the spirit in which they were conceived they would be felt only by the benefits which they diffused, and would secure for themselves a defense in the hearts of the people more powerful than standing armies and all the means and appliances invented to sustain governments founded in injustice and oppression.

The well-known fact that the tariff act of 1842 was passed by a majority of one vote in the Senate and two in the House of Representatives, and that some of those who felt themselves constrained, under the peculiar circumstances existing at the time, to vote in its favor, proclaimed its defects and expressed their determination to aid in its modification on the first opportunity, affords strong and conclusive evidence that it was not intended to be permanent, and of the expediency and necessity of its thorough revision.

In recommending to Congress a reduction of the present rates of duty and a revision and modification of the act of 1842, I am far from entertaining opinions unfriendly to the manufacturers. On the contrary, I desire to see them prosperous as far as they can be so without imposing unequal burdens on other interests. The advantage under any system of indirect taxation, even within the revenue standard, must be in favor of the manufacturing interest, and of this no other interest will complain.

Page 620

I recommend to Congress the abolition of the minimum principle, or assumed, arbitrary, and false values, and of specific duties, and the substitution in their place of ad valorem duties as the fairest and most equitable indirect tax which can be imposed. By the ad valorem principle all articles are taxed according to their cost or value, and those which are of inferior quality or of small cost bear only the just proportion of the tax with those which are of superior quality or greater cost. The articles consumed by all are taxed at the same rate. A system of ad valorem revenue duties, with proper discriminations and proper guards against frauds in collecting them, it is not doubted will afford ample incidental advantages to the manufacturers and enable them to derive as great profits as can be derived from any other regular business. It is believed that such a system strictly within the revenue standard will place the manufacturing interests on a stable footing and inure to their permanent advantage, while it will as nearly as may be practicable extend to all the great interests of the country the incidental protection which can be afforded by our revenue laws. Such a system, when once firmly established, would be permanent, and not be subject to the constant complaints, agitations, and changes which must ever occur when duties are not laid for revenue, but for the "protection merely" of a favored interest.

In the deliberations of Congress on this subject it is hoped that a spirit of mutual concession and compromise between conflicting interests may prevail, and that the result of their labors may be crowned with the happiest consequences.

By the Constitution of the United States it is provided that "no money shall be drawn from the Treasury but in consequence of appropriations made by law." A public treasury was undoubtedly contemplated and intended to be created, in which the public money should be kept from the period of collection until needed for public uses. In the collection and disbursement of the public money no agencies have ever been employed by law except such as were appointed by the Government, directly responsible to it and under its control. The safe-keeping of the public money should be confided to a public treasury created by law and under like responsibility and control. It is not to be imagined that the framers of the Constitution could have intended that a treasury should be created as a place of deposit and safe-keeping of the public money which was irresponsible to the Government. The first Congress under the Constitution, by the act of the 2d of September, 1789, "to establish the Treasury Department," provided for the appointment of a Treasurer, and made it his duty "to receive and keep the moneys of the United States" and "at all times to submit to the Secretary of the Treasury and the Comptroller, or either of them, the inspection of the moneys in his hands."

Page 621

That banks, national or State, could not have been intended to be used as a substitute for the Treasury spoken of in the Constitution as keepers of the public money is manifest from the fact that at that time there was no national bank, and but three or four State banks, of limited Capital, existed in the country. Their employment as depositories was at first resorted to to a limited extent, but with no avowed intention of continuing them permanently in place of the Treasury of the Constitution. When they were afterwards from time to time employed, it was from motives of supposed convenience. Our experience has shown that when banking corporations have been the keepers of the public money, and been thereby made in effect the Treasury, the Government can have no guaranty that it can command the use of its own money for public purposes. The late Bank of the United States proved to be faithless. The State banks which were afterwards employed were faithless. But a few years ago, with millions of public money in their keeping, the Government was brought almost to bankruptcy and the public credit seriously impaired because of their inability or indisposition to pay on demand to the public creditors in the only currency recognized by the Constitution. Their failure occurred in a period of peace, and great inconvenience and loss were suffered by the public from it. Had the country been involved in a foreign war, that inconvenience and loss would have been much greater, and might have resulted in extreme public calamity. The public money should not be mingled with the private funds of banks or individuals or be used for private purposes. When it is placed in banks for safe-keeping, it is in effect loaned to them without interest, and is loaned by them upon interest to the borrowers from them. The public money is converted into banking capital, and is used and loaned out for the private profit of bank stockholders, and when called for, as was the case in 1837, it may be in the pockets of the borrowers from the banks instead of being in the public Treasury contemplated by the Constitution. The framers of the Constitution could never have intended that the money paid into the Treasury should be thus converted to private use and placed beyond the control of the Government.

Banks which hold the public money are often tempted by a desire of gain to extend their loans, increase their circulation, and thus stimulate, if not produce, a spirit of speculation and extravagance which sooner or later must result in ruin to thousands. If the public money be not permitted to be thus used, but be kept in the Treasure and paid out to the public creditors in gold and silver, the temptation afforded by its deposit with banks to an undue expansion of their business would be checked, while the amount of the constitutional currency left in circulation would be enlarged by its employment in the public collections and disbursements, and the banks themselves

Page 622

would in consequence be found in a safer and sounder condition. At present State banks are employed as depositories, but without adequate regulation of law whereby the public money can be secured against the casualties and excesses, revulsions, suspensions, and defalcations to which from overissues, overtrading, an inordinate desire for gain, or other causes they are constantly exposed. The Secretary of the Treasury has in all cases when it was practicable taken collateral security for the amount which they hold, by the pledge of stocks of the United States or such of the States as were in good credit. Some of the deposit banks have given this description of security and others have declined to do so.

Entertaining the opinion that “the separation of the moneys of the Government from banking institutions is indispensable for the safety of the funds of the Government and the rights of the people,” I recommend to Congress that provision be made by law for such separation, and that a constitutional treasury be created for the safe-keeping of the public money. The constitutional treasury recommended is designed as a secure depository for the public money, without any power to make loans or discounts or to issue any paper whatever as a currency or circulation. I can not doubt that such a treasury as was contemplated by the Constitution should be independent of all banking corporations. The money of the people should be kept in the Treasury of the people created by law, and be in the custody of agents of the people chosen by themselves according to the forms of the Constitution—agents who are directly responsible to the Government, who are under adequate bonds and oaths, and who are subject to severe punishments for any embezzlement, private use, or misapplication of the public funds, and for any failure in other respects to perform their duties. To say that the people or their Government are incompetent or not to be trusted with the custody of their own money in their own Treasury, provided by themselves, but must rely on the presidents, cashiers, and stockholders of banking corporations, not appointed by them nor responsible to them, would be to concede that they are incompetent for self-government.

In recommending the establishment of a constitutional treasury in which the public money shall be kept, I desire that adequate provision be made by law for its safety and that all Executive discretion or control over it shall be removed, except such as may be necessary in directing its disbursement in pursuance of appropriations made by law.

Under our present land system, limiting the minimum price at which the public lands can be entered to $1.25 per acre, large quantities of lands of inferior quality remain unsold because they will not command that price. From the records of the General Land Office it appears that of the public lands remaining unsold in the several States and Territories in which they are situated, 39,105,577 acres have been in the

Page 623

market subject to entry more than twenty years, 49,638,644 acres for more than fifteen years, 73,074,600 acres for more than ten years, and 106,176,961 acres for more than five years. Much the largest portion of these lands will continue to be unsalable at the minimum price at which they are permitted to be sold so long as large territories of lands from which the more valuable portions have not been selected are annually brought into market by the Government. With the view to the sale and settlement of these inferior lands, I recommend that the price be graduated and reduced below the present minimum rate, confining the sales at the reduced prices to settlers and cultivators, in limited quantities. If graduated and reduced in price for a limited term to $1 per acre, and after the expiration of that period for a second and third term to lower rates, a large portion of these lands would be purchased, and many worthy citizens who are unable to pay higher rates could purchase homes for themselves and their families. By adopting the policy of graduation and reduction of price these inferior lands will be sold for their real value, while the States in which they lie will be freed from the inconvenience, if not injustice, to which they are subjected in consequence of the United States continuing to own large quantities of the public lands within their borders not liable to taxation for the support of their local governments.

I recommend the continuance of the policy of granting preemptions in its most liberal extent to all those who have settled or may hereafter settle on the public lands, whether surveyed or unsurveyed, to which the Indian title may have been extinguished at the time of settlement. It has been found by experience that in consequence of combinations of purchasers and other causes a very small quantity of the public lands, when sold at public auction, commands a higher price than the minimum rates established by law. The settlers on the public lands are, however, but rarely able to secure their homes and improvements at the public sales at that rate, because these combinations, by means of the capital they command and their superior ability to purchase, render it impossible for the settler to compete with them in the market. By putting down all competition these combinations of capitalists and speculators are usually enabled to purchase the lands, including the improvements of the settlers, at the minimum price of the Government, and either turn them out of their homes or extort from them, according to their ability to pay, double or quadruple the amount paid for them to the Government. It is to the enterprise and perseverance of the hardy pioneers of the West, who penetrate the wilderness with their families, suffer the dangers, the privations, and hardships attending the settlement of a new country, and prepare the way for the body of emigrants who in the course of a few years usually follow them, that we are in a great degree indebted for the rapid extension and aggrandizement of our country.

Page 624

Experience has proved that no portion of our population are more patriotic than the hardy and brave men of the frontier, or more ready to obey the call of their country and to defend her rights and her honor whenever and by whatever enemy assailed. They should be protected from the grasping speculator and secured, at the minimum price of the public lands, in the humble homes which they have improved by their labor. With this end in view, all vexatious or unnecessary restrictions imposed upon them by the existing preemption laws should be repealed or modified. It is the true policy of the Government to afford facilities to its citizens to become the owners of small portions of our vast public domain at low and moderate rates.

The present system of managing the mineral lands of the United States is believed to be radically defective. More than 1,000,000 acres of the public lands, supposed to contain lead and other minerals, have been reserved from sale, and numerous leases upon them have been granted to individuals upon a stipulated rent. The system of granting leases has proved to be not only unprofitable to the Government, but unsatisfactory to the citizens who have gone upon the lands, and must, if continued, lay the foundation of much future difficulty between the Government and the lessees. According to the official records, the amount of rents received by the Government for the years 1841, 1842, 1843, and 1844 was $6,354.74, while the expenses of the system during the same period, including salaries of superintendents, agents, clerks, and incidental expenses, were $26,111.11, the income being less than one-fourth of the expenses. To this pecuniary loss may be added the injury sustained by the public in consequence of the destruction of timber and the careless and wasteful manner of working the mines. The system has given rise to much litigation between the United States and individual citizens, producing irritation and excitement in the mineral region, and involving the Government in heavy additional expenditures. It is believed that similar losses and embarrassments will continue to occur while the present System of leasing these lands remains unchanged. These lands are now under the superintendence and care of the War Department, with the ordinary duties of which they have no proper or natural connection. I recommend the repeal of the present system, and that these lands be placed under the superintendence and management of the General Land Office, as other public lands, and be brought into market and sold upon such terms as Congress in their wisdom may prescribe, reserving to the Government an equitable percentage of the gross amount of mineral product, and that the preemption principle be extended to resident miners and settlers upon them at the minimum price which may be established by Congress.

Page 625

I refer you to the accompanying report of the Secretary of War for information respecting the present situation of the Army and its operations during the past year, the state of our defenses, the condition of the public works, and our relations with the various Indian tribes within our limits or upon our borders. I invite your attention to the suggestions contained in that report in relation to these prominent objects of national interest. When orders were given during the past summer for concentrating a military force on the western frontier of Texas, our troops were widely dispersed and in small detachments, occupying posts remote from each other. The prompt and expeditious manner in which an army embracing more than half our peace establishment was drawn together on an emergency so sudden reflects great credit on the officers who were intrusted with the execution of these orders, as well as upon the discipline of the Army itself. To be in strength to protect and defend the people and territory of Texas in the event Mexico should commence hostilities or invade her territories with a large army, which she threatened, I authorized the general assigned to the command of the army of occupation to make requisitions for additional forces from several of the States nearest the Texan territory, and which could most expeditiously furnish them, if in his opinion a larger force than that under his command and the auxiliary aid which under like circumstances he was authorized to receive from Texas should be required. The contingency upon which the exercise of this authority depended has not occurred. The circumstances under which two companies of State artillery from the city of New Orleans were sent into Texas and mustered into the service of the United States are fully stated in the report of the Secretary of War. I recommend to Congress that provision be made for the payment of these troops, as well as a small number of Texan volunteers whom the commanding general thought it necessary to receive or muster into our service.

During the last summer the First Regiment of Dragoons made extensive excursions through the Indian country on our borders, a part of them advancing nearly to the possessions of the Hudsons Bay Company in the north, and a part as far as the South Pass of the Rocky Mountains and the head waters of the tributary streams of the Colorado of the West. The exhibition of this military force among the Indian tribes in those distant regions and the councils held with them by the commanders of the expeditions, it is believed, will have a salutary influence in restraining them from hostilities among themselves and maintaining friendly relations between them and the United States. An interesting account of one of these excursions accompanies the report of the Secretary of War. Under the directions of the War Department Brevet Captain Fremont, of the Corps of Topographical Engineers, has been employed since 1842 in exploring the country west of the Mississippi and beyond the Rocky Mountains. Two expeditions have already been brought to a close, and the reports of that scientific and enterprising officer have furnished much interesting and valuable information. He is now engaged in a third expedition, but it is not expected that this arduous service will be completed in season to enable me to communicate the result to Congress at the present session.

Page 626

Our relations with the Indian tribes are of a favorable character. The policy of removing them to a country designed for their permanent residence west of the Mississippi, and without the limits of the organized States and Territories, is better appreciated by them than it was a few years ago, while education is now attended to and the habits of civilized life are gaining ground among them.

Serious difficulties of long standing continue to distract the several parties into which the Cherokees are unhappily divided. The efforts of the Government to adjust the difficulties between them have heretofore proved unsuccessful, and there remains no probability that this desirable object can be accomplished without the aid of further legislation by Congress. I will at an early period of your session present the subject for your consideration, accompanied with an exposition of the complaints and claims of the several parties into which the nation is divided, with a view to the adoption of such measures by Congress as may enable the Executive to do justice to them, respectively, and to put an end, if possible, to the dissensions which have long prevailed and still prevail among them.

I refer you to the report of the Secretary of the Navy for the present condition of that branch of the national defense and for grave suggestions having for their object the increase of its efficiency and a greater economy in its management. During the past year the officers and men have performed their duty in a satisfactory manner. The orders which have been given have been executed with promptness and fidelity. A larger force than has often formed one squadron under our flag was readily concentrated in the Gulf of Mexico, and apparently without unusual effort. It is especially to be observed that notwithstanding the union of so considerable a force, no act was committed that even the jealousy of an irritated power could construe as an act of aggression, and that the commander of the squadron and his officers, in strict conformity with their instructions, holding themselves ever ready for the most active duty, have achieved the still purer glory of contributing to the preservation of peace. It is believed that at all our foreign stations the honor of our flag has been maintained and that generally our ships of war have been distinguished for their good discipline and order. I am happy to add that the display of maritime force which was required by the events of the summer has been made wholly within the usual appropriations for the service of the year, so that no additional appropriations are required.

The commerce of the United States, and with it the navigating interests, have steadily and rapidly increased since the organization of our Government, until, it is believed, we are now second to but one power in the world, and at no distant day we shall probably be inferior to none. Exposed as they must be, it has been a wise policy to afford to these important interests protection with our ships of war distributed in the great highways of trade throughout the world. For more than thirty years appropriations have been made and annually expended for the gradual increase of our naval forces. In peace our Navy performs the important duty of protecting our commerce, and in the event of war will be, as it has been, a most efficient means of defense.

Page 627

The successful use of steam navigation on the ocean has been followed by the introduction of war steamers in great and increasing numbers into the navies of the principal maritime powers of the world. A due regard to our own safety and to an efficient protection to our large and increasing commerce demands a corresponding increase on our part. No country has greater facilities for the construction of vessels of this description than ours, or can promise itself greater advantages from their employment. They are admirably adapted to the protection of our commerce, to the rapid transmission of intelligence, and to the coast defense. In pursuance of the wise policy of a gradual increase of our Navy, large supplies of live-oak timber and other materials for shipbuilding have been collected and are now under shelter and in a state of good preservation, while iron steamers can be built with great facility in various parts of the Union. The use of iron as a material, especially in the construction of steamers which can enter with safety many of the harbors along our coast now inaccessible to vessels of greater draft, and the practicability of constructing them in the interior, strongly recommend that liberal appropriations should be made for this important object. Whatever may have been our policy in the earlier stages of the Government, when the nation was in its infancy, our shipping interests and commerce comparatively small, our resources limited, our population sparse and scarcely extending beyond the limits of the original thirteen States, that policy must be essentially different now that we have grown from three to more than twenty millions of people, that our commerce, carried in our own ships, is found in every sea, and that our territorial boundaries and settlements have been so greatly expanded. Neither our commerce nor our long line of coast on the ocean and on the Lakes can be successfully defended against foreign aggression by means of fortifications alone. These are essential at important commercial and military points, but our chief reliance for this object must be on a well-organized, efficient navy. The benefits resulting from such a navy are not confined to the Atlantic States. The productions of the interior which seek a market abroad are directly dependent on the safety and freedom of our commerce. The occupation of the Balize below New Orleans by a hostile force would embarrass, if not stagnate, the whole export trade of the Mississippi and affect the value of the agricultural products of the entire valley of that mighty river and its tributaries.

It has never been our policy to maintain large standing armies in time of peace. They are contrary to the genius of our free institutions, would impose heavy burdens on the people and be dangerous to public liberty. Our reliance for protection and defense on the land must be mainly on our citizen soldiers, who will be ever ready, as they ever have been ready in times past, to rush with alacrity, at the call of their country, to her defense. This description of force, however, can not defend our coast, harbors, and inland seas, nor protect our commerce on the ocean or the Lakes. These must be protected by our Navy.

Page 628

Considering an increased naval force, and especially of steam vessels, corresponding with our growth and importance as a nation, and proportioned to the increased and increasing naval power of other nations, of vast importance as regards our safety, and the great and growing interests to be protected by it, I recommend the subject to the favorable consideration of Congress.

The report of the Postmaster-General herewith communicated contains a detailed statement of the operations of his Department during the pass year. It will be seen that the income from postages will fall short of the expenditures for the year between $1,000,000 and $2,000,000. This deficiency has been caused by the reduction of the rates of postage, which was made by the act of the 3d of March last. No principle has been more generally acquiesced in by the people than that this Department should sustain itself by limiting its expenditures to its income. Congress has never sought to make it a source of revenue for general purposes except for a short period during the last war with Great Britain, nor should it ever become a charge on the general Treasury. If Congress shall adhere to this principle, as I think they ought, it will be necessary either to curtail the present mail service so as to reduce the expenditures, or so to modify the act of the 3d of March last as to improve its revenues. The extension of the mail service and the additional facilities which will be demanded by the rapid extension and increase of population on our western frontier will not admit of such curtailment as will materially reduce the present expenditures. In the adjustment of the tariff of postages the interests of the people demand that the lowest rates be adopted which will produce the necessary revenue to meet the expenditures of the Department. I invite the attention of Congress to the suggestions of the Postmaster-General on this subject, under the belief that such a modification of the late law may be made as will yield sufficient revenue without further calls on the Treasury, and with very little change in the present rates of postage. Proper measures have been taken in pursuance of the act of the 3d of March last for the establishment of lines of mail steamers between this and foreign countries. The importance of this service commends itself strongly to favorable consideration.

With the growth of our country the public business which devolves on the heads of the several Executive Departments has greatly increased. In some respects the distribution of duties among them seems to be incongruous, and many of these might be transferred from one to another with advantage to the public interests. A more auspicious time for the consideration of this subject by Congress, with a view to system in the organization of the several Departments and a more appropriate division of the public business, will not probably occur.

Page 629

The most important duties of the State Department relate to our foreign affairs. By the great enlargement of the family of nations, the increase of our commerce, and the corresponding extension of our consular system the business of this Department has been greatly increased. In its present organization many duties of a domestic nature and consisting of details are devolved on the Secretary of State, which do not appropriately belong to the foreign department of the Government and may properly be transferred to some other Department. One of these grows out of the present state of the law concerning the Patent Office, which a few years since was a subordinate clerkship, but has become a distinct bureau of great importance. With an excellent internal organization, it is still connected with the State Department. In the transaction of its business questions of much importance to inventors and to the community frequently arise, which by existing laws are referred for decision to a board of which the Secretary of State is a member. These questions are legal, and the connection which now exists between the State Department and the Patent Office may with great propriety and advantage be transferred to the Attorney-General.

In his last annual message to Congress Mr. Madison invited attention to a proper provision for the Attorney-General as “an important improvement in the executive establishment.” This recommendation was repeated by some of his successors. The official duties of the Attorney-General have been much increased within a few years, and his office has become one of great importance. His duties may be still further increased with advantage to the public interests. As an executive officer his residence and constant attention at the seat of Government are required. Legal questions involving important principles and large amounts of public money are constantly referred to him by the President and Executive Departments for his examination and decision. The public business under his official management before the judiciary has been so augmented by the extension of our territory and the acts of Congress authorizing suits against the United States for large bodies of valuable public lands as greatly to increase his labors and responsibilities. I therefore recommend that the Attorney-General be placed on the same footing with the heads of the other Executive Departments, with such subordinate officers provided by law for his Department as may be required to discharge the additional duties which have been or may be devolved upon him.

Congress possess the power of exclusive legislation over the District of Columbia, and I commend the interests of its inhabitants to your favorable consideration. The people of this District have no legislative body of their own, and must confide their local as well as their general interests to representatives in whose election they have no voice and over whose official conduct they have no control. Each member of the

Page 630

National Legislature should consider himself as their immediate representative, and should be the more ready to give attention to their interests and wants because he is not responsible to them. I recommend that a liberal and generous spirit may characterize your measures in relation to them. I shall be ever disposed to show a proper regard for their wishes and, within constitutional limits, shall at all times cheerfully cooperate with you for the advancement of their welfare.

I trust it may not be deemed inappropriate to the occasion for me to dwell for a moment on the memory of the most eminent citizen of our country who during the summer that is gone by has descended to the tomb. The enjoyment of contemplating, at the advanced age of near fourscore years, the happy condition of his country cheered the last hours of Andrew Jackson, who departed this life in the tranquil hope of a blessed immortality. His death was happy, as his life had been eminently useful. He had an unfaltering confidence in the virtue and capacity of the people and in the permanence of that free Government which he had largely contributed to establish and defend. His great deeds had secured to him the affections of his fellow-citizens, and it was his happiness to witness the growth and glory of his country, which he loved so well. He departed amidst the benedictions of millions of free-men. The nation paid its tribute to his memory at his tomb. Coming generations will learn from his example the love of country and the rights of man. In his language on a similar occasion to the present, “I now commend you, fellow-citizens, to the guidance of Almighty God, with a full reliance on His merciful providence for the maintenance of our free institutions, and with an earnest supplication that whatever errors it may be my lot to commit in discharging the arduous duties which have devolved on me will find a remedy in the harmony and wisdom of your counsels.”

JAMES K. POLK

***

State of the Union Address
James Polk
December 8, 1846

Fellow-Citizens of the Senate and of the House of Representatives:

In resuming your labors in the service of the people it is a subject of congratulation that there has been no period in our past history when all the elements of national prosperity have been so fully developed. Since your last session no afflicting dispensation has visited our country. General good health has prevailed, abundance has crowned the toil of the husbandman, and labor in all its branches is receiving an ample reward, while education, science, and the arts are rapidly enlarging the means of social happiness.

The progress of our country in her career of greatness, not only in the vast extension of our territorial limits and the rapid increase of our population, but in resources and wealth and in the happy condition of our people, is without an example in the history of nations.

Page 631

As the wisdom, strength, and beneficence of our free institutions are unfolded, every day adds fresh motives to contentment and fresh incentives to patriotism.

Our devout and sincere acknowledgments are due to the gracious Giver of All Good for the numberless blessings which our beloved country enjoys.

It is a source of high satisfaction to know that the relations of the United States with all other nations, with a single exception, are of the most amicable character. Sincerely attached to the policy of peace early adopted and steadily pursued by this Government, I have anxiously desired to cultivate and cherish friendship and commerce with every foreign power. The spirit and habits of the American people are favorable to the maintenance of such international harmony. In adhering to this wise policy, a preliminary and paramount duty obviously consists in the protection of our national interests from encroachment or sacrifice and our national honor from reproach. These must be maintained at any hazard. They admit of no compromise or neglect, and must be scrupulously and constantly guarded. In their vigilant vindication collision and conflict with foreign powers may sometimes become unavoidable. Such has been our scrupulous adherence to the dictates of justice in all our foreign intercourse that, though steadily and rapidly advancing in prosperity and power, we have given no just cause of complaint to any nation and have enjoyed the blessings of peace for more than thirty years. From a policy so sacred to humanity and so salutary in its effects upon our political system we should never be induced voluntarily to depart.

The existing war with Mexico was neither desired nor provoked by the United States. On the contrary, all honorable means were resorted to to avert it. After years of endurance of aggravated and unredressed wrongs on our part, Mexico, in violation of solemn treaty stipulations and of every principle of justice recognized by civilized nations, commenced hostilities, and thus by her own act forced the war upon us. Long before the advance of our Army to the left bank of the Rio Grande we had ample cause of war against Mexico, and had the United States resorted to this extremity we might have appealed to the whole civilized world for the justice of our cause. I deem it to be my duty to present to you on the present occasion a condensed review of the injuries we had sustained, of the causes which led to the war, and of its progress since its commencement. This is rendered the more necessary because of the misapprehensions which have to some extent prevailed as to its origin and true character. The war has been represented as unjust and unnecessary and as one of aggression on our part upon a weak and injured enemy. Such erroneous views, though entertained by but few, have been widely and extensively circulated, not only at home, but have been spread throughout Mexico and the whole world.

Page 632

A more effectual means could not have been devised to encourage the enemy and protract the war than to advocate and adhere to their cause, and thus give them “aid and comfort.” It is a source of national pride and exultation that the great body of our people have thrown no such obstacles in the way of the Government in prosecuting the war successfully, but have shown themselves to be eminently patriotic and ready to vindicate their country’s honor and interests at any sacrifice. The alacrity and promptness with which our volunteer forces rushed to the field on their country’s call prove not only their patriotism, but their deep conviction that our cause is just.

The wrongs which we have suffered from Mexico almost ever since she became an independent power and the patient endurance with which we have borne them are without a parallel in the history of modern civilized nations. There is reason to believe that if these wrongs had been resented and resisted in the first instance the present war might have been avoided. One outrage, however, permitted to pass with impunity almost necessarily encouraged the perpetration of another, until at last Mexico seemed to attribute to weakness and indecision on our part a forbearance which was the offspring of magnanimity and of a sincere desire to preserve friendly relations with a sister republic.

Scarcely had Mexico achieved her independence, which the United States were the first among the nations to acknowledge, when she commenced the system of insult and spoliation which she has ever since pursued. Our citizens engaged in lawful commerce were imprisoned, their vessels seized, and our flag insulted in her ports. If money was wanted, the lawless seizure and confiscation of our merchant vessels and their cargoes was a ready resource, and if to accomplish their purposes it became necessary to imprison the owners, captains, and crews, it was done. Rulers superseded rulers in Mexico in rapid succession, but still there was no change in this system of depredation. The Government of the United States made repeated reclamations on behalf of its citizens, but these were answered by the perpetration of new outrages. Promises of redress made by Mexico in the most solemn forms were postponed or evaded. The files and records of the Department of State contain conclusive proofs of numerous lawless acts perpetrated upon the property and persons of our citizens by Mexico, and of wanton insults to our national flag. The interposition of our Government to obtain redress was again and again invoked under circumstances which no nation ought to disregard. It was hoped that these outrages would cease and that Mexico would be restrained by the laws which regulate the conduct of civilized nations in their intercourse with each other after the treaty of amity, commerce, and navigation of the 5th of April, 1831, was concluded between the two Republics; but this hope soon proved to be vain. The course

Page 633

of seizure and confiscation of the property of our citizens, the violation of their persons, and the insults to our flag pursued by Mexico previous to that time were scarcely suspended for even a brief period, although the treaty so clearly defines the rights and duties of the respective parties that it is impossible to misunderstand or mistake them. In less than seven years after the conclusion of that treaty our grievances had become so intolerable that in the opinion of President Jackson they should no longer be endured. In his message to Congress in February, 1837, he presented them to the consideration of that body, and declared that—

The length of time since some of the injuries have been committed, the repeated and unavailing applications for redress, the wanton character of some of the outrages upon the property and persons of our citizens, upon the officers and flag of the United States, independent of recent insults to this Government and people by the late extraordinary Mexican minister, would justify in the eyes of all nations immediate war.

In a spirit of kindness and forbearance, however, he recommended reprisals as a milder mode of redress. He declared that war should not be used as a remedy “by just and generous nations, confiding in their strength for injuries committed, if it can be honorably avoided,” and added:

It has occurred to me that, considering the present embarrassed condition of that country, we should act with both wisdom and moderation by giving to Mexico one more opportunity to atone for the past before we take redress into our Own hands. To avoid all misconception on the part of Mexico, as well as to protect our own national character from reproach, this opportunity should be given with the avowed design and full preparation to take immediate satisfaction if it should not be obtained on a repetition of the demand for it. To this end I recommend that an act be passed authorizing reprisals, and the use of the naval force of the United States by the Executive against Mexico to enforce them, in the event of a refusal by the Mexican Government to come to an amicable adjustment of the matters in controversy between us upon another demand thereof made from on board out of our vessels of war on the coast of Mexico.

Committees of both Houses of Congress, to which this message of the President was referred, fully sustained his views of the character of the wrongs which we had suffered from Mexico, and recommended that another demand for redress should be made before authorizing war or reprisals. The Committee on Foreign Relations of the Senate, in their report, say:

After such a demand, should prompt justice be refused by the Mexican Government, we may appeal to all nations, not only for the equity and moderation with which we shall have acted toward a sister republic, but for the necessity which will then compel us to seek redress for our wrongs, either by actual war or by reprisals. The subject will then

be presented before Congress, at the commencement of the next session, in a clear and distinct form, and the committee can not doubt but that such measures will be immediately adopted as may be necessary to vindicate the honor of the country and insure ample reparation to our injured fellow-citizens.

Page 634

The Committee on Foreign Affairs of the House of Representatives made a similar recommendation. In their report they say that—

They fully concur with the President that ample cause exists for taking redress into our own hands, and believe that we should be justified in the opinion of other nations for taking such a step. But they are willing to try the experiment of another demand, made in the most solemn form, upon the justice of the Mexican Government before any further proceedings are adopted.

No difference of opinion upon the subject is believed to have existed in Congress at that time; the executive and legislative departments concurred; and yet such has been our forbearance and desire to preserve peace with Mexico that the wrongs of which we then complained, and which gave rise to these solemn proceedings, not only remain unredressed to this day, but additional causes of complaint of an aggravated character have ever since been accumulating. Shortly after these proceedings a special messenger was dispatched to Mexico to make a final demand for redress, and on the 20th of July, 1837, the demand was made. The reply of the Mexican Government bears date on the 29th of the same month, and contains assurances of the "anxious wish" of the Mexican Government "not to delay the moment of that final and equitable adjustment which is to terminate the existing difficulties between the two Governments;" that "nothing should be left undone which may contribute to the most speedy and equitable determination of the subjects which have so seriously engaged the attention of the American Government;" that the "Mexican Government would adopt as the only guides for its conduct the plainest principles of public right, the sacred obligations imposed by international law, and the religious faith of treaties," and that "whatever reason and justice may dictate respecting each case will be done." The assurance was further given that the decision of the Mexican Government upon each cause of complaint for which redress had been demanded should be communicated to the Government of the United States by the Mexican minister at Washington.

These solemn assurances in answer to our demand for redress were disregarded. By making them, however, Mexico obtained further delay. President Van Buren, in his annual message to Congress of the 5th of December, 1837, states that "although the larger number" of our demands for redress, "and many of them aggravated cases of personal wrongs, have been now for years before the Mexican Government, and some of the causes of national complaint, and those of the most offensive character, admitted of immediate, simple, and satisfactory replies, it is only within a few days past that any specific communication in answer to our last demand, made five months ago, has been received from the Mexican minister;" and that "for not one of our public complaints has satisfaction been given or offered, that but one

Page 635

of the cases of personal wrong has been favorably considered, and that but four cases of both descriptions out of all those formally presented and earnestly pressed have as yet been decided upon by the Mexican Government." President Van Buren, believing that it would be vain to make any further attempt to obtain redress by the ordinary means within the power of the Executive, communicated this opinion to Congress in the message referred to, in which he said:

On a careful and deliberate examination of their contents of the correspondence with the Mexican Government, and considering the spirit manifested by the Mexican Government, it has become my painful duty to return the subject as it now stands to Congress, to whom it belongs to decide upon the time, the mode, and the measure of redress.

Had the United States at that time adopted compulsory measures and taken redress into their own hands, all our difficulties with Mexico would probably have been long since adjusted and the existing war have been averted. Magnanimity and moderation on our part only had the effect to complicate these difficulties and render an amicable settlement of them the more embarrassing. That such measures of redress under similar provocations committed by any of the powerful nations of Europe would have been promptly resorted to by the United States can not be doubted. The national honor and the preservation of the national character throughout the world, as well as our own self-respect and the protection due to our own citizens, would have rendered such a resort indispensable. The history of no civilized nation in modern times has presented within so brief a period so many wanton attacks upon the honor of its flag and upon the property and persons of its citizens as had at that time been borne by the United States from the Mexican authorities and people. But Mexico was a sister republic on the North American continent, occupying a territory contiguous to our own, and was in a feeble and distracted condition, and these considerations, it is presumed, induced Congress to forbear still longer.

Instead of taking redress into our own hands, a new negotiation was entered upon with fair promises on the part of Mexico, but with the real purpose, as the event has proved, of indefinitely postponing the reparation which we demanded, and which was so justly due. This negotiation, after more than a year's delay, resulted in the convention of the 11th of April, 1839, "for the adjustment of claims of citizens of the United States of America upon the Government of the Mexican Republic." The joint board of commissioners created by this convention to examine and decide upon these claims was not organized until the month of August, 1840, and under the terms of the convention they were to terminate their duties within eighteen months from that time. Four of the eighteen months were consumed in preliminary discussions on frivolous and dilatory points raised by the Mexican

Page 636

commissioners, and it was not until the month of December, 1840, that they commenced the examination of the claims of our citizens upon Mexico. Fourteen months only remained to examine and decide upon these numerous and complicated cases. In the month of February, 1842, the term of the commission expired, leaving many claims undisposed of for want of time. The claims which were allowed by the board and by the umpire authorized by the convention to decide in case of disagreement between the Mexican and American commissioners amounted to $2,026,139.68. There were pending before the umpire when the commission expired additional claims, which had been examined and awarded by the American commissioners and had not been allowed by the Mexican commissioners, amounting to $928,627.88, upon which he did not decide, alleging that his authority had ceased with the termination of the joint commission. Besides these claims, there were others of American citizens amounting to $3,336,837.05, which had been submitted to the board, and upon which they had not time to decide before their final adjournment.

The sum of $2,026,139.68, which had been awarded to the claimants, was a liquidated and ascertained debt due by Mexico, about which there could be no dispute, and which she was bound to pay according to the terms of the convention. Soon after the final awards for this amount had been made the Mexican Government asked for a postponement of the time of making payment, alleging that it would be inconvenient to make the payment at the time stipulated. In the spirit of forbearing kindness toward a sister republic, which Mexico has so long abused, the United States promptly complied with her request. A second convention was accordingly concluded between the two Governments on the 30th of January, 1843, which upon its face declares that “this new arrangement is entered into for the accommodation of Mexico.” By the terms of this convention all the interest due on the awards which had been made in favor of the claimants under the convention of the 11th of April, 1839, was to be paid to them on the 30th of April, 1843, and “the principal of the said awards and the interest accruing thereon” was stipulated to “be paid in five years, in equal installments every three months.” Notwithstanding this new convention was entered into at the request of Mexico and for the purpose of relieving her from embarrassment, the claimants have only received the interest due on the 30th of April, 1843, and three of the twenty installments. Although the payment of the sum thus liquidated and confessedly due by Mexico to our citizens as indemnity for acknowledged acts of outrage and wrong was secured by treaty, the obligations of which are ever held sacred by all just nations, yet Mexico has violated this solemn engagement by failing and refusing to make the payment. The two installments due in April and July, 1844, under the peculiar circumstances connected with them, have been assumed by the United States and discharged to the claimants, but they are still due by Mexico. But this is not all of which we have just cause of complaint. To provide a remedy for the claimants whose cases were not decided by the joint commission under the convention of April 11, 1839, it was

expressly stipulated by the sixth article of the convention of the 30th of January, 1843, that—

Page 637

A new convention shall be entered into for the settlement of all claims of the Government and citizens of the United States against the Republic of Mexico which were not finally decided by the late commission which met in the city of Washington, and of all claims of the Government and citizens of Mexico against the United States.

In conformity with this stipulation, a third convention was concluded and signed at the city of Mexico on the 20th of November, 1843, by the plenipotentiaries of the two Governments, by which provision was made for ascertaining and paying these claims. In January, 1844, this convention was ratified by the Senate of the United States with two amendments, which were manifestly reasonable in their character. Upon a reference of the amendments proposed to the Government of Mexico, the same evasions, difficulties, and delays were interposed which have so long marked the policy of that Government toward the United States. It has not even yet decided whether it would or would not accede to them, although the subject has been repeatedly pressed upon its consideration. Mexico has thus violated a second time the faith of treaties by failing or refusing to carry into effect the sixth article of the convention of January, 1843.

Such is the history of the wrongs which we have suffered and patiently endured from Mexico through a long series of years. So far from affording reasonable satisfaction for the injuries and insults we had borne, a great aggravation of them consists in the fact that while the United States, anxious to preserve a good understanding with Mexico, have been constantly but vainly employed in seeking redress for past wrongs, new outrages were constantly occurring, which have continued to increase our causes of complaint and to swell the amount of our demands. While the citizens of the United States were conducting a lawful commerce with Mexico under the guaranty of a treaty of “amity, commerce, and navigation,” many of them have suffered all the injuries which would have resulted from open war. This treaty, instead of affording protection to our citizens, has been the means of inviting them into the ports of Mexico that they might be, as they have been in numerous instances, plundered of their property and deprived of their personal liberty if they dared insist on their rights. Had the unlawful seizures of American property and the violation of the personal liberty of our citizens, to say nothing of the insults to our flag, which have occurred in the ports of Mexico taken place on the high seas, they would themselves long since have constituted a state of actual war between the two countries. In so long suffering Mexico to violate her most solemn treaty obligations, plunder our citizens of their property, and imprison their persons without affording them any redress we have failed to perform one of the first and highest duties which every government owes to its citizens, and the consequence has been that many of

Page 638

them have been reduced from a state of affluence to bankruptcy. The proud name of American citizen, which ought to protect all who bear it from insult and injury throughout the world, has afforded no such protection to our citizens in Mexico. We had ample cause of war against Mexico long before the breaking out of hostilities; but even then we forbore to take redress into our own hands until Mexico herself became the aggressor by invading our soil in hostile array and shedding the blood of our citizens.

Such are the grave causes of complaint on the part of the United States against Mexico—causes which existed long before the annexation of Texas to the American Union; and yet, animated by the love of peace and a magnanimous moderation, we did not adopt those measures of redress which under such circumstances are the justified resort of injured nations.

The annexation of Texas to the United States constituted no just cause of offense to Mexico. The pretext that it did so is wholly inconsistent and irreconcilable with well-authenticated facts connected with the revolution by which Texas became independent of Mexico. That this may be the more manifest, it may be proper to advert to the causes and to the history of the principal events of that revolution.

Texas constituted a portion of the ancient Province of Louisiana, ceded to the United States by France in the year 1803. In the year 1819 the United States, by the Florida treaty, ceded to Spain all that part of Louisiana within the present limits of Texas, and Mexico, by the revolution which separated her from Spain and rendered her an independent nation, succeeded to the rights of the mother country over this territory. In the year 1824 Mexico established a federal constitution, under which the Mexican Republic was composed of a number of sovereign States confederated together in a federal union similar to our own. Each of these States had its own executive, legislature, and judiciary, and for all except federal purposes was as independent of the General Government and that of the other States as is Pennsylvania or Virginia under our Constitution. Texas and Coahuila united and formed one of these Mexican States. The State constitution which they adopted, and which was approved by the Mexican Confederacy, asserted that they were “free and independent of the other Mexican United States and of every other power and dominion whatsoever,” and proclaimed the great principle of human liberty that “the sovereignty of the state resides originally and essentially in the general mass of the individuals who compose it.” To the Government under this constitution, as well as to that under the federal constitution, the people of Texas owed allegiance.

Page 639

Emigrants from foreign countries, including the United States, were invited by the colonization laws of the State and of the Federal Government to settle in Texas. Advantageous terms were offered to induce them to leave their own country and become Mexican citizens. This invitation was accepted by many of our citizens in the full faith that in their new home they would be governed by laws enacted by representatives elected by themselves, and that their lives, liberty, and property would be protected by constitutional guaranties similar to those which existed in the Republic they had left. Under a Government thus organized they continued until the year 1835, when a military revolution broke out in the City of Mexico which entirely subverted the federal and State constitutions and placed a military dictator at the head of the Government. By a sweeping decree of a Congress subservient to the will of the Dictator the several State constitutions were abolished and the States themselves converted into mere departments of the central Government. The people of Texas were unwilling to submit to this usurpation. Resistance to such tyranny became a high duty. Texas was fully absolved from all allegiance to the central Government of Mexico from the moment that Government had abolished her State constitution and in its place substituted an arbitrary and despotic central government. Such were the principal causes of the Texan revolution. The people of Texas at once determined upon resistance and flew to arms. In the midst of these important and exciting events, however, they did not omit to place their liberties upon a secure and permanent foundation. They elected members to a convention, who in the month of March, 1836, issued a formal declaration that their “political connection with the Mexican nation has forever ended, and that the people of Texas do now constitute a free, sovereign, and independent Republic, and are fully invested with all the rights and attributes which properly belong to independent nations.” They also adopted for their government a liberal republican constitution. About the same time Santa Anna, then the Dictator of Mexico, invaded Texas with a numerous army for the purpose of subduing her people and enforcing obedience to his arbitrary and despotic Government. On the 21st of April, 1836, he was met by the Texan citizen soldiers, and on that day was achieved by them the memorable victory of San Jacinto, by which they conquered their independence. Considering the numbers engaged on the respective sides, history does not record a more brilliant achievement. Santa Anna himself was among the captives.

In the month of May, 1836, Santa Anna acknowledged by a treaty with the Texan authorities in the most solemn form “the full, entire, and perfect independence of the Republic of Texas.” It is true he was then a prisoner of war, but it is equally true that he had failed to reconquer Texas, and had met with signal defeat; that his authority had not been revoked, and that by virtue of this treaty he obtained his personal release. By it hostilities were suspended, and the army which had invaded Texas under his command returned in pursuance of this arrangement unmolested to Mexico.

Page 640

From the day that the battle of San Jacinto was fought until the present hour Mexico has never possessed the power to reconquer Texas. In the language of the Secretary of State of the United States in a dispatch to our minister in Mexico under date of the 8th of July, 1842—

Mexico may have chosen to consider, and may still choose to consider, Texas as having been at all times since 1835, and as still continuing, a rebellious province; but the world has been obliged to take a very different view of the matter. From the time of the battle of San Jacinto, in April, 1836, to the present moment, Texas has exhibited the same external signs of national independence as Mexico herself, and with quite as much stability of government. Practically free and independent, acknowledged as a political sovereignty by the principal powers of the world, no hostile foot finding rest within her territory for six or seven years, and Mexico herself refraining for all that period from any further attempt to reestablish her own authority over that territory, it can not but be surprising to find Mr. De Bocanegra the secretary of foreign affairs of Mexico complaining that for that whole period citizens of the United States or its Government have been favoring the rebels of Texas and supplying them with vessels, ammunition, and money, as if the war for the reduction of the Province of Texas had been constantly prosecuted by Mexico, and her success prevented by these influences from abroad.

In the same dispatch the Secretary of State affirms that—

Since 1837 the United States have regarded Texas as an independent sovereignty as much as Mexico, and that trade and commerce with citizens of a government at war with Mexico can not on that account be regarded as an intercourse by which assistance and succor are given to Mexican rebels. The whole current of Mr. De Bocanegra's remarks runs in the same direction, as if the independence of Texas had not been acknowledged. It has been acknowledged; it was acknowledged in 1837 against the remonstrance and protest of Mexico, and most of the acts of any importance of which Mr. De Bocanegra complains flow necessarily from that recognition. He speaks of Texas as still being "an integral part of the territory of the Mexican Republic," but he can not but understand that the United States do not so regard it. The real complaint of Mexico, therefore, is in substance neither more nor less than a complaint against the recognition of Texan independence. It may be thought rather late to repeat that complaint, and not quite just to confine it to the United States to the exemption of England, France, and Belgium, unless the United States, having been the first to acknowledge the independence of Mexico herself, are to be blamed for setting an example for the recognition of that of Texas.

And he added that—

The Constitution, public treaties, and the laws oblige the President to regard Texas as an independent state, and its territory as no part of the territory of Mexico.

Page 641

Texas had been an independent state, with an organized government, defying the power of Mexico to overthrow or reconquer her, for more than ten years before Mexico commenced the present war against the United States. Texas had given such evidence to the world of her ability to maintain her separate existence as an independent nation that she had been formally recognized as such not only by the United States, but by several of the principal powers of Europe. These powers had entered into treaties of amity, commerce, and navigation with her. They had received and accredited her ministers and other diplomatic agents at their respective courts, and they had commissioned ministers and diplomatic agents on their part to the Government of Texas. If Mexico, notwithstanding all this and her utter inability to subdue or reconquer Texas, still stubbornly refused to recognize her as an independent nation, she was none the less so on that account. Mexico herself had been recognized as an independent nation by the United States and by other powers many years before Spain, of which before her revolution she had been a colony, would agree to recognize her as such; and yet Mexico was at that time in the estimation of the civilized world, and in fact, none the less an independent power because Spain still claimed her as a colony. If Spain had continued until the present period to assert that Mexico was one of her colonies in rebellion against her, this would not have made her so or changed the fact of her independent existence. Texas at the period of her annexation to the United States bore the same relation to Mexico that Mexico had borne to Spain for many years before Spain acknowledged her independence, with this important difference, that before the annexation of Texas to the United States was consummated Mexico herself, by a formal act of her Government, had acknowledged the independence of Texas as a nation. It is true that in the act of recognition she prescribed a condition which she had no power or authority to impose—that Texas should not annex herself to any other power—but this could not detract in any degree from the recognition which Mexico then made of her actual independence. Upon this plain statement of facts, it is absurd for Mexico to allege as a pretext for commencing hostilities against the United States that Texas is still a part of her territory.

But there are those who, conceding all this to be true, assume the ground that the true western boundary of Texas is the Nueces instead of the Rio Grande, and that therefore in marching our Army to the east bank of the latter river we passed the Texan line and invaded the territory of Mexico. A simple statement of facts known to exist will conclusively refute such an assumption. Texas, as ceded to the United States by France in 1803, has been always claimed as extending west to the Rio Grande or Rio Bravo. This fact is established by the authority of our most eminent statesmen at a period when the

Page 642

question was as well, if not better, understood than it is at present. During Mr. Jefferson's Administration Messrs. Monroe and Pinckney, who had been sent on a special mission to Madrid, charged among other things with the adjustment of boundary between the two countries, in a note addressed to the Spanish minister of foreign affairs under date of the 28th of January, 1805, assert that the boundaries of Louisiana, as ceded to the United States by France, "are the river Perdido on the east and the river Bravo on the west," and they add that "the facts and principles which justify this conclusion are so satisfactory to our Government as to convince it that the United States have not a better right to the island of New Orleans under the cession referred to than they have to the whole district of territory which is above described." Down to the conclusion of the Florida treaty, in February, 1819, by which this territory was ceded to Spain, the United States asserted and maintained their territorial rights to this extent. In the month of June, 1818, during Mr. Monroe's Administration, information having been received that a number of foreign adventurers had landed at Galveston with the avowed purpose of forming a settlement in that vicinity, a special messenger was dispatched by the Government of the United States with instructions from the Secretary of State to warn them to desist, should they be found there, "or any other place north of the Rio Bravo, and within the territory claimed by the United States." He was instructed, should they be found in the country north of that river, to make known to them "the surprise with which the President has seen possession thus taken, without authority from the United States, of a place within their territorial limits, and upon which no lawful settlement can be made without their sanction." He was instructed to call upon them to "avow under what national authority they profess to act," and to give them due warning "that the place is within the United States, who will suffer no permanent settlement to be made there under any authority other than their own." As late as the 8th of July, 1842, the Secretary of State of the United States, in a note addressed to our minister in Mexico, maintains that by the Florida treaty of 1819 the territory as far west as the Rio Grande was confirmed to Spain. In that note he states that—

By the treaty of the 22d of February, 1819, between the United States and Spain, the Sabine was adopted as the line of boundary between the two powers. Up to that period no considerable colonization had been effected in Texas; but the territory between the Sabine and the Rio Grande being confirmed to Spain by the treaty, applications were made to that power for grants of land, and such grants or permissions of settlement were in fact made by the Spanish authorities in favor of citizens of the United States proposing to emigrate to Texas in numerous families before the declaration of independence by Mexico.

Page 643

The Texas which was ceded to Spain by the Florida treaty of 1819 embraced all the country now claimed by the State of Texas between the Nueces and the Rio Grande. The Republic of Texas always claimed this river as her western boundary, and in her treaty made with Santa Anna in May, 1836, he recognized it as such. By the constitution which Texas adopted in March, 1836, senatorial and representative districts were organized extending west of the Nueces. The Congress of Texas on the 19th of December, 1836, passed "An act to define the boundaries of the Republic of Texas," in which they declared the Rio Grande from its mouth to its source to be their boundary, and by the said act they extended their "civil and political jurisdiction" over the country up to that boundary. During a period of more than nine years which intervened between the adoption of her constitution and her annexation as one of the States of our Union Texas asserted and exercised many acts of sovereignty and jurisdiction over the territory and inhabitants west of the Nueces. She organized and defined the limits of counties extending to the Rio Grande; she established courts of justice and extended her judicial system over the territory; she established a custom-house and collected duties, and also post-offices and post-roads, in it; she established a land office and issued numerous grants for land within its limits; a senator and a representative residing in it were elected to the Congress of the Republic and served as such before the act of annexation took place. In both the Congress and convention of Texas which gave their assent to the terms of annexation to the United States proposed by our Congress were representatives residing west of the Nueces, who took part in the act of annexation itself. This was the Texas which by the act of our Congress of the 29th of December, 1845, was admitted as one of the States of our Union. That the Congress of the United States understood the State of Texas which they admitted into the Union to extend beyond the Nueces is apparent from the fact that on the 31st of December, 1845, only two days after the act of admission, they passed a law "to establish a collection district in the State of Texas," by which they created a port of delivery at Corpus Christi, situated west of the Nueces, and being the same point at which the Texas custom-house under the laws of that Republic had been located, and directed that a surveyor to collect the revenue should be appointed for that port by the President, by and with the advice and consent of the Senate. A surveyor was accordingly nominated, and confirmed by the Senate, and has been ever since in the performance of his duties. All these acts of the Republic of Texas and of our Congress preceded the orders for the advance of our Army to the east bank of the Rio Grande. Subsequently Congress passed an act "establishing certain post routes" extending west of the Nueces. The country west of that river now constitutes a part of one of the

Page 644

Congressional districts of Texas and is represented in the House of Representatives. The Senators from that State were chosen by a legislature in which the country west of that river was represented. In view of all these facts it is difficult to conceive upon what ground it can be maintained that in occupying the country west of the Nueces with our Army, with a view solely to its security and defense, we invaded the territory of Mexico. But it would have been still more difficult to justify the Executive, whose duty it is to see that the laws be faithfully executed, if in the face of all these proceedings, both of the Congress of Texas and of the United States, he had assumed the responsibility of yielding up the territory west of the Nueces to Mexico or of refusing to protect and defend this territory and its inhabitants, including Corpus Christi as well as the remainder of Texas, against the threatened Mexican invasion.

But Mexico herself has never placed the war which she has waged upon the ground that our Army occupied the intermediate territory between the Nueces and the Rio Grande. Her refuted pretension that Texas was not in fact an independent state, but a rebellious province, was obstinately persevered in, and her avowed purpose in commencing a war with the United States was to reconquer Texas and to restore Mexican authority over the whole territory—not to the Nueces only, but to the Sabine. In view of the proclaimed menaces of Mexico to this effect, I deemed it my duty, as a measure of precaution and defense, to order our Army to occupy a position on our frontier as a military post, from which our troops could best resist and repel any attempted invasion which Mexico might make. Our Army had occupied a position at Corpus Christi, west of the Nueces, as early as August, 1845, without complaint from any quarter. Had the Nueces been regarded as the true western boundary of Texas, that boundary had been passed by our Army many months before it advanced to the eastern bank of the Rio Grande. In my annual message of December last I informed Congress that upon the invitation of both the Congress and convention of Texas I had deemed it proper to order a strong squadron to the coasts of Mexico and to concentrate an efficient military force on the western frontier of Texas to protect and defend the inhabitants against the menaced invasion of Mexico. In that message I informed Congress that the moment the terms of annexation offered by the United States were accepted by Texas the latter became so far a part of our own country as to make it our duty to afford such protection and defense, and that for that purpose our squadron had been ordered to the Gulf and our Army to take a “position between the Nueces and the Del Norte” or Rio Grande and to “repel any invasion of the Texan territory which might be attempted by the Mexican forces.”

Page 645

It was deemed proper to issue this order, because soon after the President of Texas, in April, 1845, had issued his proclamation convening the Congress of that Republic for the purpose of submitting to that body the terms of annexation proposed by the United States the Government of Mexico made serious threats of invading the Texan territory. These threats became more imposing as it became more apparent in the progress of the question that the people of Texas would decide in favor of accepting the terms of annexation, and finally they had assumed such a formidable character as induced both the Congress and convention of Texas to request that a military force should be sent by the United States into her territory for the purpose of protecting and defending her against the threatened invasion. It would have been a violation of good faith toward the people of Texas to have refused to afford the aid which they desired against a threatened invasion to which they had been exposed by their free determination to annex themselves to our Union in compliance with the overture made to them by the joint resolution of our Congress. Accordingly, a portion of the Army was ordered to advance into Texas. Corpus Christi was the position selected by General Taylor. He encamped at that place in August, 1845, and the Army remained in that position until the 11th of March, 1846, when it moved westward, and on the 28th of that month reached the east bank of the Rio Grande opposite to Matamoras. This movement was made in pursuance of orders from the War Department, issued on the 13th of January, 1846. Before these orders were issued the dispatch of our minister in Mexico transmitting the decision of the council of government of Mexico advising that he should not be received, and also the dispatch of our consul residing in the City of Mexico, the former bearing date on the 17th and the latter on the 18th of December, 1845, copies of both of which accompanied my message to Congress of the 11th of May last, were received at the Department of State. These communications rendered it highly probable, if not absolutely certain, that our minister would not be received by the Government of General Herrera. It was also well known that but little hope could be entertained of a different result from General Paredes in case the revolutionary movement which he was prosecuting should prove successful, as was highly probable. The partisans of Paredes, as our minister in the dispatch referred to states, breathed the fiercest hostility against the United States, denounced the proposed negotiation as treason, and openly called upon the troops and the people to put down the Government of Herrera by force. The reconquest of Texas and war with the United States were openly threatened. These were the circumstances existing when it was deemed proper to order the Army under the command of General Taylor to advance to the western frontier of Texas and occupy a position on or near the Rio Grande.

Page 646

The apprehensions of a contemplated Mexican invasion have been since fully justified by the event. The determination of Mexico to rush into hostilities with the United States was afterwards manifested from the whole tenor of the note of the Mexican minister of foreign affairs to our minister bearing date on the 12th of March, 1846. Paredes had then revolutionized the Government, and his minister, after referring to the resolution for the annexation of Texas which had been adopted by our Congress in March, 1845, proceeds to declare that—

A fact such as this, or, to speak with greater exactness, so notable an act of usurpation, created an imperious necessity that Mexico, for her own honor, should repel it with proper firmness and dignity. The supreme Government had beforehand declared that it would look upon such an act as a casus belli, and as a consequence of this declaration negotiation was by its very nature at an end, and war was the only recourse of the Mexican Government.

It appears also that on the 4th of April following General Paredes, through his minister of war, issued orders to the Mexican general in command on the Texan frontier to “attack” our Army “by every means which war permits.” To this General Paredes had been pledged to the army and people of Mexico during the military revolution which had brought him into power. On the 18th of April, 1846, General Paredes addressed a letter to the commander on that frontier in which he stated to him: “At the present date I suppose you, at the head of that valiant army, either fighting already or preparing for the operations of a campaign;” and, “Supposing you already on the theater of operations and with all the forces assembled, it is indispensable that hostilities be commenced, yourself taking the initiative against the enemy.”

The movement of our Army to the Rio Grande was made by the commanding general under positive orders to abstain from all aggressive acts toward Mexico or Mexican citizens, and to regard the relations between the two countries as peaceful unless Mexico should declare war or commit acts of hostility indicative of a state of war, and these orders he faithfully executed. Whilst occupying his position on the east bank of the Rio Grande, within the limits of Texas, then recently admitted as one of the States of our Union, the commanding general of the Mexican forces, who, in pursuance of the orders of his Government, had collected a large army on the opposite shore of the Rio Grande, crossed the river, invaded our territory, and commenced hostilities by attacking our forces. Thus, after all the injuries which we had received and borne from Mexico, and after she had insultingly rejected a minister sent to her on a mission of peace, and whom she had solemnly agreed to receive, she consummated her long course of outrage against our country by commencing an offensive war and shedding the blood of our citizens on our own soil.

Page 647

The United States never attempted to acquire Texas by conquest. On the contrary, at an early period after the people of Texas had achieved their independence they sought to be annexed to the United States. At a general election in September, 1836, they decided with great unanimity in favor of “annexation,” and in November following the Congress of the Republic authorized the appointment of a minister to bear their request to this Government. This Government, however, having remained neutral between Texas and Mexico during the war between them, and considering it due to the honor of our country and our fair fame among the nations of the earth that we should not at this early period consent to annexation, nor until it should be manifest to the whole world that the reconquest of Texas by Mexico was impossible, refused to accede to the overtures made by Texas. On the 12th of April, 1844, after more than seven years had elapsed since Texas had established her independence, a treaty was concluded for the annexation of that Republic to the United States, which was rejected by the Senate. Finally, on the 1st of March, 1845, Congress passed a joint resolution for annexing her to the United States upon certain preliminary conditions to which her assent was required. The solemnities which characterized the deliberations and conduct of the Government and people of Texas on the deeply interesting questions presented by these resolutions are known to the world. The Congress, the Executive, and the people of Texas, in a convention elected for that purpose, accepted with great unanimity the proposed terms of annexation, and thus consummated on her part the great act of restoring to our Federal Union a vast territory which had been ceded to Spain by the Florida treaty more than a quarter of a century before.

After the joint resolution for the annexation of Texas to the United States had been passed by our Congress the Mexican minister at Washington addressed a note to the Secretary of State, bearing date on the 6th of March, 1845, protesting against it as “an act of aggression the most unjust which can be found recorded in the annals of modern history, namely, that of despoiling a friendly nation like Mexico of a considerable portion of her territory,” and protesting against the resolution of annexation as being an act “whereby the Province of Texas, an integral portion of the Mexican territory, is agreed and admitted into the American Union;” and he announced that as a consequence his mission to the United States had terminated, and demanded his passports, which were granted. It was upon the absurd pretext, made by Mexico (herself indebted for her independence to a successful revolution), that the Republic of Texas still continued to be, notwithstanding all that had passed, a Province of Mexico that this step was taken by the Mexican minister.

Page 648

Every honorable effort has been used by me to avoid the war which followed, but all have proved vain. All our attempts to preserve peace have been met by insult and resistance on the part of Mexico. My efforts to this end commenced in the note of the Secretary of State of the 10th of March, 1845, in answer to that of the Mexican minister. Whilst declining to reopen a discussion which had already been exhausted, and proving again what was known to the whole world, that Texas had long since achieved her independence, the Secretary of State expressed the regret of this Government that Mexico should have taken offense at the resolution of annexation passed by Congress, and gave assurance that our "most strenuous efforts shall be devoted to the amicable adjustment of every cause of complaint between the two Governments and to the cultivation of the kindest and most friendly relations between the sister Republics." That I have acted in the spirit of this assurance will appear from the events which have since occurred. Notwithstanding Mexico had abruptly terminated all diplomatic intercourse with the United States, and ought, therefore, to have been the first to ask for its resumption, yet, waiving all ceremony, I embraced the earliest favorable opportunity "to ascertain from the Mexican Government whether they would receive an envoy from the United States intrusted with full power to adjust all the questions in dispute between the two Governments." In September, 1845, I believed the propitious moment for such an overture had arrived. Texas, by the enthusiastic and almost unanimous will of her people, had pronounced in favor of annexation. Mexico herself had agreed to acknowledge the independence of Texas, subject to a condition, it is true, which she had no right to impose and no power to enforce. The last lingering hope of Mexico, if she still could have retained any, that Texas would ever again become one of her Provinces, must have been abandoned.

The consul of the United States at the City of Mexico was therefore instructed by the Secretary of State on the 15th of September, 1845, to make the inquiry of the Mexican Government. The inquiry was made, and on the 15th of October, 1845, the minister of foreign affairs of the Mexican Government, in a note addressed to our consul, gave a favorable response, requesting at the same time that our naval force might be withdrawn from Vera Cruz while negotiations should be pending. Upon the receipt of this note our naval force was promptly withdrawn from Vera Cruz. A minister was immediately appointed, and departed to Mexico. Everything bore a promising aspect for a speedy and peaceful adjustment of all our difficulties. At the date of my annual message to Congress in December last no doubt was entertained but that he would be received by the Mexican Government, and the hope was cherished that all cause of misunderstanding between the two countries would be speedily removed. In the confident hope that such would be the result

Page 649

of his mission, I informed Congress that I forbore at that time to “recommend such ulterior measures of redress for the wrongs and injuries we had so long borne as it would have been proper to make had no such negotiation been instituted.” To my surprise and regret the Mexican Government, though solemnly pledged to do so, upon the arrival of our minister in Mexico refused to receive and accredit him. When he reached Vera Cruz, on the 30th of November, 1845, he found that the aspect of affairs had undergone an unhappy change. The Government of General Herrera, who was at that time President of the Republic, was tottering to its fall. General Paredes, a military leader, had manifested his determination to overthrow the Government of Herrera by a military revolution, and one of the principal means which he employed to effect his purpose and render the Government of Herrera odious to the army and people of Mexico was by loudly condemning its determination to receive a minister of peace from the United States, alleging that it was the intention of Herrera, by a treaty with the United States, to dismember the territory of Mexico by ceding away the department of Texas. The Government of Herrera is believed to have been well disposed to a pacific adjustment of existing difficulties, but probably alarmed for its own security, and in order to ward off the danger of the revolution led by Paredes, violated its solemn agreement and refused to receive or accredit our minister; and this although informed that he had been invested with full power to adjust all questions in dispute between the two Governments. Among the frivolous pretexts for this refusal, the principal one was that our minister had not gone upon a special mission confined to the question of Texas alone, leaving all the outrages upon our flag and our citizens unredressed. The Mexican Government well knew that both our national honor and the protection due to our citizens imperatively required that the two questions of boundary and indemnity should be treated of together, as naturally and inseparably blended, and they ought to have seen that this course was best calculated to enable the United States to extend to them the most liberal justice. On the 30th of December, 1845, General Herrera resigned the Presidency and yielded up the Government to General Paredes without a struggle. Thus a revolution was accomplished solely by the army commanded by Paredes, and the supreme power in Mexico passed into the hands of a military usurper who was known to be bitterly hostile to the United States.

Although the prospect of a pacific adjustment with the new Government was unpromising from the known hostility of its head to the United States, yet, determined that nothing should be left undone on our part to restore friendly relations between the two countries, our minister was instructed to present his credentials to the new Government and ask to be accredited by it in the diplomatic character in which he had been commissioned. These instructions he executed by his note of the 1st of March, 1846, addressed to the Mexican minister of foreign affairs, but his request was insultingly refused by that minister in his answer of the 12th of the same month. No alternative remained for our minister but to demand his passports and return to the United States.

Page 650

Thus was the extraordinary spectacle presented to the civilized world of a Government, in violation of its own express agreement, having twice rejected a minister of peace invested with full powers to adjust all the existing differences between the two countries in a manner just and honorable to both. I am not aware that modern history presents a parallel case in which in time of peace one nation has refused even to hear propositions from another for terminating existing difficulties between them. Scarcely a hope of adjusting our difficulties, even at a remote day, or of preserving peace with Mexico, could be cherished while Paredes remained at the head of the Government. He had acquired the supreme power by a military revolution and upon the most solemn pledges to wage war against the United States and to reconquer Texas, which he claimed as a revolted province of Mexico. He had denounced as guilty of treason all those Mexicans who considered Texas as no longer constituting a part of the territory of Mexico and who were friendly to the cause of peace. The duration of the war which he waged against the United States was indefinite, because the end which he proposed of the reconquest of Texas was hopeless. Besides, there was good reason to believe from all his conduct that it was his intention to convert the Republic of Mexico into a monarchy and to call a foreign European prince to the throne. Preparatory to this end, he had during his short rule destroyed the liberty of the press, tolerating that portion of it only which openly advocated the establishment of a monarchy. The better to secure the success of his ultimate designs, he had by an arbitrary decree convoked a Congress, not to be elected by the free voice of the people, but to be chosen in a manner to make them subservient to his will and to give him absolute control over their deliberations.

Under all these circumstances it was believed that any revolution in Mexico founded upon opposition to the ambitious projects of Paredes would tend to promote the cause of peace as well as prevent any attempted European interference in the affairs of the North American continent, both objects of deep interest to the United States. Any such foreign interference, if attempted, must have been resisted by the United States. My views upon that subject were fully communicated to Congress in my last annual message. In any event, it was certain that no change whatever in the Government of Mexico which would deprive Paredes of power could be for the worse so far as the United States were concerned, while it was highly probable that any change must be for the better. This was the state of affairs existing when Congress, on the 13th of May last, recognized the existence of the war which had been commenced by the Government of Paredes; and it became an object of much importance, with a view to a speedy settlement of our difficulties and the restoration of an honorable peace, that Paredes should not retain power in Mexico.

Page 651

Before that time there were symptoms of a revolution in Mexico, favored, as it was understood to be, by the more liberal party, and especially by those who were opposed to foreign interference and to the monarchical form of government. Santa Anna was then in exile in Havana, having been expelled from power and banished from his country by a revolution which occurred in December, 1844; but it was known that he had still a considerable party in his favor in Mexico. It was also equally well known that no vigilance which could be exerted by our squadron would in all probability have prevented him from effecting a landing somewhere on the extensive Gulf coast of Mexico if he desired to return to his country. He had openly professed an entire change of policy, had expressed his regret that he had subverted the federal constitution of 1824, and avowed that he was now in favor of its restoration. He had publicly declared his hostility, in strongest terms, to the establishment of a monarchy and to European interference in the affairs of his country. Information to this effect had been received, from sources believed to be reliable, at the date of the recognition of the existence of the war by Congress, and was afterwards fully confirmed by the receipt of the dispatch of our consul in the City of Mexico, with the accompanying documents, which are herewith transmitted. Besides, it was reasonable to suppose that he must see the ruinous consequences to Mexico of a war with the United States, and that it would be his interest to favor peace.

It was under these circumstances and upon these considerations that it was deemed expedient not to obstruct his return to Mexico should he attempt to do so. Our object was the restoration of peace, and, with that view, no reason was perceived why we should take part with Paredes and aid him by means of our blockade in preventing the return of his rival to Mexico. On the contrary, it was believed that the intestine divisions which ordinary sagacity could not but anticipate as the fruit of Santa Anna's return to Mexico, and his contest with Paredes, might strongly tend to produce a disposition with both parties to restore and preserve peace with the United States. Paredes was a soldier by profession and a monarchist in principle. He had but recently before been successful in a military revolution, by which he had obtained power. He was the sworn enemy of the United States, with which he had involved his country in the existing war. Santa Anna had been expelled from power by the army, was known to be in open hostility to Paredes, and publicly pledged against foreign intervention and the restoration of monarchy in Mexico. In view of these facts and circumstances it was that when orders were issued to the commander of our naval forces in the Gulf, on the 13th day of May last, the same day on which the existence of the war was recognized by Congress, to place the coasts of Mexico under blockade, he was directed not to obstruct the passage of Santa Anna to Mexico should he attempt to return.

Page 652

A revolution took place in Mexico in the early part of August following, by which the power of Paredes was overthrown, and he has since been banished from the country, and is now in exile. Shortly afterwards Santa Anna returned. It remains to be seen whether his return may not yet prove to be favorable to a pacific adjustment of the existing difficulties, it being manifestly his interest not to persevere in the prosecution of a war commenced by Paredes to accomplish a purpose so absurd as the reconquest of Texas to the Sabine. Had Paredes remained in power, it is morally certain that any pacific adjustment would have been hopeless.

Upon the commencement of hostilities by Mexico against the United States the indignant spirit of the nation was at once aroused. Congress promptly responded to the expectations of the country, and by the act of the 13th of May last recognized the fact that war existed, by the act of Mexico, between the United States and that Republic, and granted the means necessary for its vigorous prosecution. Being involved in a war thus commenced by Mexico, and for the justice of which on our part we may confidently appeal to the whole world, I resolved to prosecute it with the utmost vigor. Accordingly the ports of Mexico on the Gulf and on the Pacific have been placed under blockade and her territory invaded at several important points. The reports from the Departments of War and of the Navy will inform you more in detail of the measures adopted in the emergency in which our country was placed and of the gratifying results which have been accomplished.

The various columns of the Army have performed their duty under great disadvantages with the most distinguished skill and courage. The victories of Palo Alto and Resaca de la Palma and of Monterey, won against greatly superior numbers and against most decided advantages in other respects on the part of the enemy, were brilliant in their execution, and entitle our brave officers and soldiers to the grateful thanks of their country. The nation deplores the loss of the brave officers and men who have gallantly fallen while vindicating and defending their country's rights and honor.

It is a subject of pride and satisfaction that our volunteer citizen soldiers, who so promptly responded to their country's call, with an experience of the discipline of a camp of only a few weeks, have borne their part in the hard-fought battle of Monterey with a constancy and courage equal to that of veteran troops and worthy of the highest admiration. The privations of long marches through the enemy's country and through a wilderness have been borne without a murmur. By rapid movements the Province of New Mexico, with Santa Fe, its capital, has been captured without bloodshed. The Navy has cooperated with the Army and rendered important services; if not so brilliant, it is because the enemy had no force to meet them on their own element and because of the defenses which nature has interposed in the difficulties of the navigation on the Mexican coast. Our squadron in the Pacific, with the cooperation of a gallant officer of the Army and a small force hastily collected in that distant country, has acquired bloodless possession of the Californias, and the American flag has been raised at every important point in that Province.

Page 653

I congratulate you on the success which has thus attended our military and naval operations. In less than seven months after Mexico commenced hostilities, at a time selected by herself, we have taken possession of many of her principal ports, driven back and pursued her invading army, and acquired military possession of the Mexican Provinces of New Mexico, New Leon, Coahuila, Tamaulipas, and the Californias, a territory larger in extent than that embraced in the original thirteen States of the Union, inhabited by a considerable population, and much of it more than 1,000 miles from the points at which we had to collect our forces and commence our movements. By the blockade the import and export trade of the enemy has been cut off. Well may the American people be proud of the energy and gallantry of our regular and volunteer officers and soldiers. The events of these few months afford a gratifying proof that our country can under any emergency confidently rely for the maintenance of her honor and the defense of her rights on an effective force, ready at all times voluntarily to relinquish the comforts of home for the perils and privations of the camp. And though such a force may be for the time expensive, it is in the end economical, as the ability to command it removes the necessity of employing a large standing army in time of peace, and proves that our people love their institutions and are ever ready to defend and protect them.

While the war was in a course of vigorous and successful prosecution, being still anxious to arrest its evils, and considering that after the brilliant victories of our arms on the 8th and 9th of May last the national honor could not be compromitted by it, another overture was made to Mexico, by my direction, on the 27th of July last to terminate hostilities by a peace just and honorable to both countries. On the 31st of August following the Mexican Government declined to accept this friendly overture, but referred it to the decision of a Mexican Congress to be assembled in the early part of the present month. I communicate to you herewith a copy of the letter of the Secretary of State proposing to reopen negotiations, of the answer of the Mexican Government, and of the reply thereto of the Secretary of State,

The war will continue to be prosecuted with vigor as the best means of securing peace. It is hoped that the decision of the Mexican Congress, to which our last overture has been referred, may result in a speedy and honorable peace. With our experience, however, of the unreasonable course of the Mexican authorities, it is the part of wisdom not to relax in the energy of our military operations until the result is made known. In this view it is deemed important to hold military possession of all the Provinces which have been taken until a definitive treaty of peace shall have been concluded and ratified by the two countries.

The war has not been waged with a view to conquest, but, having been commenced by Mexico, it has been carried into the enemy's country and will be vigorously prosecuted there with a view to obtain an honorable peace, and thereby secure ample indemnity for the expenses of the war, as well as to our much-injured citizens, who hold large pecuniary demands against Mexico.

Page 654

By the laws of nations a conquered country is subject to be governed by the conqueror during his military possession and until there is either a treaty of peace or he shall voluntarily withdraw from it. The old civil government being necessarily superseded, it is the right and duty of the conqueror to secure his conquest and to provide for the maintenance of civil order and the rights of the inhabitants. This right has been exercised and this duty performed by our military and naval commanders by the establishment of temporary governments in some of the conquered Provinces of Mexico, assimilating them as far as practicable to the free institutions of our own country. In the Provinces of New Mexico and of the Californias little, if any, further resistance is apprehended from the inhabitants to the temporary governments which have thus, from the necessity of the case and according to the laws of war, been established. It may be proper to provide for the security of these important conquests by making an adequate appropriation for the purpose of erecting fortifications and defraying the expenses necessarily incident to the maintenance of our possession and authority over them.

Near the close of your last session, for reasons communicated to Congress, I deemed it important as a measure for securing a speedy peace with Mexico, that a sum of money should be appropriated and placed in the power of the Executive, similar to that which had been made upon two former occasions during the Administration of President Jefferson.

On the 26th of February, 1803, an appropriation of $2,000.000 was made and placed at the disposal of the President. Its object is well known. It was at that time in contemplation to acquire Louisiana from France, and it was intended to be applied as a part of the consideration which might be paid for that territory. On the 13th of February, 1806, the same sum was in like manner appropriated, with a view to the purchase of the Floridas from Spain. These appropriations were made to facilitate negotiations and as a means to enable the President to accomplish the important objects in view. Though it did not become necessary for the President to use these appropriations, yet a state of things might have arisen in which it would have been highly important for him to do so, and the wisdom of making them can not be doubted. It is believed that the measure recommended at your last session met with the approbation of decided majorities in both Houses of Congress. Indeed, in different forms, a bill making an appropriation of $2,000,000 passed each House, and it is much to be regretted that it did not become a law. The reasons which induced me to recommend the measure at that time still exist, and I again submit the subject for your consideration and suggest the importance of early action upon it. Should the appropriation be made and be not needed, it will remain in the Treasury; should it be deemed proper to apply it in whole or in part, it will be accounted for as other public expenditures.

Page 655

Immediately after Congress had recognized the existence of the war with Mexico my attention was directed to the danger that privateers might be fitted out in the ports of Cuba and Porto Rico to prey upon the commerce of the United States, and I invited the special attention of the Spanish Government to the fourteenth article of our treaty with that power of the 27th of October, 1795, under which the citizens and subjects of either nation who shall take commissions or letters of marque to act as privateers against the other “shall be punished as pirates.”

It affords me pleasure to inform you that I have received assurances from the Spanish Government that this article of the treaty shall be faithfully observed on its part. Orders for this purpose were immediately transmitted from that Government to the authorities of Cuba and Porto Rico to exert their utmost vigilance in preventing any attempts to fit out privateers in those islands against the United States. From the good faith of Spain I am fully satisfied that this treaty will be executed in its spirit as well as its letter, whilst the United States will on their part faithfully perform all the obligations which it imposes on them.

Information has been recently received at the Department of State that the Mexican Government has sent to Havana blank commissions to privateers and blank certificates of naturalization signed by General Salas, the present head of the Mexican Government. There is also reason to apprehend that similar documents have been transmitted to other parts of the world. Copies of these papers, in translation, are herewith transmitted.

As the preliminaries required by the practice of civilized nations for commissioning privateers and regulating their conduct appear not to have been observed, and as these commissions are in blank, to be filled up with the names of citizens and subjects of all nations who may be willing to purchase them, the whole proceeding can only be construed as an invitation to all the freebooters upon earth who are willing to pay for the privilege to cruise against American commerce. It will be for our courts of justice to decide whether under such circumstances these Mexican letters of marque and reprisal shall protect those who accept them, and commit robberies upon the high seas under their authority, from the pains and penalties of piracy.

If the certificates of naturalization thus granted be intended by Mexico to shield Spanish subjects from the guilt and punishment of pirates under our treaty with Spain, they will certainly prove unavailing. Such a subterfuge would be but a weak device to defeat the provisions of a solemn treaty.

I recommend that Congress should immediately provide by law for the trial and punishment as pirates of Spanish subjects who, escaping the vigilance of their Government, shall be found guilty of privateering against the United States. I do not apprehend serious danger from these privateers. Our Navy will be constantly on the alert to protect our commerce. Besides, in case prizes should be made of American

vessels, the utmost vigilance will be exerted by our blockading squadron to prevent the captors from taking them into Mexican ports, and it is not apprehended that any nation will violate its neutrality by suffering such prizes to be condemned and sold within its jurisdiction.

Page 656

I recommend that Congress should immediately provide by law for granting letters of marque and reprisal against vessels under the Mexican flag. It is true that there are but few, if any, commercial vessels of Mexico upon the high seas, and it is therefore not probable that many American privateers would be fitted out in case a law should pass authorizing this mode of warfare. It is, notwithstanding, certain that such privateers may render good service to the commercial interests of the country by recapturing our merchant ships should any be taken by armed vessels under the Mexican flag, as well as by capturing these vessels themselves. Every means within our power should be rendered available for the protection of our commerce.

The annual report of the Secretary of the Treasury will exhibit a detailed statement of the condition of the finances. The imports for the fiscal year ending on the 30th of June last were of the value of $121,691,797, of which the amount exported was $11,346,623, leaving the amount retained in the country for domestic consumption $110,345,174. The value of the exports for the same period was $113,488,516, of which $102,141,893 consisted of domestic productions and $11,346,623 of foreign articles.

The receipts into the Treasury for the same year were $29,499,247.06, of which there was derived from customs $26,712,667.87, from the sales of public lands $2,694,452.48, and from incidental and miscellaneous sources $92,126.71. The expenditures for the same period were $28,031,114.20, and the balance in the Treasury on the 1st day of July last was $9,126,439. 08.

The amount of the public debt, including Treasury notes, on the 1st of the present month was $24,256,494.60, of which the sum of $17,788,799.62 was outstanding on the 4th of March, 1845, leaving the amount incurred since that time $6,467,694.98.

In order to prosecute the war with Mexico with vigor and energy, as the best means of bringing it to a speedy and honorable termination, a further loan will be necessary to meet the expenditures for the present and the next fiscal year. If the war should be continued until the 30th of June, 1848, being the end of the next fiscal year, it is estimated that an additional loan of $23,000,000 will be required. This estimate is made upon the assumption that it will be necessary to retain constantly in the Treasury $4,000,000 to guard against contingencies. If such surplus were not required to be retained, then a loan of $19,000,000 would be sufficient. If, however, Congress should at the present session impose a revenue duty on the principal articles now embraced in the free list, it is estimated that an additional annual revenue of about two millions and a half, amounting, it is estimated, on the 30th of June, 1848, to $4,000,000, would be derived from that source, and the loan required would be reduced by that amount. It is estimated also that should Congress graduate and reduce the

Page 657

price of such of the public lands as have been long in the market the additional revenue derived from that source would be annually, for several years to come, between half a million and a million dollars; and the loan required may be reduced by that amount also. Should these measures be adopted, the loan required would not probably exceed $18,000,000 or $19,000,000, leaving in the Treasury a constant surplus of $4,000,000. The loan proposed, it is estimated, will be sufficient to cover the necessary expenditures both for the war and for all other purposes up to the 30th of June, 1848, and an amount of this loan not exceeding one-half may be required during the present fiscal year, and the greater part of the remainder during the first half of the fiscal year succeeding.

In order that timely notice may be given and proper measures taken to effect the loan, or such portion of it as may be required, it is important that the authority of Congress to make it be given at an early period of your present session. It is suggested that the loan should be contracted for a period of twenty years, with authority to purchase the stock and pay it off at an earlier period at its market value out of any surplus which may at any time be in the Treasury applicable to that purpose. After the establishment of peace with Mexico, it is supposed that a considerable surplus will exist, and that the debt may be extinguished in a much shorter period than that for which it may be contracted. The period of twenty years, as that for which the proposed loan may be contracted, in preference to a shorter period, is suggested, because all experience, both at home and abroad, has shown that loans are effected upon much better terms upon long time than when they are reimbursable at short dates.

Necessary as this measure is to sustain the honor and the interests of the country engaged in a foreign war, it is not doubted but that Congress will promptly authorize it.

The balance in the Treasury on the 1st July last exceeded $9,000,000, notwithstanding considerable expenditures had been made for the war during the months of May and June preceding. But for the war the whole public debt could and would have been extinguished within a short period; and it was a part of my settled policy to do so, and thus relieve the people from its burden and place the Government in a position which would enable it to reduce the public expenditures to that economical standard which is most consistent with the general welfare and the pure and wholesome progress of our institutions.

Among our just causes of complaint against Mexico arising out of her refusal to treat for peace, as well before as since the war so unjustly commenced on her part, are the extraordinary expenditures in which we have been involved. Justice to our own people will make it proper that Mexico should be held responsible for these expenditures.

Page 658

Economy in the public expenditures is at all times a high duty which all public functionaries of the Government owe to the people. This duty becomes the more imperative in a period of war, when large and extraordinary expenditures become unavoidable. During the existence of the war with Mexico all our resources should be husbanded, and no appropriations made except such as are absolutely necessary for its vigorous prosecution and the due administration of the Government. Objects of appropriation which in peace may be deemed useful or proper, but which are not indispensable for the public service, may when the country is engaged in a foreign war be well postponed to a future period. By the observance of this policy at your present session large amounts may be saved to the Treasury and be applied to objects of pressing and urgent necessity, and thus the creation of a corresponding amount of public debt may be avoided.

It is not meant to recommend that the ordinary and necessary appropriations for the support of Government should be withheld; but it is well known that at every session of Congress appropriations are proposed for numerous objects which may or may not be made without materially affecting the public interests, and these it is recommended should not be granted.

The act passed at your last session “reducing the duties on imports” not having gone into operation until the 1st of the present month, there has not been time for its practical effect upon the revenue and the business of the country to be developed. It is not doubted, however, that the just policy which it adopts will add largely to our foreign trade and promote the general prosperity. Although it can not be certainly foreseen what amount of revenue it will yield, it is estimated that it will exceed that produced by the act of 1842, which it superseded. The leading principles established by it are to levy the taxes with a view to raise revenue and to impose them upon the articles imported according to their actual value.

The act of 1842, by the excessive rates of duty which it imposed on many articles, either totally excluded them from importation or greatly reduced the amount imported, and thus diminished instead of producing revenue. By it the taxes were imposed not for the legitimate purpose of raising revenue, but to afford advantages to favored classes at the expense of a large majority of their fellow-citizens. Those employed in agriculture, mechanical pursuits, commerce, and navigation were compelled to contribute from their substance to swell the profits and overgrown wealth of the comparatively few who had invested their capital in manufactures. The taxes were not levied in proportion to the value of the articles upon which they were imposed, but, widely departing from this just rule, the lighter taxes were in many cases levied upon articles of luxury and high price and the heavier taxes on those of necessity and low price, consumed by the great mass of the people. It was a system the inevitable effect of which was to relieve favored classes and the wealthy few from contributing their just proportion for the support of Government, and to lay the burden on the labor of the many engaged in other pursuits than manufactures.

Page 659

A system so unequal and unjust has been superseded by the existing law, which imposes duties not for the benefit or injury of classes or pursuits, but distributes and, as far as practicable, equalizes the public burdens among all classes and occupations. The favored classes who under the unequal and unjust system which has been repealed have heretofore realized large profits, and many of them amassed large fortunes at the expense of the many who have been made tributary to them, will have no reason to complain if they shall be required to bear their just proportion of the taxes necessary for the support of Government. So far from it, it will be perceived by an examination of the existing law that discriminations in the rates of duty imposed within the revenue principle have been retained in their favor. The incidental aid against foreign competition which they still enjoy gives them an advantage which no other pursuits possess, but of this none others will complain, because the duties levied are necessary for revenue. These revenue duties, including freights and charges, which the importer must pay before he can come in competition with the home manufacturer in our markets, amount on nearly all our leading branches of manufacture to more than one-third of the value of the imported article, and in some cases to almost one-half its value. With such advantages it is not doubted that our domestic manufacturers will continue to prosper, realizing in well-conducted establishments even greater profits than can be derived from any other regular business. Indeed, so far from requiring the protection of even incidental revenue duties, our manufacturers in several leading branches are extending their business, giving evidence of great ingenuity and skill and of their ability to compete, with increased prospect of success, for the open market of the world. Domestic manufactures to the value of several millions of dollars, which can not find a market at home, are annually exported to foreign countries. With such rates of duty as those established by the existing law the system will probably be permanent, and capitalists who are made or shall hereafter make their investments in manufactures will know upon what to rely. The country will be satisfied with these rates, because the advantages which the manufacturers still enjoy result necessarily from the collection of revenue for the support of Government. High protective duties, from their unjust operation upon the masses of the people, can not fail to give rise to extensive dissatisfaction and complaint and to constant efforts to change or repeal them, rendering all investments in manufactures uncertain and precarious. Lower and more permanent rates of duty, at the same time that they will yield to the manufacturer fair and remunerating profits, will secure him against the danger of frequent changes in the system, which can not fail to ruinously affect his interests.

Page 660

Simultaneously with the relaxation of the restrictive policy by the United States, Great Britain, from whose example we derived the system, has relaxed hers. She has modified her corn laws and reduced many other duties to moderate revenue rates. After ages of experience the statesmen of that country have been constrained by a stern necessity and by a public opinion having its deep foundation in the sufferings and wants of impoverished millions to abandon a system the effect of which was to build up immense fortunes in the hands of the few and to reduce the laboring millions to pauperism and misery. Nearly in the same ratio that labor was depressed capital was increased and concentrated by the British protective policy.

The evils of the system in Great Britain were at length rendered intolerable, and it has been abandoned, but not without a severe struggle on the part of the protected and favored classes to retain the unjust advantages which they have so long enjoyed. It was to be expected that a similar struggle would be made by the same classes in the United States whenever an attempt was made to modify or abolish the same unjust system here. The protective policy had been in operation in the United States for a much shorter period, and its pernicious effects were not, therefore, so clearly perceived and felt. Enough, however, was known of these effects to induce its repeal.

It would be strange if in the face of the example of Great Britain, our principal foreign customer, and of the evils of a system rendered manifest in that country by long and painful experience, and in the face of the immense advantages which under a more liberal commercial policy we are already deriving, and must continue to derive, by supplying her starving population with food, the United States should restore a policy which she has been compelled to abandon, and thus diminish her ability to purchase from us the food and other articles which she so much needs and we so much desire to sell. By the simultaneous abandonment of the protective policy by Great Britain and the United States new and important markets have already been opened for our agricultural and other products, commerce and navigation have received a new impulse, labor and trade have been released from the artificial trammels which have so long fettered them, and to a great extent reciprocity in the exchange of commodities has been introduced at the same time by both countries, and greatly for the benefit of both. Great Britain has been forced by the pressure of circumstances at home to abandon a policy which has been upheld for ages, and to open her markets for our immense surplus of breadstuffs, and it is confidently believed that other powers of Europe will ultimately see the wisdom, if they be not compelled by the pauperism and sufferings of their crowded population, to pursue a similar policy.

Page 661

Our farmers are more deeply interested in maintaining the just and liberal policy of the existing law than any other class of our citizens. They constitute a large majority of our population, and it is well known that when they prosper all other pursuits prosper also. They have heretofore not only received none of the bounties or favors of Government, but by the unequal operations of the protective policy have been made by the burdens of taxation which it imposed to contribute to the bounties which have enriched others.

When a foreign as well as a home market is opened to them, they must receive, as they are now receiving, increased prices for their products. They will find a readier sale, and at better prices, for their wheat, flour, rice, Indian corn, beef, pork, lard, butter, cheese, and other articles which they produce. The home market alone is inadequate to enable them to dispose of the immense surplus of food and other articles which they are capable of producing, even at the most reduced prices, for the manifest reason that they can not be consumed in the country. The United States can from their immense surplus supply not only the home demand, but the deficiencies of food required by the whole world.

That the reduced production of some of the chief articles of food in Great Britain and other parts of Europe may have contributed to increase the demand for our breadstuffs and provisions is not doubted, but that the great and efficient cause of this increased demand and of increased prices consists in the removal of artificial restrictions heretofore imposed is deemed to be equally certain. That our exports of food, already increased and increasing beyond former example under the more liberal policy which has been adopted, will be still vastly enlarged unless they be checked or prevented by a restoration of the protective policy can not be doubted. That our commercial and navigating interests will be enlarged in a corresponding ratio with the increase of our trade is equally certain, while our manufacturing interests will still be the favored interests of the country and receive the incidental protection afforded them by revenue duties; and more than this they can not justly demand.

In my annual message of December last a tariff of revenue duties based upon the principles of the existing law was recommended, and I have seen no reason to change the opinions then expressed. In view of the probable beneficial effects of that law, I recommend that the policy established by it be maintained. It has but just commenced to operate, and to abandon or modify it without giving it a fair trial would be inexpedient and unwise. Should defects in any of its details be ascertained by actual experience to exist, these may be hereafter corrected; but until such defects shall become manifest the act should be fairly tested.

It is submitted for your consideration whether it may not be proper, as a war measure, to impose revenue duties on some of the articles now embraced in the free list. Should it be deemed proper to impose such duties with a view to raise revenue to meet the expenses of the war with Mexico or to avoid to that extent the creation of a public debt,

they may be repealed when the emergency which gave rise to them shall cease to exist, and constitute no part of the permanent policy of the country.

Page 662

The act of the 6th of August last, “to provide for the better organization of the Treasury and for the collection, safe-keeping, transfer, and disbursement of the public revenue,” has been carried into execution as rapidly as the delay necessarily arising out of the appointment of new officers, taking and approving their bonds, and preparing and securing proper places for the safe-keeping of the public money would permit. It is not proposed to depart in any respect from the principles or policy on which this great measure is rounded. There are, however, defects in the details of the measure, developed by its practical operation, which are fully set forth in the report of the Secretary of the Treasury, to which the attention of Congress is invited. These defects would impair to some extent the successful operation of the law at all times, but are especially embarrassing when the country is engaged in a war, when the expenditures are greatly increased, when loans are to be effected and the disbursements are to be made at points many hundred miles distant, in some cases, from any depository, and a large portion of them in a foreign country. The modifications suggested in the report of the Secretary of the Treasury are recommended to your favorable consideration.

In connection with this subject I invite your attention to the importance of establishing a branch of the Mint of the United States at New York. Two-thirds of the revenue derived from customs being collected at that point, the demand for specie to pay the duties will be large, and a branch mint where foreign coin and bullion could be immediately converted into American coin would greatly facilitate the transaction of the public business, enlarge the circulation of gold and silver, and be at the same time a safe depository of the public money.

The importance of graduating and reducing the price of such of the public lands as have been long offered in the market at the minimum rate authorized by existing laws, and remain unsold, induces me again to recommend the subject to your favorable consideration. Many millions of acres of these lands have been offered in the market for more than thirty years and larger quantities for more than ten or twenty years, and, being of an inferior quality, they must remain unsalable for an indefinite period unless the price at which they may be purchased shall be reduced. To place a price upon them above their real value is not only to prevent their sale, and thereby deprive the Treasury of any income from that source, but is unjust to the States in which they lie, because it retards their growth and increase of population, and because they have no power to levy a tax upon them as upon other lands within their limits, held by other proprietors than the United States, for the support of their local governments.

Page 663

The beneficial effects of the graduation principle have been realized by some of the States owning the lands within their limits in which it has been adopted. They have been demonstrated also by the United States acting as the trustee of the Chickasaw tribe of Indians in the sale of their lands lying within the States of Mississippi and Alabama. The Chickasaw lands, which would not command in the market the minimum price established by the laws of the United States for the sale of their lands, were, in pursuance of the treaty of 1834 with that tribe, subsequently offered for sale at graduated and reduced rates for limited periods. The result was that large quantities of these lands were purchased which would otherwise have remained unsold. The lands were disposed of at their real value, and many persons of limited means were enabled to purchase small tracts, upon which they have settled with their families. That similar results would be produced by the adoption of the graduation policy by the United States in all the States in which they are the owners of large bodies of lands which have been long in the market can not be doubted. It can not be a sound policy to withhold large quantities of the public lands from the use and occupation of our citizens by fixing upon them prices which experience has shown they will not command. On the contrary, it is a wise policy to afford facilities to our citizens to become the owners at low and moderate rates of freeholds of their own instead of being the tenants and dependents of others. If it be apprehended that these lands if reduced in price would be secured in large quantities by speculators or capitalists, the sales may be restricted in limited quantities to actual settlers or persons purchasing for purposes of cultivation.

In my last annual message I submitted for the consideration of Congress the present system of managing the mineral lands of the United States, and recommended that they should be brought into market and sold upon such terms and under such restrictions as Congress might prescribe. By the act of the 11th of July last “the reserved lead mines and contiguous lands in the States of Illinois and Arkansas and Territories of Wisconsin and Iowa” were authorized to be sold. The act is confined in its operation to “lead mines and contiguous lands.” A large portion of the public lands, containing copper and other ores, is represented to be very valuable, and I recommend that provision be made authorizing the sale of these lands upon such terms and conditions as from their supposed value may in the judgment of Congress be deemed advisable, having due regard to the interests of such of our citizens as may be located upon them.

Page 664

It will be important during your present session to establish a Territorial government and to extend the jurisdiction and laws of the United States over the Territory of Oregon. Our laws regulating trade and intercourse with the Indian tribes east of the Rocky Mountains should be extended to the Pacific Ocean; and for the purpose of executing them and preserving friendly relations with the Indian tribes within our limits, an additional number of Indian agencies will be required, and should be authorized by law. The establishment of custom-houses and of post-offices and post-roads and provision for the transportation of the mail on such routes as the public convenience will suggest require legislative authority. It will be proper also to establish a surveyor-general's office in that Territory and to make the necessary provision for surveying the public lands and bringing them into market. As our citizens who now reside in that distant region have been subjected to many hardships, privations, and sacrifices in their emigration, and by their improvements have enhanced the value of the public lands in the neighborhood of their settlements, it is recommended that liberal grants be made to them of such portions of these lands as they may occupy, and that similar grants or rights of preemption be made to all who may emigrate thither within a limited period, prescribed by law.

The report of the Secretary of War contains detailed information relative to the several branches of the public service connected with that Department. The operations of the Army have been of a satisfactory and highly gratifying character. I recommend to your early and favorable consideration the measures proposed by the Secretary of War for speedily filling up the rank and file of the Regular Army, for its greater efficiency in the field, and for raising an additional force to serve during the war with Mexico.

Embarrassment is likely to arise for want of legal provision authorizing compensation to be made to the agents employed in the several States and Territories to pay the Revolutionary and other pensioners the amounts allowed them by law. Your attention is invited to the recommendations of the Secretary of War on this subject. These agents incur heavy responsibilities and perform important duties, and no reason exists why they should not be placed on the same footing as to compensation with other disbursing officers.

Our relations with the various Indian tribes continue to be of a pacific character. The unhappy dissensions which have existed among the Cherokees for many years past have been healed. Since my last annual message important treaties have been negotiated with some of the tribes, by which the Indian title to large tracts of valuable land within the limits of the States and Territories has been extinguished and arrangements made for removing them to the country west of the Mississippi. Between 3,000 and 4,000 of different tribes have been removed to the country provided for them by treaty stipulations, and arrangements have been made for others to follow.

Page 665

In our intercourse with the several tribes particular attention has been given to the important subject of education. The number of schools established among them has been increased, and additional means provided not only for teaching them the rudiments of education, but of instructing them in agriculture and the mechanic arts.

I refer you to the report of the Secretary of the Navy for a satisfactory view of the operations of the Department under his charge during the past year. It is gratifying to perceive that while the war with Mexico has rendered it necessary to employ an unusual number of our armed vessels on her coasts, the protection due to our commerce in other quarters of the world has not proved insufficient. No means will be spared to give efficiency to the naval service in the prosecution of the war; and I am happy to know that the officers and men anxiously desire to devote themselves to the service of their country in any enterprise, however difficult of execution.

I recommend to your favorable consideration the proposition to add to each of our foreign squadrons an efficient sea steamer, and, as especially demanding attention, the establishment at Pensacola of the necessary means of repairing and refitting the vessels of the Navy employed in the Gulf of Mexico.

There are other suggestions in the report which deserve and I doubt not will receive your consideration.

The progress and condition of the mail service for the past year are fully presented in the report of the Postmaster-General. The revenue for the year ending on the 30th of June last amounted to $3,487,199, which is $802,642.45 less than that of the preceding year. The payments for that Department during the same time amounted to $4,084,297.22. Of this sum $597,097.80 have been drawn from the Treasury. The disbursements for the year were $236,434.77 less than those of the preceding year. While the disbursements have been thus diminished, the mail facilities have been enlarged by new mail routes of 5,739 miles, an increase of transportation of 1,764,145 miles, and the establishment of 418 new post-offices. Contractors, postmasters, and others engaged in this branch of the service have performed their duties with energy and faithfulness deserving commendation. For many interesting details connected with the operations of this establishment you are referred to the report of the Postmaster-General, and his suggestions for improving its revenues are recommended to your favorable consideration. I repeat the opinion expressed in my last annual message that the business of this Department should be so regulated that the revenues derived from it should be made to equal the expenditures, and it is believed that this may be done by proper modifications of the present laws, as suggested in the report of the Postmaster-General, without changing the present rates of postage.

With full reliance upon the wisdom and patriotism of your deliberations, it will be my duty, as it will be my anxious desire, to cooperate with you in every constitutional effort to promote the welfare and maintain the honor of our common country.

Page 666

JAMES K. POLK

***

State of the Union Address
James Polk
December 7, 1847

Fellow-Citizens of the Senate and of the House of Representatives:

The annual meeting of Congress is always an interesting event. The representatives of the States and of the people come fresh from their constituents to take counsel together for the common good.

After an existence of near three-fourths of a century as a free and independent Republic, the problem no longer remains to be solved whether man is capable of self-government. The success of our admirable system is a conclusive refutation of the theories of those in other countries who maintain that a “favored few” are born to rule and that the mass of mankind must be governed by force. Subject to no arbitrary or hereditary authority, the people are the only sovereigns recognized by our Constitution.

Numerous emigrants, of every lineage and language, attracted by the civil and religious freedom we enjoy and by our happy condition, annually crowd to our shores, and transfer their heart, not less than their allegiance, to the country whose dominion belongs alone to the people. No country has been so much favored, or should acknowledge with deeper reverence the manifestations of the divine protection. An all wise Creator directed and guarded us in our infant struggle for freedom and has constantly watched over our surprising progress until we have become one of the great nations of the earth.

It is in a country thus favored, and under a Government in which the executive and legislative branches hold their authority for limited periods alike from the people, and where all are responsible to their respective constituencies, that it is again my duty to communicate with Congress upon the state of the Union and the present condition of public affairs.

During the past year the most gratifying proofs are presented that our country has been blessed with a widespread and universal prosperity. There has been no period since the Government was founded when all the industrial pursuits of our people have been more successful or when labor in all branches of business has received a fairer or better reward. From our abundance we have been enabled to perform the pleasing duty of furnishing food for the starving millions of less favored countries.

In the enjoyment of the bounties of Providence at home such as have rarely fallen to the lot of any people, it is cause of congratulation that our intercourse with all the powers of the earth except Mexico continues to be of an amicable character.

It has ever been our cherished policy to cultivate peace and good will with all nations, and this policy has been steadily pursued by me. No change has taken place in our relations with Mexico since the adjournment of the last Congress. The war in which the United States were forced to engage with the Government of that country still continues.

Page 667

I deem it unnecessary, after the full exposition of them contained in my message of the 11th of May, 1846, and in my annual message at the commencement of the session of Congress in December last, to reiterate the serious causes of complaint which we had against Mexico before she commenced hostilities.

It is sufficient on the present occasion to say that the wanton violation of the rights of person and property of our citizens committed by Mexico, her repeated acts of bad faith through a long series of years, and her disregard of solemn treaties stipulating for indemnity to our injured citizens not only constituted ample cause of war on our part, but were of such an aggravated character as would have justified us before the whole world in resorting to this extreme remedy. With an anxious desire to avoid a rupture between the two countries, we forbore for years to assert our clear rights by force, and continued to seek redress for the wrongs we had suffered by amicable negotiation in the hope that Mexico might yield to pacific counsels and the demands of justice. In this hope we were disappointed. Our minister of peace sent to Mexico was insultingly rejected. The Mexican Government refused even to hear the terms of adjustment which he was authorized to propose, and finally, under wholly unjustifiable pretexts, involved the two countries in war by invading the territory of the State of Texas, striking the first blow, and shedding the blood of our citizens on our own soil.

Though the United States were the aggrieved nation, Mexico commenced the war, and we were compelled in self-defense to repel the invader and to vindicate the national honor and interests by prosecuting it with vigor until we could obtain a just and honorable peace. On learning that hostilities had been commenced by Mexico I promptly communicated that fact, accompanied with a succinct statement of our other causes of complaint against Mexico, to Congress, and that body, by the act of the 13th of May, 1846, declared that “by the act of the Republic of Mexico a state of war exists between that Government and the United States.” This act declaring “the war to exist by the act of the Republic of Mexico,” and making provision for its prosecution “to a speedy and successful termination,” was passed with great unanimity by Congress, there being but two negative votes in the Senate and but fourteen in the House of Representatives.

The existence of the war having thus been declared by Congress, it became my duty under the Constitution and the laws to conduct and prosecute it. This duty has been performed, and though at every stage of its progress I have manifested a willingness to terminate it by a just peace, Mexico has refused to accede to any terms which could be accepted by the United States consistently with the national honor and interest.

Page 668

The rapid and brilliant successes of our arms and the vast extent of the enemy's territory which had been overrun and conquered before the close of the last session of Congress were fully known to that body. Since that time the war has been prosecuted with increased energy, and, I am gratified to state, with a success which commands universal admiration.. History presents no parallel of so many glorious victories achieved by any nation within so short a period. Our Army, regulars and volunteers, have covered themselves with imperishable honors. Whenever and wherever our forces have encountered the enemy, though he was in vastly superior numbers and often intrenched in fortified positions of his own selection and of great strength, he has been defeated. Too much praise can not be bestowed upon our officers and men, regulars and volunteers, for their gallantry, discipline, indomitable courage, and perseverance, all seeking the post of danger and vying with each other in deeds of noble daring.

While every patriot's heart must exult and a just national pride animate every bosom in beholding the high proofs of courage, consummate military skill, steady discipline, and humanity to the vanquished enemy exhibited by our gallant Army, the nation is called to mourn over the loss of many brave officers and soldiers, who have fallen in defense of their country's honor and interests. The brave dead met their melancholy fate in a foreign land, nobly discharging their duty, and with their country's flag waving triumphantly in the face of the foe. Their patriotic deeds are justly appreciated, and will long be remembered by their grateful countrymen. The parental care of the Government they loved and served should be extended to their surviving families.

Shortly after the adjournment of the last session of Congress the gratifying intelligence was received of the signal victory of Buena Vista, and of the fall of the city of Vera Cruz, and with it the strong castle of San Juan de Ulloa, by which it was defended. Believing that after these and other successes so honorable to our arms and so disastrous to Mexico the period was propitious to afford her another opportunity, if she thought proper to embrace it, to enter into negotiations for peace, a commissioner was appointed to proceed to the headquarters of our Army with full powers to enter upon negotiations and to conclude a just and honorable treaty of peace. He was not directed to make any new overtures of peace, but was the bearer of a dispatch from the Secretary of State of the United States to the minister of foreign affairs of Mexico, in reply to one received from the latter of the 22d of February, 1847, in which the Mexican Government was informed of his appointment and of his presence at the headquarters of our Army, and that he was invested with full powers to conclude a definitive treaty of peace whenever the Mexican Government might signify a desire to do so. While I was unwilling to subject the United States to another indignant refusal, I was yet resolved that the evils of the war should not be protracted a day longer than might be rendered absolutely necessary by the Mexican Government.

Page 669

Care was taken to give no instructions to the commissioner which could in any way interfere with our military operations or relax our energies in the prosecution of the war. He possessed no authority in any manner to control these operations. He was authorized to exhibit his instructions to the general in command of the Army, and in the event of a treaty being concluded and ratified on the part of Mexico he was directed to give him notice of that fact. On the happening of such contingency, and on receiving notice thereof, the general in command was instructed by the Secretary of War to suspend further active military operations until further orders. These instructions were given with a view to intermit hostilities until the treaty thus ratified by Mexico could be transmitted to Washington and receive the action of the Government of the United States. The commissioner was also directed on reaching the Army to deliver to the general in command the dispatch which he bore from the Secretary of State to the minister of foreign affairs of Mexico, and on receiving it the general was instructed by the Secretary of War to cause it to be transmitted to the commander of the Mexican forces, with a quest that it might be communicated to his Government. The commissioner did not reach the headquarters of the Army until after another brilliant victory had crowned our arms at Cerro Gordo. The dispatch which he bore from the Secretary of War to the general in command of the Army was received by that officer, then at Jalapa, on the 7th of May, 1847, together with the dispatch from the Secretary of State to the minister of foreign affairs of Mexico, having been transmitted to him from Vera Cruz. The commissioner arrived at the headquarters of the Army a few days afterwards. His presence with the Army and his diplomatic character were made known to the Mexican Government from Puebla on the 12th of June, 1847, by the transmission of the dispatch from the Secretary of State to the minister of foreign affairs of Mexico.

Many weeks elapsed after its receipt, and no overtures were made nor was any desire expressed by the Mexican Government to enter into negotiations for peace.

Our Army pursued its march upon the capital, and as it approached it was met by formidable resistance. Our forces first encountered the enemy, and achieved signal victories in the severely contested battles of Contreras and Churubusco. It was not until after these actions had resulted in decisive victories and the capital of the enemy was within our power that the Mexican Government manifested any disposition to enter into negotiations for peace, and even then, as events have proved, there is too much reason to believe they were insincere, and that in agreeing to go through the forms of negotiation the object was to gain time to strengthen the defenses of their capital and to prepare for fresh resistance.

Page 670

The general in command of the Army deemed it expedient to suspend hostilities temporarily by entering into an armistice with a view to the opening of negotiations. Commissioners were appointed on the part of Mexico to meet the commissioner on the part of the United States. The result of the conferences which took place between these functionaries of the two Governments was a failure to conclude a treaty of peace. The commissioner of the United States took with him the project of a treaty already prepared, by the terms of which the indemnity required by the United States was a cession of territory.

It is well known that the only indemnity which it is in the power of Mexico to make in satisfaction of the just and long-deferred claims of our citizens against her and the only means by which she can reimburse the United States for the expenses of the war is a cession to the United States of a portion of her territory. Mexico has no money to pay, and no other means of making the required indemnity. If we refuse this, we can obtain nothing else. To reject indemnity by refusing to accept a cession of territory would be to abandon all our just demands, and to wage the war, bearing all its expenses, without a purpose or definite object.

A state of war abrogates treaties previously existing between the belligerents and a treaty of peace puts an end to all claims for indemnity for tortious acts committed under the authority of one government against the citizens or subjects of another unless they are provided for in its stipulations. A treaty of peace which would terminate the existing war without providing for indemnity would enable Mexico, the acknowledged debtor and herself the aggressor in the war, to relieve herself from her just liabilities. By such a treaty our citizens who hold just demands against her would have no remedy either against Mexico or their own Government. Our duty to these citizens must forever prevent such a peace, and no treaty which does not provide ample means of discharging these demands can receive my sanction.

A treaty of peace should settle all existing differences between the two countries. If an adequate cession of territory should be made by such a treaty, the United States should release Mexico from all her liabilities and assume their payment to our own citizens. If instead of this the United States were to consent to a treaty by which Mexico should again engage to pay the heavy amount of indebtedness which a just indemnity to our Government and our citizens would impose on her, it is notorious that she does not possess the means to meet such an undertaking. From such a treaty no result could be anticipated but the same irritating disappointments which have heretofore attended the violations of similar treaty stipulations on the part of Mexico. Such a treaty would be but a temporary cessation of hostilities, without the restoration of the friendship and good understanding which should characterize the future intercourse between the two countries.

Page 671

That Congress contemplated the acquisition of territorial indemnity when that body made provision for the prosecution of the war is obvious. Congress could not have meant when, in May, 1846, they appropriated $10,000,000 and authorized the President to employ the militia and naval and military forces of the United States and to accept the services of 50,000 volunteers to enable him to prosecute the war, and when, at their last session, and after our Army had invaded Mexico, they made additional appropriations and authorized the raising of additional troops for the same purpose, that no indemnity was to be obtained from Mexico at the conclusion of the war; and yet it was certain that if no Mexican territory was acquired no indemnity could be obtained. It is further manifest that Congress contemplated territorial indemnity from the fact that at their last session an act was passed, upon the Executive recommendation, appropriating $3,000,000 with that express object. This appropriation was made "to enable the President to conclude a treaty of peace, limits, and boundaries with the Republic of Mexico, to be used by him in the event that said treaty, when signed by the authorized agents of the two Governments and duly ratified by Mexico, shall call for the expenditure of the same or any part thereof." The object of asking this appropriation was distinctly stated in the several messages on the subject which I communicated to Congress. Similar appropriations made in 1803 and 1806, which were referred to, were intended to be applied in part consideration for the cession of Louisiana and the Floridas. In like manner it was anticipated that in settling the terms of a treaty of "limits and boundaries" with Mexico a cession of territory estimated to be of greater value than the amount of our demands against her might be obtained, and that the prompt payment of this sum in part consideration for the territory ceded, on the conclusion of a treaty and its ratification on her part, might be an inducement with her to make such a cession of territory as would be satisfactory to the United States; and although the failure to conclude such a treaty has rendered it unnecessary to use any part of the $3,000,000 appropriated by that act, and the entire sum remains in the Treasury, it is still applicable to that object should the contingency occur making such application proper.

The doctrine of no territory is the doctrine of no indemnity, and if sanctioned would be a public acknowledgment that our country was wrong and that the war declared by Congress with extraordinary unanimity was unjust and should be abandoned—an admission unfounded in fact and degrading to the national character.

The terms of the treaty proposed by the United States were not only just to Mexico, but, considering the character and amount of our claims, the unjustifiable and unprovoked commencement of hostilities by her, the expenses of the war to which we have been subjected, and the success which had attended our arms, were deemed to be of a most liberal character.

Page 672

The commissioner of the United States was authorized to agree to the establishment of the Rio Grande as the boundary from its entrance into the Gulf to its intersection with the southern boundary of New Mexico, in north latitude about 32 degree, and to obtain a cession to the United States of the Provinces of New Mexico and the Californias and the privilege of the right of way across the Isthmus of Tehuantepec. The boundary of the Rio Grande and the cession to the United States of New Mexico and Upper California constituted an ultimatum which our commissioner was under no circumstances to yield.

That it might be manifest, not only to Mexico, but to all other nations, that the United States were not disposed to take advantage of a feeble power by insisting upon wrestling from her all the other Provinces, including many of her principal towns and cities, which we had conquered and held in our military occupation but were willing to conclude a treaty in a spirit of liberality, our commissioner was authorized to stipulate for the restoration to Mexico of all our other conquests.

As the territory to be acquired by the boundary proposed might be estimated to be of greater value than a fair equivalent for our just demands, our commissioner was authorized to stipulate for the payment of such additional pecuniary consideration as was deemed reasonable.

The terms of a treaty proposed by the Mexican commissioners were wholly inadmissible. They negotiated as if Mexico were the victorious, and not the vanquished, party. They must have known that their ultimatum could never be accepted. It required the United States to dismember Texas by surrendering to Mexico that part of the territory of that State lying between the Nueces and the Rio Grande, included within her limits by her laws when she was an independent republic, and when she was annexed to the United States and admitted by Congress as one of the States of our Union. It contained no provision for the payment by Mexico of the just claims of our citizens. It required indemnity to Mexican citizens for injuries they may have sustained by our troops in the prosecution of the war. It demanded the right for Mexico to levy and collect the Mexican tariff of duties on goods imported into her ports while in our military occupation during the war, and the owners of which had paid to officers of the United States the military contributions which had been levied upon them; and it offered to cede to the United States, for a pecuniary consideration, that part of Upper California lying north of latitude 37°. Such were the unreasonable terms proposed by the Mexican commissioners.

The cession to the United States by Mexico of the Provinces of New Mexico and the Californias, as proposed by the commissioner of the United States, it was believed would be more in accordance with the convenience and interests of both nations than any other cession of territory which it was probable Mexico could be induced to make.

Page 673

It is manifest to all who have observed the actual condition of the Mexican Government for some years past and at present that if these Provinces should be retained by her she could not long continue to hold and govern them. Mexico is too feeble a power to govern these Provinces, lying as they do at a distance of more than 1,000 miles from her capital, and if attempted to be retained by her they would constitute but for a short time even nominally a part of her dominions. This would be especially the case with Upper California.

The sagacity of powerful European nations has long since directed their attention to the commercial importance of that Province, and there can be little doubt that the moment the United States shall relinquish their present occupation of it and their claim to it as indemnity an effort would be made by some foreign power to possess it, either by conquest or by purchase. If no foreign government should acquire it in either of these modes, an independent revolutionary government would probably be established by the inhabitants and such foreigners as may remain in or remove to the country as soon as it shall be known that the United States have abandoned it. Such a government would be too feeble long to maintain its separate independent existence, and would finally become annexed to or be a dependent colony of some more powerful state. Should any foreign government attempt to possess it as a colony, or otherwise to incorporate it with itself, the principle avowed by President Monroe in 1824, and reaffirmed in my first annual message, that no foreign power shall with our consent be permitted to plant or establish any new colony or dominion on any part of the North American continent must be maintained. In maintaining this principle and in resisting its invasion by any foreign power we might be involved in other wars more expensive and more difficult than that in which we are now engaged. The Provinces of New Mexico and the Californias are contiguous to the territories of the United States, and if brought under the government of our laws their resources—mineral, agricultural, manufacturing, and commercial—would soon be developed.

Upper California is bounded on the north by our Oregon possessions, and if held by the United States would soon be settled by a hardy, enterprising, and intelligent portion of our population. The Bay of San Francisco and other harbors along the Californian coast would afford shelter for our Navy, for our numerous whale ships, and other merchant vessels employed in the Pacific Ocean, and would in a short period become the marts of an extensive and profitable commerce with China and other countries of the East.

These advantages, in which the whole commercial world would participate, would at once be secured to the United States by the cession of this territory; while it is certain that as long as it remains a part of the Mexican dominions they can be enjoyed neither by Mexico herself nor by any other nation.

Page 674

New Mexico is a frontier Province, and has never been of any considerable value to Mexico. From its locality it is naturally connected with our Western settlements. The territorial limits of the State of Texas, too, as defined by her laws before her admission into our Union, embrace all that portion of New Mexico lying east of the Rio Grande, while Mexico still claims to hold this territory as a part of her dominions. The adjustment of this question of boundary is important.

There is another consideration which induced the belief that the Mexican Government might even desire to place this Province under the protection of the Government of the United States. Numerous bands of fierce and warlike savages wander over it and upon its borders. Mexico has been and must continue to be too feeble to restrain them from committing depredations, robberies, and murders, not only upon the inhabitants of New Mexico itself, but upon those of the other northern States of Mexico. It would be a blessing to all these northern States to have their citizens protected against them by the power of the United States. At this moment many Mexicans, principally females and children, are in captivity among them. If New Mexico were held and governed by the United States, we could effectually prevent these tribes from committing such outrages, and compel them to release these captives and restore them to their families and friends.

In proposing to acquire New Mexico and the Californias, it was known that but an inconsiderable portion of the Mexican people would be transferred with them, the country embraced within these Provinces being chiefly an uninhabited region.

These were the leading considerations which induced me to authorize the terms of peace which were proposed to Mexico. They were rejected, and, negotiations being at an end, hostilities were renewed. An assault was made by our gallant Army upon the strongly fortified places near the gates of the City of Mexico and upon the city itself, and after several days of severe conflict the Mexican forces, vastly superior in number to our own, were driven from the city, and it was occupied by our troops.

Immediately after information was received of the unfavorable result of the negotiations, believing that his continued presence with the Army could be productive of no good, I determined to recall our commissioner. A dispatch to this effect was transmitted to him on the 6th of October last. The Mexican Government will be informed of his recall, and that in the existing state of things I shall not deem it proper to make any further overtures of peace, but shall be at all times ready to receive and consider any proposals which may be made by Mexico.

Page 675

Since the liberal proposition of the United States was authorized to be made, in April last, large expenditures have been incurred and the precious blood of many of our patriotic fellow-citizens has been shed in the prosecution of the war. This consideration and the obstinate perseverance of Mexico in protracting the war must influence the terms of peace which it may be deemed proper hereafter to accept. Our arms having been everywhere victorious, having subjected to our military occupation a large portion of the enemy's country, including his capital, and negotiations for peace having failed, the important questions arise, in what manner the war ought to be prosecuted and what should be our future policy. I can not doubt that we should secure and render available the conquests which we have already made, and that with this view we should hold and occupy by our naval and military forces all the ports, towns, cities, and Provinces now in our occupation or which may hereafter fall into our possession; that we should press forward our military operations and levy such military contributions on the enemy as may, as far as practicable, defray the future expenses of the war.

Had the Government of Mexico acceded to the equitable and liberal terms proposed, that mode of adjustment would have been preferred, Mexico having declined to do this and failed to offer any other terms which could be accepted by the United States, the national honor, no less than the public interests, requires that the war should be prosecuted with increased energy and power until a just and satisfactory peace can be obtained. In the meantime, as Mexico refuses all indemnity, we should adopt measures to indemnify ourselves by appropriating permanently a portion of her territory. Early after the commencement of the war New Mexico and the Californias were taken possession of by our forces. Our military and naval commanders were ordered to conquer and hold them, subject to be disposed of by a treaty of peace.

These Provinces are now in our undisputed occupation, and have been so for many months, all resistance on the part of Mexico having ceased within their limits. I am satisfied that they should never be surrendered to Mexico. Should Congress concur with me in this opinion, and that they should be retained by the United States as indemnity, I can perceive no good reason why the civil jurisdiction and laws of the United States should not at once be extended over them. To wait for a treaty of peace such as we are willing to make, by which our relations toward them would not be changed, can not be good policy; whilst our own interest and that of the people inhabiting them require that a stable, responsible, and free government under our authority should as soon as possible be established over them. Should Congress, therefore, determine to hold these Provinces permanently, and that they shall hereafter be considered as constituent parts of our country, the early establishment of Territorial governments over them will be important for the more perfect protection of persons and property; and I recommend that such Territorial governments be established. It will promote peace and tranquillity among the inhabitants, by allaying all apprehension that they may still entertain of being again subjected to the jurisdiction of Mexico. I invite the early and favorable consideration of Congress to this important subject.

Page 676

Besides New Mexico and the Californias, there are other Mexican Provinces which have been reduced to our possession by conquest. These other Mexican Provinces are now governed by our military and naval commanders under the general authority which is conferred upon a conqueror by the laws of war. They should continue to be held, as a means of coercing Mexico to accede to just terms of peace. Civil as well as military officers are required to conduct such a government. Adequate compensation, to be drawn from contributions levied on the enemy, should be fixed by law for such officers as may be thus employed. What further provision may become necessary and what final disposition it may be proper to make of them must depend on the future progress of the war and the course which Mexico may think proper hereafter to pursue.

With the views I entertain I can not favor the policy which has been suggested, either to withdraw our Army altogether or to retire to a designated line and simply hold and defend it. To withdraw our Army altogether from the conquests they have made by deeds of unparalleled bravery, and at the expense of so much blood and treasure, in a just war on our part, and one which, by the act of the enemy, we could not honorably have avoided, would be to degrade the nation in its own estimation and in that of the world. To retire to a line and simply hold and defend it would not terminate the war. On the contrary, it would encourage Mexico to persevere and tend to protract it indefinitely. It is not to be expected that Mexico, after refusing to establish such a line as a permanent boundary when our victorious Army are in possession of her capital and in the heart of her country, would permit us to hold it without resistance. That she would continue the war, and in the most harassing and annoying forms, there can be no doubt. A border warfare of the most savage character, extending over a long line, would be unceasingly waged. It would require a large army to be kept constantly in the field, stationed at posts and garrisons along such a line, to protect and defend it. The enemy, relieved from the pressure of our arms on his coasts and in the populous parts of the interior, would direct his attention to this line, and, selecting an isolated post for attack, would concentrate his forces upon it. This would be a condition of affairs which the Mexicans, pursuing their favorite system of guerrilla warfare, would probably prefer to any other. Were we to assume a defensive attitude on such a line, all the advantages of such a state of war would be on the side of the enemy. We could levy no contributions upon him, or in any other way make him feel the pressure of the war, but must remain inactive and await his approach, being in constant uncertainty at what point on the line or at what time he might make an assault. He may assemble and organize an overwhelming force in the interior on his own side of the line, and, concealing his purpose, make a sudden assault upon

Page 677

some one of our posts so distant from any other as to prevent the possibility of timely succor or reenforcements, and in this way our gallant Army would be exposed to the danger of being cut off in detail; or if by their unequaled bravery and prowess everywhere exhibited during this war they should repulse the enemy, their numbers stationed at any one post may be too small to pursue him. If the enemy be repulsed in one attack, he would have nothing to do but to retreat to his own side of the line, and, being in no fear of a pursuing army, may reenforce himself at leisure for another attack on the same or some other post. He may, too, cross the line between our posts, make rapid incursions into the country which we hold, murder the inhabitants, commit depredations on them, and then retreat to the interior before a sufficient force can be concentrated to pursue him. Such would probably be the harassing character of a mere defensive war on our part. If our forces when attacked, or threatened with attack, be permitted to cross the line, drive back the enemy, and conquer him, this would be again to invade the enemy's country after having lost all the advantages of the conquests we have already made by having voluntarily abandoned them. To hold such a line successfully and in security it is far from being certain that it would not require as large an army as would be necessary to hold all the conquests we have already made and to continue the prosecution of the war in the heart of the enemy's country. It is also far from being certain that the expenses of the war would be diminished by such a policy. I am persuaded that the best means of vindicating the national honor and interest and of bringing the war to an honorable close will be to prosecute it with increased energy and power in the vital parts of the enemy's country.

In my annual message to Congress of December last I declared that—

The war has not been waged with a view to conquest, but, having been commenced by Mexico, it has been carried into the enemy's country and will be vigorously prosecuted there with a view to obtain an honorable peace, and thereby secure ample indemnity for the expenses of the war, as well as to our much-injured citizens, who hold large pecuniary demands against Mexico.

Such, in my judgment, continues to be our true policy; indeed, the only policy which will probably secure a permanent peace.

It has never been contemplated by me, as an object of the war, to make a permanent conquest of the Republic of Mexico or to annihilate her separate existence as an independent nation. On the contrary, it has ever been my desire that she should maintain her nationality, and under a good government adapted to her condition be a free, independent, and prosperous Republic. The United States were the first among the nations to recognize her independence, and have always desired to be on terms of amity and good neighborhood with her. This she would not suffer. By her

Page 678

own conduct we have been compelled to engage in the present war. In its prosecution we seek not her overthrow as a nation, but in vindicating our national honor we seek to obtain redress for the wrongs she has done us and indemnity for our just demands against her. We demand an honorable peace, and that peace must bring with it indemnity for the past and security for the future. Hitherto Mexico has refused all accommodation by which such a peace could be obtained.

Whilst our armies have advanced from victory to victory from the commencement of the war, it has always been with the olive branch of peace in their hands, and it has been in the power of Mexico at every step to arrest hostilities by accepting it.

One great obstacle to the attainment of peace has undoubtedly arisen from the fact that Mexico has been so long held in subjection by one faction or military usurper after another, and such has been the condition of insecurity in which their successive governments have been placed that each has been deterred from making peace lest for this very cause a rival faction might expel it from power. Such was the fate of President Herrera's administration in 1845 for being disposed even to listen to the overtures of the United States to prevent the war, as is fully confirmed by an official correspondence which took place in the month of August last between him and his Government, a copy of which is herewith communicated. "For this cause alone the revolution which displaced him from power was set on foot" by General Paredes. Such may be the condition of insecurity of the present Government.

There can be no doubt that the peaceable and well-disposed inhabitants of Mexico are convinced that it is the true interest of their country to conclude an honorable peace with the United States, but the apprehension of becoming the victims of some military faction or usurper may have prevented them from manifesting their feelings by any public act. The removal of any such apprehension would probably cause them to speak their sentiments freely and to adopt the measures necessary for the restoration of peace. With a people distracted and divided by contending factions and a Government subject to constant changes by successive revolutions, the continued successes of our arms may fail to secure a satisfactory peace. In such event it may become proper for our commanding generals in the field to give encouragement and assurances of protection to the friends of peace in Mexico in the establishment and maintenance of a free republican government of their own choice, able and willing to conclude a peace which would be just to them and secure to us the indemnity we demand. This may become the only mode of obtaining such a peace. Should such be the result, the war which Mexico has forced upon us would thus be converted into an enduring blessing to herself. After finding her torn and distracted by factions, and ruled by military usurpers, we should then leave her with a republican government in the enjoyment of real independence and domestic peace and prosperity, performing all her relative duties in

the great family of nations and promoting her own happiness by wise laws and their faithful execution.

Page 679

If, after affording this encouragement and protection, and after all the persevering and sincere efforts we have made from the moment Mexico commenced the war, and prior to that time, to adjust our differences with her, we shall ultimately fail, then we shall have exhausted all honorable means in pursuit of peace, and must continue to occupy her country with our troops, taking the full measure of indemnity into our own hands, and must enforce the terms which our honor demands.

To act otherwise in the existing state of things in Mexico, and to withdraw our Army without a peace, would not only leave all the wrongs of which we complain unredressed, but would be the signal for new and fierce civil dissensions and new revolutions—all alike hostile to peaceful relations with the United States. Besides, there is danger, if our troops were withdrawn before a peace was conducted, that the Mexican people, wearied with successive revolutions and deprived of protection for their persons and property, might at length be inclined to yield to foreign influences and to cast themselves into the arms of some European monarch for protection from the anarchy and suffering which would ensue. This, for our own safety and in pursuance of our established policy, we should be compelled to resist. We could never consent that Mexico should be thus converted into a monarchy governed by a foreign prince.

Mexico is our near neighbor, and her boundaries are coterminous with our own through the whole extent across the North American continent, from ocean to ocean. Both politically and commercially we have the deepest interest in her regeneration and prosperity. Indeed, it is impossible that, with any just regard to our own safety, we can ever become indifferent to her fate.

It may be that the Mexican Government and people have misconstrued or misunderstood our forbearance and our objects in desiring to conclude an amicable adjustment of the existing differences between the two countries. They may have supposed that we would submit to terms degrading to the nation, or they may have drawn false inferences from the supposed division of opinion in the United States on the subject of the war, and may have calculated to gain much by protracting it, and, indeed, that we might ultimately abandon it altogether without insisting on any indemnity, territorial or otherwise. Whatever may be the false impressions under which they have acted, the adoption and prosecution of the energetic policy proposed must soon undeceive them.

In the future prosecution of the war the enemy must be made to feel its pressure more than they have heretofore done. At its commencement it was deemed proper to conduct it in a spirit of forbearance and liberality. With this end in view, early measures were adopted to conciliate, as far as a state of war would permit, the mass of the Mexican population; to convince them that the war was waged, not against the peaceful inhabitants

Page 680

of Mexico, but against their faithless Government, which had commenced hostilities; to remove from their minds the false impressions which their designing and interested rulers had artfully attempted to make, that the war on our part was one of conquest, that it was a war against their religion and their churches, which were to be desecrated and overthrown, and that their rights of person and private property would be violated. To remove these false impressions, our commanders in the field were directed scrupulously to respect their religion, their churches, and their church property, which were in no manner to be violated; they were directed also to respect the rights of persons and property of all who should not take up arms against us.

Assurances to this effect were given to the Mexican people by Major General Taylor in a proclamation issued in pursuance of instructions from the Secretary of War in the month of June, 1846, and again by Major-General Scott, who acted upon his own convictions of the propriety of issuing it, in a proclamation of the 11th of May, 1847. In this spirit of liberality and conciliation, and with a view to prevent the body of the Mexican population from taking up arms against us, was the war conducted on our part. Provisions and other supplies furnished to our Army by Mexican citizens were paid for at fair and liberal prices, agreed upon by the parties. After the lapse of a few months it became apparent that these assurances and this mild treatment had failed to produce the desired effect upon the Mexican population. While the war had been conducted on our part according to the most humane and liberal principles observed by civilized nations, it was waged in a far different spirit on the part of Mexico. Not appreciating our forbearance, the Mexican people generally became hostile to the United States, and availed themselves of every opportunity to commit the most savage excesses upon our troops. Large numbers of the population took up arms, and, engaging in guerrilla warfare, robbed and murdered in the most cruel manner individual soldiers or small parties whom accident or other causes had separated from the main body of our Army; bands of guerrilleros and robbers infested the roads, harassed our trains, and whenever it was in their power cut off our supplies.

The Mexicans having thus shown themselves to be wholly incapable of appreciating our forbearance and liberality, it was deemed proper to change the manner of conducting the war, by making them feel its pressure according to the usages observed under similar circumstances by all other civilized nations.

Page 681

Accordingly, as early as the 22d of September, 1846, instructions were given by the Secretary of War to Major-General Taylor to “draw supplies” for our Army “from the enemy without paying for them, and to require contributions for its support, if in that way he was satisfied he could get abundant supplies for his forces.” In directing the execution of these instructions much was necessarily left to the discretion of the commanding officer, who was best acquainted with the circumstances by which he was surrounded, the wants of the Army, and the practicability of enforcing the measure. General Taylor, on the 26th of October, 1846, replied from Monterey that “it would have been impossible hitherto, and is so now, to sustain the Army to any extent by forced contributions of money or supplies.” For the reasons assigned by him, he did not adopt the policy of his instructions, but declared his readiness to do so “should the Army in its future operations reach a portion of the country which may be made to supply the troops with advantage.” He continued to pay for the articles of supply which were drawn from the enemy’s country.

Similar instructions were issued to Major-General Scott on the 3d of April, 1847, who replied from Jalapa on the 20th of May, 1847, that if it be expected “that the Army is to support itself by forced contributions levied upon the country we may ruin and exasperate the inhabitants and starve ourselves.” The same discretion was given to him that had been to General Taylor in this respect. General Scott, for the reasons assigned by him, also continued to pay for the articles of supply for the Army which were drawn from the enemy.

After the Army had reached the heart of the most wealthy portion of Mexico it was supposed that the obstacles which had before that time prevented it would not be such as to render impracticable the levy of forced contributions for its support, and on the 1st of September and again on the 6th of October, 1847, the order was repeated in dispatches addressed by the Secretary of War to General Scott, and his attention was again called to the importance of making the enemy bear the burdens of the war by requiring them to furnish the means of supporting our Army, and he was directed to adopt this policy unless by doing so there was danger of depriving the Army of the necessary supplies. Copies of these dispatches were forwarded to General Taylor for his government.

On the 31st of March last I caused an order to be issued to our military and naval commanders to levy and collect a military contribution upon all vessels and merchandise which might enter any of the ports of Mexico in our military occupation, and to apply such contributions toward defraying the expenses of the war. By virtue of the right of conquest and the laws of war, the conqueror, consulting his own safety or convenience, may either exclude foreign commerce altogether from all such ports or permit it

Page 682

upon such terms and conditions as he may prescribe. Before the principal ports of Mexico were blockaded by our Navy the revenue derived from import duties under the laws of Mexico was paid into the Mexican treasury. After these ports had fallen into our military possession the blockade was raised and commerce with them permitted upon prescribed terms and conditions. They were opened to the trade of all nations upon the payment of duties more moderate in their amount than those which had been previously levied by Mexico, and the revenue, which was formerly paid into the Mexican treasury, was directed to be collected by our military and naval officers and applied to the use of our Army and Navy. Care was taken that the officers, soldiers, and sailors of our Army and Navy should be exempted from the operations of the order, and, as the merchandise imported upon which the order operated must be consumed by Mexican citizens, the contributions exacted were in effect the seizure of the public revenues of Mexico and the application of them to our own use. In directing this measure the object was to compel the enemy to contribute as far as practicable toward the expenses of the war.

For the amount of contributions which have been levied in this form I refer you to the accompanying reports of the Secretary of War and of the Secretary of the Navy, by which it appears that a sum exceeding half a million of dollars has been collected. This amount would undoubtedly have been much larger but for the difficulty of keeping open communications between the coast and the interior, so as to enable the owners of the merchandise imported to transport and vend it to the inhabitants of the country. It is confidently expected that this difficulty will to a great extent be soon removed by our increased forces which have been sent to the field.

Measures have recently been adopted by which the internal as well as the external revenues of Mexico in all places in our military occupation will be seized and appropriated to the use of our Army and Navy.

The policy of levying upon the enemy contributions in every form consistently with the laws of nations, which it may be practicable for our military commanders to adopt, should, in my judgment, be rigidly enforced, and orders to this effect have accordingly been given. By such a policy, at the same time that our own Treasury will be relieved from a heavy drain, the Mexican people will be made to feel the burdens of the war, and, consulting their own interests, may be induced the more readily to require their rulers to accede to a just peace.

Page 683

After the adjournment of the last session of Congress events transpired in the prosecution of the war which in my judgment required a greater number of troops in the field than had been anticipated. The strength of the Army was accordingly increased by "accepting" the services of all the volunteer forces authorized by the act of the 13th of May, 1846, without putting a construction on that act the correctness of which was seriously questioned. The volunteer forces now in the field, with those which had been "accepted" to "serve for twelve months" and were discharged at the end of their term of service, exhaust the 50,000 men authorized by that act. Had it been clear that a proper construction of the act warranted it, the services of an additional number would have been called for and accepted; but doubts existing upon this point, the power was not exercised. It is deemed important that Congress should at an early period of their session confer the authority to raise an additional regular force to serve during the war with Mexico and to be discharged upon the conclusion and ratification of a treaty of peace. I invite the attention of Congress to the views presented by the Secretary of War in his report upon this subject.

I recommend also that authority be given by law to call for and accept the services of an additional number of volunteers, to be exercised at such time and to such extent as the emergencies of the service may require.

In prosecuting the war with Mexico, whilst the utmost care has been taken to avoid every just cause of complaint on the part of neutral nations, and none has been given, liberal privileges have been granted to their commerce in the ports of the enemy in our military occupation. The difficulty with the Brazilian Government, which at one time threatened to interrupt the friendly relations between the two countries, will, I trust, be speedily adjusted. I have received information that an envoy extraordinary and minister plenipotentiary to the United States will shortly be appointed by His Imperial Majesty, and it is hoped that he will come instructed and prepared to adjust all remaining differences between the two Governments in a manner acceptable and honorable to both. In the meantime, I have every reason to believe that nothing will occur to interrupt our amicable relations with Brazil.

It has been my constant effort to maintain and cultivate the most intimate relations of friendship with all the independent powers of South America, and this policy has been attended with the happiest results. It is true that the settlement and payment of many just claims of American citizens against these nations have been long delayed. The peculiar position in which they have been placed and the desire on the part of my predecessors as well as myself to grant them the utmost indulgence have hitherto prevented these claims from being urged in a manner demanded by strict justice. The time has arrived when they ought to be finally adjusted and liquidated, and efforts are now making for that purpose.

Page 684

It is proper to inform you that the Government of Peru has in good faith paid the first two installments of the indemnity of $30,000 each, and the greater portion of the interest due thereon, in execution of the convention between that Government and the United States the ratifications of which were exchanged at Lima on the 31st of October, 1846. The Attorney-General of the United States early in August last completed the adjudication of the claims under this convention, and made his report thereon in pursuance of the act of the 8th of August, 1846. The sums to which the claimants are respectively entitled will be paid on demand at the Treasury.

I invite the early attention of Congress to the present condition of our citizens in China. Under our treaty with that power American citizens are withdrawn from the jurisdiction, whether civil or criminal, of the Chinese Government and placed under that of our public functionaries in that country. By these alone can our citizens be tried and punished for the commission of any crime; by these alone can questions be decided between them involving the rights of persons and property, and by these alone can contracts be enforced into which they may have entered with the citizens or subjects of foreign powers. The merchant vessels of the United States lying in the waters of the five ports of China open to foreign commerce are under the exclusive jurisdiction of officers of their own Government. Until Congress shall establish competent tribunals to try and punish crimes and to exercise jurisdiction in civil cases in China, American citizens there are subject to no law whatever. Crimes may be committed with impunity and debts may be contracted without any means to enforce their payment. Inconveniences have already resulted from the omission of Congress to legislate upon the subject, and still greater are apprehended. The British authorities in China have already complained that this Government has not provided for the punishment of crimes or the enforcement of contracts against American citizens in that country, whilst their Government has established tribunals by which an American citizen can recover debts due from British subjects. Accustomed, as the Chinese are, to summary justice, they could not be made to comprehend why criminals who are citizens of the United States should escape with impunity, in violation of treaty obligations, whilst the punishment of a Chinese who had committed any crime against an American citizen would be rigorously exacted. Indeed, the consequences might be fatal to American citizens in China should a flagrant crime be committed by any one of them upon a Chinese, and should trial and punishment not follow according to the requisitions of the treaty. This might disturb, if not destroy, our friendly relations with that Empire, and cause an interruption of our valuable commerce. Our treaties with the Sublime Porte, Tripoli, Tunis, Morocco, and Muscat also require the legislation of Congress to carry them into execution, though the necessity for immediate action may not be so urgent as in regard to China.

Page 685

The Secretary of State has submitted an estimate to defray the expense of opening diplomatic relations with the Papal States. The interesting political events now in progress in these States, as well as a just regard to our commercial interests, have, in my opinion, rendered such a measure highly expedient.

Estimates have also been submitted for the outfits and salaries of charges' d'affaires to the Republics of Bolivia, Guatemala, and Ecuador. The manifest importance of cultivating the most friendly relations with all the independent States upon this continent has induced me to recommend appropriations necessary for the maintenance of these missions.

I recommend to Congress that an appropriation be made to be paid to the Spanish Government for the purpose of distribution among the claimants in the Amistad case. I entertain the conviction that this is due to Spain under the treaty of the 20th of October, 1795, and, moreover, that from the earnest manner in which the claim continues to be urged so long as it shall remain unsettled it will be a source of irritation and discord between the two countries, which may prove highly prejudicial to the interests of the United States. Good policy, no less than a faithful compliance with our treaty obligations, requires that the inconsiderable appropriation demanded should be made.

A detailed statement of the condition of the finances will be presented in the annual report of the Secretary of the Treasury. The imports for the last fiscal year, ending on the 30th of June, 1847, were of the value of $146,545,638, of which the amount exported was $8,011,158, leaving $138,534,480 in the country for domestic use. The value of the exports for the same period was $158,648,622, of which $150,637,464 consisted of domestic productions and $8,011,158 of foreign articles.

The receipts into the Treasury for the same period amounted to $26,346,790.37, of which there was derived from customs $23,747,864.66, from sales of public lands $2,498,335.20, and from incidental and miscellaneous sources $100,570.51. The last fiscal year, during which this amount was received, embraced five months under the operation of the tariff act of 1842 and seven months during which the tariff act of 1846 was in force. During the five months under the act of 1842 the amount received from customs was $7,842,306.90, and during the seven months under the act of 1846 the amount received was $15,905,557.76.

The net revenue from customs during the year ending on the 1st of December, 1846, being the last year under the operation of the tariff act of 1842, was $22,971,403.10, and the net revenue from customs during the year ending on the 1st of December, 1847, being the first year under the operations of the tariff act of 1846, was about $31,500,000, being an increase of revenue for the first year under the tariff of 1846 of more than $8,500,000 over that of the last year under the tariff of 1842.

Page 686

The expenditures during the fiscal year ending on the 30th of June last were $59,451,177.65, of which $3,522,082.37 was on account payment of principal and interest of the public debt, including Treasury notes redeemed and not funded. The expenditures exclusive of payment of public debt were $55,929,095.28.

It is estimated that the receipts into the Treasury for the fiscal year ending on the 30th of June, 1848, including the balance in the Treasury on the 1st of July last, will amount to $42,886,545.80, of which $31,000,000, it is estimated, will be derived from customs, $3,500,000 from the sale of the public lands, $400,000 from incidental sources, eluding sales made by the Solicitor of the Treasury, and $6,285,294.55 from loans already authorized by law, which, together with the balance in the Treasury on the 1st of July last, make the sum estimated.

The expenditures for the same period, if peace with Mexico shall not be concluded and the Army shall be increased as is proposed, will amount, including the necessary payments on account of principal and interest of the public debt and Treasury notes, to $58,615,660.07. On the 1st of the present month the amount of the public debt actually incurred, including Treasury notes, was $45,659,659.40. The public debt due on the 4th of March, 1845, including Treasury notes, was $17,788,799.62, and consequently the addition made to the public debt since that time is $27,870,859.78.

Of the loan of twenty-three millions authorized by the act of the 28th of January, 1847, the sum of five millions was paid out to the public creditors or exchanged at par for specie; the remaining eighteen millions was offered for specie to the highest bidder not below par, by an advertisement issued by the Secretary of the Treasury and published from the 9th of February until the 10th of April, 1847, when it was awarded to the several highest bidders at premiums varying from one-eighth of per cent to 2 per cent above par. The premium has been paid into the Treasury and the sums awarded deposited in specie in the Treasury as fast as it was required by the wants of the Government.

To meet the expenditures for the remainder of the present and for the next fiscal year, ending on the 30th of June, 1849, a further loan in aid of the ordinary revenues of the Government will be necessary. Retaining a sufficient surplus in the Treasury, the loan required for the remainder of the present fiscal year will be about $18,500,000. If the duty on tea and coffee be imposed and the graduation of the price of the public lands shall be made at an early period of your session, as recommended, the loan for the present fiscal year may be reduced to $17,000,000. The loan may be further reduced by whatever amount of expenditures can be saved by military contributions collected in Mexico. The most vigorous measures for the augmentation of these contributions have been directed and a very considerable sum is expected from that source. Its amount can not, however, be calculated with any certainty. It is recommended that the loan to be made be authorized upon the same terms and for the same time as that which was authorized under the provisions of the act of the 28th of January, 1847.

Page 687

Should the war with Mexico be continued until the 30th of June, 1849, it is estimated that a further loan of $20,500,000 will be required for the fiscal year ending on that day, in case no duty be imposed on tea and coffee, and the public lands be not reduced and graduated in price, and no military contributions shall be collected in Mexico. If the duty on tea and coffee be imposed and the lands be reduced and graduated in price as proposed, the loan may be reduced to $17,000,000, and will be subject to be still further reduced by the amount of the military contributions which may be collected in Mexico. It is not proposed, however, at present to ask Congress for authority to negotiate this loan for the next fiscal year, as it is hoped that the loan asked for the remainder of the present fiscal year, aided by military contributions which may be collected in Mexico, may be sufficient. If, contrary to my expectation, there should be a necessity for it, the fact will be communicated to Congress in time for their action during the present session. In no event will a sum exceeding $6,000,000 of this amount be needed before the meeting of the session of Congress in December, 1848.

The act of the 30th of July, 1846, “reducing the duties on imports,” has been in force since the 1st of December last, and I am gratified to state that all the beneficial effects which were anticipated from its operation have been fully realized. The public revenue derived from customs during the year ending on the 1st of December, 1847, exceeds by more than $8,000,000 the amount received in the preceding year under the operation of the act of 1842, which was superseded and repealed by it. Its effects are visible in the great and almost unexampled prosperity which prevails in every branch of business.

While the repeal of the prohibitory and restrictive duties of the act of 1842 and the substitution in their place of reasonable revenue rates levied on articles imported according to their actual value has increased the revenue and augmented our foreign trade, all the great interests of the country have been advanced and promoted.

The great and important interests of agriculture, which had been not only too much neglected, but actually taxed under the protective policy for the benefit of other interests, have been relieved of the burdens which that policy imposed on them; and our farmers and planters, under a more just and liberal commercial policy, are finding new and profitable markets abroad for their augmented products. Our commerce is rapidly increasing, and is extending more widely the circle of international exchanges. Great as has been the increase of our imports during the past year, our exports of domestic products sold in foreign markets have been still greater.

Our navigating interest is eminently prosperous. The number of vessels built in the United States has been greater than during any preceding period of equal length. Large profits have been derived by those who have constructed as well as by those who have navigated them. Should the ratio of increase in the number of our merchant vessels be progressive, and be as great for the future as during the past year, the time is not distant when our tonnage and commercial marine will be larger than that of any other nation in the world.

Page 688

Whilst the interests of agriculture, of commerce, and of navigation have been enlarged and invigorated, it is highly gratifying to observe that our manufactures are also in a prosperous condition. None of the ruinous effects upon this interest which were apprehended by some as the result of the operation of the revenue system established by the act of 1846 have been experienced. On the contrary, the number of manufactories and the amount of capital invested in them is steadily and rapidly increasing, affording gratifying proofs that American enterprise and skill employed in this branch of domestic industry, with no other advantages than those fairly and incidentally accruing from a just System of revenue duties, are abundantly able to meet successfully all competition from abroad and still derive fair and remunerating profits. While capital invested in manufactures is yielding adequate and fair profits under the new system, the wages of labor, whether employed in manufactures, agriculture, commerce, or navigation, have been augmented. The toiling millions whose daily labor furnishes the supply of food and raiment and all the necessaries and comforts of life are receiving higher wages and more steady and permanent employment than in any other country or at any previous period of our own history.

So successful have been all branches of our industry that a foreign war, which generally diminishes the resources of a nation, has in no essential degree retarded our onward progress or checked our general prosperity.

With such gratifying evidences of prosperity and of the successful operation of the revenue act of 1846, every consideration of public policy recommends that it shall remain unchanged. It is hoped that the system of impost duties which it established may be regarded as the permanent policy of the country, and that the great interests affected by it may not again be subject to be injuriously disturbed, as they have heretofore been by frequent and sometimes sudden changes.

For the purpose of increasing the revenue, and without changing or modifying the rates imposed by the act of 1846 on the dutiable articles embraced by its provisions, I again recommend to your favorable consideration the expediency of levying a revenue duty on tea and coffee. The policy which exempted these articles from duty during peace, and when the revenue to be derived from them was not needed, ceases to exist when the country is engaged in war and requires the use of all of its available resources. It is a tax which would be so generally diffused among the people that it would be felt oppressively by none and be complained of by none. It is believed that there are not in the list of imported articles any which are more properly the subject of war duties than tea and coffee.

It is estimated that $3,000,000 would be derived annually by a moderate duty imposed on these articles.

Should Congress avail itself of this additional source of revenue, not only would the amount of the public loan rendered necessary by the war with Mexico be diminished to

that extent, but the public credit and the public confidence in the ability and determination of the Government to meet all its engagements promptly would be more firmly established, and the reduced amount of the loan which it may be necessary to negotiate could probably be obtained at cheaper rates.

Page 689

Congress is therefore called upon to determine whether it is wiser to impose the war duties recommended or by omitting to do so increase the public debt annually $3,000,000 so long as loans shall be required to prosecute the war, and afterwards provide in some other form to pay the semiannual interest upon it, and ultimately to extinguish the principal. If in addition to these duties Congress should graduate and reduce the price of such of the public lands as experience has proved will not command the price placed upon them by the Government, an additional annual income to the Treasury of between half a million and a million of dollars, it is estimated, would be derived from this source. Should both measures receive the sanction of Congress, the annual amount of public debt necessary to be contracted during the continuance of the war would be reduced near $4,000,000. The duties recommended to be levied on tea and coffee it is proposed shall be limited in their duration to the end of the war, and until the public debt rendered necessary to be contracted by it shall be discharged. The amount of the public debt to be contracted should be limited to the lowest practicable sum, and should be extinguished as early after the conclusion of the war as the means of the Treasury will permit.

With this view, it is recommended that as soon as the war shall be over all the surplus in the Treasury not needed for other indispensable objects shall constitute a sinking fund and be applied to the purchase of the funded debt, and that authority be conferred by laws for that purpose. The act of the 6th of August, 1846, “to establish a warehousing system,” has been in operation more than a year, and has proved to be an important auxiliary to the tariff act of 1846 in augmenting the revenue and extending the commerce of the country. Whilst it has tended to enlarge commerce, it has been beneficial to our manufactures by diminishing forced sales at auction of foreign goods at low prices to raise the duties to be advanced on them, and by checking fluctuations in the market. The system, although sanctioned by the experience of other countries, was entirely new in the United States, and is susceptible of improvement in some of its provisions. The Secretary of the Treasury, upon whom was devolved large discretionary powers in carrying this measure into effect, has collected and is now collating the practical results of the system in other countries where it has long been established, and will report at an early period of your session such further regulations suggested by the investigation as may render it still more effective and beneficial.

Page 690

By the act to “provide for the better organization of the Treasury and for the collection, safe-keeping, and disbursement of the public revenue” all banks were discontinued as fiscal agents of the Government, and the paper currency issued by them was no longer permitted to be received in payment of public dues. The constitutional treasury created by this act went into operation on the 1st of January last. Under the system established by it the public moneys have been collected, safely kept, and disbursed by the direct agency of officers of the Government in gold and silver, and transfers of large amounts have been made from points of collection to points of disbursement without loss to the Treasury or injury or inconvenience to the trade of the country.

While the fiscal operations of the Government have been conducted with regularity and ease under this system, it has had a salutary effect in checking and preventing an undue inflation of the paper currency issued by the banks which exist under State charters. Requiring, as it does, all dues to the Government to be paid in gold and silver, its effect is to restrain excessive issues of bank paper by the banks disproportioned to the specie in their vaults, for the reason that they are at all times liable to be called on by the holders of their notes for their redemption in order to obtain specie for the payment of duties and other public dues. The banks, therefore, must keep their business within prudent limits, and be always in a condition to meet such calls, or run the hazard of being compelled to suspend specie payments and be thereby discredited. The amount of specie imported into the United States during the last fiscal year was $24,121,289, of which there was retained in the country $22,276,170. Had the former financial system prevailed and the public moneys been placed on deposit in the banks, nearly the whole of this amount would have gone into their vaults, not to be thrown into circulation by them, but to be withheld from the hands of the people as a currency and made the basis of new and enormous issues of bank paper. A large proportion of the specie imported has been paid into the Treasury for public dues, and after having been to a great extent recoined at the Mint has been paid out to the public creditors and gone into circulation as a currency among the people. The amount of gold and silver coin now in circulation in the country is larger than at any former period.

The financial system established by the constitutional treasury has been thus far eminently successful in its operations, and I recommend an adherence to all its essential provisions, and especially to that vital provision which wholly separates the Government from all connection with banks and excludes bank paper from all revenue receipts.

In some of its details, not involving its general principles, the system is defective and will require modification. These defects and such amendments as are deemed important were set forth in the last annual report of the Secretary of the Treasury. These amendments are again recommended to the early and favorable consideration of Congress.

Page 691

During the past year the coinage at the Mint and its branches has exceeded $20,000,000. This has consisted chiefly in converting the coins of foreign countries into American coin.

The largest amount of foreign coin imported has been received at New York, and if a branch mint were established at that city all the foreign coin received at that port could at once be converted into our own coin without the expense, risk, and delay of transporting it to the Mint for that purpose, and the amount recoined would be much larger.

Experience has proved that foreign coin, and especially foreign gold coin, will not circulate extensively as a currency among the people. The important measure of extending our specie circulation, both of gold and silver, and of diffusing it among the people can only be effected by converting such foreign coin into American coin. I repeat the recommendation contained in my last annual message for the establishment of a branch of the Mint of the United States at the city of New York.

All the public lands which had been surveyed and were ready for market have been proclaimed for sale during the past year. The quantity offered and to be offered for sale under proclamations issued since the 1st of January last amounts to 9,138,531 acres. The prosperity of the Western States and Territories in which these lands lie will be advanced by their speedy sale. By withholding them from market their growth and increase of population would be retarded, while thousands of our enterprising and meritorious frontier population would be deprived of the opportunity of securing freeholds for themselves and their families. But in addition to the general considerations which rendered the early sale of these lands proper, it was a leading object at this time to derive as large a sum as possible from this source, and thus diminish by that amount the public loan rendered necessary by the existence of a foreign war.

It is estimated that not less than 10,000,000 acres of the public lands will be surveyed and be in a condition to be proclaimed for sale during the year 1848.

In my last annual message I presented the reasons which in my judgment rendered it proper to graduate and reduce the price of such of the public lands as have remained unsold for long periods after they had been offered for sale at public auction.

Many millions of acres of public lands lying within the limits of several of the Western States have been offered in the market and been subject to sale at private entry for more than twenty years and large quantities for more than thirty years at the lowest price prescribed by the existing laws, and it has been found that they will not command that price. They must remain unsold and uncultivated for an indefinite period unless the price demanded for them by the Government shall be reduced. No satisfactory reason is perceived why they should be longer held at rates above their real value. At the

present period an additional reason exists for adopting the measure recommended. When the country is engaged in a foreign war, and we must necessarily resort to loans, it would seem to be the dictate of wisdom that we should avail ourselves of all our resources and thus limit the amount of the public indebtedness to the lowest possible sum.

Page 692

I recommend that the existing laws on the subject of preemption rights be amended and modified so as to operate prospectively and to embrace all who may settle upon the public lands and make improvements upon them, before they are surveyed as well as afterwards, in all cases where such settlements may be made after the Indian title shall have been extinguished.

If the right of preemption be thus extended, it will embrace a large and meritorious class of our citizens. It will increase the number of small freeholders upon our borders, who will be enabled thereby to educate their children and otherwise improve their condition, while they will be found at all times, as they have ever proved themselves to be in the hour of danger to their country, among our hardiest and best volunteer soldiers, ever ready to attend to their services in cases of emergencies and among the last to leave the field as long as an enemy remains to be encountered. Such a policy will also impress these patriotic pioneer emigrants with deeper feelings of gratitude for the parental care of their Government, when they find their dearest interests secured to them by the permanent laws of the land and that they are no longer in danger of losing their homes and hard-earned improvements by being brought into competition with a more wealthy class of purchasers at the land sales. The attention of Congress was invited at their last and the preceding session to the importance of establishing a Territorial government over our possessions in Oregon, and it is to be regretted that there was no legislation on the subject. Our citizens who inhabit that distant region of country are still left without the protection of our laws, or any regularly organized government. Before the question of limits and boundaries of the Territory of Oregon was definitely settled, from the necessity of their condition the inhabitants had established a temporary government of their own. Besides the want of legal authority for continuing such a government, it is wholly inadequate to protect them in their rights of person and property, or to secure to them the enjoyment of the privileges of other citizens, to which they are entitled under the Constitution of the United States. They should have the right of suffrage, be represented in a Territorial legislature and by a Delegate in Congress, and possess all the rights and privileges which citizens of other portions of the territories of the United States have heretofore enjoyed or may now enjoy.

Our judicial system, revenue laws, laws regulating trade and intercourse with the Indian tribes, and the protection of our laws generally should be extended over them.

In addition to the inhabitants in that Territory who had previously emigrated to it, large numbers of our citizens have followed them during the present year, and it is not doubted that during the next and subsequent years their numbers will be greatly increased.

Page 693

Congress at its last session established post routes leading to Oregon, and between different points within that Territory, and authorized the establishment of post-offices at "Astoria and such other places on the coasts of the Pacific within the territory of the United States as the public interests may require." Post-offices have accordingly been established, deputy postmasters appointed, and provision made for the transportation of the mails.

The preservation of peace with the Indian tribes residing west of the Rocky Mountains will render it proper that authority should be given by law for the appointment of an adequate number of Indian agents to reside among them.

I recommend that a surveyor-general's office be established in that Territory, and that the public lands be surveyed and brought into market at an early period.

I recommend also that grants, upon liberal terms, of limited quantities of the public lands be made to all citizens of the United States who have emigrated, or may hereafter within a prescribed period emigrate, to Oregon and settle upon them. These hardy and adventurous citizens, who have encountered the dangers and privations of a long and toilsome journey, and have at length found an abiding place for themselves and their families upon the utmost verge of our western limits, should be secured in the homes which they have improved by their labor. I refer you to the accompanying report of the Secretary of War for a detailed account of the operations of the various branches of the public service connected with the Department under his charge. The duties devolving on this Department have been unusually onerous and responsible during the past year, and have been discharged with ability and success.

Pacific relations continue to exist with the various Indian tribes, and most of them manifest a strong friendship for the United States. Some depredations were committed during the past year upon our trains transporting supplies for the Army, on the road between the western border of Missouri and Santa Fe. These depredations, which are supposed to have been committed by bands from the region of New Mexico, have been arrested by the presence of a military force ordered out for that purpose. Some outrages have been perpetrated by a portion of the northwestern bands upon the weaker and comparatively defenseless neighboring tribes. Prompt measures were taken to prevent such occurrences in future.

Between 1,000 and 2,000 Indians, belonging to several tribes, have been removed during the year from the east of the Mississippi to the country allotted to them west of that river as their permanent home, and arrangements have been made for others to follow.

Page 694

Since the treaty of 1846 with the Cherokees the feuds among them appear to have subsided, and they have become more united and contented than they have been for many years past. The commissioners appointed in pursuance of the act of June 27, 1846, to settle claims arising under the treaty of 1835-36 with that tribe have executed their duties, and after a patient investigation and a full and fair examination of all the cases brought before them closed their labors in the month of July last. This is the fourth board of commissioners which has been organized under this treaty. Ample opportunity has been afforded to all those interested to bring forward their claims. No doubt is entertained that impartial justice has been done by the late board, and that all valid claims embraced by the treaty have been considered and allowed. This result and the final settlement to be made with this tribe under the treaty of 1846, which will be completed and laid before you during your session, will adjust all questions of controversy between them and the United States and produce a state of relations with them simple, well defined, and satisfactory. Under the discretionary authority conferred by the act of the 3d of March last the annuities due to the various tribes have been paid during the present year to the heads of families instead of to their chiefs or such persons as they might designate, as required by the law previously existing. This mode of payment has given general satisfaction to the great body of the Indians. Justice has been done to them, and they are grateful to the Government for it. A few chiefs and interested persons may object to this mode of payment, but it is believed to be the only mode of preventing fraud and imposition from being practiced upon the great body of common Indians, constituting a majority of all the tribes. It is gratifying to perceive that a number of the tribes have recently manifested an increased interest in the establishment of schools among them, and are making rapid advances in agriculture, some of them producing a sufficient quantity of food for their support and in some cases a surplus to dispose of to their neighbors. The comforts by which those who have received even a very limited education and have engaged in agriculture are surrounded tend gradually to draw off their less civilized brethren from the precarious means of subsistence by the chase to habits of labor and civilization.

The accompanying report of the Secretary of the Navy presents a satisfactory and gratifying account of the condition and operations of the naval service during the past year. Our commerce has been pursued with increased activity and with safety and success in every quarter of the globe under the protection of our flag, which the Navy has caused to be respected in the most distant seas.

In the Gulf of Mexico and in the Pacific the officers and men of our squadrons have displayed distinguished gallantry and performed valuable services. In the early stages of the war with Mexico her ports on both coasts were blockaded, and more recently many of them have been captured and held by the Navy. When acting in cooperation with the land forces, the naval officers and men have performed gallant and distinguished services on land as well as on water, and deserve the high commendation of the country.

Page 695

While other maritime powers are adding to their navies large numbers of war steamers, it was a wise policy on our part to make similar additions to our Navy. The four war steamers authorized by the act of the 3d of March, 1847, are in course of construction.

In addition to the four war steamers authorized by this act, the Secretary of the Navy has, in pursuance of its provisions, entered into contracts for the construction of five steamers to be employed in the transportation of the United States mail “from New York to New Orleans, touching at Charleston, Savannah, and Havana, and from Havana to Chagres;” for three steamers to be employed in like manner from Panama to Oregon, “so as to connect with the mail from Havana to Chagres across the Isthmus;” and for five steamers to be employed in like manner from New York to Liverpool. These steamers will be the property of the contractors, but are to be built “under the superintendence and direction of a naval constructor in the employ of the Navy Department, and to be so constructed as to render them convertible at the least possible expense into war steamers of the first class.” A prescribed number of naval officers, as well as a post-office agent, are to be on board of them, and authority is reserved to the Navy Department at all times to “exercise control over said steamships” and “to have the right to take them for the exclusive use and service of the United States upon making proper compensation to the contractors therefor.”

Whilst these steamships will be employed in transporting the mails of the United States coastwise and to foreign countries upon an annual compensation to be paid to the owners, they will be always ready, upon an emergency requiring it, to be converted into war steamers; and the right reserved to take them for public use will add greatly to the efficiency and strength of this description of our naval force. To the steamers thus authorized under contracts made by the Secretary of the Navy should be added five other steamers authorized under contracts made in pursuance of laws by the Postmaster-General, making an addition, in the whole, of eighteen war steamers subject to be taken for public use. As further contracts for the transportation of the mail to foreign countries may be authorized by Congress, this number may be enlarged indefinitely.

The enlightened policy by which a rapid communication with the various distant parts of the globe is established, by means of American built sea steamers, would find an ample reward in the increase of our commerce and in making our country and its resources more favorably known abroad; but the national advantage is still greater—of having our naval officers made familiar with steam navigation and of having the privilege of taking the ships already equipped for immediate service at a moment’s notice, and will be cheaply purchased by the compensation to be paid for the transportation of the mail in them over and above the postages received.

Page 696

A just national pride, no less than our commercial interests, would Seem to favor the policy of augmenting the number of this description of vessels. They can be built in our country cheaper and in greater numbers than in any other in the world.

I refer you to the accompanying report of the Postmaster-General for a detailed and satisfactory account of the condition and operations of that Department during the past year. It is gratifying to find that within so short a period after the reduction in the rates of postage, and notwithstanding the great increase of mail service, the revenue received for the year will be sufficient to defray all the expenses, and that no further aid will be required from the Treasury for that purpose.

The first of the American mail steamers authorized by the act of the 3d of March, 1845, was completed and entered upon the service on the 1st of June last, and is now on her third voyage to Bremen and other intermediate ports. The other vessels authorized under the provisions of that act are in course of construction, and will be put upon the line as soon as completed. Contracts have also been made for the transportation of the mail in a steamer from Charleston to Havana.

A reciprocal and satisfactory postal arrangement has been made by the Postmaster-General with the authorities of Bremen, and no difficulty is apprehended in making similar arrangements with all other powers with which we may have communications by mail steamers, except with Great Britain.

On the arrival of the first of the American steamers bound to Bremen at Southampton, in the month of June last, the British post-office directed the collection of discriminating postages on all letters and other mailable matter which she took out to Great Britain or which went into the British post-office on their way to France and other parts of Europe. The effect of the order of the British, post-office is to subject all letters and other matter transported by American steamers to double postage, one postage having been previously paid on them to the United States, while letters transported in British steamers are subject to pay but a single postage. This measure was adopted with the avowed object of protecting the British line of mail steamers now running between Boston and Liverpool, and if permitted to Continue must speedily put an end to the transportation of all letters and other matter by American steamers and give to British steamers a monopoly of the business. A just and fair reciprocity is all that we desire, and on this we must insist. By our laws no such discrimination is made against British steamers bringing letters into our ports, but all letters arriving in the United States are subject to the same rate of postage, whether brought in British or American vessels. I refer you to the report of the Postmaster-General for a full statement of the facts of the case and of the steps taken by him to correct this inequality. He has exerted all the power conferred upon him by the existing laws.

Page 697

The minister of the United States at London has brought the subject to the attention of the British Government, and is now engaged in negotiations for the purpose of adjusting reciprocal postal arrangements which shall be equally just to both countries. Should he fail in concluding such arrangements, and should Great Britain insist on enforcing the unequal and unjust measure she has adopted, it will become necessary to confer additional powers on the Postmaster-General in order to enable him to meet the emergency and to put our own steamers on an equal footing with British steamers engaged in transporting the mails between the two countries, and I recommend that such powers be conferred. In view of the existing state of our country, I trust it may not be inappropriate, in closing this communication, to call to mind the words of wisdom and admonition of the first and most illustrious of my predecessors in his Farewell Address to his countrymen.

That greatest and best of men, who served his country so long and loved it so much, foresaw with “serious concern” the danger to our Union of “characterizing parties by geographical discriminations—Northern and Southern, Atlantic and Western—whence designing men may endeavor to excite a belief that there is a real difference of local interests and views,” and warned his countrymen against it.

So deep and solemn was his conviction of the importance of the Union and of preserving harmony between its different parts, that he declared to his countrymen in that address:

It is of infinite moment that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest or to enfeeble the sacred ties which now link together the various parts.

After the lapse of half a century these admonitions of Washington fall upon us with all the force of truth. It is difficult to estimate the “immense value” of our glorious Union of confederated States, to which we are so much indebted for our growth in population and wealth and for all that constitutes us a great and a happy nation. How unimportant are all our differences of opinion upon minor questions of public policy compared with its preservation, and how scrupulously should we avoid all agitating topics which may tend to distract and divide us into contending parties, separated by geographical lines, whereby it may be weakened or endangered.

Invoking the blessing of the Almighty Ruler of the Universe upon your deliberations, it will be my highest duty, no less than my sincere pleasure, to cooperate with you in all

measures which may tend to promote the honor and enduring welfare of our common country.

Page 698

JAMES K. POLK

***

State of the Union Address
James Polk
December 5, 1848

Fellow-Citizens of the Senate and of the House of Representatives:

Under the benignant providence of Almighty God the representatives of the States and of the people are again brought together to deliberate for the public good. The gratitude of the nation to the Sovereign Arbiter of All Human Events should be commensurate with the boundless blessings which we enjoy.

Peace, plenty, and contentment reign throughout our borders, and our beloved country presents a sublime moral spectacle to the world.

The troubled and unsettled condition of some of the principal European powers has had a necessary tendency to check and embarrass trade and to depress prices throughout all commercial nations, but notwithstanding these causes, the United States, with their abundant products, have felt their effects less severely than any other country, and all our great interests are still prosperous and successful.

In reviewing the great events of the past year and contrasting the agitated and disturbed state of other countries with our own tranquil and happy condition, we may congratulate ourselves that we are the most favored people on the face of the earth. While the people of other countries are struggling to establish free institutions, under which man may govern himself, we are in the actual enjoyment of them—a rich inheritance from our fathers. While enlightened nations of Europe are convulsed and distracted by civil war or intestine strife, we settle all our political controversies by the peaceful exercise of the rights of freemen at the ballot box.

The great republican maxim, so deeply engraven on the hearts of our people, that the will of the majority, constitutionally expressed, shall prevail, is our sure safeguard against force and violence. It is a subject of just pride that our fame and character as a nation continue rapidly to advance in the estimation of the civilized world.

To our wise and free institutions it is to be attributed that while other nations have achieved glory at the price of the suffering, distress, and impoverishment of their people, we have won our honorable position in the midst of an uninterrupted prosperity and of an increasing individual comfort and happiness.

I am happy to inform you that our relations with all nations are friendly and pacific. Advantageous treaties of commerce have been concluded within the last four years with New Granada, Peru, the Two Sicilies, Belgium, Hanover, Oldenburg, and Mecklenburg-Schwerin. Pursuing our example, the restrictive system of Great Britain, our principal foreign customer, has been relaxed, a more liberal commercial policy has been adopted by other enlightened nations, and our trade has been greatly enlarged and extended. Our country stands higher in the respect of the world than at any

Page 699

former period. To continue to occupy this proud position, it is only necessary to preserve peace and faithfully adhere to the great and fundamental principle of our foreign policy of noninterference in the domestic concerns of other nations. We recognize in all nations the right which we enjoy ourselves, to change and reform their political institutions according to their own will and pleasure. Hence we do not look behind existing governments capable of maintaining their own authority. We recognize all such actual governments, not only from the dictates of true policy, but from a sacred regard for the independence of nations. While this is our settled policy, it does not follow that we can ever be indifferent spectators of the progress of liberal principles. The Government and people of the United States hailed with enthusiasm and delight the establishment of the French Republic, as we now hail the efforts in progress to unite the States of Germany in a confederation similar in many respects to our own Federal Union. If the great and enlightened German States, occupying, as they do, a central and commanding position in Europe, shall succeed in establishing such a confederated government, securing at the same time to the citizens of each State local governments adapted to the peculiar condition of each, with unrestricted trade and intercourse with each other, it will be an important era in the history of human events. Whilst it will consolidate and strengthen the power of Germany, it must essentially promote the cause of peace, commerce, civilization, and constitutional liberty throughout the world.

With all the Governments on this continent our relations, it is believed, are now on a more friendly and satisfactory footing than they have ever been at any former period.

Since the exchange of ratifications of the treaty of peace with Mexico our intercourse with the Government of that Republic has been of the most friendly character. The envoy extraordinary and minister plenipotentiary of the United States to Mexico has been received and accredited, and a diplomatic representative from Mexico of similar rank has been received and accredited by this Government. The amicable relations between the two countries, which had been suspended, have been happily restored, and are destined, I trust, to be long preserved. The two Republics, both situated on this continent, and with coterminous territories, have every motive of sympathy and of interest to bind them together in perpetual amity.

This gratifying condition of our foreign relations renders it unnecessary for me to call your attention more specifically to them.

It has been my constant aim and desire to cultivate peace and commerce with all nations. Tranquility at home and peaceful relations abroad constitute the true permanent policy of our country. War, the scourge of nations, sometimes becomes inevitable, but is always to be avoided when it can be done consistently with the rights and honor of a nation.

Page 700

One of the most important results of the war into which we were recently forced with a neighboring nation is the demonstration it has afforded of the military strength of our country. Before the late war with Mexico European and other foreign powers entertained imperfect and erroneous views of our physical strength as a nation and of our ability to prosecute war, and especially a war waged out of out own country. They saw that our standing Army on the peace establishment did not exceed 10,000 men. Accustomed themselves to maintain in peace large standing armies for the protection of thrones against their own subjects, as well as against foreign enemies, they had not conceived that it was possible for a nation without such an army, well disciplined and of long service, to wage war successfully. They held in low repute our militia, and were far from regarding them as an effective force, unless it might be for temporary defensive operations when invaded on our own soil. The events of the late war with Mexico have not only undeceived them, but have removed erroneous impressions which prevailed to some extent even among a portion of our own countrymen. That war has demonstrated that upon the breaking out of hostilities not anticipated, and for which no previous preparation had been made, a volunteer army of citizen soldiers equal to veteran troops, and in numbers equal to any emergency, can in a short period be brought into the field. Unlike what would have occurred in any other country, we were under no necessity of resorting to drafts or conscriptions. On the contrary, such was the number of volunteers who patriotically tendered their services that the chief difficulty was in making selections and determining who should be disappointed and compelled to remain at home. Our citizen soldiers are unlike those drawn from the population of any other country. They are composed indiscriminately of all professions and pursuits—of farmers, lawyers, physicians, merchants, manufacturers, mechanics, and laborers—and this not only among the officers, but the private soldiers in the ranks. Our citizen soldiers are unlike those of any other country in other respects. They are armed, and have been accustomed from their youth up to handle and use firearms, and a large proportion of them, especially in the Western and more newly settled States, are expert marksmen. They are men who have a reputation to maintain at home by their good conduct in the field. They are intelligent, and there is an individuality of character which is found in the ranks of no other army. In battle each private man, as well as every officer, rights not only for his country, but for glory and distinction among his fellow-citizens when he shall return to civil life.

Page 701

The war with Mexico has demonstrated not only the ability of the Government to organize a numerous army upon a sudden call, but also to provide it with all the munitions and necessary supplies with dispatch, convenience, and ease, and to direct its operations with efficiency. The strength of our institutions has not only been displayed in the valor and skill of our troops engaged in active service in the field, but in the organization of those executive branches which were charged with the general direction and conduct of the war. While too great praise can not be bestowed upon the officers and men who fought our battles, it would be unjust to withhold from those officers necessarily stationed at home, who were charged with the duty of furnishing the Army in proper time and at proper places with all the munitions of war and other supplies so necessary to make it efficient, the commendation to which they are entitled. The credit due to this class of our officers is the greater when it is considered that no army in ancient or modern times was even better appointed or provided than our Army in Mexico. Operating in an enemy's country, removed 2,000 miles from the seat of the Federal Government, its different corps spread over a vast extent of territory, hundreds and even thousands of miles apart from each other, nothing short of the untiring vigilance and extraordinary energy of these officers could have enabled them to provide the Army at all points and in proper season with all that was required for the most efficient service.

It is but an act of justice to declare that the officers in charge of the several executive bureaus, all under the immediate eye and supervision of the Secretary of War, performed their respective duties with ability, energy, and efficiency. They have reaped less of the glory of the war, not having been personally exposed to its perils in battle, than their companions in arms; but without their forecast, efficient aid, and cooperation those in the field would not have been provided with the ample means they possessed of achieving for themselves and their country the unfading honors which they have won for both.

When all these facts are considered, it may cease to be a matter of so much amazement abroad how it happened that our noble Army in Mexico, regulars and volunteers, were victorious upon every battlefield, however fearful the odds against them.

The war with Mexico has thus fully developed the capacity of republican governments to prosecute successfully a just and necessary foreign war with all the vigor usually attributed to more arbitrary forms of government. It has been usual for writers on public law to impute to republics a want of that unity, concentration of purpose, and vigor of execution which are generally admitted to belong to the monarchical and aristocratic forms; and this feature of popular government has been supposed to display itself more particularly in the conduct of a war carried on in an enemy's territory. The war with Great Britain in 1812 was to a great extent confined within our own limits, and shed but little light on this subject; but the war which we have just closed by an honorable peace

evinces beyond all doubt that a popular representative government is equal to any emergency which is likely to arise in the affairs of a nation.

Page 702

The war with Mexico has developed most strikingly and conspicuously another feature in our institutions. It is that without cost to the Government or danger to our liberties we have in the bosom of our society of freemen, available in a just and necessary war, virtually a standing army of 2,000,000 armed citizen soldiers, such as fought the battles of Mexico. But our military strength does not consist alone in our capacity for extended and successful operations on land. The Navy is an important arm of the national defense. If the services of the Navy were not so brilliant as those of the Army in the late war with Mexico, it was because they had no enemy to meet on their own element. While the Army had opportunity of performing more conspicuous service, the Navy largely participated in the conduct of the war. Both branches of the service performed their whole duty to the country. For the able and gallant services of the officers and men of the Navy, acting independently as well as in cooperation with our troops, in the conquest of the Californias, the capture of Vera Cruz, and the seizure and occupation of other important positions on the Gulf and Pacific coasts, the highest praise is due. Their vigilance, energy, and skill rendered the most effective service in excluding munitions of war and other supplies from the enemy, while they secured a safe entrance for abundant supplies for our own Army. Our extended commerce was nowhere interrupted, and for this immunity from the evils of war the country is indebted to the Navy.

High praise is due to the officers of the several executive bureaus, navy-yards, and stations connected with the service, all under the immediate direction of the Secretary of the Navy, for the industry, foresight, and energy with which everything was directed and furnished to give efficiency to that branch of the service. The same vigilance existed in directing the operations of the Navy as of the Army. There was concert of action and of purpose between the heads of the two arms of the service. By the orders which were from time to time issued, our vessels of war on the Pacific and the Gulf of Mexico were stationed in proper time and in proper positions to cooperate efficiently with the Army. By this means their combined power was brought to bear successfully on the enemy.

The great results which have been developed and brought to light by this war will be of immeasurable importance in the future progress of our country. They will tend powerfully to preserve us from foreign collisions, and to enable us to pursue uninterruptedly our cherished policy of “peace with all nations, entangling alliances with none.”

Occupying, as we do, a more commanding position among nations than at any former period, our duties and our responsibilities to ourselves and to posterity are correspondingly increased. This will be the more obvious when we consider the vast additions which have been recently made to our territorial possessions and their great importance and value.

Page 703

Within less than four years the annexation of Texas to the Union has been consummated; all conflicting title to the Oregon Territory south of the forty-ninth degree of north latitude, being all that was insisted on by any of my predecessors, has been adjusted, and New Mexico and Upper California have been acquired by treaty. The area of these several Territories, according to a report carefully prepared by the Commissioner of the General Land Office from the most authentic information in his possession, and which is herewith transmitted, contains 1,193,061 square miles, or 763,559,040 acres; while the area of the remaining twenty-nine States and the territory not yet organized into States east of the Rocky Mountains contains 2,059,513 square miles, or 1,318,126,058 acres. These estimates show that the territories recently acquired, and over which our exclusive jurisdiction and dominion have been extended, constitute a country more than half as large as all that which was held by the United States before their acquisition. If Oregon be excluded from the estimate, there will still remain within the limits of Texas, New Mexico, and California 851,598 square miles, or 545,012,720 acres, being an addition equal to more than one-third of all the territory owned by the United States before their acquisition, and, including Oregon, nearly as great an extent of territory as the whole of Europe, Russia only excepted. The Mississippi, so lately the frontier of our country, is now only its center. With the addition of the late acquisitions, the United States are now estimated to be nearly as large as the whole of Europe. It is estimated by the Superintendent of the Coast Survey in the accompanying report that the extent of the seacoast of Texas on the Gulf of Mexico is upward of 400 miles; of the coast of Upper California on the Pacific, of 970 miles, and of Oregon, including the Straits of Fuca, of 650 miles, making the whole extent of seacoast on the Pacific 1,620 miles and the whole extent on both the Pacific and the Gulf of Mexico 2,020 miles. The length of the coast on the Atlantic from the northern limits of the United States around the capes of Florida to the Sabine, on the eastern boundary of Texas, is estimated to be 3,100 miles; so that the addition of seacoast, including Oregon, is very nearly two-thirds as great as all we possessed before, and, excluding Oregon, is an addition of 1,370 miles, being nearly equal to one-half of the extent of coast which we possessed before these acquisitions. We have now three great maritime fronts—on the Atlantic, the Gulf of Mexico, and the Pacific—making in the whole an extent of seacoast exceeding 5,000 miles. This is the extent of the seacoast of the United States, not including bays, sounds, and small irregularities of the main shore and of the sea islands. If these be included, the length of the shore line of coast, as estimated by the Superintendent of the Coast Survey in his report, would be 33,063 miles.

Page 704

It would be difficult to calculate the value of these immense additions to our territorial possessions. Texas, lying contiguous to the western boundary of Louisiana, embracing within its limits a part of the navigable tributary waters of the Mississippi and an extensive seacoast, could not long have remained in the hands of a foreign power without endangering the peace of our southwestern frontier. Her products in the vicinity of the tributaries of the Mississippi must have sought a market through these streams, running into and through our territory, and the danger of irritation and collision of interests between Texas as a foreign state and ourselves would have been imminent, while the embarrassments in the commercial intercourse between them must have been constant and unavoidable. Had Texas fallen into the hands or under the influence and control of a strong maritime or military foreign power, as she might have done, these dangers would have been still greater. They have been avoided by her voluntary and peaceful annexation to the United States. Texas, from her position, was a natural and almost indispensable part of our territories. Fortunately, she has been restored to our country, and now constitutes one of the States of our Confederacy, “upon an equal footing with the original States.” The salubrity of climate, the fertility of soil, peculiarly adapted to the production of some of our most valuable staple commodities, and her commercial advantages must soon make her one of our most populous States.

New Mexico, though situated in the interior and without a seacoast, is known to contain much fertile land, to abound in rich mines of the precious metals, and to be capable of sustaining a large population. From its position it is the intermediate and connecting territory between our settlements and our possessions in Texas and those on the Pacific Coast.

Upper California, irrespective of the vast mineral wealth recently developed there, holds at this day, in point of value and importance, to the rest of the Union the same relation that Louisiana did when that fine territory was acquired from France forty-five years ago. Extending nearly ten degrees of latitude along the Pacific, and embracing the only safe and commodious harbors on that coast for many hundred miles, with a temperate climate and an extensive interior of fertile lands, it is scarcely possible to estimate its wealth until it shall be brought under the government of our laws and its resources fully developed. From its position it must command the rich commerce of China, of Asia, of the islands of the Pacific, of western Mexico, of Central America, the South American States, and of the Russian possessions bordering on that ocean. A great emporium will doubtless speedily arise on the Californian coast which may be destined to rival in importance New Orleans itself. The depot of the vast commerce which must exist on the Pacific will probably be at some point on the Bay

Page 705

of San Francisco, and will occupy the same relation to the whole western coast of that ocean as New Orleans does to the valley of the Mississippi and the Gulf of Mexico. To this depot our numerous whale ships will resort with their cargoes to trade, refit, and obtain supplies. This of itself will largely contribute to build up a city, which would soon become the center of a great and rapidly increasing commerce. Situated on a safe harbor, sufficiently capacious for all the navies as well as the marine of the world, and convenient to excellent timber for shipbuilding, owned by the United States, it must become our great Western naval depot.

It was known that mines of the precious metals existed to a considerable extent in California at the time of its acquisition. Recent discoveries render it probable that these mines are more extensive and valuable than was anticipated. The accounts of the abundance of gold in that territory are of such an extraordinary character as would scarcely command belief were they not corroborated by the authentic reports of officers in the public service who have visited the mineral district and derived the facts which they detail from personal observation. Reluctant to credit the reports in general circulation as to the quantity of gold, the officer commanding our forces in California visited the mineral district in July last for the purpose of obtaining accurate information on the subject. His report to the War Department of the result of his examination and the facts obtained on the spot is herewith laid before Congress. When he visited the country there were about 4,000 persons engaged in collecting gold. There is every reason to believe that the number of persons so employed has since been augmented. The explorations already made warrant the belief that the supply is very large and that gold is found at various places in an extensive district of country.

Information received from officers of the Navy and other sources, though not so full and minute, confirms the accounts of the commander of our military force in California. It appears also from these reports that mines of quicksilver are found in the vicinity of the gold region. One of them is now being worked, and is believed to be among the most productive in the world.

The effects produced by the discovery of these rich mineral deposits and the success which has attended the labors of those who have resorted to them have produced a surprising change in the state of affairs in California. Labor commands a most exorbitant price, and all other pursuits but that of searching for the precious metals are abandoned. Nearly the whole of the male population of the country have gone to the gold districts. Ships arriving on the coast are deserted by their crews and their voyages suspended for want of sailors. Our commanding officer there entertains apprehensions that soldiers can not be kept in the public service without a large increase of pay. Desertions in his command have become frequent, and he recommends that those who shall withstand the strong temptation and remain faithful should be rewarded.

Page 706

This abundance of gold and the all-engrossing pursuit of it have already caused in California an unprecedented rise in the price of all the necessaries of life.

That we may the more speedily and fully avail ourselves of the undeveloped wealth of these mines, it is deemed of vast importance that a branch of the Mint of the United States be authorized to be established at your present session in California. Among other signal advantages which would result from such an establishment would be that of raising the gold to its par value in that territory. A branch mint of the United States at the great commercial depot on the west coast would convert into our own coin not only the gold derived from our own rich mines, but also the bullion and specie which our commerce may bring from the whole west coast of Central and South America. The west coast of America and the adjacent interior embrace the richest and best mines of Mexico, New Granada, Central America, Chili, and Peru. The bullion and specie drawn from these countries, and especially from those of western Mexico and Peru, to an amount in value of many millions of dollars, are now annually diverted and carried by the ships of Great Britain to her own ports, to be recoined or used to sustain her national bank, and thus contribute to increase her ability to command so much of the commerce of the world. If a branch mint be established at the great commercial point upon that coast, a vast amount of bullion and specie would flow thither to be recoined, and pass thence to New Orleans, New York, and other Atlantic cities. The amount of our constitutional currency at home would be greatly increased, while its circulation abroad would be promoted. It is well known to our merchants trading to China and the west coast of America that great inconvenience and loss are experienced from the fact that our coins are not current at their par value in those countries.

The powers of Europe, far removed from the west coast of America by the Atlantic Ocean, which intervenes, and by a tedious and dangerous navigation around the southern cape of the continent of America, can never successfully compete with the United States in the rich and extensive commerce which is opened to us at so much less cost by the acquisition of California.

The vast importance and commercial advantages of California have heretofore remained undeveloped by the Government of the country of which it constituted a part. Now that this fine province is a part of our country, all the States of the Union, some more immediately and directly than others, are deeply interested in the speedy development of its wealth and resources. No section of our country is more interested or will be more benefited than the commercial, navigating, and manufacturing interests of the Eastern States. Our planting and farming interests in every part of the Union will Be greatly benefited by it. As our commerce and navigation are enlarged and extended, our exports of agricultural products and of manufactures will be increased, and in the new markets thus opened they can not fail to command remunerating and profitable prices.

Page 707

The acquisition of California and New Mexico, the settlement of the Oregon boundary, and the annexation of Texas, extending to the Rio Grande, are results which, combined, are of greater consequence and will add more to the strength and wealth of the nation than any which have preceded them since the adoption of the Constitution.

But to effect these great results not only California, but New Mexico, must be brought under the control of regularly organized governments. The existing condition of California and of that part of New Mexico lying west of the Rio Grande and without the limits of Texas imperiously demands that Congress should at its present session organize Territorial governments over them.

Upon the exchange of ratifications of the treaty of peace with Mexico, on the 30th of May last, the temporary governments which had been established over New Mexico and California by our military and naval commanders by virtue of the rights of war ceased to derive any obligatory force from that source of authority, and having been ceded to the United States, all government and control over them under the authority of Mexico had ceased to exist. Impressed with the necessity of establishing Territorial governments over them, I recommended the subject to the favorable consideration of Congress in my message communicating the ratified treaty of peace, on the 6th of July last, and invoked their action at that session. Congress adjourned without making any provision for their government. The inhabitants by the transfer of their country had become entitled to the benefit of our laws and Constitution, and yet were left without any regularly organized government. Since that time the very limited power possessed by the Executive has been exercised to preserve and protect them from the inevitable consequences of a state of anarchy. The only government which remained was that established by the military authority during the war. Regarding this to be a de facto government, and that by the presumed consent of the inhabitants it might be continued temporarily, they were advised to conform and submit to it for the short intervening period before Congress would again assemble and could legislate on the subject. The views entertained by the Executive on this point are contained in a communication of the Secretary of State dated the 7th of October last, which was forwarded for publication to California and New Mexico, a copy of which is herewith transmitted. The small military force of the Regular Army which was serving within the limits of the acquired territories at the close of the war was retained in them, and additional forces have been ordered there for the protection of the inhabitants and to preserve and secure the rights and interests of the United States.

No revenue has been or could be collected at the ports in California, because Congress failed to authorize the establishment of custom-houses or the appointment of officers for that purpose.

Page 708

The Secretary of the Treasury, by a circular letter addressed to collectors of the customs on the 7th day of October last, a copy of which is herewith transmitted, exercised all the power with which he was invested by law.

In pursuance of the act of the 14th of August last, extending the benefit of our post-office laws to the people of California, the Postmaster-General has appointed two agents, who have proceeded, the one to California and the other to Oregon, with authority to make the necessary arrangements for carrying its provisions into effect.

The monthly line of mail steamers from Panama to Astoria has been required to “stop and deliver and take mails at San Diego, Monterey, and San Francisco.” These mail steamers, connected by the Isthmus of Panama with the line of mail steamers on the Atlantic between New York and Chagres, will establish a regular mail communication with California.

It is our solemn duty to provide with the least practicable delay for New Mexico and California regularly organized Territorial governments. The causes of the failure to do this at the last session of Congress are well known and deeply to be regretted. With the opening prospects of increased prosperity and national greatness which the acquisition of these rich and extensive territorial possessions affords, how irrational it would be to forego or to reject these advantages by the agitation of a domestic question which is coeval with the existence of our Government itself, and to endanger by internal strifes, geographical divisions, and heated contests for political power, or for any other cause, the harmony of the glorious Union of our confederated States—that Union which binds us together as one people, and which for sixty years has been our shield and protection against every danger. In the eyes of the world and of posterity how trivial and insignificant will be all our internal divisions and struggles compared with the preservation of this Union of the States in all its vigor and with all its countless blessings! No patriot would foment and excite geographical and sectional divisions. No lover of his country would deliberately calculate the value of the Union. Future generations would look in amazement upon the folly of such a course. Other nations at the present day would look upon it with astonishment, and such of them as desire to maintain and perpetuate thrones and monarchical or aristocratical principles will view it with exultation and delight, because in it they will see the elements of faction, which they hope must ultimately overturn our system. Ours is the great example of a prosperous and free self-governed republic, commanding the admiration and the imitation of all the lovers of freedom throughout the world. How solemn, therefore, is the duty, how impressive the call upon us and upon all parts of our country, to cultivate a patriotic spirit of harmony, of good-fellowship, of compromise and mutual concession, in the administration of the incomparable system of government formed by our fathers in the midst of almost insuperable difficulties, and transmitted to us with the injunction that we should enjoy its blessings and hand it down unimpaired to those who may come after us.

Page 709

In view of the high and responsible duties which we owe to ourselves and to mankind, I trust you may be able at your present session to approach the adjustment of the only domestic question which seriously threatens, or probably ever can threaten, to disturb the harmony and successful operations of our system.

The immensely valuable possessions of New Mexico and California are already inhabited by a considerable population. Attracted by their great fertility, their mineral wealth, their commercial advantages, and the salubrity of the climate, emigrants from the older States in great numbers are already preparing to seek new homes in these inviting regions. Shall the dissimilarity of the domestic institutions in the different States prevent us from providing for them suitable governments? These institutions existed at the adoption of the Constitution, but the obstacles which they interposed were overcome by that spirit of compromise which is now invoked. In a conflict of opinions or of interests, real or imaginary, between different sections of our country, neither can justly demand all which it might desire to obtain. Each, in the true spirit of our institutions, should concede something to the other.

Our gallant forces in the Mexican war, by whose patriotism and unparalleled deeds of arms we obtained these possessions as an indemnity for our just demands against Mexico, were composed of citizens who belonged to no one State or section of our Union. They were men from slaveholding and nonslaveholding States, from the North and the South, from the East and the West. They were all companions in arms and fellow-citizens of the same common country, engaged in the same common cause. When prosecuting that war they were brethren and friends, and shared alike with each other common toils, dangers, and sufferings. Now, when their work is ended, when peace is restored, and they return again to their homes, put off the habiliments of war, take their places in society, and resume their pursuits in civil life, surely a spirit of harmony and concession and of equal regard for the rights of all and of all sections of the Union ought to prevail in providing governments for the acquired territories—the fruits of their common service. The whole people of the United States, and of every State, contributed to defray the expenses of that war, and it would not be just for any one section to exclude another from all participation in the acquired territory. This would not be in consonance with the just system of government which the framers of the Constitution adopted.

The question is believed to be rather abstract than practical whether slavery ever can or would exist in any portion of the acquired territory even if it were left to the option of the slaveholding States themselves. From the nature of the climate and productions in much the larger portion of it it is certain it could never exist, and in the remainder the probabilities are it would not. But however this may be, the question, involving, as it does, a principle of equality of rights of the separate and several States as equal copartners in the Confederacy, should not be disregarded.

Page 710

In organizing governments over these territories no duty imposed on Congress by the Constitution requires that they should legislate on the subject of slavery, while their power to do so is not only seriously questioned, but denied by many of the soundest expounders of that instrument. Whether Congress shall legislate or not, the people of the acquired territories, when assembled in convention to form State constitutions, will possess the sole and exclusive power to determine for themselves whether slavery shall or shall not exist within their limits. If Congress shall abstain from interfering with the question, the people of these territories will be left free to adjust it as they may think proper when they apply for admission as States into the Union. No enactment of Congress could restrain the people of any of the sovereign States of the Union, old or new, North or South, slaveholding or nonslaveholding, from determining the character of their own domestic institutions as they may deem wise and proper. Any and all the States possess this right, and Congress can not deprive them of it. The people of Georgia might if they chose so alter their constitution as to abolish slavery within its limits, and the people of Vermont might so alter their constitution as to admit slavery within its limits. Both States would possess the right, though, as all know, it is not probable that either would exert it.

It is fortunate for the peace and harmony of the Union that this question is in its nature temporary and can only continue for the brief period which will intervene before California and New Mexico may be admitted as States into the Union. From the tide of population now flowing into them it is highly probable that this will soon occur.

Considering the several States and the citizens of the several States as equals and entitled to equal rights under the Constitution, if this were an original question it might well be insisted on that the principle of noninterference is the true doctrine and that Congress could not, in the absence of any express grant of power, interfere with their relative rights. Upon a great emergency, however, and under menacing dangers to the Union, the Missouri compromise line in respect to slavery was adopted. The same line was extended farther west in the acquisition of Texas. After an acquiescence of nearly thirty years in the principle of compromise recognized and established by these acts, and to avoid the danger to the Union which might follow if it were now disregarded, I have heretofore expressed the opinion that that line of compromise should be extended on the parallel of 36° 30’ from the western boundary of Texas, where it now terminates, to the Pacific Ocean. This is the middle ground of compromise, upon which the different sections of the Union may meet, as they have heretofore met. If this be done, it is confidently believed a large majority of the people of every section of the country, however widely their abstract opinions on the subject of slavery may differ, would cheerfully and patriotically acquiesce in it, and peace and harmony would again fill our borders.

Page 711

The restriction north of the line was only yielded to in the case of Missouri and Texas upon a principle of compromise, made necessary for the sake of preserving the harmony and possibly the existence of the Union.

It was upon these considerations that at the close of your last session I gave my sanction to the principle of the Missouri compromise line by approving and signing the bill to establish “the Territorial government of Oregon.” From a sincere desire to preserve the harmony of the Union, and in deference for the acts of my predecessors, I felt constrained to yield my acquiescence to the extent to which they had gone in compromising this delicate and dangerous question. But if Congress shall now reverse the decision by which the Missouri compromise was effected, and shall propose to extend the restriction over the whole territory, south as well as north of the parallel of 36° 30’, it will cease to be a compromise, and must be regarded as an original question.

If Congress, instead of observing the course of noninterference, leaving the adoption of their own domestic institutions to the people who may inhabit these territories, or if, instead of extending the Missouri compromise line to the Pacific, shall prefer to submit the legal and constitutional questions which may arise to the decision of the judicial tribunals, as was proposed in a bill which passed the Senate at your last session, an adjustment may be effected in this mode. If the whole subject be referred to the judiciary, all parts of the Union should cheerfully acquiesce in the final decision of the tribunal created by the Constitution for the settlement of all questions which may arise under the Constitution, treaties, and laws of the United States.

Congress is earnestly invoked, for the sake of the Union, its harmony, and our continued prosperity as a nation, to adjust at its present session this, the only dangerous question which lies in our path, if not in some one of the modes suggested, in some other which may be satisfactory.

In anticipation of the establishment of regular governments over the acquired territories, a joint commission of officers of the Army and Navy has been ordered to proceed to the coast of California and Oregon for the purpose of making reconnoissances and a report as to the proper sites for the erection of fortifications or other defensive works on land and of suitable situations for naval stations. The information which may be expected from a scientific and skillful examination of the whole face of the coast will be eminently useful to Congress when they come to consider the propriety of making appropriations for these great national objects. Proper defenses on land will be necessary for the security and protection of our possessions, and the establishment of navy-yards and a dock for the repair and construction of vessels will be important alike to our Navy and commercial marine. Without such establishments

Page 712

every vessel, whether of the Navy or of the merchant service, requiring repair must at great expense come round Cape Horn to one of our Atlantic yards for that purpose. With such establishments vessels, it is believed may be built or repaired as cheaply in California as upon the Atlantic coast. They would give employment to many of our enterprising shipbuilders and mechanics and greatly facilitate and enlarge our commerce in the Pacific.

As it is ascertained that mines of gold, silver, copper, and quicksilver exist in New Mexico and California, and that nearly all the lands where they are found belong to the United States, it is deemed important to the public interest that provision be made for a geological and mineralogical examination of these regions. Measures should be adopted to preserve the mineral lands, especially such as contain the precious metals, for the use of the United States, or, if brought into market, to separate them from the farming lands and dispose of them in such manner as to secure a large return of money to the Treasury and at the same time to lead to the development of their wealth by individual proprietors and purchasers. To do this it will be necessary to provide for an immediate survey and location of the lots. If Congress should deem it proper to dispose of the mineral lands, they should be sold in small quantities and at a fixed minimum price.

I recommend that surveyors-general's offices be authorized to be established in New Mexico and California and provision made for surveying and bringing the public lands into market at the earliest practicable period. In disposing of these lands, I recommend that the right of preemption be secured and liberal grants made to the early emigrants who have settled or may settle upon them.

It will be important to extend our revenue laws over these territories, and especially over California, at an early period. There is already a considerable commerce with California, and until ports of entry shall be established and collectors appointed no revenue can be received.

If these and other necessary and proper measures be adopted for the development of the wealth and resources of New Mexico and California and regular Territorial governments be established over them, such will probably be the rapid enlargement of our commerce and navigation and such the addition to the national wealth that the present generation may live to witness the controlling commercial and monetary power of the world transferred from London and other European emporiums to the city of New York.

Page 713

The apprehensions which were entertained by some of our statesmen in the earlier periods of the Government that our system was incapable of operating with sufficient energy and success over largely extended territorial limits, and that if this were attempted it would fall to pieces by its own weakness, have been dissipated by our experience. By the division of power between the States and Federal Government the latter is found to operate with as much energy in the extremes as in the center. It is as efficient in the remotest of the thirty States which now compose the Union as it was in the thirteen States which formed our Constitution. Indeed, it may well be doubted whether if our present population had been confined within the limits of the original thirteen States the tendencies to centralization and consolidation would not have been such as to have encroached upon the essential reserved rights of the States, and thus to have made the Federal Government a widely different one, practically, from what it is in theory and was intended to be by its framers. So far from entertaining apprehensions of the safety of our system by the extension of our territory, the belief is confidently entertained that each new State gives strength and an additional guaranty for the preservation of the Union itself.

In pursuance of the provisions of the thirteenth article of the treaty of peace, friendship, limits, and settlement with the Republic of Mexico, and of the act of July 29, 1848, claims of our citizens, which had been “already liquidated and decided, against the Mexican Republic” amounting, with the interest thereon, to $2,023,832.51 have been liquidated and paid. There remain to be paid of these claims $74,192.26.

Congress at its last session having made no provision for executing the fifteenth article of the treaty, by which the United States assume to make satisfaction for the “unliquidated claims” of our citizens against Mexico to “an amount not exceeding three and a quarter millions of dollars,” the subject is again recommended to your favorable consideration.

The exchange of ratifications of the treaty with Mexico took place on the 30th of May, 1848. Within one year after that time the commissioner and surveyor which each Government stipulates to appoint are required to meet “at the port of San Diego and proceed to run and mark the said boundary in its whole course to the mouth of the Rio Bravo del Norte.” It will be seen from this provision that the period within which a commissioner and surveyor of the respective Governments are to meet at San Diego will expire on the 30th of May, 1849. Congress at the close of its last session made an appropriation for “the expenses of running and marking the boundary line” between the two countries, but did not fix the amount of salary which should be paid to the commissioner and surveyor to be appointed on the part of the United States. It is desirable that the amount of compensation which they shall receive should be prescribed by law, and not left, as at present, to Executive discretion.

Page 714

Measures were adopted at the earliest practicable period to organize the “Territorial government of Oregon,” as authorized by the act of the 14th of August last. The governor and marshal of the Territory, accompanied by a small military escort, left the frontier of Missouri in September last, and took the southern route, by the way of Santa Fe and the river Gila, to California, with the intention of proceeding thence in one of our vessels of war to their destination. The governor was fully advised of the great importance of his early arrival in the country, and it is confidently believed he may reach Oregon in the latter part of the present month or early in the next. The other officers for the Territory have proceeded by sea.

In the month of May last I communicated information to Congress that an Indian war had broken out in Oregon, and recommended that authority be given to raise an adequate number of volunteers to proceed without delay to the assistance of our fellow-citizens in that Territory. The authority to raise such a force not having been granted by Congress, as soon as their services could be dispensed with in Mexico orders were issued to the regiment of mounted riflemen to proceed to Jefferson Barracks, in Missouri, and to prepare to march to Oregon as soon as the necessary provision could be made. Shortly before it was ready to march it was arrested by the provision of the act passed by Congress on the last day of the last session, which directed that all the noncommissioned officers, musicians, and privates of that regiment who had been in service in Mexico should, upon their application, be entitled to be discharged. The effect of this provision was to disband the rank and file of the regiment, and before their places could be filled by recruits the season had so far advanced that it was impracticable for it to proceed until the opening of the next spring.

In the month of October last the accompanying communication was received from the governor of the temporary government of Oregon, giving information of the continuance of the Indian disturbances and of the destitution and defenseless condition of the inhabitants. Orders were immediately transmitted to the commander of our squadron in the Pacific to dispatch to their assistance a part of the naval forces on that station, to furnish them with arms and ammunition, and to continue to give them such aid and protection as the Navy could afford until the Army could reach the country.

It is the policy of humanity, and one which has always been pursued by the United States, to cultivate the good will of the aboriginal tribes of this continent and to restrain them from making war and indulging in excesses by mild means rather than by force. That this could have been done with the tribes in Oregon had that Territory been brought under the government of our laws at an earlier period, and had other suitable measures been adopted by Congress, such as now exist

Page 715

in our intercourse with the other Indian tribes within our limits, can not be doubted. Indeed, the immediate and only cause of the existing hostility of the Indians of Oregon is represented to have been the long delay of the United States in making to them some trifling compensation, in such articles as they wanted, for the country now occupied by our emigrants, which the Indians claimed and over which they formerly roamed. This compensation had been promised to them by the temporary government established in Oregon, but its fulfillment had been postponed from time to time for nearly two years, whilst those who made it had been anxiously waiting for Congress to establish a Territorial government over the country. The Indians became at length distrustful of their good faith and sought redress by plunder and massacre, which finally led to the present difficulties. A few thousand dollars in suitable presents, as a compensation for the country which had been taken possession of by our citizens, would have satisfied the Indians and have prevented the war. A small amount properly distributed, it is confidently believed, would soon restore quiet. In this Indian war our fellow-citizens of Oregon have been compelled to take the field in their own defense, have performed valuable military services, and been subjected to expenses which have fallen heavily upon them. Justice demands that provision should be made by Congress to compensate them for their services and to refund to them the necessary expenses which they have incurred.

I repeat the recommendation heretofore made to Congress, that provision be made for the appointment of a suitable number of Indian agents to reside among the tribes of Oregon, and that a small sum be appropriated to enable these agents to cultivate friendly relations with them. If this be done, the presence of a small military force will be all that is necessary to keep them in check and preserve peace. I recommend that similar provisions be made as regards the tribes inhabiting northern Texas, New Mexico, California, and the extensive region lying between our settlements in Missouri and these possessions, as the most effective means of preserving peace upon our borders and within the recently acquired territories.

The Secretary of the Treasury will present in his annual report a highly satisfactory statement of the condition of the finances.

The imports for the fiscal year ending on the 30th of June last were of the value of $154,977,876, of which the amount exported was $21,128,010, leaving $133,849,866 in the country for domestic use. The value of the exports for the same period was $154,032,131, consisting of domestic productions amounting to $132,904,121 and $21,128,010 of foreign articles. The receipts into the Treasury for the same period, exclusive of loans, amounted to $35,436,750.59, of which there was derived from customs $31,757,070.96, from sales of public lands $3,328,642.56, and from miscellaneous and incidental sources $351,037.07.

Page 716

It will be perceived that the revenue from customs for the last fiscal year exceeded by $757,070.96 the estimate of the Secretary of the Treasury in his last annual report, and that the aggregate receipts during the same period from customs, lands, and miscellaneous sources also exceeded the estimate by the sum of $536,750.59, indicating, however, a very near approach in the estimate to the actual result.

The expenditures during the fiscal year ending on the 30th of June last, including those for the war and exclusive of payments of principal and interest for the public debt, were $42,811,970.03.

It is estimated that the receipts into the Treasury for the fiscal year ending on the 30th of June, 1849, including the balance in the Treasury on the 1st of July last, will amount to the sum of $57,048,969.90, of which $32,000,000, it is estimated, will be derived from customs, $3,000,000 from the sales of the public lands, and $1,200,000 from miscellaneous and incidental sources, including the premium upon the loan, and the amount paid and to be paid into the Treasury on account of military contributions in Mexico, and the sales of arms and vessels and other public property rendered unnecessary for the use of the Government by the termination of the war, and $20,695,435.30 from loans already negotiated, including Treasury notes funded, which, together with the balance in the Treasury on the 1st of July last, make the sum estimated.

The expenditures for the same period, including the necessary payment on account of the principal and interest of the public debt, and the principal and interest of the first installment due to Mexico on the 30th of May next, and other expenditures growing out of the war to be paid during the present year, will amount, including the reimbursement of Treasury notes, to the sum of $54,195,275.06, leaving an estimated balance in the Treasury on the 1st of July, 1849, of $2,853,694.84.

The Secretary of the Treasury will present, as required by law, the estimate of the receipts and expenditures for the next fiscal year. The expenditures as estimated for that year are $33,213,152.73, including $3,799,102.18 for the interest on the public debt and $3,540,000 for the principal and interest due to Mexico on the 30th of May, 1850, leaving the sum of $25,874,050.35, which, it is believed, will be ample for the ordinary peace expenditures.

The operations of the tariff act of 1846 have been such during the past year as fully to meet the public expectation and to confirm the opinion heretofore expressed of the wisdom of the change in our revenue system which was effected by it. The receipts under it into the Treasury for the first fiscal year after its enactment exceeded by the sum of $5,044,403.09 the amount collected during the last fiscal year under the tariff act of 1842, ending the 30th of June, 1846. The total revenue realized from the commencement of its operation, on the 1st of December, 1846, until

Page 717

the close of the last quarter, on the 30th of September last, being twenty-two months, was $56,654,563.79, being a much larger sum than was ever before received from duties during any equal period under the tariff acts of 1824, 1828, 1832, and 1842. Whilst by the repeal of highly protective and prohibitory duties the revenue has been increased, the taxes on the people have been diminished. They have been relieved from the heavy amounts with which they were burthened under former laws in the form of increased prices or bounties paid to favored classes and pursuits.

The predictions which were made that the tariff act of 1846 would reduce the amount of revenue below that collected under the act of 1842, and would prostrate the business and destroy the prosperity of the country, have not been verified. With an increased and increasing revenue, the finances are in a highly flourishing condition. Agriculture, commerce, and navigation are prosperous; the prices of manufactured fabrics and of other products are much less injuriously affected than was to have been anticipated from the unprecedented revulsions which during the last and the present year have overwhelmed the industry and paralyzed the credit and commerce of so many great and enlightened nations of Europe.

Severe commercial revulsions abroad have always heretofore operated to depress and often to affect disastrously almost every branch of American industry. The temporary depression of a portion of our manufacturing interests is the effect of foreign causes, and is far less severe than has prevailed on all former similar occasions.

It is believed that, looking to the great aggregate of all our interests, the whole country was never more prosperous than at the present period, and never more rapidly advancing in wealth and population. Neither the foreign war in which we have been involved, nor the loans which have absorbed so large a portion of our capital, nor the commercial revulsion in Great Britain in 1847, nor the paralysis of credit and commerce throughout Europe in 1848, have affected injuriously to any considerable extent any of the great interests of the country or arrested our onward march to greatness, wealth, and power.

Had the disturbances in Europe not occurred, our commerce would undoubtedly have been still more extended, and would have added still more to the national wealth and public prosperity. But notwithstanding these disturbances, the operations of the revenue system established by the tariff act of 1846 have been so generally beneficial to the Government and the business of the country that no change in its provisions is demanded by a wise public policy, and none is recommended.

Page 718

The operations of the constitutional treasury established by the act of the 6th of August, 1846, in the receipt, custody, and disbursement of the public money have continued to be successful. Under this system the public finances have been carried through a foreign war, involving the necessity of loans and extraordinary expenditures and requiring distant transfers and disbursements, without embarrassment, and no loss has occurred of any of the public money deposited under its provisions. Whilst it has proved to be safe and useful to the Government, its effects have been most beneficial upon the business of the country. It has tended powerfully to secure an exemption from that inflation and fluctuation of the paper currency so injurious to domestic industry and rendering so uncertain the rewards of labor, and, it is believed, has largely contributed to preserve the whole country from a serious commercial revulsion, such as often occurred under the bank deposit system. In the year 1847 there was a revulsion in the business of Great Britain of great extent and intensity, which was followed by failures in that Kingdom unprecedented in number and amount of losses. This is believed to be the first instance when such disastrous bankruptcies, occurring in a country with which we have such extensive commerce, produced little or no injurious effect upon our trade or currency. We remained but little affected in our money market, and our business and industry were still prosperous and progressive.

During the present year nearly the whole continent of Europe has been convulsed by civil war and revolutions, attended by numerous bankruptcies, by an unprecedented fall in their public securities, and an almost universal paralysis of commerce and industry; and yet, although our trade and the prices of our products must have been somewhat unfavorably affected by these causes, we have escaped a revulsion, our money market is comparatively easy, and public and private credit have advanced and improved.

It is confidently believed that we have been saved from their effect by the salutary operation of the constitutional treasury. It is certain that if the twenty-four millions of specie imported into the country during the fiscal year ending on the 30th of June, 1847, had gone into the banks, as to a great extent it must have done, it would in the absence of this system have been made the basis of augmented bank paper issues, probably to an amount not less than $60,000,000 or $70,000,000, producing, as an inevitable consequence of an inflated currency, extravagant prices for a time and wild speculation, which must have been followed, on the reflux to Europe the succeeding year of so much of that specie, by the prostration of the business of the country, the suspension of the banks, and most extensive bankruptcies. Occurring, as this would have done, at a period when the country was engaged in a foreign war, when considerable loans of specie were required for distant disbursements, and when the banks, the fiscal agents of the Government and the depositories of its money, were suspended, the public credit must have sunk, and many millions of dollars, as was the case during the War of 1812, must have been sacrificed in discounts upon loans and upon the depreciated paper currency which the Government would have been compelled to use.

Page 719

Under the operations of the constitutional treasury not a dollar has been lost by the depreciation of the currency. The loans required to prosecute the war with Mexico were negotiated by the Secretary of the Treasury above par, realizing a large premium to the Government. The restraining effect of the system upon the tendencies to excessive paper issues by banks has saved the Government from heavy losses and thousands of our business men from bankruptcy and ruin. The wisdom of the system has been tested by the experience of the last two years, and it is the dictate of sound policy that it should remain undisturbed. The modifications in some of the details of this measure, involving none of its essential principles, heretofore recommended, are again presented for your favorable consideration.

In my message of the 6th of July last, transmitting to Congress the ratified treaty of peace with Mexico, I recommended the adoption of measures for the speedy payment of the public debt. In reiterating that recommendation I refer you to the considerations presented in that message in its support. The public debt, including that authorized to be negotiated in pursuance of existing laws, and including Treasury notes, amounted at that time to $65,778,450.41.

Funded stock of the United States amounting to about half a million of dollars has been purchased, as authorized by law, since that period, and the public debt has thus been reduced, the details of which will be presented in the annual report of the Secretary of the Treasury.

The estimates of expenditures for the next fiscal year, submitted by the Secretary of the Treasury, it is believed will be ample for all necessary purposes. If the appropriations made by Congress shall not exceed the amount estimated, the means in the Treasury will be sufficient to defray all the expenses of the Government, to pay off the next installment of $3,000,000 to Mexico, which will fall due on the 30th of May next, and still a considerable surplus will remain, which should be applied to the further purchase of the public stock and reduction of the debt. Should enlarged appropriations be made, the necessary consequence will be to postpone the payment of the debt. Though our debt, as compared with that of most other nations, is small, it is our true policy, and in harmony with the genius of our institutions, that we should present to the world the rare spectacle of a great Republic, possessing vast resources and wealth, wholly exempt from public indebtedness. This would add still more to our strength, and give to us a still more commanding position among the nations of the earth.

The public expenditures should be economical, and be confined to such necessary objects as are clearly within the powers of Congress. All such as are not absolutely demanded should be postponed, and the payment of the public debt at the earliest practicable period should be a cardinal principle of our public policy.

Page 720

For the reason assigned in my last annual message, I repeat the recommendation that a branch of the Mint of the United States be established at the city of New York. The importance of this measure is greatly increased by the acquisition of the rich mines of the precious metals in New Mexico and California, and especially in the latter.

I repeat the recommendation heretofore made in favor of the graduation and reduction of the price of such of the public lands as have been long offered in the market and have remained unsold, and in favor of extending the rights of preemption to actual settlers on the unsurveyed as well as the surveyed lands.

The condition and operations of the Army and the state of other branches of the public service under the supervision of the War Department are satisfactorily presented in the accompanying report of the Secretary of War.

On the return of peace our forces were withdrawn from Mexico, and the volunteers and that portion of the Regular Army engaged for the war were disbanded. Orders have been issued for stationing the forces of our permanent establishment at various positions in our extended country where troops may be required. Owing to the remoteness of some of these positions, the detachments have not yet reached their destination. Notwithstanding the extension of the limits of our country and the forces required in the new territories, it is confidently believed that our present military establishment is sufficient for all exigencies so long as our peaceful relations remain undisturbed.

Of the amount of military contributions collected in Mexico, the sum of $769,650 was applied toward the payment of the first installment due under the treaty with Mexico. The further sum of $346,369.30 has been paid into the Treasury, and unexpended balances still remain in the hands of disbursing officers and those who were engaged in the collection of these moneys. After the proclamation of peace no further disbursements were made of any unexpended moneys arising from this source. The balances on hand were directed to be paid into the Treasury, and individual claims on the fund will remain unadjusted until Congress shall authorize their settlement and payment. These claims are not considerable in number or amount.

I recommend to your favorable consideration the suggestions of the Secretary of War and the Secretary of the Navy in regard to legislation on this subject.

Our Indian relations are presented in a most favorable view in the report from the War Department. The wisdom of our policy in regard to the tribes within our limits is clearly manifested by their improved and rapidly improving condition.

A most important treaty with the Menomonies has been recently negotiated by the Commissioner of Indian Affairs in person, by which all their land in the State of Wisconsin—being about 4,000,000 acres—has been ceded to the United States. This

treaty will be submitted to the Senate for ratification at an early period of your present session.

Page 721

Within the last four years eight important treaties have been negotiated with different Indian tribes, and at a cost of $1,842,000; Indian lands to the amount of more than 18,500,000 acres have been ceded to the United States, and provision has been made for settling in the country west of the Mississippi the tribes which occupied this large extent of the public domain. The title to all the Indian lands within the several States of our Union, with the exception of a few small reservations, is now extinguished, and a vast region opened for settlement and cultivation.

The accompanying report of the Secretary of the Navy gives a satisfactory exhibit of the operations and condition of that branch of the public service.

A number of small vessels, suitable for entering the mouths of rivers, were judiciously purchased during the war, and gave great efficiency to the squadron in the Gulf of Mexico. On the return of peace, when no longer valuable for naval purposes, and liable to constant deterioration, they were sold and the money placed in the Treasury.

The number of men in the naval service authorized by law during the war has been reduced by discharges below the maximum fixed for the peace establishment. Adequate squadrons are maintained in the several quarters of the globe where experience has shown their services may be most usefully employed, and the naval service was never in a condition of higher discipline or greater efficiency.

I invite attention to the recommendation of the Secretary of the Navy on the subject of the Marine Corps. The reduction of the Corps at the end of the war required that four officers of each of the three lower grades should be dropped from the rolls. A board of officers made the selection, and those designated were necessarily dismissed, but without any alleged fault. I concur in opinion with the Secretary that the service would be improved by reducing the number of landsmen and increasing the marines. Such a measure would justify an increase of the number of officers to the extent of the reduction by dismissal, and still the Corps would have fewer officers than a corresponding number of men in the Army.

The contracts for the transportation of the mail in steamships, convertible into war steamers, promise to realize all the benefits to our commerce and to the Navy which were anticipated. The first steamer thus secured to the Government was launched in January, 1847. There are now seven, and in another year there will probably be not less than seventeen afloat. While this great national advantage is secured, our social and commercial intercourse is increased and promoted with Germany, Great Britain, and other parts of Europe, with all the countries on the west coast of our continent, especially with Oregon and California, and between the northern and southern sections of the United States. Considerable revenue may be expected from postages, but the connected line from

Page 722

New York to Chagres, and thence across the Isthmus to Oregon, can not fail to exert a beneficial influence, not now to be estimated, on the interests of the manufactures, commerce, navigation, and currency of the United States. As an important part of the system, I recommend to your favorable consideration the establishment of the proposed line of steamers between New Orleans and Vera Cruz. It promises the most happy results in cementing friendship between the two Republics and extending reciprocal benefits to the trade and manufactures of both.

The report of the Postmaster-General will make known to you the operations of that Department for the past year.

It is gratifying to find the revenues of the Department, under the rates of postage now established by law, so rapidly increasing. The gross amount of postages during the last fiscal year amounted to $4,371,077, exceeding the annual average received for the nine years immediately preceding the passage of the act of the 3d of March, 1845, by the sum of $6,453, and exceeding the amount received for the year ending the 30th of June, 1847, by the sum of $425,184.

The expenditures for the year, excluding the sum of $94,672, allowed by Congress at its last session to individual claimants, and including the sum of $100,500, paid for the services of the line of steamers between Bremen and New York, amounted to $4,198,845, which is less than the annual average for the nine years previous to the act of 1845 by $300,748.

The mail routes on the 30th day of June last were 163,208 miles in extent, being an increase during the last year of 9,390 miles. The mails were transported over them during the same time 41,012,579 miles, making an increase of transportation for the year of 2,124,680 miles, whilst the expense was less than that of the previous year by $4,235.

The increase in the mail transportation within the last three years has been 5,378,310 miles, whilst the expenses were reduced $456,738, making an increase of service at the rate of 15 per cent and a reduction in the expenses of more than 15 per cent.

During the past year there have been employed, under contracts with the Post-Office Department, two ocean steamers in conveying the mails monthly between New York and Bremen, and one, since October last, performing semimonthly service between Charleston and Havana; and a contract has been made for the transportation of the Pacific mails across the Isthmus from Chagres to Panama.

Under the authority given to the Secretary of the Navy, three ocean steamers have been constructed and sent to the Pacific, and are expected to enter upon the mail service

between Panama and Oregon and the intermediate ports on the 1st of January next; and a fourth has been engaged by him for the service between Havana and Chagres, so that a regular monthly mail line will be kept up after that time between the United States and our territories on the Pacific.

Page 723

Notwithstanding this great increase in the mail service, should the revenue continue to increase the present year as it did in the last, there will be received near $450,000 more than the expenditures.

These considerations have satisfied the Postmaster-General that, with certain modifications of the act of 1845, the revenue may be still further increased and a reduction of postages made to a uniform rate of 5 cents, without an interference with the principle, which has been constantly and properly enforced, of making that Department sustain itself.

A well-digested cheap-postage system is the best means of diffusing intelligence among the people, and is of so much importance in a country so extensive as that of the United States that I recommend to your favorable consideration the suggestions of the Postmaster-General for its improvement.

Nothing can retard the onward progress of our country and prevent us from assuming and maintaining the first rank among nations but a disregard of the experience of the past and a recurrence to an unwise public policy. We have just closed a foreign war by an honorable peace—a war rendered necessary and unavoidable in vindication of the national rights and honor. The present condition of the country is similar in some respects to that which existed immediately after the close of the war with Great Britain in 1815, and the occasion is deemed to be a proper one to take a retrospect of the measures of public policy which followed that war. There was at that period of our history a departure from our earlier policy. The enlargement of the powers of the Federal Government by construction, which obtained, was not warranted by any just interpretation of the Constitution. A few years after the close of that war a series of measures was adopted which, united and combined, constituted what was termed by their authors and advocates the “American system.”

The introduction of the new policy was for a time favored by the condition of the country, by the heavy debt which had been contracted during the war, by the depression of the public credit, by the deranged state of the finances and the currency, and by the commercial and pecuniary embarrassment which extensively prevailed. These were not the only causes which led to its establishment. The events of the war with Great Britain and the embarrassments which had attended its prosecution had left on the minds of many of our statesmen the impression that our Government was not strong enough, and that to wield its resources successfully in great emergencies, and especially in war, more power should be concentrated in its hands. This increased power they did not seek to obtain by the legitimate and prescribed mode—an amendment of the Constitution—but by construction. They saw Governments in the Old World based upon different orders of society, and so constituted as to throw the whole power of nations into the hands of a few, who

Page 724

taxed and controlled the many without responsibility or restraint. In that arrangement they conceived the strength of nations in war consisted. There was also something fascinating in the ease, luxury, and display of the higher orders, who drew their wealth from the toil of the laboring millions. The authors of the system drew their ideas of political economy from what they had witnessed in Europe, and particularly in Great Britain. They had viewed the enormous wealth concentrated in few hands and had seen the splendor of the overgrown establishments of an aristocracy which was upheld by the restrictive policy. They forgot to look down upon the poorer classes of the English population, upon whose daily and yearly labor the great establishments they so much admired were sustained and supported. They failed to perceive that the scantily fed and half-clad operatives were not only in abject poverty, but were bound in chains of oppressive servitude for the benefit of favored classes, who were the exclusive objects of the care of the Government.

It was not possible to reconstruct society in the United States upon the European plan. Here there was a written Constitution, by which orders and titles were not recognized or tolerated. A system of measures was therefore devised, calculated, if not intended, to withdraw power gradually and silently from the States and the mass of the people, and by construction to approximate our Government to the European models, substituting an aristocracy of wealth for that of orders and titles.

Without reflecting upon the dissimilarity of our institutions and of the condition of our people and those of Europe, they conceived the vain idea of building up in the United States a system similar to that which they admired abroad. Great Britain had a national bank of large capital, in whose hands was concentrated the controlling monetary and financial power of the nation—an institution wielding almost kingly power, and exerting vast influence upon all the operations of trade and upon the policy of the Government itself. Great Britain had an enormous public debt, and it had become a part of her public policy to regard this as a “public blessing.” Great Britain had also a restrictive policy, which placed fetters and burdens on trade and trammeled the productive industry of the mass of the nation. By her combined system of policy the landlords and other property holders were protected and enriched by the enormous taxes which were levied upon the labor of the country for their advantage. Imitating this foreign policy, the first step in establishing the new system in the United States was the creation of a national bank. Not foreseeing the dangerous power and countless evils which such an institution might entail on the country, nor perceiving the connection which it was designed to form between the bank and the other branches of the miscalled “American system,” but feeling the embarrassments of the Treasury and of the business

Page 725

of the country consequent upon the war, some of our statesmen who had held different and sounder views were induced to yield their scruples and, indeed, settled convictions of its unconstitutionality, and to give it their sanction as an expedient which they vainly hoped might produce relief. It was a most unfortunate error, as the subsequent history and final catastrophe of that dangerous and corrupt institution have abundantly proved. The bank, with its numerous branches ramified into the States, soon brought many of the active political and commercial men in different sections of the country into the relation of debtors to it and dependents upon it for pecuniary favors, thus diffusing throughout the mass of society a great number of individuals of power and influence to give tone to public opinion and to act in concert in cases of emergency. The corrupt power of such a political engine is no longer a matter of speculation, having been displayed in numerous instances, but most signally in the political struggles of 1832, 1833, and 1834 in opposition to the public will represented by a fearless and patriotic President.

But the bank was but one branch of the new system. A public debt of more than $120,000,000 existed, and it is not to be disguised that many of the authors of the new system did not regard its speedy payment as essential to the public prosperity, but looked upon its continuance as no national evil. Whilst the debt existed it furnished aliment to the national bank and rendered increased taxation necessary to the amount of the interest, exceeding $7,000,000 annually.

This operated in harmony with the next branch of the new system, which was a high protective tariff. This was to afford bounties to favored classes and particular pursuits at the expense of all others. A proposition to tax the whole people for the purpose of enriching a few was too monstrous to be openly made. The scheme was therefore veiled under the plausible but delusive pretext of a measure to protect “home industry,” and many of our people were for a time led to believe that a tax which in the main fell upon labor was for the benefit of the laborer who paid it. This branch of the system involved a partnership between the Government and the favored classes, the former receiving the proceeds of the tax imposed on articles imported and the latter the increased price of similar articles produced at home, caused by such tax. It is obvious that the portion to be received by the favored classes would, as a general rule, be increased in proportion to the increase of the rates of tax imposed and diminished as those rates were reduced to the revenue standard required by the wants of the Government. The rates required to produce a sufficient revenue for the ordinary expenditures of Government for necessary purposes were not likely to give to the private partners in this scheme profits sufficient to satisfy their cupidity, and hence a variety of expedients and pretexts

Page 726

were resorted to for the purpose of enlarging the expenditures and thereby creating a necessity for keeping up a high protective tariff. The effect of this policy was to interpose artificial restrictions upon the natural course of the business and trade of the country, and to advance the interests of large capitalists and monopolists at the expense of the great mass of the people, who were taxed to increase their wealth.

Another branch of this system was a comprehensive scheme of internal improvements, capable of indefinite enlargement and sufficient to swallow up as many millions annually as could be exacted from the foreign commerce of the country. This was a convenient and necessary adjunct of the protective tariff. It was to be the great absorbent of any surplus which might at any time accumulate in the Treasury and of the taxes levied on the people, not for necessary revenue purposes, but for the avowed object of affording protection to the favored classes.

Auxiliary to the same end, if it was not an essential part of the system itself, was the scheme, which at a later period obtained, for distributing the proceeds of the sales of the public lands among the States. Other expedients were devised to take money out of the Treasury and prevent its coming in from any other source than the protective tariff. The authors and supporters of the system were the advocates of the largest expenditures, whether for necessary or useful purposes or not, because the larger the expenditures the greater was the pretext for high taxes in the form of protective duties.

These several measures were sustained by popular names and plausible arguments, by which thousands were deluded. The bank was represented to be an indispensable fiscal agent for the Government; was to equalize exchanges and to regulate and furnish a sound currency, always and everywhere of uniform value. The protective tariff was to give employment to “American labor” at advanced prices; was to protect “home industry” and furnish a steady market for the farmer. Internal improvements were to bring trade into every neighborhood and enhance the value of every man’s property. The distribution of the land money was to enrich the States, finish their public works, plant schools throughout their borders, and relieve them from taxation. But the fact that for every dollar taken out of the Treasury for these objects a much larger sum was transferred from the pockets of the people to the favored classes was carefully concealed, as was also the tendency, if not the ultimate design, of the system to build up an aristocracy of wealth, to control the masses of society, and monopolize the political power of the country.

Page 727

The several branches of this system were so intimately blended together that in their operation each sustained and strengthened the others. Their joint operation was to add new burthens of taxation and to encourage a largely increased and wasteful expenditure of public money. It was the interest of the bank that the revenue collected and the disbursements made by the Government should be large, because, being the depository of the public money, the larger the amount the greater would be the bank profits by its use. It was the interest of the favored classes, who were enriched by the protective tariff, to have the rates of that protection as high as possible, for the higher those rates the greater would be their advantage. It was the interest of the people of all those sections and localities who expected to be benefited by expenditures for internal improvements that the amount collected should be as large as possible, to the end that the sum disbursed might also be the larger. The States, being the beneficiaries in the distribution of the land money, had an interest in having the rates of tax imposed by the protective tariff large enough to yield a sufficient revenue from that source to meet the wants of the Government without disturbing or taking from them the land fund; so that each of the branches constituting the system had a common interest in swelling the public expenditures. They had a direct interest in maintaining the public debt unpaid and increasing its amount, because this would produce an annual increased drain upon the Treasury to the amount of the interest and render augmented taxes necessary. The operation and necessary effect of the whole system were to encourage large and extravagant expenditures, and thereby to increase the public patronage, and maintain a rich and splendid government at the expense of a taxed and impoverished people.

It is manifest that this scheme of enlarged taxation and expenditures, had it continued to prevail, must soon have converted the Government of the Union, intended by its framers to be a plain, cheap, and simple confederation of States, united together for common protection and charged with a few specific duties, relating chiefly to our foreign affairs, into a consolidated empire, depriving the States of their reserved rights and the people of their just power and control in the administration of their Government. In this manner the whole form and character of the Government would be changed, not by an amendment of the Constitution, but by resorting to an unwarrantable and unauthorized construction of that instrument.

The indirect mode of levying the taxes by a duty on imports prevents the mass of the people from readily perceiving the amount they pay, and has enabled the few who are thus enriched, and who seek to wield the political power of the country, to deceive and delude them. Were the taxes collected by a direct levy upon the people, as is the case in the States, this could not occur.

Page 728

The whole system was resisted from its inception by many of our ablest statesmen, some of whom doubted its constitutionality and its expediency, while others believed it was in all its branches a flagrant and dangerous infraction of the Constitution.

That a national bank, a protective tariff—levied not to raise the revenue needed, but for protection merely—internal improvements, and the distribution of the proceeds of the sale of the public lands are measures without the warrant of the Constitution would, upon the maturest consideration, seem to be clear. It is remarkable that no one of these measures, involving such momentous consequences, is authorized by any express grant of power in the Constitution. No one of them is "incident to, as being necessary and proper for the execution of, the specific powers" granted by the Constitution. The authority under which it has been attempted to justify each of them is derived from inferences and constructions of the Constitution which its letter and its whole object and design do not warrant. Is it to be conceived that such immense powers would have been left by the framers of the Constitution to mere inferences and doubtful constructions? Had it been intended to confer them on the Federal Government, it is but reasonable to conclude that it would have been done by plain and unequivocal grants. This was not done; but the whole structure of which the "American system" consisted was reared on no other or better foundation than forced implications and inferences of power, which its authors assumed might be deduced by construction from the Constitution.

But it has been urged that the national bank, which constituted so essential a branch of this combined system of measures, was not a new measure, and that its constitutionality had been previously sanctioned, because a bank had been chartered in 1791 and had received the official signature of President Washington. A few facts will show the just weight to which this precedent should be entitled as bearing upon the question of constitutionality.

Great division of opinion upon the subject existed in Congress. It is well known that President Washington entertained serious doubts both as to the constitutionality and expediency of the measure, and while the bill was before him for his official approval or disapproval so great were these doubts that he required "the opinion in writing" of the members of his Cabinet to aid him in arriving at a decision. His Cabinet gave their opinions and were divided upon the subject, General Hamilton being in favor of and Mr. Jefferson and Mr. Randolph being opposed to the constitutionality and expediency of the bank. It is well known also that President Washington retained the bill from Monday, the 14th, when it was presented to him, until Friday, the 25th of February, being the last moment permitted him by the Constitution to deliberate, when he finally yielded to it his reluctant assent and gave it his signature.

Page 729

It is certain that as late as the 23d of February, being the ninth day after the bill was presented to him, he had arrived at no satisfactory conclusion, for on that day he addressed a note to General Hamilton in which he informs him that “this bill was presented to me by the joint committee of Congress at 12 o’clock on Monday, the 14th instant,” and he requested his opinion “to what precise period, by legal interpretation of the Constitution, can the President retain it in his possession before it becomes a law by the lapse of ten days.” If the proper construction was that the day on which the bill was presented to the President and the day on which his action was had upon it were both to be counted inclusive, then the time allowed him within which it would be competent for him to return it to the House in which it originated with his objections would expire on Thursday, the 24th of February. General Hamilton on the same day returned an answer, in which he states:

I give it as my opinion that you have ten days exclusive of that on which the bill was delivered to you and Sundays; hence, in the present case if it is returned on Friday it will be in time.

By this construction, which the President adopted, he gained another day for deliberation, and it was not until the 25th of February that he signed the bill, thus affording conclusive proof that he had at last obtained his own consent to sign it not without great and almost insuperable difficulty. Additional light has been recently shed upon the serious doubts which he had on the subject, amounting at one time to a conviction that it was his duty to withhold his approval from the bill. This is found among the manuscript papers of Mr. Madison, authorized to be purchased for the use of the Government by an act of the last session of Congress, and now for the first time accessible to the public. From these papers it appears that President Washington, while he yet held the bank bill in his hands, actually requested Mr. Madison, at that time a member of the House of Representatives, to prepare the draft of a veto message for him. Mr. Madison, at his request, did prepare the draft of such a message, and sent it to him on the 21st of February, 1791. A copy of this original draft, in Mr. Madison’s own handwriting, was carefully preserved by him, and is among the papers lately purchased by Congress. It is preceded by a note, written on the same sheet, which is also in Mr. Madison’s handwriting, and is as follows:

February 21, 1791.—Copy of a paper made out and sent to the President, at his request, to be ready in case his judgment should finally decide against the bill for incorporating a national bank, the bill being then before him.

Among the objections assigned in this paper to the bill, and which were submitted for the consideration of the President, are the following:

I object to the bill, because it is an essential principle of the Government that powers not delegated by the Constitution can not be rightfully exercised; because the power proposed by the bill to be exercised is not expressly delegated, and because I can not satisfy myself that it results from any express power by fair and safe rules of interpretation.

Page 730

The weight of the precedent of the bank of 1791 and the sanction of the great name of Washington, which has been so often invoked in its support, are greatly weakened by the development of these facts.

The experiment of that bank satisfied the country that it ought not to be continued, and at the end of twenty years Congress refused to recharter it. It would have been fortunate for the country, and saved thousands from bankruptcy and ruin, had our public men of 1816 resisted the temporary pressure of the times upon our financial and pecuniary interests and refused to charter the second bank. Of this the country became abundantly satisfied, and at the close of its twenty years' duration, as in the case of the first bank, it also ceased to exist. Under the repeated blows of President Jackson it reeled and fell, and a subsequent attempt to charter a similar institution was arrested by the veto of President Tyler.

Mr. Madison, in yielding his signature to the charter of 1816, did so upon the ground of the respect due to precedents; and, as he subsequently declared—

The Bank of the United States, though on the original question held to be unconstitutional, received the Executive signature.

It is probable that neither the bank of 1791 nor that of 1816 would have been chartered but for the embarrassments of the Government in its finances, the derangement of the currency, and the pecuniary pressure which existed, the first the consequence of the War of the Revolution and the second the consequence of the War of 1812. Both were resorted to in the delusive hope that they would restore public credit and afford relief to the Government and to the business of the country.

Those of our public men who opposed the whole "American system" at its commencement and throughout its progress foresaw and predicted that it was fraught with incalculable mischiefs and must result in serious injury to the best interests of the country. For a series of years their wise counsels were unheeded, and the system was established. It was soon apparent that its practical operation was unequal and unjust upon different portions of the country and upon the people engaged in different pursuits. All were equally entitled to the favor and protection of the Government. It fostered and elevated the money power and enriched the favored few by taxing labor, and at the expense of the many. Its effect was to "make the rich richer and the poor poorer." Its tendency was to create distinctions in society based on wealth and to give to the favored classes undue control and sway in our Government. It was an organized money power, which resisted the popular will and sought to shape and control the public policy.

Under the pernicious workings of this combined system of measures the country witnessed alternate seasons of temporary apparent prosperity, of sudden and disastrous commercial revulsions, of unprecedented fluctuation of prices and

depression of the great interests of agriculture, navigation, and commerce, of general pecuniary suffering, and of final bankruptcy of thousands. After a severe struggle of more than a quarter of a century, the system was overthrown.

Page 731

The bank has been succeeded by a practical system of finance, conducted and controlled solely by the Government. The constitutional currency has been restored, the public credit maintained unimpaired even in a period of a foreign war, and the whole country has become satisfied that banks, national or State, are not necessary as fiscal agents of the Government. Revenue duties have taken the place of the protective tariff. The distribution of the money derived from the sale of the public lands has been abandoned and the corrupting system of internal improvements, it is hoped, has been effectually checked.

It is not doubted that if this whole train of measures, designed to take wealth from the many and bestow it upon the few, were to prevail the effect would be to change the entire character of the Government. One only danger remains. It is the seductions of that branch of the system which consists in internal improvements, holding out, as it does, inducements to the people of particular sections and localities to embark the Government in them without stopping to calculate the inevitable consequences. This branch of the system is so intimately combined and linked with the others that as surely as an effect is produced by an adequate cause, if it be resuscitated and revived and firmly established it requires no sagacity to foresee that it will necessarily and speedily draw after it the reestablishment of a national bank, the revival of a protective tariff, the distribution of the land money, and not only the postponement to the distant future of the payment of the present national debt, but its annual increase.

I entertain the solemn conviction that if the internal-improvement branch of the “American system” be not firmly resisted at this time the whole series of measures composing it will be speedily reestablished and the country be thrown back from its present high state of prosperity, which the existing policy has produced, and be destined again to witness all the evils, commercial revulsions, depression of prices, and pecuniary embarrassments through which we have passed during the last twenty-five years.

To guard against consequences so ruinous is an object of high national importance, involving, in my judgment, the continued prosperity of the country.

I have felt it to be an imperative obligation to withhold my constitutional sanction from two bills which had passed the two Houses of Congress, involving the principle of the internal improvement branch of the “American system” and conflicting in their provisions with the views here expressed.

This power, conferred upon the President by the Constitution, I have on three occasions during my administration of the executive department of the Government deemed it my duty to exercise, and on this last occasion of making to Congress an annual communication “of the state of the Union” it is not deemed inappropriate to review the principles and considerations which have governed my action. I deem this the more necessary because, after the lapse of nearly sixty years since the adoption of the

Constitution, the propriety of the exercise of this undoubted constitutional power by the President has for the first time been drawn seriously in question by a portion of my fellow-citizens.

Page 732

The Constitution provides that—

Every bill which shall have passed the House of Representatives and the Senate shall, before it become a law, be presented to the President of the United States. If he approve he shall sign it, but if not he shall return it with his objections to that House in which it shall have originated, who shall enter the objections at large on their Journal and proceed to reconsider it.

The preservation of the Constitution from infraction is the President's highest duty. He is bound to discharge that duty at whatever hazard of incurring the displeasure of those who may differ with him in opinion. He is bound to discharge it as well by his obligations to the people who have clothed him with his exalted trust as by his oath of office, which he may not disregard. Nor are the obligations of the President in any degree lessened by the prevalence of views different from his own in one or both Houses of Congress. It is not alone hasty and inconsiderate legislation that he is required to check; but if at any time Congress shall, after apparently full deliberation, resolve on measures which he deems subversive of the Constitution or of the vital interests of the country, it is his solemn duty to stand in the breach and resist them. The President is bound to approve or disapprove every bill which passes Congress and is presented to him for his signature. The Constitution makes this his duty, and he can not escape it if he would. He has no election. In deciding upon any bill presented to him he must exercise his own best judgment. If he can not approve, the Constitution commands him to return the bill to the House in which it originated with his objections, and if he fail to do this within ten days (Sundays excepted) it shall become a law without his signature. Right or wrong, he may be overruled by a vote of two-thirds of each House, and in that event the bill becomes a law without his sanction. If his objections be not thus overruled, the subject is only postponed, and is referred to the States and the people for their consideration and decision. The President's power is negative merely, and not affirmative. He can enact no law. The only effect, therefore, of his withholding his approval of a bill passed by Congress is to suffer the existing laws to remain unchanged, and the delay occasioned is only that required to enable the States and the people to consider and act upon the subject in the election of public agents who will carry out their wishes and instructions. Any attempt to coerce the President to yield his sanction to measures which he can not approve would be a violation of the spirit of the Constitution, palpable and flagrant, and if successful would break down the independence of the executive department and make the President, elected by the people and clothed by the Constitution with power to defend their rights, the mere instrument of a majority of Congress. A surrender on his part of the powers with which the Constitution has invested his office would effect a practical alteration of that instrument without resorting to the prescribed process of amendment.

Page 733

With the motives or considerations which may induce Congress to pass any bill the President can have nothing to do. He must presume them to be as pure as his own, and look only to the practical effect of their measures when compared with the Constitution or the public good.

But it has been urged by those who object to the exercise of this undoubted constitutional power that it assails the representative principle and the capacity of the people to govern themselves; that there is greater safety in a numerous representative body than in the single Executive created by the Constitution, and that the Executive veto is a “one-man power,” despotic in its character. To expose the fallacy of this objection it is only necessary to consider the frame and true character of our system. Ours is not a consolidated empire, but a confederated union. The States before the adoption of the Constitution were coordinate, co-equal, and separate independent sovereignties, and by its adoption they did not lose that character. They clothed the Federal Government with certain powers and reserved all others, including their own sovereignty, to themselves. They guarded their own rights as States and the rights of the people by the very limitations which they incorporated into the Federal Constitution, whereby the different departments of the General Government were checks upon each other. That the majority should govern is a general principle controverted by none, but they must govern according to the Constitution, and not according to an undefined and unrestrained discretion, whereby they may oppress the minority.

The people of the United States are not blind to the fact that they may be temporarily misled, and that their representatives, legislative and executive, may be mistaken or influenced in their action by improper motives. They have therefore interposed between themselves and the laws which may be passed by their public agents various representations, such as assemblies, senates, and governors in their several States, a House of Representatives, a Senate, and a President of the United States. The people can by their own direct agency make no law, nor can the House of Representatives, immediately elected by them, nor can the Senate, nor can both together without the concurrence of the President or a vote of two-thirds of both Houses.

Happily for themselves, the people in framing our admirable system of government were conscious of the infirmities of their representatives, and in delegating to them the power of legislation they have fenced them around with checks to guard against the effects of hasty action, of error, of combination, and of possible corruption. Error, selfishness, and faction have often sought to rend asunder this web of checks and subject the Government to the control of fanatic and sinister influences, but these efforts have only satisfied the people of the wisdom of the checks which they have imposed and of the necessity of preserving them unimpaired.

Page 734

The true theory of our system is not to govern by the acts or decrees of any one set of representatives. The Constitution interposes checks upon all branches of the Government, in order to give time for error to be corrected and delusion to pass away; but if the people settle down into a firm conviction different from that of their representatives they give effect to their opinions by changing their public servants. The checks which the people imposed on their public servants in the adoption of the Constitution are the best evidence of their capacity for self-government. They know that the men whom they elect to public stations are of like infirmities and passions with themselves, and not to be trusted without being restricted by coordinate authorities and constitutional limitations. Who that has witnessed the legislation of Congress for the last thirty years will say that he knows of no instance in which measures not demanded by the public good have been carried? Who will deny that in the State governments, by combinations of individuals and sections, in derogation of the general interest, banks have been chartered, systems of internal improvements adopted, and debts entailed upon the people repressing their growth and impairing their energies for years to come?

After so much experience it can not be said that absolute unchecked power is safe in the hands of any one set of representatives, or that the capacity of the people for self-government, which is admitted in its broadest extent, is a conclusive argument to prove the prudence, wisdom, and integrity of their representatives.

The people, by the Constitution, have commanded the President, as much as they have commanded the legislative branch of the Government, to execute their will. They have said to him in the Constitution, which they require he shall take a solemn oath to support, that if Congress pass any bill which he can not approve “he shall return it to the House in which it originated with his objections.” In withholding from it his approval and signature he is executing the will of the people, constitutionally expressed, as much as the Congress that passed it. No bill is presumed to be in accordance with the popular will until it shall have passed through all the branches of the Government required by the Constitution to make it a law. A bill which passes the House of Representatives may be rejected by the Senate, and so a bill passed by the Senate may be rejected by the House. In each case the respective Houses exercise the veto power on the other.

Congress, and each House of Congress, hold under the Constitution a check upon the President, and he, by the power of the qualified veto, a check upon Congress. When the President recommends measures to Congress, he avows in the most solemn form his opinions, gives his voice in their favor, and pledges himself in advance to approve them if passed by Congress. If he acts without due consideration, or has been influenced

Page 735

by improper or corrupt motives, or if from any other cause Congress, or either House of Congress, shall differ with him in opinion, they exercise their veto upon his recommendations and reject them; and there is no appeal from their decision but to the people at the ballot box. These are proper checks upon the Executive, wisely interposed by the Constitution. None will be found to object to them or to wish them removed. It is equally important that the constitutional checks of the Executive upon the legislative branch should be preserved.

If it be said that the Representatives in the popular branch of Congress are chosen directly by the people, it is answered, the people elect the President. If both Houses represent the States and the people, so does the President. The President represents in the executive department the whole people of the United States, as each member of the legislative department represents portions of them.

The doctrine of restriction upon legislative and executive power, while a well-settled public opinion is enabled within a reasonable time to accomplish its ends, has made our country what it is, and has opened to us a career of glory and happiness to which all other nations have been strangers.

In the exercise of the power of the veto the President is responsible not only to an enlightened public opinion, but to the people of the whole Union, who elected him, as the representatives in the legislative branches who differ with him in opinion are responsible to the people of particular States or districts, who compose their respective constituencies. To deny to the President the exercise of this power would be to repeal that provision of the Constitution which confers it upon him. To charge that its exercise unduly controls the legislative will is to complain of the Constitution itself.

If the Presidential veto be objected to upon the ground that it checks and thwarts the popular will, upon the same principle the equality of representation of the States in the Senate should be stricken out of the Constitution. The vote of a Senator from Delaware has equal weight in deciding upon the most important measures with the vote of a Senator from New York, and yet the one represents a State containing, according to the existing apportionment of Representatives in the House of Representatives, but one thirty-fourth part of the population of the other. By the constitutional composition of the Senate a majority of that body from the smaller States represent less than one-fourth of the people of the Union. There are thirty States, and under the existing apportionment of Representatives there are 230 Members in the House of Representatives. Sixteen of the smaller States are represented in that House by but 50 Members, and yet the Senators from these States constitute a majority of the Senate. So that the President may recommend a measure to Congress, and it may receive the sanction and approval of more

Page 736

than three-fourths of the House of Representatives and of all the Senators from the large States, containing more than three-fourths of the whole population of the United States, and yet the measure may be defeated by the votes of the Senators from the smaller States. None, it is presumed, can be found ready to change the organization of the Senate on this account, or to strike that body practically out of existence by requiring that its action shall be conformed to the will of the more numerous branch.

Upon the same principle that the veto of the President should be practically abolished the power of the Vice-President to give the casting vote upon an equal division of the Senate should be abolished also. The Vice-President exercises the veto power as effectually by rejecting a bill by his casting vote as the President does by refusing to approve and sign it. This power has been exercised by the Vice-President in a few instances, the most important of which was the rejection of the bill to recharter the Bank of the United States in 1811. It may happen that a bill may be passed by a large majority of the House of Representatives, and may be supported by the Senators from the larger States, and the Vice-President may reject it by giving his vote with the Senators from the smaller States; and yet none, it is presumed, are prepared to deny to him the exercise of this power under the Constitution.

But it is, in point of fact, untrue that an act passed by Congress is conclusive evidence that it is an emanation of the popular will. A majority of the whole number elected to each House of Congress constitutes a quorum, and a majority of that quorum is competent to pass laws. It might happen that a quorum of the House of Representatives, consisting of a single member more than half of the whole number elected to that House, might pass a bill by a majority of a single vote, and in that case a fraction more than one-fourth of the people of the United States would be represented by those who voted for it. It might happen that the same bill might be passed by a majority of one of a quorum of the Senate, composed of Senators from the fifteen smaller States and a single Senator from a sixteenth State; and if the Senators voting for it happened to be from the eight of the smallest of these States, it would be passed by the votes of Senators from States having but fourteen Representatives in the House of Representatives, and containing less than one-sixteenth of the whole population of the United States. This extreme case is stated to illustrate the fact that the mere passage of a bill by Congress is no conclusive evidence that those who passed it represent the majority of the people of the United States or truly reflect their will. If such an extreme case is not likely to happen, cases that approximate it are of constant occurrence. It is believed that not a single law has been passed since the adoption of the Constitution upon which all the members elected

Page 737

to both Houses have been present and voted. Many of the most important acts which have passed Congress have been carried by a close vote in thin Houses. Many instances of this might be given. Indeed, our experience proves that many of the most important acts of Congress are postponed to the last days, and often the last hours, of a session, when they are disposed of in haste, and by Houses but little exceeding the number necessary to form a quorum.

Besides, in most of the States the members of the House of Representatives are chosen by pluralities, and not by majorities of all the voters in their respective districts, and it may happen that a majority of that House may be returned by a less aggregate vote of the people than that received by the minority.

If the principle insisted on be sound, then the Constitution should be so changed that no bill shall become a law unless it is voted for by members representing in each House a majority of the whole people of the United States. We must remodel our whole system, strike down and abolish not only the salutary checks lodged in the executive branch, but must strike out and abolish those lodged in the Senate also, and thus practically invest the whole power of the Government in a majority of a single assembly—a majority uncontrolled and absolute, and which may become despotic. To conform to this doctrine of the right of majorities to rule, independent of the checks and limitations of the Constitution, we must revolutionize our whole system; we must destroy the constitutional compact by which the several States agreed to form a Federal Union and rush into consolidation, which must end in monarchy or despotism. No one advocates such a proposition, and yet the doctrine maintained, if carried out, must lead to this result.

One great object of the Constitution in conferring upon the President a qualified negative upon the legislation of Congress was to protect minorities from injustice and oppression by majorities. The equality of their representation in the Senate and the veto power of the President are the constitutional guaranties which the smaller States have that their rights will be respected. Without these guaranties all their interests would be at the mercy of majorities in Congress representing the larger States. To the smaller and weaker States, therefore, the preservation of this power and its exercise upon proper occasions demanding it is of vital importance. They ratified the Constitution and entered into the Union, securing to themselves an equal representation with the larger States in the Senate; and they agreed to be bound by all laws passed by Congress upon the express condition, and none other, that they should be approved by the President or passed, his objections to the contrary notwithstanding, by a vote of two-thirds of both Houses. Upon this condition they have a right to insist as a part of the compact to which they gave their assent.

Page 738

A bill might be passed by Congress against the will of the whole people of a particular State and against the votes of its Senators and all its Representatives. However prejudicial it might be to the interests of such State, it would be bound by it if the President shall approve it or it shall be passed by a vote of two-thirds of both Houses; but it has a right to demand that the President shall exercise his constitutional power and arrest it if his judgment is against it. If he surrender this power, or fail to exercise it in a case where he can not approve, it would make his formal approval a mere mockery, and would be itself a violation of the Constitution, and the dissenting State would become bound by a law which had not been passed according to the sanctions of the Constitution.

The objection to the exercise of the veto power is founded upon an idea respecting the popular will, which, if carried out, would annihilate State sovereignty and substitute for the present Federal Government a consolidation directed by a supposed numerical majority. A revolution of the Government would be silently effected and the States would be subjected to laws to which they had never given their constitutional consent.

The Supreme Court of the United States is invested with the power to declare, and has declared, acts of Congress passed with the concurrence of the Senate, the House of Representatives, and the approval of the President to be unconstitutional and void, and yet none, it is presumed, can be found who will be disposed to strip this highest judicial tribunal under the Constitution of this acknowledged power—a power necessary alike to its independence and the rights of individuals.

For the same reason that the Executive veto should, according to the doctrine maintained, be rendered nugatory, and be practically expunged from the Constitution, this power of the court should also be rendered nugatory and be expunged, because it restrains the legislative and Executive will, and because the exercise of such a power by the court may be regarded as being in conflict with the capacity of the people to govern themselves. Indeed, there is more reason for striking this power of the court from the Constitution than there is that of the qualified veto of the president, because the decision of the court is final, and can never be reversed even though both Houses of Congress and the President should be unanimous in opposition to it, whereas the veto of the President may be overruled by a vote of two-thirds of both Houses of Congress or by the people at the polls.

Page 739

It is obvious that to preserve the system established by the Constitution each of the coordinate branches of the Government—the executive, legislative, and judicial—must be left in the exercise of its appropriate powers. If the executive or the judicial branch be deprived of powers conferred upon either as checks on the legislative, the preponderance of the latter will become disproportionate and absorbing and the others impotent for the accomplishment of the great objects for which they were established. Organized, as they are, by the Constitution, they work together harmoniously for the public good. If the Executive and the judiciary shall be deprived of the constitutional powers invested in them, and of their due proportions, the equilibrium of the system must be destroyed, and consolidation, with the most pernicious results, must ensue—a consolidation of unchecked, despotic power, exercised by majorities of the legislative branch.

The executive, legislative, and judicial each constitutes a separate coordinate department of the Government, and each is independent of the others. In the performance of their respective duties under the Constitution neither can in its legitimate action control the others. They each act upon their several responsibilities in their respective spheres. But if the doctrines now maintained be correct, the executive must become practically subordinate to the legislative, and the judiciary must become subordinate to both the legislative and the executive; and thus the whole power of the Government would be merged in a single department. Whenever, if ever, this shall occur, our glorious system of well-regulated self-government will crumble into ruins, to be succeeded, first by anarchy, and finally by monarchy or despotism. I am far from believing that this doctrine is the sentiment of the American people; and during the short period which remains in which it will be my duty to administer the executive department it will be my aim to maintain its independence and discharge its duties without infringing upon the powers or duties of either of the other departments of the Government.

The power of the Executive veto was exercised by the first and most illustrious of my predecessors and by four of his successors who preceded me in the administration of the Government, and it is believed in no instance prejudicially to the public interests. It has never been and there is but little danger that it ever can be abused. No President will ever desire unnecessarily to place his opinion in opposition to that of Congress. He must always exercise the power reluctantly, and only in cases where his convictions make it a matter of stern duty, which he can not escape. Indeed, there is more danger that the President, from the repugnance he must always feel to come in collision with Congress, may fail to exercise it in cases where the preservation of the Constitution from infraction, or the public good, may demand it than that he will ever exercise it unnecessarily or wantonly.

Page 740

During the period I have administered the executive department of the Government great and important questions of public policy, foreign and domestic, have arisen, upon which it was my duty to act. It may, indeed, be truly said that my Administration has fallen upon eventful times. I have felt most sensibly the weight of the high responsibilities devolved upon me. With no other object than the public good, the enduring fame, and permanent prosperity of my country, I have pursued the convictions of my own best judgment. The impartial arbitrament of enlightened public opinion, present and future, will determine how far the public policy I have maintained and the measures I have from time to time recommended may have tended to advance or retard the public prosperity at home and to elevate or depress the estimate of our national character abroad.

Invoking the blessings of the Almighty upon your deliberations at your present important session, my ardent hope is that in a spirit of harmony and concord you may be guided to wise results, and such as may redound to the happiness, the honor, and the glory of our beloved country.

JAMES K. POLK

***

State of the Union Address
Zachary Taylor
December 4, 1849

Fellow-Citizens of the Senate and House of Representatives:

Sixty years have elapsed since the establishment of this Government, and the Congress of the United States again assembles to legislate for an empire of freemen. The predictions of evil prophets, who formerly pretended to foretell the downfall of our institutions, are now remembered only to be derided, and the United States of America at this moment present to the world the most stable and permanent Government on earth.

Such is the result of the labors of those who have gone before us. Upon Congress will eminently depend the future maintenance of our system of free government and the transmission of it unimpaired to posterity.

We are at peace with all the other nations of the world, and seek to maintain our cherished relations of amity with them. During the past year we have been blessed by a kind Providence with an abundance of the fruits of the earth, and although the destroying angel for a time visited extensive portions of our territory with the ravages of a dreadful pestilence, yet the Almighty has at length deigned to stay his hand and to

restore the inestimable blessing of general health to a people who have acknowledged His power, deprecated His wrath, and implored His merciful protection.

While enjoying the benefits of amicable intercourse with foreign nations, we have not been insensible to the distractions and wars which have prevailed in other quarters of the world. It is a proper theme of thanksgiving to Him who rules the destinies of nations that we have been able to maintain amidst all these contests an independent and neutral position toward all belligerent powers.

Page 741

Our relations with Great Britain are of the most friendly character. In consequence of the recent alteration of the British navigation acts, British vessels, from British and other foreign ports, will under our existing laws, after the 1st day of January next, be admitted to entry in our ports with cargoes of the growth, manufacture, or production of any part of the world on the same terms as to duties, imposts, and charges as vessels of the United States with their cargoes, and our vessels will be admitted to the same advantages in British ports, entering therein on the same terms as British vessels. Should no order in council disturb this legislative arrangement, the late act of the British Parliament, by which Great Britain is brought within the terms proposed by the act of Congress of the 1st of March, 1817, it is hoped will be productive of benefit to both countries.

A slight interruption of diplomatic intercourse which occurred between this Government and France, I am happy to say, has been terminated, and our minister there has been received. It is therefore unnecessary to refer now to the circumstances which led to that interruption. I need not express to you the sincere satisfaction with which we shall welcome the arrival of another envoy extraordinary and minister plenipotentiary from a sister Republic to which we have so long been, and still remain, bound by the strongest ties of amity.

Shortly after I had entered upon the discharge of the Executive duties I was apprised that a war steamer belonging to the German Empire was being fitted out in the harbor of New York with the aid of some of our naval officers, rendered under the permission of the late Secretary of the Navy. This permission was granted during an armistice between that Empire and the Kingdom of Denmark, which had been engaged in the Schleswig-Holstein war. Apprehensive that this act of intervention on our part might be viewed as a violation of our neutral obligations incurred by the treaty with Denmark and of the provisions of the act of Congress of the 20th of April, 1818, I directed that no further aid should be rendered by any agent or officer of the Navy; and I instructed the Secretary of State to apprise the minister of the German Empire accredited to this Government of my determination to execute the law of the United States and to maintain the faith of treaties with all nations. The correspondence which ensued between the Department of State and the minister of the German Empire is herewith laid before you. The execution of the law and the observance of the treaty were deemed by me to be due to the honor of the country, as well as to the sacred obligations of the Constitution. I shall not fail to pursue the same course should a similar case arise with any other nation. Having avowed the opinion on taking the oath of office that in disputes between conflicting foreign governments it is our interest not less than our duty to remain strictly neutral, I shall not abandon it. You will perceive from the correspondence submitted to you in connection with this subject that the course adopted in this case has been properly regarded by the belligerent powers interested in the matter.

Page 742

Although a minister of the United States to the German Empire was appointed by my predecessor in August, 1848, and has for a long time been in attendance at Frankfort-on-the-Main, and although a minister appointed to represent that Empire was received and accredited here, yet no such government as that of the German Empire has been definitively constituted. Mr. Donelson, our representative at Frankfort, remained there several months in the expectation that a union of the German States under one constitution or form of government might at length be organized. It is believed by those well acquainted with the existing relations between Prussia and the States of Germany that no such union can be permanently established without her cooperation. In the event of the formation of such a union and the organization of a central power in Germany of which she should form a part, it would become necessary to withdraw our minister at Berlin; but while Prussia exists as an independent kingdom and diplomatic relations are maintained with her there can be no necessity for the continuance of the mission to Frankfort. I have therefore recalled Mr. Donelson and directed the archives of the legation at Frankfort to be transferred to the American legation at Berlin.

Having been apprised that a considerable number of adventurers were engaged in fitting out a, military expedition within the United States against a foreign country, and believing from the best information I could obtain that it was destined to invade the island of Cuba, I deemed it due to the friendly relations existing between the United States and Spain, to the treaty between the two nations, to the laws of the United States, and, above all, to the American honor to exert the lawful authority of this Government in suppressing the expedition and preventing the invasion. To this end I issued a proclamation enjoining it upon the officers of the United States, civil and military, to use all lawful means within their power. A copy of that proclamation is herewith submitted. The expedition has been suppressed. So long as the act of Congress of the 20th of April, 1818, which owes its existence to the law of nations and to the policy of Washington himself, shall remain on our statute books, I hold it to be the duty of the Executive faithfully to obey its injunctions.

While this expedition was in progress I was informed that a foreigner who claimed our protection had been clandestinely and, as was supposed, forcibly carried off in a vessel from New Orleans to the island of Cuba. I immediately caused such steps to be taken as I thought necessary, in case the information I had received should prove correct, to vindicate the honor of the country and the right of every person seeking an asylum on our soil to the protection of our laws. The person alleged to have been abducted was promptly restored, and the circumstances of the case are now about to undergo investigation before a judicial tribunal. I would respectfully suggest that although the crime charged to have been committed in this case is held odious, as being in conflict with our opinions on the subject of national sovereignty and personal freedom, there is no prohibition of it or punishment for it provided in any act of Congress. The expediency of supplying this defect in our criminal code is therefore recommended to your consideration.

Page 743

I have scrupulously avoided any interference in the wars and contentions which have recently distracted Europe. During the late conflict between Austria and Hungary there seemed to be a prospect that the latter might become an independent nation. However faint that prospect at the time appeared, I thought it my duty, in accordance with the general sentiment of the American people, who deeply sympathized with the Magyar patriots, to stand prepared, upon the contingency of the establishment by her of a permanent government, to be the first to welcome independent Hungary into the family of nations. For this purpose I invested an agent then in Europe with power to declare our willingness promptly to recognize her independence in the event of her ability to sustain it. The powerful intervention of Russia in the contest extinguished the hopes of the struggling Magyars. The United States did not at any time interfere in the contest, but the feelings of the nation were strongly enlisted in the cause, and by the sufferings of a brave people, who had made a gallant, though unsuccessful, effort to be free.

Our claims upon Portugal have been during the past year prosecuted with renewed vigor, and it has been my object to employ every effort of honorable diplomacy to procure their adjustment. Our late charge d'affaires at Lisbon, the Hon. George W. Hopkins, made able and energetic, but unsuccessful, efforts to settle these unpleasant matters of controversy and to obtain indemnity for the wrongs which were the subjects of complaint. Our present charge d'affaires at that Court will also bring to the prosecution of these claims ability and zeal. The revolutionary and distracted condition of Portugal in past times has been represented as one of the leading causes of her delay in indemnifying our suffering citizens. But I must now say it is matter of profound regret that these claims have not yet been settled. The omission of Portugal to do justice to the American claimants has now assumed a character so grave and serious that I shall shortly make it the subject of a special message to Congress, with a view to such ultimate action as its wisdom and patriotism may suggest.

With Russia, Austria, Prussia, Sweden, Denmark, Belgium, the Netherlands, and the Italian States we still maintain our accustomed amicable relations.

During the recent revolutions in the Papal States our charge d'affaires at Rome has been unable to present his letter of credence, which, indeed, he was directed by my predecessor to withhold until he should receive further orders. Such was the unsettled condition of things in those States that it was not deemed expedient to give him any instructions on the subject of presenting his credential letter different from those with which he had been furnished by the late Administration until the 25th of June last, when, in consequence of the want of accurate information of the exact state of things at that distance from us, he was instructed to exercise his own discretion in presenting himself to the then existing Government if in his judgment sufficiently stable, or, if not, to await further events. Since that period Rome has undergone another revolution, and he abides the establishment of a government sufficiently permanent to justify him in opening diplomatic intercourse with it.

Page 744

With the Republic of Mexico it is our true policy to cultivate the most friendly relations. Since the ratification of the treaty of Guadalupe Hidalgo nothing has occurred of a serious character to disturb them. A faithful observance of the treaty and a sincere respect for her rights can not fail to secure the lasting confidence and friendship of that Republic. The message of my predecessor to the House of Representatives of the 8th of February last, communicating, in compliance with a resolution of that body, a copy of a paper called a protocol, signed at Queretaro on the 30th of May, 1848, by the commissioners of the United States and the minister of foreign affairs of the Mexican Government, having been a subject of correspondence between the Department of State and the envoy extraordinary and minister plenipotentiary of that Republic accredited to this Government, a transcript of that correspondence is herewith submitted.

The commissioner on the part of the United States for marking the boundary between the two Republics, though delayed in reaching San Diego by unforeseen obstacles, arrived at that place within a short period after the time required by the treaty, and was there joined by the commissioner on the part of Mexico. They entered upon their duties, and at the date of the latest intelligence from that quarter some progress had been made in the survey. The expenses incident to the organization of the commission and to its conveyance to the point where its operations were to begin have so much reduced the fund appropriated by Congress that a further sum, to cover the charges which must be incurred during the present fiscal year, will be necessary. The great length of frontier along which the boundary extends, the nature of the adjacent territory, and the difficulty of obtaining supplies except at or near the extremes of the line render it also indispensable that a liberal provision should be made to meet the necessary charges during the fiscal year ending on the 30th of June, 1851. I accordingly recommend this subject to your attention.

In the adjustment of the claims of American citizens on Mexico, provided for by the late treaty, the employment of counsel on the part of the Government may become important for the purpose of assisting the commissioners in protecting the interests of the United States. I recommend this subject to the early and favorable consideration of Congress.

Complaints have been made in regard to the inefficiency of the means provided by the Government of New Granada for transporting the United States mail across the Isthmus of Panama, pursuant to our postal convention with that Republic of the 6th of March, 1844. Our charge d’affaires at Bogota has been directed to make such representations to the Government of New Granada as will, it is hoped, lead to a prompt removal of this cause of complaint.

The sanguinary civil war with which the Republic of Venezuela has for some time past been ravaged has been brought to a close. In its progress the rights of some of our citizens resident or trading there have been violated. The restoration of order will afford

the Venezuelan Government an opportunity to examine and redress these grievances and others of longer standing which our representatives at Caracas have hitherto ineffectually urged upon the attention of that Government.

Page 745

The extension of the coast of the United States on the Pacific and the unexampled rapidity with which the inhabitants of California especially are increasing in numbers have imparted new consequence to our relations with the other countries whose territories border upon that ocean. It is probable that the intercourse between those countries and our possessions in that quarter, particularly with the Republic of Chili, will become extensive and mutually advantageous in proportion as California and Oregon shall increase in population and wealth. It is desirable, therefore, that this Government should do everything in its power to foster and strengthen its relations with those States, and that the spirit of amity between us should be mutual and cordial.

I recommend the observance of the same course toward all other American States. The United States stand as the great American power, to which, as their natural ally and friend, they will always be disposed first to look for mediation and assistance in the event of any collision between them and any European nation. As such we may often kindly mediate in their behalf without entangling ourselves in foreign wars or unnecessary controversies. Whenever the faith of our treaties with any of them shall require our interference, we must necessarily interpose.

A convention has been negotiated with Brazil providing for the satisfaction of American claims on that Government, and it will be submitted to the Senate. Since the last session of Congress we have received an envoy extraordinary and minister plenipotentiary from that Empire, and our relations with it are rounded upon the most amicable understanding.

Your attention is earnestly invited to an amendment of our existing laws relating to the African slave trade with a view to the effectual suppression of that barbarous traffic. It is not to be denied that this trade is still in part carried on by means of vessels built in the United States and owned or navigated by some of our citizens. The correspondence between the Department of State and the minister and consul of the United States at Rio de Janeiro, which has from time to time been laid before Congress, represents that it is a customary device to evade the penalties of our laws by means of sea letters. Vessels sold in Brazil, when provided with such papers by the consul, instead of returning to the United States for a new register proceed at once to the coast of Africa for the purpose of obtaining cargoes of slaves. Much additional information of the same character has recently been transmitted to the Department of State. It has not been considered the policy of our laws to subject an American citizen who in a foreign country purchases a vessel built in the United States to the inconvenience of sending her home for a new register before permitting her to proceed on a voyage. Any alteration of the laws which might have a tendency to impede the free transfer of property in vessels between our citizens, or the free navigation of those vessels between different parts of the world when employed in lawful commerce, should be well and cautiously considered; but I trust that your wisdom will devise a method by which our general policy in this respect may be preserved, and at the same time the abuse of our flag by means of sea letters, in the manner indicated, may be prevented.

Page 746

Having ascertained that there is no prospect of the reunion of the five States of Central America which formerly composed the Republic of that name, we have separately negotiated with some of them treaties of amity and commerce, which will be laid before the Senate.

A contract having been concluded with the State of Nicaragua by a company composed of American citizens for the purpose of constructing a ship canal through the territory of that State to connect the Atlantic and Pacific oceans, I have directed the negotiation of a treaty with Nicaragua pledging both Governments to protect those who shall engage in and perfect the work. All other nations are invited by the State of Nicaragua to enter into the same treaty stipulations with her; and the benefit to be derived by each from such an arrangement will be the protection of this great interoceanic communication against any power which might seek to obstruct it or to monopolize its advantages. All States entering into such a treaty will enjoy the right of passage through the canal on payment of the same tolls. The work, if constructed under these guaranties, will become a bond of peace instead of a subject of contention and strife between the nations of the earth. Should the great maritime States of Europe consent to this arrangement (and we have no reason to suppose that a proposition so fair and honorable will be opposed by any), the energies of their people and ours will cooperate in promoting the success of the enterprise. I do not recommend any appropriation from the National Treasury for this purpose, nor do I believe that such an appropriation is necessary. Private enterprise, if properly protected, will complete the work should it prove to be feasible. The parties who have procured the charter from Nicaragua for its construction desire no assistance from this Government beyond its protection; and they profess that, having examined the proposed line of communication, they will be ready to commence the undertaking whenever that protection shall be extended to them. Should there appear to be reason, on examining the whole evidence, to entertain a serious doubt of the practicability of constructing such a canal, that doubt could be speedily solved by an actual exploration of the route.

Should such a work be constructed under the common protection of all nations, for equal benefits to all, it would be neither just nor expedient that any great maritime state should command the communication. The territory through which the canal may be opened ought to be freed from the claims of any foreign power. No such power should occupy a position that would enable it hereafter to exercise so controlling an influence over the commerce of the world or to obstruct a highway which ought to be dedicated to the common uses of mankind.

Page 747

The routes across the Isthmus at Tehuantepec and Panama are also worthy of our serious consideration.. They did not fail to engage the attention of my predecessor. The negotiator of the treaty of Guadalupe Hidalgo was instructed to offer a very large sum of money for the right of transit across the Isthmus of Tehuantepec. The Mexican Government did not accede to the proposition for the purchase of the right of way, probably because it had already contracted with private individuals for the construction of a passage from the Guasacualco River to Tehuantepec. I shall not renew any proposition to purchase for money a right which ought to be equally secured to all nations on payment of a reasonable toll to the owners of the improvement, who would doubtless be well contented with that compensation and the guaranties of the maritime states of the world in separate treaties negotiated with Mexico, binding her and them to protect those who should construct the work. Such guaranties would do more to secure the completion of the communication through the territory of Mexico than any other reasonable consideration that could be offered; and as Mexico herself would be the greatest gainer by the opening of this communication between the Gulf and the Pacific Ocean, it is presumed that she would not hesitate to yield her aid in the manner proposed to accomplish an improvement so important to her own best interests.

We have reason to hope that the proposed railroad across the Isthmus at Panama will be successfully constructed under the protection of the late treaty with New Granada, ratified and exchanged by my predecessor on the 10th day of June, 1848, which guarantees the perfect neutrality of the Isthmus and the rights of sovereignty and property of New Granada over that territory, “with a view that the free transit from ocean to ocean may not be interrupted or embarrassed” during the existence of the treaty. It is our policy to encourage every practicable route across the isthmus which connects North and South America, either by railroad or canal, which the energy and enterprise of our citizens may induce them to complete, and I consider it obligatory upon me to adopt that policy, especially in consequence of the absolute necessity of facilitating intercourse with our possessions on the Pacific.

The position of the Sandwich Islands with reference to the territory of the United States on the Pacific, the success of our persevering and benevolent citizens who have repaired to that remote quarter in Christianizing the natives and inducing them to adopt a system of government and laws suited to their capacity and wants, and the use made by our numerous whale ships of the harbors of the islands as places of resort for obtaining refreshments and repairs all combine to render their destiny peculiarly interesting to us. It is our duty to encourage the authorities of those islands in their efforts to improve and elevate the moral and

Page 748

political condition of the inhabitants, and we should make reasonable allowances for the difficulties inseparable from this task. We desire that the islands may maintain their independence and that other nations should concur with us in this sentiment. We could in no event be indifferent to their passing under the dominion of any other power. The principal commercial states have in this a common interest, and it is to be hoped that no one of them will attempt to interpose obstacles to the entire independence of the islands.

The receipts into the Treasury for the fiscal year ending on the 30th of June last were, in cash, $48,830,097.50, and in Treasury notes funded $10,833,000, making an aggregate of $59,663,097.50; and the expenditures for the same time were, in cash, $46,798,667.82, and in Treasury notes funded $10,833,000, making an aggregate of $57,631,667.82.

The accounts and estimates which will be submitted to Congress in the report of the Secretary of the Treasury show that there will probably be a deficit occasioned by the expenses of the Mexican War and treaty on the 1st day of July next of $5,828,121.66, and on the 1st day of July, 1851, of $10,547,092.73, making in the whole a probable deficit to be provided for of $16,375,214.39. The extraordinary expenses of the war with Mexico and the purchase of California and New Mexico exceed in amount this deficit, together with the loans heretofore made for those objects. I therefore recommend that authority be given to borrow what ever sum may be necessary to cover that deficit. I recommend the observance of strict economy in the appropriation and expenditure of public money.

I recommend a revision of the existing tariff and its adjustment on a basis which may augment the revenue. I do not doubt the right or duty of Congress to encourage domestic industry, which is the great source of national as well as individual wealth and prosperity. I look to the wisdom and patriotism of Congress for the adoption of a system which may place home labor at last on a sure and permanent footing and by due encouragement of manufactures give a new and increased stimulus to agriculture and promote the development of our vast resources and the extension of our commerce. Believing that to the attainment of these ends, as well as the necessary augmentation of the revenue and the prevention of frauds, a system of specific duties is best adapted, I strongly recommend to Congress the adoption of that system, fixing the duties at rates high enough to afford substantial and sufficient encouragement to our own industry and at the same time so adjusted as to insure stability.

The question of the continuance of the subtreasury system is respectfully submitted to the wisdom of Congress. If continued, important modifications of it appear to be indispensable.

For further details and views on the above and other matters connected with commerce, the finances, and revenue I refer to the report of the Secretary of the Treasury.

Page 749

No direct aid has been given by the General Government to the improvement of agriculture except by the expenditure of small sums for the collection and publication of agricultural statistics and for some chemical analyses, which have been thus far paid for out of the patent fund. This aid is, in my opinion, wholly inadequate. To give to this leading branch of American industry the encouragement which it merits, I respectfully recommend the establishment of an agricultural bureau, to be connected with the Department of the Interior. To elevate the social condition of the agriculturist, to increase his prosperity, and to extend his means of usefulness to his country, by multiplying his sources of information, should be the study of every statesman and a primary object with every legislator.

No civil government having been provided by Congress for California, the people of that Territory, impelled by the necessities of their political condition, recently met in convention for the purpose of forming a constitution and State government, which the latest advices give me reason to suppose has been accomplished; and it is believed they will shortly apply for the admission of California into the Union as a sovereign State. Should such be the case, and should their constitution be conformable to the requisitions of the Constitution of the United States, I recommend their application to the favorable consideration of Congress. The people of New Mexico will also, it is believed, at no very distant period present themselves for admission into the Union. Preparatory to the admission of California and New Mexico the people of each will have instituted for themselves a republican form of government, “laying its foundation in such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness.” By awaiting their action all causes of uneasiness may be avoided and confidence and kind feeling preserved. With a view of maintaining the harmony and tranquillity so dear to all, we should abstain from the introduction of those exciting topics of a sectional character which have hitherto produced painful apprehensions in the public mind; and I repeat the solemn warning of the first and most illustrious of my predecessors against furnishing “any ground for characterizing parties by geographical discriminations.”

A collector has been appointed at San Francisco under the act of Congress extending the revenue laws over California, and measures have been taken to organize the custom-houses at that and the other ports mentioned in that act at the earliest period practicable. The collector proceeded overland, and advices have not yet been received of his arrival at San Francisco. Meanwhile, it is understood that the customs have continued to be collected there by officers acting under the military authority, as they were during the Administration of my predecessor. It will, I think, be expedient to confirm the collections thus made, and direct the avails (after such allowances as Congress may think fit to authorize) to be expended within the Territory or to be paid into the Treasury for the purpose of meeting appropriations for the improvement of its rivers and harbors.

Page 750

A party engaged on the coast survey was dispatched to Oregon in January last. According to the latest advices, they had not left California; and directions have been given to them, as soon as they shall have fixed on the sites of the two light-houses and the buoys authorized to be constructed and placed in Oregon, to proceed without delay to make reconnaissance of the most important points on the coast of California, and especially to examine and determine on sites for light-houses on that coast, the speedy erection of which is urgently demanded by our rapidly increasing commerce.

I have transferred the Indian agencies from upper Missouri and Council Bluffs to Santa Fe and Salt Lake, and have caused to be appointed subagents in the valleys of the Gila, the Sacramento, and the San Joaquin rivers. Still further legal provisions will be necessary for the effective and successful extension of our system of Indian intercourse over the new territories.

I recommend the establishment of a branch mint in California, as it will, in my opinion, afford important facilities to those engaged in mining, as well as to the Government in the disposition of the mineral lands.

I also recommend that commissions be organized by Congress to examine and decide upon the validity of the present subsisting land titles in California and New Mexico, and that provision be made for the establishment of offices of surveyor-general in New Mexico, California, and Oregon and for the surveying and bringing into market the public lands in those Territories. Those lands, remote in position and difficult of access, ought to be disposed of on terms liberal to all, but especially favorable to the early emigrants.

In order that the situation and character of the principal mineral deposits in California may be ascertained, I recommend that a geological and mineralogical exploration be connected with the linear surveys, and that the mineral lands be divided into small lots suitable for mining and be disposed of by sale or lease, so as to give our citizens an opportunity of procuring a permanent right of property in the soil. This would seem to be as important to the success of mining as of agricultural pursuits.

The great mineral wealth of California and the advantages which its ports and harbors and those of Oregon afford to commerce, especially with the islands of the Pacific and Indian oceans and the populous regions of eastern Asia, make it certain that there will arise in a few years large and prosperous communities on our western coast. It therefore becomes important that a line of communication, the best and most expeditious which the nature of the country will admit, should be opened within the territory of the United States from the navigable waters of the Atlantic or the Gulf of Mexico to the Pacific. Opinion, as elicited and expressed by two large and respectable conventions lately assembled at St. Louis and Memphis, points

Page 751

to a railroad as that which, if practicable, will best meet the wishes and wants of the country. But while this, if in successful operation, would be a work of great national importance and of a value to the country which it would be difficult to estimate, it ought also to be regarded as an undertaking of vast magnitude and expense, and one which must, if it be indeed practicable, encounter many difficulties in its construction and use. Therefore, to avoid failure and disappointment; to enable Congress to judge whether in the condition of the country through which it must pass the work be feasible, and, if it be found so, whether it should be undertaken as a national improvement or left to individual enterprise, and in the latter alternative what aid, if any, ought to be extended to it by the Government, I recommend as a preliminary measure a careful reconnaissance of the several proposed routes by a scientific corps and a report as to the practicability of making such a road, with an estimate of the cost of its construction and support.

For further views on these and other matters connected with the duties of the home department I refer you to the report of the Secretary of the Interior.

I recommend early appropriations for continuing the river and harbor improvements which have been already begun, and also for the construction of those for which estimates have been made, as well as for examinations and estimates preparatory to the commencement of such others as the wants of the country, and especially the advance of our population over new districts and the extension of commerce, may render necessary. An estimate of the amount which can be advantageously expended within the next fiscal year under the direction of the Bureau of Topographical Engineers accompanies the report of the Secretary of War, to which I respectfully invite the attention of Congress.

The cession of territory made by the late treaty with Mexico has greatly extended our exposed frontier and rendered its defense more difficult. That treaty has also brought us under obligations to Mexico, to comply with which a military force is requisite. But our military establishment is not materially changed as to its efficiency from the condition in which it stood before the commencement of the Mexican War. Some addition to it will therefore be necessary, and I recommend to the favorable consideration of Congress an increase of the several corps of the Army at our distant Western posts, as proposed in the accompanying report of the Secretary of War.

Great embarrassment has resulted from the effect upon rank in the Army heretofore given to brevet and staff commissions. The views of the Secretary of War on this subject are deemed important, and if carried into effect will, it is believed, promote the harmony of the service. The plan proposed for retiring disabled officers and providing an asylum for such of the rank and file as from age, wounds, and other infirmities occasioned by service have become unfit to perform their respective duties is

recommended as a means of increasing the efficiency of the Army and as an act of justice due from a grateful country to the faithful soldier.

Page 752

The accompanying report of the Secretary of the Navy presents a full and satisfactory account of the condition and operations of the naval service during the past year. Our citizens engaged in the legitimate pursuits of commerce have enjoyed its benefits. Wherever our national vessels have gone they have been received with respect, our officers have been treated with kindness and courtesy, and they have on all occasions pursued a course of strict neutrality, in accordance with the policy of our Government.

The naval force at present in commission is as large as is admissible with the number of men authorized by Congress to be employed.

I invite your attention to the recommendation of the Secretary of the Navy on the subject of a reorganization of the Navy in its various grades of officers, and the establishing of a retired list for such of the officers as are disqualified for active and effective service. Should Congress adopt some such measure as is recommended, it will greatly increase the efficiency of the Navy and reduce its expenditures.

I also ask your attention to the views expressed by him in reference to the employment of war steamers and in regard to the contracts for the transportation of the United States mails and the operation of the system upon the prosperity of the Navy.

By an act of Congress passed August 14, 1848, provision was made for extending post-office and mail accommodations to California and Oregon. Exertions have been made to execute that law, but the limited provisions of the act, the inadequacy of the means it authorizes, the ill adaptation of our post-office laws to the situation of that country, and the measure of compensation for services allowed by those laws, compared with the prices of labor and rents in California, render those exertions in a great degree ineffectual. More particular and efficient provision by law is required on this subject.

The act of 1845 reducing postage has now, by its operation during four years, produced results fully showing that the income from such reduced postage is sufficient to sustain the whole expense of the service of the Post-Office Department, not including the cost of transportation in mail steamers on the lines from New York to Chagres and from Panama to Astoria, which have not been considered by Congress as properly belonging to the mail service.

It is submitted to the wisdom of Congress whether a further reduction of postage should not now be made, more particularly on the letter correspondence. This should be relieved from the unjust burden of transporting and delivering the franked matter of Congress, for which public service provision should be made from the Treasury. I confidently believe that a change may safely be made reducing all single letter postage to the uniform rate of 5 cents, regardless of distance, without thereby imposing any greater tax on the Treasury than would constitute a very moderate

Page 753

compensation for this public service; and I therefore respectfully recommend such a reduction. Should Congress prefer to abolish the franking privilege entirely, it seems probable that no demand on the Treasury would result from the proposed reduction of postage. Whether any further diminution should now be made, or the result of the reduction to 5 cents, which I have recommended, should be first tested, is submitted to your decision.

Since the commencement of the last session of Congress a postal treaty with Great Britain has been received and ratified, and such relations have been formed by the post-office departments of the two countries in pursuance of that treaty as to carry its provisions into full operation. The attempt to extend this same arrangement through England to France has not been equally successful, but the purpose has not been abandoned.

For a particular statement of the condition of the Post-Office Department and other matters connected with that branch of the public service I refer you to the report of the Postmaster-General.

By the act of the 3d of March, 1849, a board was constituted to make arrangements for taking the Seventh Census, composed of the Secretary of State, the Attorney-General, and the Postmaster-General; and it was made the duty of this board “to prepare and cause to be printed such forms and schedules as might be necessary for the full enumeration of the inhabitants of the United States, and also proper forms and schedules for collecting in statistical tables, under proper heads, such information as to mines, agriculture, commerce, manufactures, education, and other topics as would exhibit a full view of the pursuits, industry, education, and resources of the country.” The duties enjoined upon the census board thus established having been performed, it now rests with Congress to enact a law for carrying into effect the provision of the Constitution which requires an actual enumeration of the people of the United States within the ensuing year.

Among the duties assigned by the Constitution to the General Government is one of local and limited application, but not on that account the less obligatory. I allude to the trust committed to Congress as the exclusive legislator and sole guardian of the interests of the District of Columbia. I beg to commend these interests to your kind attention. As the national metropolis the city of Washington must be an object of general interest; and founded, as it was, under the auspices of him whose immortal name it bears, its claims to the fostering care of Congress present themselves with additional strength. Whatever can contribute to its prosperity must enlist the feelings of its constitutional guardians and command their favorable consideration.

Our Government is one of limited powers, and its successful administration eminently depends on the confinement of each of its coordinate branches within its own appropriate sphere. The first section of the Constitution ordains that—

Page 754

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

The Executive has authority to recommend (not to dictate) measures to Congress. Having performed that duty, the executive department of the Government can not rightfully control the decision of Congress on any subject of legislation until that decision shall have been officially submitted to the President for approval. The check provided by the Constitution in the clause conferring the qualified veto will never be exercised by me except in the cases contemplated by the fathers of the Republic. I view it as an extreme measure, to be resorted to only in extraordinary cases, as where it may become necessary to defend the executive against the encroachments of the legislative power or to prevent hasty and inconsiderate or unconstitutional legislation. By cautiously confining this remedy within the sphere prescribed to it in the contemporaneous expositions of the framers of the Constitution, the will of the people, legitimately expressed on all subjects of legislation through their constitutional organs, the Senators and Representatives of the United States, will have its full effect. As indispensable to the preservation of our system of self-government, the independence of the representatives of the States and the people is guaranteed by the Constitution, and they owe no responsibility to any human power but their constituents. By holding the representative responsible only to the people, and exempting him from all other influences, we elevate the character of the constituent and quicken his sense of responsibility to his country. It is under these circumstances only that the elector can feel that in the choice of the lawmaker he is himself truly a component part of the sovereign power of the nation. With equal care we should study to defend the rights of the executive and judicial departments. Our Government can only be preserved in its purity by the suppression and entire elimination of every claim or tendency of one coordinate branch to encroachment upon another. With the strict observance of this rule and the other injunctions of the Constitution, with a sedulous inculcation of that respect and love for the Union of the States which our fathers cherished and enjoined upon their children, and with the aid of that overruling Providence which has so long and so kindly guarded our liberties and institutions, we may reasonably expect to transmit them, with their innumerable blessings, to the remotest posterity.

Page 755

But attachment to the Union of the States should be habitually fostered in every American heart. For more than half a century, during which kingdoms and empires have fallen, this Union has stood unshaken. The patriots who formed it have long since descended to the grave; yet still it remains, the proudest monument to their memory and the object of affection and admiration with everyone worthy to bear the American name. In my judgment its dissolution would be the greatest of calamities, and to avert that should be the study of every American. Upon its preservation must depend our own happiness and that of countless generations to come. Whatever dangers may threaten it, I shall stand by it and maintain it in its integrity to the full extent of the obligations imposed and the powers conferred upon me by the Constitution.

Z. *Taylor*.

***

State of the Union Address
Millard Fillmore
December 2, 1850

Fellow-Citizens of the Senate and of the House of Representatives:

Being suddenly called in the midst of the last session of Congress by a painful dispensation of Divine Providence to the responsible station which I now hold, I contented myself with such communications to the Legislature as the exigency of the moment seemed to require. The country was shrouded in mourning for the loss of its venerable Chief Magistrate and all hearts were penetrated with grief. Neither the time nor the occasion appeared to require or to justify on my part any general expression of political opinions or any announcement of the principles which would govern me in the discharge of the duties to the performance of which I had been so unexpectedly called. I trust, therefore, that it may not be deemed inappropriate if I avail myself of this opportunity of the reassembling of Congress to make known my sentiments in a general manner in regard to the policy which ought to be pursued by the Government both in its intercourse with foreign nations and its management and administration of internal affairs.

Nations, like individuals in a state of nature, are equal and independent, possessing certain rights and owing certain duties to each other, arising from their necessary and unavoidable relations; which rights and duties there is no common human authority to protect and enforce. Still, they are rights and duties, binding in morals, in conscience, and in honor, although there is no tribunal to which an injured party can appeal but the disinterested judgment of mankind, and ultimately the arbitrament of the sword.

Among the acknowledged rights of nations is that which each possesses of establishing that form of government which it may deem most conducive to the happiness and

prosperity of its own citizens, of changing that form as circumstances may require, and of managing its internal affairs according to its own will. The people of the United States claim this right for themselves, and they readily concede it to others.

Page 756

Hence it becomes an imperative duty not to interfere in the government or internal policy of other nations; and although we may sympathize with the unfortunate or the oppressed everywhere in their struggles for freedom, our principles forbid us from taking any part in such foreign contests. We make no wars to promote or to prevent successions to thrones, to maintain any theory of a balance of power, or to suppress the actual government which any country chooses to establish for itself. We instigate no revolutions, nor suffer any hostile military expeditions to be fitted out in the United States to invade the territory or provinces of a friendly nation. The great law of morality ought to have a national as well as a personal and individual application. We should act toward other nations as we wish them to act toward us, and justice and conscience should form the rule of conduct between governments, instead of mere power, self interest, or the desire of aggrandizement. To maintain a strict neutrality in foreign wars, to cultivate friendly relations, to reciprocate every noble and generous act, and to perform punctually and scrupulously every treaty obligation—these are the duties which we owe to other states, and by the performance of which we best entitle ourselves to like treatment from them; or, if that, in any case, be refused, we can enforce our own rights with justice and a clear conscience.

In our domestic policy the Constitution will be my guide, and in questions of doubt I shall look for its interpretation to the judicial decisions of that tribunal which was established to expound it and to the usage of the Government, sanctioned by the acquiescence of the country. I regard all its provisions as equally binding. In all its parts it is the will of the people expressed in the most solemn form, and the constituted authorities are but agents to carry that will into effect. Every power which it has granted is to be exercised for the public good; but no pretense of utility, no honest conviction, even, of what might be expedient, can justify the assumption of any power not granted. The powers conferred upon the Government and their distribution to the several departments are as clearly expressed in that sacred instrument as the imperfection of human language will allow, and I deem it my first duty not to question its wisdom, add to its provisions, evade its requirements, or nullify its commands.

Upon you, fellow-citizens, as the representatives of the States and the people, is wisely devolved the legislative power. I shall comply with my duty in laying before you from time to time any information calculated to enable you to discharge your high and responsible trust for the benefit of our common constituents.

Page 757

My opinions will be frankly expressed upon the leading subjects of legislation; and if—-which I do not anticipate—any act should pass the two Houses of Congress which should appear to me unconstitutional, or an encroachment on the just powers of other departments, or with provisions hastily adopted and likely to produce consequences injurious and unforeseen, I should not shrink from the duty of returning it to you, with my reasons, for your further consideration. Beyond the due performance of these constitutional obligations, both my respect for the Legislature and my sense of propriety will restrain me from any attempt to control or influence your proceedings. With you is the power, the honor, and the responsibility of the legislation of the country.

The Government of the United States is a limited Government. It is confined to the exercise of powers expressly granted and such others as may be necessary for carrying those powers into effect; and it is at all times an especial duty to guard against any infringement on the just rights of the States. Over the objects and subjects intrusted to Congress its legislative authority is supreme. But here that authority ceases, and every citizen who truly loves the Constitution and desires the continuance of its existence and its blessings will resolutely and firmly resist any interference in those domestic affairs which the Constitution has dearly and unequivocally left to the exclusive authority of the States. And every such citizen will also deprecate useless irritation among the several members of the Union and all reproach and crimination tending to alienate one portion of the country from another. The beauty of our system of government consists, and its safety and durability must consist, in avoiding mutual collisions and encroachments and in the regular separate action of all, while each is revolving in its own distinct orbit.

The Constitution has made it the duty of the President to take care that the laws be faithfully executed. In a government like ours, in which all laws are passed by a majority of the representatives of the people, and these representatives are chosen for such short periods that any injurious or obnoxious law can very soon be repealed, it would appear unlikely that any great numbers should be found ready to resist the execution of the laws. But it must be borne in mind that the country is extensive; that there may be local interests or prejudices rendering a law odious in one part which is not so in another, and that the thoughtless and inconsiderate, misled by their passions or their imaginations, may be induced madly to resist such laws as they disapprove. Such persons should recollect that without law there can be no real practical liberty; that when law is trampled under foot tyranny rules, whether it appears in the form of a military despotism or of popular violence. The law is the only sure protection of the weak and the only efficient

Page 758

restraint upon the strong. When impartially and faithfully administered, none is beneath its protection and none above its control. You, gentlemen, and the country may be assured that to the utmost of my ability and to the extent of the power vested in me I shall at all times and in all places take care that the laws be faithfully executed. In the discharge of this duty, solemnly imposed upon me by the Constitution and by my oath of office, I shall shrink from no responsibility, and shall endeavor to meet events as they may arise with firmness, as well as with prudence and discretion.

The appointing power is one of the most delicate with which the Executive is invested. I regard it as a sacred trust, to be exercised with the sole view of advancing the prosperity and happiness of the people. It shall be my effort to elevate the standard of official employment by selecting for places of importance individuals fitted for the posts to which they are assigned by their known integrity, talents, and virtues. In so extensive a country, with so great a population, and where few persons appointed to office can be known to the appointing power, mistakes will sometimes unavoidably happen and unfortunate appointments be made notwithstanding the greatest care. In such cases the power of removal may be properly exercised; and neglect of duty or malfeasance in office will be no more tolerated in individuals appointed by myself than in those appointed by others. I am happy in being able to say that no unfavorable change in our foreign relations has taken place since the message at the opening of the last session of Congress. We are at peace with all nations and we enjoy in an eminent degree the blessings of that peace in a prosperous and growing commerce and in all the forms of amicable national intercourse. The unexampled growth of the country, the present amount of its population, and its ample means of self-protection assure for it the respect of all nations, while it is trusted that its character for justice and a regard to the rights of other States will cause that respect to be readily and cheerfully paid.

A convention was negotiated between the United States and Great Britain in April last for facilitating and protecting the construction of a ship canal between the Atlantic and Pacific oceans and for other purposes. The instrument has since been ratified by the contracting parties, the exchange of ratifications has been effected, and proclamation thereof has been duly made.

In addition to the stipulations contained in this convention, two other objects remain to be accomplished between the contracting powers: First. The designation and establishment of a free port at each end of the canal.

Second. An agreement fixing the distance from the shore within which belligerent maritime operations shall not be carried on. On these points there is little doubt that the two Governments will come to an understanding.

Page 759

The company of citizens of the United States who have acquired from the State of Nicaragua the privilege of constructing a ship canal between the two oceans through the territory of that State have made progress in their preliminary arrangements. The treaty between the United States and Great Britain of the 19th of April last, above referred to, being now in operation, it is to be hoped that the guaranties which it offers will be sufficient to secure the completion of the work with all practicable expedition. It is obvious that this result would be indefinitely postponed if any other than peaceful measures for the purpose of harmonizing conflicting claims to territory in that quarter should be adopted. It will consequently be my endeavor to cause any further negotiations on the part of this Government which may be requisite for this purpose to be so conducted as to bring them to a speedy and successful close.

Some unavoidable delay has occurred, arising from distance and the difficulty of intercourse between this Government and that of Nicaragua, but as intelligence has just been received of the appointment of an envoy extraordinary and minister plenipotentiary of that Government to reside at Washington, whose arrival may soon be expected, it is hoped that no further impediments will be experienced in the prompt transaction of business between the two Governments.

Citizens of the United States have undertaken the connection of the two oceans by means of a railroad across the Isthmus of Tehuantepec, under grants of the Mexican Government to a citizen of that Republic. It is understood that a thorough survey of the course of the communication is in preparation, and there is every reason to expect that it will be prosecuted with characteristic energy, especially when that Government shall have consented to such stipulations with the Government of the United States as may be necessary to impart a feeling of security to those who may embark their property in the enterprise. Negotiations are pending for the accomplishment of that object, and a hope is confidently entertained that when the Government of Mexico shall become duly sensible of the advantages which that country can not fail to derive from the work, and learn that the Government of the United States desires that the right of sovereignty of Mexico in the Isthmus shall remain unimpaired, the stipulations referred to will be agreed to with alacrity.

By the last advices from Mexico it would appear, however, that that Government entertains strong objections to some of the stipulations which the parties concerned in the project of the railroad deem necessary for their protection and security. Further consideration, it is to be hoped, or some modification of terms, may yet reconcile the differences existing between the two Governments in this respect.

Fresh instructions have recently been given to the minister of the United States in Mexico, who is prosecuting the subject with promptitude and ability.

Page 760

Although the negotiations with Portugal for the payment of claims of citizens of the United States against that Government have not yet resulted in a formal treaty, yet a proposition, made by the Government of Portugal for the final adjustment and payment of those claims, has recently been accepted on the part of the United States. It gives me pleasure to say that Mr. Clay, to whom the negotiation on the part of the United States had been intrusted, discharged the duties of his appointment with ability and discretion, acting always within the instructions of his Government.

It is expected that a regular convention will be immediately negotiated for carrying the agreement between the two Governments into effect. The commissioner appointed under the act of Congress for carrying into effect the convention with Brazil of the 27th of January, 1849, has entered upon the performance of the duties imposed upon him by that act. It is hoped that those duties may be completed within the time which it prescribes. The documents, however, which the Imperial Government, by the third article of the convention, stipulates to furnish to the Government of the United States have not yet been received. As it is presumed that those documents will be essential for the correct disposition of the claims, it may become necessary for Congress to extend the period limited for the duration of the commission. The sum stipulated by the fourth article of the convention to be paid to this Government has been received.

The collection in the ports of the United States of discriminating duties upon the vessels of Chili and their cargoes has been suspended, pursuant to the provisions of the act of Congress of the 24th of May, 1828. It is to be hoped that this measure will impart a fresh impulse to the commerce between the two countries, which of late, and especially since our acquisition of California, has, to the mutual advantage of the parties, been much augmented.

Peruvian guano has become so desirable an article to the agricultural interest of the United States that it is the duty of the Government to employ all the means properly in its power for the purpose of causing that article to be imported into the country at a reasonable price. Nothing will be omitted on my part toward accomplishing this desirable end. I am persuaded that in removing any restraints on this traffic the Peruvian Government will promote its own best interests, while it will afford a proof of a friendly disposition toward this country, which will be duly appreciated.

The treaty between the United States and His Majesty the King of the Hawaiian Islands, which has recently been made public, will, it is believed, have a beneficial effect upon the relations between the two countries.

Page 761

The relations between those parts of the island of St. Domingo which were formerly colonies of Spain and France, respectively, are still in an unsettled condition. The proximity of that island to the United States and the delicate questions involved in the existing controversy there render it desirable that it should be permanently and speedily adjusted. The interests of humanity and of general commerce also demand this; and as intimations of the same sentiment have been received from other governments, it is hoped that some plan may soon be devised to effect the object in a manner likely to give general satisfaction. The Government of the United States will not fail, by the exercise of all proper friendly offices, to do all in its power to put an end to the destructive war which has raged between the different parts of the island and to secure to them both the benefits of peace and commerce.

I refer you to the report of the Secretary of the Treasury for a detailed statement of the finances.

The total receipts into the Treasury for the year ending 30th of June last were $47,421,748.90. The total expenditures during the same period were $43,002,168.90. The public debt has been reduced since the last annual report from the Treasury Department $495,276.79.

By the nineteenth section of the act of 28th January, 1847, the proceeds of the sales of the public lands were pledged for the interest and principal of the public debt. The great amount of those lands subsequently granted by Congress for military bounties will, it is believed, very nearly supply the public demand for several years to come, and but little reliance can, therefore, be placed on that hitherto fruitful source of revenue. Aside from the permanent annual expenditures, which have necessarily largely increased, a portion of the public debt, amounting to $8,075,986.59, must be provided for within the next two fiscal years. It is most desirable that these accruing demands should be met without resorting to new loans.

All experience has demonstrated the wisdom and policy of raising a large portion of revenue for the support of Government from duties on goods imported. The power to lay these duties is unquestionable, and its chief object, of course, is to replenish the Treasury. But if in doing this an incidental advantage may be gained by encouraging the industry of our own citizens, it is our duty to avail ourselves of that advantage.

A duty laid upon an article which can not be produced in this country, such as tea or coffee, adds to the cost of the article, and is chiefly or wholly paid by the consumer. But a duty laid upon an article which may be produced here stimulates the skill and industry of our own country to produce the same article, which is brought into the market in competition with the foreign article, and the importer is thus compelled to reduce his price to that at which the domestic article can be sold, thereby throwing a part of the

Page 762

duty upon the producer of the foreign article. The continuance of this process creates the skill and invites the capital which finally enable us to produce the article much cheaper than it could have been procured from abroad, thereby benefiting both the producer and the consumer at home. The consequence of this is that the artisan and the agriculturist are brought together, each affords a ready market for the produce of the other, the whole country becomes prosperous, and the ability to produce every necessary of life renders us independent in war as well as in peace.

A high tariff can never be permanent. It will cause dissatisfaction, and will be changed. It excludes competition, and thereby invites the investment of capital in manufactures to such excess that when changed it brings distress, bankruptcy, and ruin upon all who have been misled by its faithless protection. What the manufacturer wants is uniformity and permanency, that he may feel a confidence that he is not to be ruined by sudden exchanges. But to make a tariff uniform and permanent it is not only necessary that the laws should not be altered, but that the duty should not fluctuate. To effect this all duties should be specific wherever the nature of the article is such as to admit of it. Ad valorem duties fluctuate with the price and offer strong temptations to fraud and perjury. Specific duties, on the contrary, are equal and uniform in all ports and at all times, and offer a strong inducement to the importer to bring the best article, as he pays no more duty upon that than upon one of inferior quality. I therefore strongly recommend a modification of the present tariff, which has prostrated some of our most important and necessary manufactures, and that specific duties be imposed sufficient to raise the requisite revenue, making such discriminations in favor of the industrial pursuits of our own country as to encourage home production without excluding foreign competition. It is also important that an unfortunate provision in the present tariff, which imposes a much higher duty upon the raw material that enters into our manufactures than upon the manufactured article, should be remedied.

The papers accompanying the report of the Secretary of the Treasury will disclose frauds attempted upon the revenue, in variety and amount so great as to justify the conclusion that it is impossible under any system of ad valorem duties levied upon the foreign cost or value of the article to secure an honest observance and an effectual administration of the laws. The fraudulent devices to evade the law which have been detected by the vigilance of the appraisers leave no room to doubt that similar impositions not discovered, to a large amount, have been successfully practiced since the enactment of the law now in force. This state of things has already had a prejudicial influence upon those engaged in foreign commerce. It has a tendency to drive the honest trader from

Page 763

the business of importing and to throw that important branch of employment into the hands of unscrupulous and dishonest men, who are alike regardless of law and the obligations of an oath. By these means the plain intentions of Congress, as expressed in the law, are daily defeated. Every motive of policy and duty, therefore, impels me to ask the earnest attention of Congress to this subject. If Congress should deem it unwise to attempt any important changes in the system of levying duties at this session, it will become indispensable to the protection of the revenue that such remedies as in the judgment of Congress may mitigate the evils complained of should be at once applied.

As before stated, specific duties would, in my opinion, afford the most perfect remedy for this evil; but if you should not concur in this view, then, as a partial remedy, I beg leave respectfully to recommend that instead of taking the invoice of the article abroad as a means of determining its value here, the correctness of which invoice it is in many cases impossible to verify, the law be so changed as to require a home valuation or appraisal, to be regulated in such manner as to give, as far as practicable, uniformity in the several ports.

There being no mint in California, I am informed that the laborers in the mines are compelled to dispose of their gold dust at a large discount. This appears to me to be a heavy and unjust tax upon the labor of those employed in extracting this precious metal, and I doubt not you will be disposed at the earliest period possible to relieve them from it by the establishment of a mint. In the meantime, as an assayer's office is established there, I would respectfully submit for your consideration the propriety of authorizing gold bullion which has been assayed and stamped to be received in payment of Government dues. I can not conceive that the Treasury would suffer any loss by such a provision, which will at once raise bullion to its par value, and thereby save (if I am rightly informed) many millions of dollars to the laborers which are now paid in brokerage to convert this precious metal into available funds. This discount upon their hard earnings is a heavy tax, and every effort should be made by the Government to relieve them from so great a burden.

More than three-fourths of our population are engaged in the cultivation of the soil. The commercial, manufacturing, and navigating interests are all to a great extent dependent on the agricultural. It is therefore the most important interest of the nation, and has a just claim to the fostering care and protection of the Government so far as they can be extended consistently with the provisions of the Constitution. As this can not be done by the ordinary modes of legislation, I respectfully recommend the establishment of an agricultural bureau, to be charged with the duty of giving to this leading branch of American industry the encouragement which it so

Page 764

well deserves. In view of the immense mineral resources of our country, provision should also be made for the employment of a competent mineralogist and chemist, who should be required, under the direction of the head of the bureau, to collect specimens of the various minerals of our country and to ascertain by careful analysis their respective elements and properties and their adaptation to useful purposes. He should also be required to examine and report upon the qualities of different soils and the manures best calculated to improve their productiveness. By publishing the results of such experiments, with suitable explanations, and by the collection and distribution of rare seeds and plants, with instructions as to the best system of cultivation, much may be done to promote this great national interest.

In compliance with the act of Congress passed on the 23d of May, 1850, providing, among other things, for taking the Seventh Census, a superintendent was appointed and all other measures adopted which were deemed necessary to insure the prompt and faithful performance of that duty. The appropriation already made will, it is believed, be sufficient to defray the whole expense of the work, but further legislation may be necessary in regard to the compensation of some of the marshals of the Territories. It will also be proper to make provision by law at an early day for the publication of such abstracts of the returns as the public interests may require.

The unprecedented growth of our territories on the Pacific in wealth and population and the consequent increase of their social and commercial relations with the Atlantic States seem to render it the duty of the Government to use all its constitutional power to improve the means of intercourse with them. The importance of opening “a line of communication, the best and most expeditious of which the nature of the country will admit,” between the Valley of the Mississippi and the Pacific was brought to your notice by my predecessor in his annual message; and as the reasons which he presented in favor of the measure still exist in full force, I beg leave to call your attention to them and to repeat the recommendations then made by him.

The uncertainty which exists in regard to the validity of land titles in California is a subject which demands your early consideration. Large bodies of land in that State are claimed under grants said to have been made by authority of the Spanish and Mexican Governments. Many of these have not been perfected, others have been revoked, and some are believed to be fraudulent. But until they shall have been judicially investigated they will continue to retard the settlement and improvement of the country. I therefore respectfully recommend that provision be made by law for the appointment of commissioners to examine all such claims with a view to their final adjustment.

Page 765

I also beg leave to call your attention to the propriety of extending at an early day our system of land laws, with such modifications as may be necessary, over the State of California and the Territories of Utah and New Mexico. The mineral lands of California will, of course, form an exception to any general system which may be adopted. Various methods of disposing of them have been suggested. I was at first inclined to favor the system of leasing, as it seemed to promise the largest revenue to the Government and to afford the best security against monopolies; but further reflection and our experience in leasing the lead mines and selling lands upon credit have brought my mind to the conclusion that there would be great difficulty in collecting the rents, and that the relation of debtor and creditor between the citizens and the Government would be attended with many mischievous consequences. I therefore recommend that instead of retaining the mineral lands under the permanent control of the Government they be divided into small parcels and sold, under such restrictions as to quantity and time as will insure the best price and guard most effectually against combinations of capitalists to obtain monopolies.

The annexation of Texas and the acquisition of California and New Mexico have given increased importance to our Indian relations. The various tribes brought under our jurisdiction by these enlargements of our boundaries are estimated to embrace a population of 124,000. Texas and New Mexico are surrounded by powerful tribes of Indians, who are a source of constant terror and annoyance to the inhabitants. Separating into small predatory bands, and always mounted, they overrun the country, devastating farms, destroying crops, driving off whole herds of cattle, and occasionally murdering the inhabitants or carrying them into captivity. The great roads leading into the country are infested with them, whereby traveling is rendered extremely dangerous and immigration is almost entirely arrested. The Mexican frontier, which by the eleventh article of the treaty of Guadalupe Hidalgo we are bound to protect against the Indians within our border, is exposed to these incursions equally with our own. The military force stationed in that country, although forming a large proportion of the Army, is represented as entirely inadequate to our own protection and the fulfillment of our treaty stipulations with Mexico. The principal deficiency is in cavalry, and I recommend that Congress should, at as early a period as practicable, provide for the raising of one or more regiments of mounted men.

For further suggestions on this subject and others connected with our domestic interests and the defense of our frontier, I refer you to the reports of the Secretary of the Interior and of the Secretary of War.

I commend also to your favorable consideration the suggestion contained in the last-mentioned report and in the letter of the General in Chief relative to the establishment of an asylum for the relief of disabled and destitute soldiers. This subject appeals so strongly to your sympathies that it would be superfluous in me to say anything more than barely to express my cordial approbation of the proposed object.

Page 766

The Navy continues to give protection to our commerce and other national interests in the different quarters of the globe, and, with the exception of a single steamer on the Northern lakes, the vessels in commission are distributed in six different squadrons.

The report of the head of that Department will exhibit the services of these squadrons and of the several vessels employed in each during the past year. It is a source of gratification that, while they have been constantly prepared for any hostile emergency, they have everywhere met with the respect and courtesy due as well to the dignity as to the peaceful dispositions and just purposes of the nation.

The two brigantines accepted by the Government from a generous citizen of New York and placed under the command of an officer of the Navy to proceed to the Arctic Seas in quest of the British commander Sir John Franklin and his companions, in compliance with the act of Congress approved in May last, had when last heard from penetrated into a high northern latitude; but the success of this noble and humane enterprise is yet uncertain.

I invite your attention to the view of our present naval establishment and resources presented in the report of the Secretary of the Navy, and the suggestions therein made for its improvement, together with the naval policy recommended for the security of our Pacific Coast and the protection and extension of our commerce with eastern Asia. Our facilities for a larger participation in the trade of the East, by means of our recent settlements on the shores of the Pacific, are too obvious to be overlooked or disregarded.

The questions in relation to rank in the Army and Navy and relative rank between officers of the two branches of the service, presented to the Executive by certain resolutions of the House of Representatives at the last session of Congress, have been submitted to a board of officers in each branch of the service, and their report may be expected at an early day.

I also earnestly recommend the enactment of a law authorizing officers of the Army and Navy to be retired from the service when incompetent for its vigorous and active duties, taking care to make suitable provision for those who have faithfully served their country and awarding distinctions by retaining in appropriate commands those who have been particularly conspicuous for gallantry and good conduct. While the obligation of the country to maintain and honor those who, to the exclusion of other pursuits, have devoted themselves to its arduous service is acknowledged, this obligation should not be permitted to interfere with the efficiency of the service itself.

I am gratified in being able to state that the estimates of expenditure for the Navy in the ensuing year are less by more than $1,000,000 than those of the present, excepting the appropriation which may become necessary for the construction of a dock on the coast

of the Pacific, propositions for which are now being considered and on which a special report may be expected early in your present session.

Page 767

There is an evident justness in the suggestion of the same report that appropriations for the naval service proper should be separated from those for fixed and permanent objects, such as building docks and navy yards and the fixtures attached, and from the extraordinary objects under the care of the Department which, however important, are not essentially naval.

A revision of the code for the government of the Navy seems to require the immediate consideration of Congress. Its system of crimes and punishments had undergone no change for half a century until the last session, though its defects have been often and ably pointed out; and the abolition of a particular species of corporal punishment, which then took place, without providing any substitute, has left the service in a state of defectiveness which calls for prompt correction. I therefore recommend that the whole subject be revised without delay and such a system established for the enforcement of discipline as shall be at once humane and effectual.

The accompanying report of the Postmaster-General presents a satisfactory view of the operations and condition of that Department. At the close of the last fiscal year the length of the inland mail routes in the United States (not embracing the service in Oregon and California) was 178,672 miles, the annual transportation thereon 46,541,423 miles, and the annual cost of such transportation $2,724,426. The increase of the annual transportation over that of the preceding year was 3,997,354 miles and the increase in cost was $342,440. The number of post-offices in the United States on the 1st day of July last was 18,417, being an increase of 1,670 during the preceding year.

The gross revenues of the Department for the fiscal year ending June 30, 1850, amounted to $5,552,971.48, including the annual appropriation of $200,000 for the franked matter of the Departments and excluding the foreign postages collected for and payable to the British Government.

The expenditures for the same period were $5,212,953.43, leaving a balance of revenue over expenditures of $340,018.05.

I am happy to find that the fiscal condition of the Department is such as to justify the Postmaster-General in recommending the reduction of our inland letter postage to 3 cents the single letter when prepaid and 5 cents when not prepaid. He also recommends that the prepaid rate shall be reduced to 2 cents whenever the revenues of the Department, after the reduction, shall exceed its expenditures by more than 5 per cent for two consecutive years; that the postage upon California and other letters sent by our ocean steamers shall be much reduced, and that the rates of postage on newspapers, pamphlets, periodicals, and other printed matter shall be modified and some reduction thereon made.

Page 768

It can not be doubted that the proposed reductions will for the present diminish the revenues of the Department. It is believed that the deficiency, after the surplus already accumulated shall be exhausted, may be almost wholly met either by abolishing the existing privileges of sending free matter through the mails or by paying out of the Treasury to the Post-Office Department a sum equivalent to the postage of which it is deprived by such privileges. The last is supposed to be the preferable mode, and will, if not entirely, so nearly supply that deficiency as to make any further appropriation that may be found necessary so inconsiderable as to form no obstacle to the proposed reductions.

I entertain no doubt of the authority of Congress to make appropriations for leading objects in that class of public works comprising what are usually called works of internal improvement. This authority I suppose to be derived chiefly from the power of regulating commerce with foreign nations and among the States and the power of laying and collecting imposts. Where commerce is to be carried on and imposts collected there must be ports and harbors as well as wharves and custom-houses. If ships laden with valuable cargoes approach the shore or sail along the coast, light-houses are necessary at suitable points for the protection of life and property. Other facilities and securities for commerce and navigation are hardly less important; and those clauses of the Constitution, therefore, to which I have referred have received from the origin of the Government a liberal and beneficial construction. Not only have light-houses, buoys, and beacons been established and floating lights maintained, but harbors have been cleared and improved, piers constructed, and even breakwaters for the safety of shipping and sea walls to protect harbors from being filled up and rendered useless by the action of the ocean, have been erected at very great expense. And this construction of the Constitution appears the more reasonable from the consideration that if these works, of such evident importance and utility, are not to be accomplished by Congress they can not be accomplished at all. By the adoption of the Constitution the several States voluntarily parted with the power of collecting duties of imposts in their own ports, and it is not to be expected that they should raise money by internal taxation, direct or indirect, for the benefit of that commerce the revenues derived from which do not, either in whole or in part, go into their own treasuries. Nor do I perceive any difference between the power of Congress to make appropriations for objects of this kind on the ocean and the power to make appropriations for similar objects on lakes and rivers, wherever they are large enough to bear on their waters an extensive traffic. The magnificent Mississippi and its tributaries and the vast lakes of the North and Northwest appear to me to fall within the exercise of the power

Page 769

as justly and as clearly as the ocean and the Gulf of Mexico. It is a mistake to regard expenditures judiciously made for these objects as expenditures for local purposes. The position or sight of the work is necessarily local, but its utility is general. A ship canal around the Falls of St. Mary of less than a mile in length, though local in its construction, would yet be national in its purpose and its benefits, as it would remove the only obstruction to a navigation of more than 1,000 miles, affecting several States, as well as our commercial relations with Canada. So, too, the breakwater at the mouth of the Delaware is erected, not for the exclusive benefit of the States bordering on the bay and river of that name, but for that of the whole coastwise navigation of the United States and, to a considerable extent, also of foreign commerce. If a ship be lost on the bar at the entrance of a Southern port for want of sufficient depth of water, it is very likely to be a Northern ship; and if a steamboat be sunk in any part of the Mississippi on account of its channel not having been properly cleared of obstructions, it may be a boat belonging to either of eight or ten States. I may add, as somewhat remarkable, that among all the thirty-one States there is none that is not to a greater or less extent bounded on the ocean, or the Gulf of Mexico, or one of the Great Lakes, or some navigable river.

In fulfilling our constitutional duties, fellow-citizens, on this subject, as in carrying into effect all other powers conferred by the Constitution, we should consider ourselves as deliberating and acting for one and the same country, and bear constantly in mind that our regard and our duty are due not to a particular part only, but to the whole.

I therefore recommend that appropriations be made for completing such works as have been already begun and for commencing such others as may seem to the wisdom of Congress to be of public and general importance.

The difficulties and delays incident to the settlement of private claims by Congress amount in many cases to a denial of justice. There is reason to apprehend that many unfortunate creditors of the Government have thereby been unavoidably ruined. Congress has so much business of a public character that it is impossible it should give much attention to mere private claims, and their accumulation is now so great that many claimants must despair of ever being able to obtain a hearing. It may well be doubted whether Congress, from the nature of its organization, is properly constituted to decide upon such cases. It is impossible that each member should examine the merits of every claim on which he is compelled to vote, and it is preposterous to ask a judge to decide a case which he has never heard. Such decisions may, and frequently must, do injustice either to the claimant or the Government, and I perceive no better remedy for this growing evil than the establishment of some tribunal to adjudicate

Page 770

upon such claims. I beg leave, therefore, most respectfully to recommend that provision be made by law for the appointment of a commission to settle all private claims against the United States; and as an ex parte hearing must in all contested cases be very unsatisfactory, I also recommend the appointment of a solicitor, whose duty it shall be to represent the Government before such commission and protect it against all illegal, fraudulent, or unjust claims which may be presented for their adjudication. This District, which has neither voice nor vote in your deliberations, looks to you for protection and aid, and I commend all its wants to your favorable consideration, with a full confidence that you will meet them not only with justice, but with liberality. It should be borne in mind that in this city, laid out by Washington and consecrated by his name, is located the Capitol of our nation, the emblem of our Union and the symbol of our greatness. Here also are situated all the public buildings necessary for the use of the Government, and all these are exempt from taxation. It should be the pride of Americans to render this place attractive to the people of the whole Republic and convenient and safe for the transaction of the public business and the preservation of the public records. The Government should therefore bear a liberal proportion of the burdens of all necessary and useful improvements. And as nothing could contribute more to the health, comfort, and safety of the city and the security of the public buildings and records than an abundant supply of pure water, I respectfully recommend that you make such provisions for obtaining the same as in your wisdom you may deem proper.

The act, passed at your last session, making certain propositions to Texas for settling the disputed boundary between that State and the Territory of New Mexico was, immediately on its passage, transmitted by express to the governor of Texas, to be laid by him before the general assembly for its agreement thereto. Its receipt was duly acknowledged, but no official information has yet been received of the action of the general assembly thereon. It may, however, be very soon expected, as, by the terms of the propositions submitted they were to have been acted upon on or before the first day of the present month.

It was hardly to have been expected that the series of measures passed at your last session with the view of healing the sectional differences which had sprung from the slavery and territorial questions should at once have realized their beneficent purpose. All mutual concession in the nature of a compromise must necessarily be unwelcome to men of extreme opinions. And though without such concessions our Constitution could not have been formed, and can not be permanently sustained, yet we have seen them made the subject of bitter controversy in both sections of the Republic. It required many months of discussion and deliberation

Page 771

to secure the concurrence of a majority of Congress in their favor. It would be strange if they had been received with immediate approbation by people and States prejudiced and heated by the exciting controversies of their representatives. I believe those measures to have been required by the circumstances and condition of the country. I believe they were necessary to allay asperities and animosities that were rapidly alienating one section of the country from another and destroying those fraternal sentiments which are the strongest supports of the Constitution. They were adopted in the spirit of conciliation and for the purpose of conciliation. I believe that a great majority of our fellow citizens sympathize in that spirit and that purpose, and in the main approve and are prepared in all respects to sustain these enactments. I can not doubt that the American people, bound together by kindred blood and common traditions, still cherish a paramount regard for the Union of their fathers, and that they are ready to rebuke any attempt to violate its integrity, to disturb the compromises on which it is based, or to resist the laws which have been enacted under its authority.

The series of measures to which I have alluded are regarded by me as a settlement in principle and substance—a final settlement of the dangerous and exciting subjects which they embraced. Most of these subjects, indeed, are beyond your reach, as the legislation which disposed of them was in its character final and irrevocable. It may be presumed from the opposition which they all encountered that none of those measures was free from imperfections, but in their mutual dependence and connection they formed a system of compromise the most conciliatory and best for the entire country that could be obtained from conflicting sectional interests and opinions.

For this reason I recommend your adherence to the adjustment established by those measures until time and experience shall demonstrate the necessity of further legislation to guard against evasion or abuse.

By that adjustment we have been rescued from the wide and boundless agitation that surrounded us, and have a firm, distinct, and legal ground to rest upon. And the occasion, I trust, will justify me in exhorting my countrymen to rally upon and maintain that ground as the best, if not the only, means of restoring peace and quiet to the country and maintaining inviolate the integrity of the Union.

And now, fellow-citizens, I can not bring this communication to a close without invoking you to join me in humble and devout thanks to the Great Ruler of Nations for the multiplied blessings which He has graciously bestowed upon us. His hand, so often visible in our preservation, has stayed the pestilence, saved us from foreign wars and domestic disturbances, and scattered plenty throughout the land.

Our liberties, religions and civil, have been maintained, the fountains of knowledge have all been kept open, and means of happiness widely spread and generally enjoyed

greater than have fallen to the lot of any other nation. And while deeply penetrated with gratitude for the past, let us hope that His all-wise providence will so guide our counsels as that they shall result in giving satisfaction to our constituents, securing the peace of the country, and adding new strength to the united Government under which we live.

Page 772

***

State of the Union Address
Millard Fillmore
December 2, 1851

Fellow-Citizens of the Senate and of the House of Representatives:

I congratulate you and our common constituency upon the favorable auspices under which you meet for your first session. Our country is at peace with all the world. The agitation which for a time threatened to disturb the fraternal relations which make us one people is fast subsiding, and a year of general prosperity and health has crowned the nation with unusual blessings. None can look back to the dangers which are passed or forward to the bright prospect before us without feeling a thrill of gratification, at the same time that he must be impressed with a grateful sense of our profound obligations to a beneficent Providence, whose paternal care is so manifest in the happiness of this highly favored land.

Since the close of the last Congress certain Cubans and other foreigners resident in the United States, who were more or less concerned in the previous invasion of Cuba, instead of being discouraged by its failure have again abused the hospitality of this country by making it the scene of the equipment of another military expedition against that possession of Her Catholic Majesty, in which they were countenanced, aided, and joined by citizens of the United States. On receiving intelligence that such designs were entertained, I lost no time in issuing such instructions to the proper officers of the United States as seemed to be called for by the occasion. By the proclamation a copy of which is herewith submitted I also warned those who might be in danger of being inveigled into this scheme of its unlawful character and of the penalties which they would incur. For some time there was reason to hope that these measures had sufficed to prevent any such attempt. This hope, however, proved to be delusive. Very early in the morning of the 3d of August a steamer called the Pampero departed from New Orleans for Cuba, having on board upward of 400 armed men with evident intentions to make war upon the authorities of the island. This expedition was set on foot in palpable violation of the laws of the United States. Its leader was a Spaniard, and several of the chief officers and some others engaged in it were foreigners. The persons composing it, however, were mostly citizens of the United States.

Before the expedition set out, and probably before it was organized, a slight insurrectionary movement, which appears to have been soon suppressed, had taken place in the eastern quarter of Cuba. The importance of this movement was, unfortunately, so much exaggerated in the accounts of it published in this country that these adventurers seem to have been led to believe that the Creole population of the island not only desired to throw off the authority of the mother country, but had resolved upon that step and had begun a well-concerted enterprise for effecting it. The persons

engaged in the expedition were generally young and ill informed. The steamer in which they embarked left New Orleans stealthily and without a clearance. After touching at Key West, she proceeded to the coast of Cuba, and on the night between the 11th and 12th of August landed the persons on board at Playtas, within about 20 leagues of Havana.

Page 773

The main body of them proceeded to and took possession of an inland village 6 leagues distant, leaving others to follow in charge of the baggage as soon as the means of transportation could be obtained. The latter, having taken up their line of march to connect themselves with the main body, and having proceeded about 4 leagues into the country, were attacked on the morning of the 13th by a body of Spanish troops, and a bloody conflict ensued, after which they retreated to the place of disembarkation, where about 50 of them obtained boats and reembarked therein. They were, however, intercepted among the keys near the shore by a Spanish steamer cruising on the coast, captured and carried to Havana, and after being examined before a military court were sentenced to be publicly executed, and the sentence was carried into effect on the 16th of August.

On receiving information of what had occurred Commodore Foxhall A. Parker was instructed to proceed in the steam frigate Saranac to Havana and inquire into the charges against the persons executed, the circumstances under which they were taken, and whatsoever referred to their trial and sentence. Copies of the instructions from the Department of State to him and of his letters to that Department are herewith submitted.

According to the record of the examination, the prisoners all admitted the offenses charged against them, of being hostile invaders of the island. At the time of their trial and execution the main body of the invaders was still in the field making war upon the Spanish authorities and Spanish subjects. After the lapse of some days, being overcome by the Spanish troops, they dispersed on the 24th of August. Lopez, their leader, was captured some days after, and executed on the 1st of September. Many of his remaining followers were killed or died of hunger and fatigue, and the rest were made prisoners. Of these none appear to have been tried or executed. Several of them were pardoned upon application of their friends and others, and the rest, about 160 in number, were sent to Spain. Of the final disposition made of these we have no official information.

Such is the melancholy result of this illegal and ill-fated expedition. Thus thoughtless young men have been induced by false and fraudulent representations to violate the law of their country through rash and unfounded expectations of assisting to accomplish political revolutions in other states, and have lost their lives in the undertaking. Too severe a judgment can hardly be passed by the indignant sense of the community upon those who, being better informed themselves, have yet led away the ardor of youth and an ill-directed love of political liberty. The correspondence between this Government and that of Spain relating to this transaction is herewith communicated.

Page 774

Although these offenders against the laws have forfeited the protection of their country, yet the Government may, so far as consistent with its obligations to other countries and its fixed purpose to maintain and enforce the laws, entertain sympathy for their unoffending families and friends, as well as a feeling of compassion for themselves. Accordingly, no proper effort has been spared and none will be spared to procure the release of such citizens of the United States engaged in this unlawful enterprise as are now in confinement in Spain; but it is to be hoped that such interposition with the Government of that country may not be considered as affording any ground of expectation that the Government of the United States will hereafter feel itself under any obligation of duty to intercede for the liberation or pardon of such persons as are flagrant offenders against the law of nations and the laws of the United States. These laws must be executed. If we desire to maintain our respectability among the nations of the earth, it behooves us to enforce steadily and sternly the neutrality acts passed by Congress and to follow as far as may be the violation of those acts with condign punishment.

But what gives a peculiar criminality to this invasion of Cuba is that, under the lead of Spanish subjects and with the aid of citizens of the United States, it had its origin with many in motives of cupidity. Money was advanced by individuals, probably in considerable amounts, to purchase Cuban bonds, as they have been called, issued by Lopez, sold, doubtless, at a very large discount, and for the payment of which the public lands and public property of Cuba, of whatever kind, and the fiscal resources of the people and government of that island, from whatever source to be derived, were pledged, as well as the good faith of the government expected to be established. All these means of payment, it is evident, were only to be obtained by a process of bloodshed, war, and revolution. None will deny that those who set on foot military expeditions against foreign states by means like these are far more culpable than the ignorant and the necessitous whom they induce to go forth as the ostensible parties in the proceeding. These originators of the invasion of Cuba seem to have determined with coolness and system upon an undertaking which should disgrace their country, violate its laws, and put to hazard the lives of ill-informed and deluded men. You will consider whether further legislation be necessary to prevent the perpetration of such offenses in future.

No individuals have a right to hazard the peace of the country or to violate its laws upon vague notions of altering or reforming governments in other states. This principle is not only reasonable in itself and in accordance with public law, but is ingrafted into the codes of other nations as well as our own. But while such are the sentiments of this Government, it may be added that every independent nation must

Page 775

be presumed to be able to defend its possessions against unauthorized individuals banded together to attack them. The Government of the United States at all times since its establishment has abstained and has sought to restrain the citizens of the country from entering into controversies between other powers, and to observe all the duties of neutrality. At an early period of the Government, in the Administration of Washington, several laws were passed for this purpose. The main provisions of these laws were reenacted by the act of April, 1818, by which, amongst other things, it was declared that —

If any person shall, within the territory or jurisdiction of the United States, begin, or set on foot, or provide or prepare the means for, any military expedition or enterprise to be carried on from thence against the territory or dominions of any foreign prince or state, or of any colony, district, or people, with whom the United States are at peace, every person so offending shall be deemed guilty of a high misdemeanor, and shall be fined not exceeding $3,000 and imprisoned not more than three years.

And this law has been executed and enforced to the full extent of the power of the Government from that day to this.

In proclaiming and adhering to the doctrine of neutrality and nonintervention, the United States have not followed the lead of other civilized nations; they have taken the lead themselves and have been followed by others. This was admitted by one of the most eminent of modern British statesmen, who said in Parliament, while a minister of the Crown, “that if he wished for a guide in a system of neutrality he should take that laid down by America in the days of Washington and the secretaryship of Jefferson;” and we see, in fact, that the act of Congress of 1818 was followed the succeeding year by an act of the Parliament of England substantially the same in its general provisions. Up to that time there had been no similar law in England, except certain highly penal statutes passed in the reign of George II, prohibiting English subjects from enlisting in foreign service, the avowed object of which statutes was that foreign armies, raised for the purpose of restoring the house of Stuart to the throne, should not be strengthened by recruits from England herself.

All must see that difficulties may arise in carrying the laws referred to into execution in a country now having 3,000 or 4,000 miles of seacoast, with an infinite number of ports and harbors and small inlets, from some of which unlawful expeditious may suddenly set forth, without the knowledge of Government, against the possessions of foreign states.

Page 776

“Friendly relations with all, but entangling alliances with none,” has long been a maxim with us. Our true mission is not to propagate our opinions or impose upon other countries our form of government by artifice or force, but to teach by example and show by our success, moderation, and justice the blessings of self-government and the advantages of free institutions. Let every people choose for itself and make and alter its political institutions to suit its own condition and convenience. But while we avow and maintain this neutral policy ourselves, we are anxious to see the same forbearance on the part of other nations whose forms of government are different from our own. The deep interest which we feel in the spread of liberal principles and the establishment of free governments and the sympathy with which we witness every struggle against oppression forbid that we should be indifferent to a case in which the strong arm of a foreign power is invoked to stifle public sentiment and repress the spirit of freedom in any country.

The Governments of Great Britain and France have issued orders to their naval commanders on the West India station to prevent, by force if necessary, the landing of adventurers from any nation on the island of Cuba with hostile intent. The copy of a memorandum of a conversation on this subject between the charge d’affaires of Her Britannic Majesty and the Acting Secretary of State and of a subsequent note of the former to the Department of State are herewith submitted, together with a copy of a note of the Acting Secretary of State to the minister of the French Republic and of the reply of the latter on the same subject. These papers will acquaint you with the grounds of this interposition of two leading commercial powers of Europe, and with the apprehensions, which this Government could not fail to entertain, that such interposition, if carried into effect, might lead to abuses in derogation of the maritime rights of the United States. The maritime rights of the United States are founded on a firm, secure, and well-defined basis; they stand upon the ground of national independence and public law, and will be maintained in all their full and just extent. The principle which this Government has heretofore solemnly announced it still adheres to, and will maintain under all circumstances and at all hazards. That principle is that in every regularly documented merchant vessel the crew who navigate it and those on board of it will find their protection in the flag which is over them. No American ship can be allowed to be visited or searched for the purpose of ascertaining the character of individuals on board, nor can there be allowed any watch by the vessels of any foreign nation over American vessels on the coast of the United States or the seas adjacent thereto. It will be seen by the last communication from the British charge d’affaires to the Department of State that he is authorized to assure the Secretary of State that every care will be taken that in executing the preventive measures against the expeditions which the United States Government itself has denounced as not being entitled to the protection of any government no interference shall take place with the lawful commerce of any nation.

Page 777

In addition to the correspondence on this subject herewith submitted, official information has been received at the Department of State of assurances by the French Government that in the orders given to the French naval forces they were expressly instructed, in any operations they might engage in, to respect the flag of the United States wherever it might appear, and to commit no act of hostility upon any vessel or armament under its protection.

Ministers and consuls of foreign nations are the means and agents of communication between us and those nations, and it is of the utmost importance that while residing in the country they should feel a perfect security so long as they faithfully discharge their respective duties and are guilty of no violation of our laws. This is the admitted law of nations and no country has a deeper interest in maintaining it than the United States. Our commerce spreads over every sea and visits every clime, and our ministers and consuls are appointed to protect the interests of that commerce as well as to guard the peace of the country and maintain the honor of its flag. But how can they discharge these duties unless they be themselves protected? And if protected it must be by the laws of the country in which they reside. And what is due to our own public functionaries residing in foreign nations is exactly the measure of what is due to the functionaries of other governments residing here. As in war the bearers of flags of truce are sacred, or else wars would be interminable, so in peace ambassadors, public ministers, and consuls, charged with friendly national intercourse, are objects of especial respect and protection, each according to the rights belonging to his rank and station. In view of these important principles, it is with deep mortification and regret I announce to you that during the excitement growing out of the executions at Havana the office of Her Catholic Majesty's consul at New Orleans was assailed by a mob, his property destroyed, the Spanish flag found in the office carried off and torn in pieces, and he himself induced to flee for his personal safety, which he supposed to be in danger. On receiving intelligence of these events I forthwith directed the attorney of the United States residing at New Orleans to inquire into the facts and the extent of the pecuniary loss sustained by the consul, with the intention of laying them before you, that you might make provision for such indemnity to him as a just regard for the honor of the nation and the respect which is due to a friendly power might, in your judgment, seem to require. The correspondence upon this subject between the Secretary of State and Her Catholic Majesty's minister plenipotentiary is herewith transmitted.

The occurrence at New Orleans has led me to give my attention to the state of our laws in regard to foreign ambassadors, ministers, and consuls. I think the legislation of the country is deficient in not providing sufficiently either for the protection or the punishment of consuls. I therefore recommend the subject to the consideration of Congress.

Page 778

Your attention is again invited to the question of reciprocal trade between the United States and Canada and other British possessions near our frontier. Overtures for a convention upon this subject have been received from Her Britannic Majesty's minister plenipotentiary, but it seems to be in many respects preferable that the matter should be regulated by reciprocal legislation. Documents are laid before you showing the terms which the British Government is willing to offer and the measures which it may adopt if some arrangement upon this subject shall not be made.

From the accompanying copy of a note from the British legation at Washington and the reply of the Department of State thereto it will appear that Her Britannic Majesty's Government is desirous that a part of the boundary line between Oregon and the British possessions should be authoritatively marked out, and that an intention was expressed to apply to Congress for an appropriation to defray the expense thereof on the part of the United States. Your attention to this subject is accordingly invited and a proper appropriation recommended. A convention for the adjustment of claims of citizens of the United States against Portugal has been concluded and the ratifications have been exchanged. The first installment of the amount to be paid by Portugal fell due on the 30th of September last and has been paid. The President of the French Republic, according to the provisions of the convention, has been selected as arbiter in the case of the General Armstrong, and has signified that he accepts the trust and the high satisfaction he feels in acting as the common friend of two nations with which France is united by sentiments of sincere and lasting amity.

The Turkish Government has expressed its thanks for the kind reception given to the Sultan's agent, Amin Bey, on the occasion of his recent visit to the United States. On the 28th of February last a dispatch was addressed by the Secretary of State to Mr. Marsh, the American minister at Constantinople, instructing him to ask of the Turkish Government permission for the Hungarians then imprisoned within the dominions of the Sublime Porte to remove to this country. On the 3d of March last both Houses of Congress passed a resolution requesting the President to authorize the employment of a public vessel to convey to this country Louis Kossuth and his associates in captivity. The instruction above referred to was complied with, and the Turkish Government having released Governor Kossuth and his companions from prison, on the 10th of September last they embarked on board of the United States steam frigate Mississippi, which was selected to carry into effect the resolution of Congress. Governor Kossuth left the Mississippi at Gibraltar for the purpose of making a visit to England, and may shortly be expected in New York. By communications to the Department of State he has expressed his grateful acknowledgments for the interposition of this Government in behalf of himself and his associates. This country has been justly regarded as a safe asylum for those whom political events have exiled from their own homes in Europe. and it is recommended to Congress to consider in what manner Governor Kossuth and his companions, brought hither by its authority, shall be received and treated.

Page 779

It is earnestly to be hoped that the differences which have for some time past been pending between the Government of the French Republic and that of the Sandwich Islands may be peaceably and durably adjusted so as to secure the independence of those islands. Long before the events which have of late imparted so much importance to the possessions of the United States on the Pacific we acknowledged the independence of the Hawaiian Government. This Government was first in taking that step, and several of the leading powers of Europe immediately followed. We were influenced in this measure by the existing and prospective importance of the islands as a place of refuge and refreshment for our vessels engaged in the whale fishery, and by the consideration that they lie in the course of the great trade which must at no distant day be carried on between the western coast of North America and eastern Asia.

We were also influenced by a desire that those islands should not pass under the control of any other great maritime state, but should remain in an independent condition, and so be accessible and useful to the commerce of all nations. I need not say that the importance of these considerations has been greatly enhanced by the sudden and vast development which the interests of the United States have attained in California and Oregon, and the policy heretofore adopted in regard to those islands will be steadily pursued.

It is gratifying, not only to those who consider the commercial interests of nations, but also to all who favor the progress of knowledge and the diffusion of religion, to see a community emerge from a savage state and attain such a degree of civilization in those distant seas. It is much to be deplored that the internal tranquillity of the Mexican Republic should again be seriously disturbed, for since the peace between that Republic and the United States it had enjoyed such comparative repose that the most favorable anticipations for the future might with a degree of confidence have been indulged. These, however, have been thwarted by the recent outbreak in the State of Tamaulipas, on the right bank of the Rio Bravo. Having received information that persons from the United States had taken part in the insurrection, and apprehending that their example might be followed by others, I caused orders to be issued for the purpose of preventing any hostile expeditions against Mexico from being set on foot in violation of the laws of the United States. I likewise issued a proclamation upon the subject, a copy of which is herewith laid before you. This appeared to be rendered imperative by the obligations of treaties and the general duties of good neighborhood.

Page 780

In my last annual message I informed Congress that citizens of the United States had undertaken the connection of the two oceans by means of a railroad across the Isthmus of Tehuantepec, under a grant of the Mexican Government to a citizen of that Republic, and that this enterprise would probably be prosecuted with energy whenever Mexico should consent to such stipulations with the Government of the United States as should impart a feeling of security to those who should invest their property in the enterprise. A convention between the two Governments for the accomplishment of that end has been ratified by this Government, and only awaits the decision of the Congress and the Executive of that Republic.

Some unexpected difficulties and delays have arisen in the ratification of that convention by Mexico, but it is to be presumed that her decision will be governed by just and enlightened views, as well of the general importance of the object as of her own interests and obligations.

In negotiating upon this important subject this Government has had in view one, and only one, object. That object has been, and is, the construction or attainment of a passage from ocean to ocean, the shortest and the best for travelers and merchandise, and equally open to all the world. It has sought to obtain no territorial acquisition, nor any advantages peculiar to itself; and it would see with the greatest regret that Mexico should oppose any obstacle to the accomplishment of an enterprise which promises so much convenience to the whole commercial world and such eminent advantages to Mexico herself. Impressed with these sentiments and these convictions, the Government will continue to exert all proper efforts to bring about the necessary arrangement with the Republic of Mexico for the speedy completion of the work. For some months past the Republic of Nicaragua has been the theater of one of those civil convulsions from which the cause of free institutions and the general prosperity and social progress of the States of Central America have so often and so severely suffered. Until quiet shall have been restored and a government apparently stable shall have been organized, no advance can prudently be made in disposing of the questions pending between the two countries.

I am happy to announce that an interoceanic communication from the mouth of the St. John to the Pacific has been so far accomplished as that passengers have actually traversed it and merchandise has been transported over it, and when the canal shall have been completed according to the original plan the means of communication will be further improved. It is understood that a considerable part of the railroad across the Isthmus of Panama has been completed, and that the mail and passengers will in future be conveyed thereon. Whichever of the several routes between the two oceans may ultimately prove most eligible for travelers to and from the different States on the Atlantic and

Page 781

Gulf of Mexico and our coast on the Pacific, there is little reason to doubt that all of them will be useful to the public, and will liberally reward that individual enterprise by which alone they have been or are expected to be carried into effect. Peace has been concluded between the contending parties in the island of St. Domingo, and, it is hoped, upon a durable basis. Such is the extent of our commercial relations with that island that the United States can not fail to feel a strong interest in its tranquillity. The office of commissioner to China remains unfilled. Several persons have been appointed, and the place has been offered to others, all of whom have declined its acceptance on the ground of the inadequacy of the compensation. The annual allowance by law is $6,000, and there is no provision for any outfit. I earnestly recommend the consideration of this subject to Congress. Our commerce with China is highly important, and is becoming more and more so in consequence of the increasing intercourse between our ports on the Pacific Coast and eastern Asia. China is understood to be a country in which living is very expensive, and I know of no reason why the American commissioner sent thither should not be placed, in regard to compensation, on an equal footing with ministers who represent this country at the Courts of Europe.

By reference to the report of the Secretary of the Treasury it will be seen that the aggregate receipts for the last fiscal year amounted to $52,312,979.87, which, with the balance in the Treasury on the 1st July, 1850, gave as the available means for the year the sum of $58,917,524.36.

The total expenditures for the same period were $48,005,878.68. The total imports for the year ending June 30, 1851, were $215,725,995, of which there were in specie $4,967,901. The exports for the same period were $217,517,130, of which there were of domestic products $178,546,555; foreign goods reexported, $9,738,695; specie, $29,231,880.

Since the 1st of December last the payments in cash on account of the public debt, exclusive of interest, have amounted to $7,501,456.56, which, however, includes the sum of $3,242,400, paid under the twelfth article of the treaty with Mexico, and the further sum of $2,591,213.45, being the amount of awards to American citizens under the late treaty with Mexico, for which the issue of stock was authorized, but which was paid in cash from the Treasury.

The public debt on the 20th ultimo, exclusive of the stock authorized to be issued to Texas by the act of 9th September, 1850, was $62,560,395.26.

The receipts for the next fiscal year are estimated at $51,800,000, which, with the probable unappropriated balance in the Treasury on the 30th June next, will give as the probable available means for that year the sum of $63,258,743.09.

It has been deemed proper, in view of the large expenditures consequent upon the acquisition of territory from Mexico, that the estimates for the next fiscal year should be laid before Congress in such manner as to distinguish the expenditures so required from the otherwise ordinary demands upon the Treasury.

Page 782

The total expenditures for the next fiscal year are estimated at $42,892,299.19, of which there is required for the ordinary purposes of the Government, other than those consequent upon the acquisition of our new territories, and deducting the payments on account of the public debt, the sum of $33,343,198.08, and for the purposes connected, directly or indirectly, with those territories and in the fulfillment of the obligations of the Government contracted in consequence of their acquisition the sum of $9,549,101.11.

If the views of the Secretary of the Treasury in reference to the expenditures required for these territories shall be met by corresponding action on the part of Congress, and appropriations made in accordance therewith, there will be an estimated unappropriated balance in the Treasury on the 30th June, 1853, of $20,366,443.90 wherewith to meet that portion of the public debt due on the 1st of July following, amounting to $6,237,931.35, as well as any appropriations which may be made beyond the estimates.

In thus referring to the estimated expenditures on account of our newly acquired territories, I may express the hope that Congress will concur with me in the desire that a liberal course of policy may be pursued toward them, and that every obligation, express or implied, entered into in consequence of their acquisition shall be fulfilled by the most liberal appropriations for that purpose.

The values of our domestic exports for the last fiscal year, as compared with those of the previous year, exhibit an increase of $43,646,322. At first view this condition of our trade with foreign nations would seem to present the most flattering hopes of its future prosperity. An examination of the details of our exports, however, will show that the increased value of our exports for the last fiscal year is to be found in the high price of cotton which prevailed during the first half of that year, which price has since declined about one-half.

The value of our exports of breadstuffs and provisions, which it was supposed the incentive of a low tariff and large importations from abroad would have greatly augmented, has fallen from $68,701,921 in 1847 to $26,051,373 in 1850 and to $21,948,653 in 1851, with a strong probability, amounting almost to a certainty, of a still further reduction in the current year.

The aggregate values of rice exported during the last fiscal year, as compared with the previous year, also exhibit a decrease, amounting to $460,917, which, with a decline in the values of the exports of tobacco for the same period, make an aggregate decrease in these two articles of $1,156,751.

The policy which dictated a low rate of duties on foreign merchandise, it was thought by those who promoted and established it, would tend to benefit the farming population of this country by increasing the demand and raising the price of agricultural products in foreign markets.

Page 783

The foregoing facts, however, seem to show incontestably that no such result has followed the adoption of this policy. On the contrary, notwithstanding the repeal of the restrictive corn laws in England, the foreign demand for the products of the American farmer has steadily declined, since the short crops and consequent famine in a portion of Europe have been happily replaced by full crops and comparative abundance of food.

It will be seen by recurring to the commercial statistics for the past year that the value of our domestic exports has been increased in the single item of raw cotton by $40,000,000 over the value of that export for the year preceding. This is not due to any increased general demand for that article, but to the short crop of the preceding year, which created an increased demand and an augmented price for the crop of last year. Should the cotton crop now going forward to market be only equal in quantity to that of the year preceding and be sold at the present prices, then there would be a falling off in the value of our exports for the present fiscal year of at least $40,000,000 compared with the amount exported for the year ending 30th June, 1851.

The production of gold in California for the past year seems to promise a large supply of that metal from that quarter for some time to come. This large annual increase of the currency of the world must be attended with its usual results. These have been already partially disclosed in the enhancement of prices and a rising spirit of speculation and adventure, tending to overtrading, as well at home as abroad. Unless some salutary check shall be given to these tendencies it is to be feared that importations of foreign goods beyond a healthy demand in this country will lead to a sudden drain of the precious metals from us, bringing with it, as it has done in former times, the most disastrous consequences to the business and capital of the American people.

The exports of specie to liquidate our foreign debt during the past fiscal year have been $24,963,979 over the amount of specie imported. The exports of specie during the first quarter of the present fiscal year have been $14,651,827. Should specie continue to be exported at this rate for the remaining three quarters of this year, it will drain from our metallic currency during the year ending 30th June, 1852, the enormous amount of $58,607,308.

In the present prosperous condition of the national finances it will become the duty of Congress to consider the best mode of paying off the public debt. If the present and anticipated surplus in the Treasury should not be absorbed by appropriations of an extraordinary character, this surplus should be employed in such way and under such restrictions as Congress may enact in extinguishing the outstanding debt of the nation.

By reference to the act of Congress approved 9th September, 1850, it will be seen that, in consideration of certain concessions by the State of Texas, it is provided that—

Page 784

The United States shall pay to the State of Texas the sum of $10,000,000 in a stock bearing 5 per cent interest and redeemable at the end of fourteen years, the interest payable half-yearly at the Treasury of the United States.

In the same section of the law it is further provided—

That no more than five millions of said stock shall be issued until the creditors of the State holding bonds and other certificates of stock of Texas, for which duties on imports were specially pledged, shall first file at the Treasury of the United States releases of all claims against the United States for or on account of said bonds or certificates, in such form as shall be prescribed by the Secretary of the Treasury and approved by the President of the United States.

The form of release thus provided for has been prescribed by the Secretary of the Treasury and approved. It has been published in all the leading newspapers in the commercial cities of the United States, and all persons holding claims of the kind specified in the foregoing proviso were required to file their releases (in the form thus prescribed) in the Treasury of the United States on or before the 1st day of October, 1851. Although this publication has been continued from the 25th day of March, 1851, yet up to the 1st of October last comparatively few releases had been filed by the creditors of Texas.

The authorities of the State of Texas, at the request of the Secretary of the Treasury, have furnished a schedule of the public debt of that State created prior to her admission into the Union, with a copy of the laws under which each class was contracted. I have, from the documents furnished by the State of Texas, determined the classes of claims which in my judgment fall within the provisions of the act of Congress of the 9th of September, 1850.

On being officially informed of the acceptance by Texas of the propositions contained in the act referred to I caused the stock to be prepared, and the five millions which are to be issued unconditionally, bearing an interest of 5 per cent from the 1st day of January, 1851, have been for some time ready to be delivered to the State of Texas. The authorities of Texas up to the present time have not authorized anyone to receive this stock, and it remains in the Treasury Department subject to the order of Texas. The releases required by law to be deposited in the Treasury not having been filed there, the remaining five millions have not been issued. This last amount of the stock will be withheld from Texas until the conditions upon which it is to be delivered shall be complied with by the creditors of that State, unless Congress shall otherwise direct by a modification of the law.

In my last annual message, to which I respectfully refer, I stated briefly the reasons which induced me to recommend a modification of the present tariff by converting the ad valorem into a specific duty wherever the article imported was of such a character as

to permit it, and that such a discrimination should be made in favor of the industrial pursuits of our own country as to encourage home production without excluding foreign competition.

Page 785

The numerous frauds which continue to be practiced upon the revenue by false invoices and undervaluations constitute an unanswerable reason for adopting specific instead of ad valorem duties in all cases where the nature of the commodity does not forbid it. A striking illustration of these frauds will be exhibited in the report of the Secretary of the Treasury, showing the custom-house valuation of articles imported under a former law, subject to specific duties, when there was no inducement to undervaluation, and the custom-house valuations of the same articles under the present system of ad valorem duties, so greatly reduced as to leave no doubt of the existence of the most flagrant abuses under the existing laws. This practical evasion of the present law, combined with the languishing condition of some of the great interests of the country, caused by over importations and consequent depressed prices, and with the failure in obtaining a foreign market for our increasing surplus of breadstuffs and provisions, has induced me again to recommend a modification of the existing tariff. The report of the Secretary of the Interior, which accompanies this communication, will present a condensed statement of the operations of that important Department of the Government.

It will be seen that the cash sales of the public lands exceed those of the preceding year, and that there is reason to anticipate a still further increase, notwithstanding the large donations which have been made to many of the States and the liberal grants to individuals as a reward for military services. This fact furnishes very gratifying evidence of the growing wealth and prosperity of our country.

Suitable measures have been adopted for commencing the survey of the public lands in California and Oregon. Surveying parties have been organized and some progress has been made in establishing the principal base and meridian lines. But further legislation and additional appropriations will be necessary before the proper subdivisions can be made and the general land system extended over those remote parts of our territory.

On the 3d of March last an act was passed providing for the appointment of three commissioners to settle private land claims in California. Three persons were immediately appointed, all of whom, however, declined accepting the office in consequence of the inadequacy of the compensation. Others were promptly selected, who for the same reason also declined, and it was not until late in the season that the services of suitable persons could be secured. A majority of the commissioners convened in this city on the 10th of September last, when detailed instructions were given to them in regard to their duties. Their first meeting for the transaction of business will be held in San Francisco on the 8th day of the present month.

I have thought it proper to refer to these facts, not only to explain the causes of the delay in filling the commission, but to call your attention to the propriety of increasing the compensation of the commissioners. The office is one of great labor and responsibility, and the compensation should be such as to command men of a high order of talents and the most unquestionable integrity.

Page 786

The proper disposal of the mineral lands of California is a subject surrounded by great difficulties. In my last annual message I recommended the survey and sale of them in small parcels under such restrictions as would effectually guard against monopoly and speculation; but upon further information, and in deference to the opinions of persons familiar with the subject, I am inclined to change that recommendation and to advise that they be permitted to remain as at present, a common field, open to the enterprise and industry of all our citizens, until further experience shall have developed the best policy to be ultimately adopted in regard to them. It is safer to suffer the inconveniences that now exist for a short period than by premature legislation to fasten on the country a system founded in error, which may place the whole subject beyond the future control of Congress.

The agricultural lands should, however, be surveyed and brought into market with as little delay as possible, that the titles may become settled and the inhabitants stimulated to make permanent improvements and enter on the ordinary pursuits of life. To effect these objects it is desirable that the necessary provision be made by law for the establishment of land offices in California and Oregon and for the efficient prosecution of the surveys at an early day.

Some difficulties have occurred in organizing the Territorial governments of New Mexico and Utah, and when more accurate information shall be obtained of the causes a further communication will be made on that subject.

In my last annual communication to Congress I recommended the establishment of an agricultural bureau, and I take this occasion again to invoke your favorable consideration of the subject.

Agriculture may justly be regarded as the great interest of our people. Four-fifths of our active population are employed in the cultivation of the soil, and the rapid expansion of our settlements over new territory is daily adding to the number of those engaged in that vocation. Justice and sound policy, therefore, alike require that the Government should use all the means authorized by the Constitution to promote the interests and welfare of that important class of our fellow-citizens. And yet it is a singular fact that whilst the manufacturing and commercial interests have engaged the attention of Congress during a large portion of every session and our statutes abound in provisions for their protection and encouragement, little has yet been done directly for the advancement of agriculture. It is time that this reproach to our legislation should be removed, and I sincerely hope that the present Congress will not close their labors without adopting efficient means to supply the omissions of those who have preceded them.

An agricultural bureau, charged with the duty of collecting and disseminating correct information as to the best modes of cultivation and of the most effectual means of preserving and restoring the fertility of the soil and of procuring and distributing seeds and plants and other vegetable productions, with instructions in regard to the soil,

climate, and treatment best adapted to their growth, could not fail to be, in the language of Washington in his last annual message to Congress, a “very cheap instrument of immense national benefit.”

Page 787

Regarding the act of Congress approved 28th September, 1850, granting bounty lands to persons who had been engaged in the military service of the country, as a great measure of national justice and munificence, an anxious desire has been felt by the officers intrusted with its immediate execution to give prompt effect to its provisions. All the means within their control were therefore brought into requisition to expedite the adjudication of claims, and I am gratified to be able to state that near 100,000 applications have been considered and about 70,000 warrants issued within the short space of nine months. If adequate provision be made by law to carry into effect the recommendations of the Department, it is confidently expected that before the close of the next fiscal year all who are entitled to the benefits of the act will have received their warrants.

The Secretary of the Interior has suggested in his report various amendments of the laws relating to pensions and bounty lands for the purpose of more effectually guarding against abuses and frauds on the Government, to all of which I invite your particular attention. The large accessions to our Indian population consequent upon the acquisition of New Mexico and California and the extension of our settlements into Utah and Oregon have given increased interest and importance to our relations with the aboriginal race. No material change has taken place within the last year in the condition and prospects of the Indian tribes who reside in the Northwestern Territory and west of the Mississippi River. We are at peace with all of them, and it will be a source of pleasure to you to learn that they are gradually advancing in civilization and the pursuits of social life.

Along the Mexican frontier and in California and Oregon there have been occasional manifestations of unfriendly feeling and some depredations committed. I am satisfied, however, that they resulted more from the destitute and starving condition of the Indians than from any settled hostility toward the whites. As the settlements of our citizens progress toward them, the game, upon which they mainly rely for subsistence, is driven off or destroyed, and the only alternative left to them is starvation or plunder. It becomes us to consider, in view of this condition of things, whether justice and humanity, as well as an enlightened economy, do not require that instead of seeking to punish them for offenses which are the result of our own policy toward them we should not provide for their immediate wants and encourage them to engage in agriculture and to rely on their labor instead of the chase for the means of support.

Various important treaties have been negotiated with different tribes during the year, by which their title to large and valuable tracts of country has been extinguished, all of which will at the proper time be submitted to the Senate for ratification.

Page 788

The joint commission under the treaty of Guadalupe Hidalgo has been actively engaged in running and marking the boundary line between the United States and Mexico. It was stated in the last annual report of the Secretary of the Interior that the initial point on the Pacific and the point of junction of the Gila with the Colorado River had been determined and the intervening line, about 150 miles in length, run and marked by temporary monuments. Since that time a monument of marble has been erected at the initial point, and permanent landmarks of iron have been placed at suitable distances along the line.

The initial point on the Rio Grande has also been fixed by the commissioners, at latitude 32 degrees 22', and at the date of the last communication the survey of the line had been made thence westward about 150 miles to the neighborhood of the copper mines. The commission on our part was at first organized on a scale which experience proved to be unwieldy and attended with unnecessary expense. Orders have therefore been issued for the reduction of the number of persons employed within the smallest limits consistent with the safety of those engaged in the service and the prompt and efficient execution of their important duties.

Returns have been received from all the officers engaged in taking the census in the States and Territories except California. The superintendent employed to make the enumeration in that State has not yet made his full report, from causes, as he alleges, beyond his control. This failure is much to be regretted, as it has prevented the Secretary of the Interior from making the decennial apportionment of Representatives among the States, as required by the act approved May 23, 1850. It is hoped, however, that the returns will soon be received, and no time will then be lost in making the necessary apportionment and in transmitting the certificates required by law.

The Superintendent of the Seventh Census is diligently employed, under the direction of the Secretary of the Interior, in classifying and arranging in tabular form all the statistical information derived from the returns of the marshals, and it is believed that when the work shall be completed it will exhibit a more perfect view of the population, wealth, occupations, and social condition of a great country than has ever been presented to the world. The value of such a work as the basis of enlightened legislation can hardly be overestimated, and I earnestly hope that Congress will lose no time in making the appropriations necessary to complete the classifications and to publish the results in a style worthy of the subject and of our national character.

Page 789

The want of a uniform fee bill, prescribing the compensation to be allowed district attorneys, clerks, marshals, and commissioners in civil and criminal cases, is the cause of much vexation, injustice, and complaint. I would recommend a thorough revision of the laws on the whole subject and the adoption of a tariff of fees which, as far as practicable, should be uniform, and prescribe a specific compensation for every service which the officer may be required to perform. This subject will be fully presented in the report of the Secretary of the Interior. In my last annual message I gave briefly my reasons for believing that you possessed the constitutional power to improve the harbors of our Great Lakes and seacoast and the navigation of our principal rivers, and recommended that appropriations should be made for completing such works as had already been commenced and for commencing such others as might seem to the wisdom of Congress to be of public and general importance. Without repeating the reasons then urged, I deem it my duty again to call your attention to this important subject. The works on many of the harbors were left in an unfinished state, and consequently exposed to the action of the elements, which is fast destroying them. Great numbers of lives and vast amounts of property are annually lost for want of safe and convenient harbors on the Lakes. None but those who have been exposed to that dangerous navigation can fully appreciate the importance of this subject. The whole Northwest appeals to you for relief, and I trust their appeal will receive due consideration at your hands.

The same is in a measure true in regard to some of the harbors and inlets on the seacoast.

The unobstructed navigation of our large rivers is of equal importance. Our settlements are now extending to the sources of the great rivers which empty into and form a part of the Mississippi, and the value of the public lands in those regions would be greatly enhanced by freeing the navigation of those waters from obstructions. In view, therefore, of this great interest, I deem it my duty again to urge upon Congress to make such appropriations for these improvements as they may deem necessary.

The surveys of the Delta of the Mississippi, with a view to the prevention of the overflows that have proved so disastrous to that region of country, have been nearly completed, and the reports thereof are now in course of preparation and will shortly be laid before you.

The protection of our southwestern frontier and of the adjacent Mexican States against the Indian tribes within our border has claimed my earnest and constant attention. Congress having failed at the last session to adopt my recommendation that an additional regiment of mounted men specially adapted to that service should be raised, all that remained to be done was to make the best use of the means at my disposal. Accordingly, all the troops adapted to that service that could properly be spared from other quarters have been concentrated on that frontier and officers of high reputation selected to command them. A new arrangement of the military posts has also been

made, whereby the troops are brought nearer to the Mexican frontier and to the tribes they are intended to overawe.

Page 790

Sufficient time has not yet elapsed to realize all the benefits that are expected to result from these arrangements, but I have every reason to hope that they will effectually check their marauding expeditions. The nature of the country, which furnishes little for the support of an army and abounds in places of refuge and concealment, is remarkably well adapted to this predatory warfare, and we can scarcely hope that any military force, combined with the greatest vigilance, can entirely suppress it.

By the treaty of Guadalupe Hidalgo we are bound to protect the territory of Mexico against the incursions of the savage tribes within our border “with equal diligence and energy” as if the same were made within our territory or against our citizens. I have endeavored to comply as far as possible with this provision of the treaty. Orders have been given to the officers commanding on that frontier to consider the Mexican territory and its inhabitants as equally with our own entitled to their protection, and to make all their plans and arrangements with a view to the attainment of this object. Instructions have also been given to the Indian commissioners and agents among these tribes in all treaties to make the clauses designed for the protection of our own citizens apply also to those of Mexico. I have no reason to doubt that these instructions have been fully carried into effect; nevertheless, it is probable that in spite of all our efforts some of the neighboring States of Mexico may have suffered, as our own have, from depredations by the Indians.

To the difficulties of defending our own territory, as above mentioned, are superadded, in defending that of Mexico, those that arise from its remoteness, from the fact that we have no right to station our troops within her limits and that there is no efficient military force on the Mexican side to cooperate with our own.

So long as this shall continue to be the case the number and activity of our troops will rather increase than diminish the evil, as the Indians will naturally turn toward that country where they encounter the least resistance. Yet these troops are necessary to subdue them and to compel them to make and observe treaties. Until this shall have been done neither country will enjoy any security from their attacks.

The Indians in California, who had previously appeared of a peaceable character and disposed to cultivate the friendship of the whites, have recently committed several acts of hostility. As a large portion of the reenforcements sent to the Mexican frontier were drawn from the Pacific, the military force now stationed there is considered entirely inadequate to its defense. It can not be increased, however, without an increase of the Army, and I again recommend that measure as indispensable to the protection of the frontier.

Page 791

I invite your attention to the suggestions on this subject and on others connected with his Department in the report of the Secretary of War. The appropriations for the support of the Army during the current fiscal year ending 30th June next were reduced far below the estimate submitted by the Department. The consequence of this reduction is a considerable deficiency, to which I invite your early attention. The expenditures of that Department for the year ending 30th June last were $9,060,268.58, The estimates for the year commencing 1st July next and ending June 30, 1853, are $7,898,775.83, showing a reductions of $1,161,492.75, The board of commissioners to whom the management of the affairs of the military asylum created by the act of 3d March last was intrusted have selected a site for the establishment of an asylum in the vicinity of this city, which has been approved by me subject to the production of a satisfactory title.

The report of the Secretary of the Navy will exhibit the condition of the public service under the supervision of that Department. Our naval force afloat during the present year has been actively and usefully employed in giving protection to our widely extended and increasing commerce and interests in the various quarters of the globe, and our flag has everywhere afforded the security and received the respect inspired by the justice and liberality of our intercourse and the dignity and power of the nation.

The expedition commanded by Lieutenant De Haven, dispatched in search of the British commander Sir John Franklin and his companions in the Arctic Seas, returned to New York in the month of October, after having undergone great peril and suffering from an unknown and dangerous navigation and the rigors of a northern climate, without any satisfactory information of the objects of their search, but with new contributions to science and navigation from the unfrequented polar regions. The officers and men of the expedition having been all volunteers for this service and having so conducted it as to meet the entire approbation of the Government, it is suggested, as an act of grace and generosity, that the same allowance of extra pay and emoluments be extended to them that were made to the officers and men of like rating in the late exploring expedition to the South Seas.

I earnestly recommend to your attention the necessity of reorganizing the naval establishment, apportioning and fixing the number of officers in each grade, providing some mode of promotion to the higher grades of the Navy having reference to merit and capacity rather than seniority or date of entry into the service, and for retiring from the effective list upon reduced pay those who may be incompetent to the performance of active duty. As a measure of economy, as well as of efficiency, in this arm of the service, the provision last mentioned is eminently worthy of your consideration.

Page 792

The determination of the questions of relative rank between the sea officers and civil officers of the Navy, and between officers of the Army and Navy, in the various grades of each, will also merit your attention. The failure to provide any substitute when corporal punishment was abolished for offenses in the Navy has occasioned the convening of numerous courts-martial upon the arrival of vessels in port, and is believed to have had an injurious effect upon the discipline and efficiency of the service. To moderate punishment from one grade to another is among the humane reforms of the age, but to abolish one of severity, which applied so generally to offenses on shipboard, and provide nothing in its stead is to suppose a progress of improvement in every individual among seamen which is not assumed by the Legislature in respect to any other class of men. It is hoped that Congress, in the ample opportunity afforded by the present session, will thoroughly investigate this important subject, and establish such modes of determining guilt and such gradations of punishment as are consistent with humanity and the personal rights of individuals, and at the same time shall insure the most energetic and efficient performance of duty and the suppression of crime in our ships of war.

The stone dock in the navy-yard at New York, which was ten years in process of construction, has been so far finished as to be surrendered up to the authorities of the yard. The dry dock at Philadelphia is reported as completed, and is expected soon to be tested and delivered over to the agents of the Government. That at Portsmouth, N. H., is also nearly ready for delivery; and a contract has been concluded, agreeably to the act of Congress at its last session, for a floating sectional dock on the Bay of San Francisco. I invite your attention to the recommendation of the Department touching the establishment of a navy-yard in conjunction with this dock on the Pacific. Such a station is highly necessary to the convenience and effectiveness of our fleet in that ocean, which must be expected to increase with the growth of commerce and the rapid extension of our whale fisheries over its waters.

The Naval Academy at Annapolis, under a revised and improved system of regulations, now affords opportunities of education and instruction to the pupils quite equal, it is believed, for professional improvement, to those enjoyed by the cadets in the Military Academy. A large class of acting midshipmen was received at the commencement of the last academic term, and a practice ship has been attached to the institution to afford the amplest means for regular instruction in seamanship, as well as for cruises during the vacations of three or four months in each year.

The advantages of science in nautical affairs have rarely been more strikingly illustrated than in the fact, stated in the report of the Navy Department, that by means of the wind and current charts projected and prepared by Lieutenant Maury, the Superintendent of the Naval Observatory, the passage from the Atlantic to the Pacific ports of our country has been shortened by about forty days.

Page 793

The estimates for the support of the Navy and Marine Corps the ensuing fiscal year will be found to be $5,856,472.19, the estimates for the current year being $5,900,621.

The estimates for special objects under the control of this Department amount to $2,684,220.89, against $2,210,980 for the present year, the increase being occasioned by the additional mail service on the Pacific Coast and the construction of the dock in California, authorized at the last session of Congress, and some slight additions under the head of improvements and repairs in navy-yards, buildings, and machinery. I deem it of much importance to a just economy and a correct understanding of naval expenditures that there should be an entire separation of the appropriations for the support of the naval service proper from those for permanent improvements at navy-yards and stations and from ocean steam mail service and other special objects assigned to the supervision of this Department.

The report of the Postmaster-General, herewith communicated, presents an interesting view of the progress, operations, and condition of his Department.

At the close of the last fiscal year the length of mail routes within the United States was 196,290 miles, the annual transportation thereon 53,272,252 miles, and the annual cost of such transportation $3,421,754.

The length of the foreign mail routes is estimated at 18,349 miles and the annual transportation thereon at 615,206 miles. The annual cost of this service is $1,472,187, of which $448,937 are paid by the Post-Office Department and $1,023,250 are paid through the Navy Department.

The annual transportation within the United States, excluding the service in California and Oregon, which is now for the first time reported and embraced in the tabular statements of the Department, exceeds that of the preceding year 6,162,855 miles, at an increased cost of $547,110.

The whole number of post-offices in the United States on the 30th day of June last was 19,796. There were 1,698 post-offices established and 256 discontinued during the year.

The gross revenues of the Department for the fiscal year, including the appropriations for the franked matter of Congress, of the Departments, and officers of Government, and excluding the foreign postages collected for and payable to the British post-office, amounted to $6,727,866.78.

The expenditures for the same period, excluding $20,599.49, paid under an award of the Auditor, in pursuance of a resolution of the last Congress, for mail service on the Ohio and Mississippi rivers in 1832 and 1833, and the amount paid to the British post-office for foreign postages collected for and payable to that office, amounted to

$6,024,566.79, leaving a balance of revenue over the proper expenditures of the year of $703,299.99.

The receipts for postages during the year, excluding the foreign postages collected for and payable to the British post-office, amounted to $6,345,747.21, being an increase of $997,610.79, or 18.65 per cent, over the like receipts for the preceding year.

Page 794

The reduction of postage under the act of March last did not take effect until the commencement of the present fiscal year. The accounts for the first quarter under the operation of the reduced rates will not be settled before January next, and no reliable estimate of the receipts for the present year can yet be made. It is believed, however, that they will fall far short of those of the last year. The surplus of the revenues now on hand is, however, so large that no further appropriation from the Treasury in aid of the revenues of the Department is required for the current fiscal year, but an additional appropriation for the year ending June 30, 1853, will probably be found necessary when the receipts of the first two quarters of the fiscal year are fully ascertained.

In his last annual report the Postmaster-General recommended a reduction of postage to rates which he deemed as low as could be prudently adopted unless Congress was prepared to appropriate from the Treasury for the support of the Department a sum more than equivalent to the mail services performed by it for the Government. The recommendations of the Postmaster-General in respect to letter postage, except on letters from and to California and Oregon, were substantially adopted by the last Congress. He now recommends adherence to the present letter rates and advises against a further reduction until justified by the revenue of the Department.

He also recommends that the rates of postage on printed matter be so revised as to render them more simple and more uniform in their operation upon all classes of printed matter. I submit the recommendations of the report to your favorable consideration.

The public statutes of the United States have now been accumulating for more than sixty years, and, interspersed with private acts, are scattered through numerous volumes, and, from the cost of the whole, have become almost inaccessible to the great mass of the community. They also exhibit much of the incongruity and imperfection of hasty legislation. As it seems to be generally conceded that there is no “common law” of the United States to supply the defects of their legislation, it is most important that that legislation should be as perfect as possible, defining every power intended to be conferred, every crime intended to be made punishable, and prescribing the punishment to be inflicted. In addition to some particular cases spoken of more at length, the whole criminal code is now lamentably defective. Some offenses are imperfectly described and others are entirely omitted, so that flagrant crimes may be committed with impunity. The scale of punishment is not in all cases graduated according to the degree and nature of the offense, and is often rendered more unequal by the different modes of imprisonment or penitentiary confinement in the different States.

Page 795

Many laws of a permanent character have been introduced into appropriation bills, and it is often difficult to determine whether the particular clause expires with the temporary act of which it is a part or continues in force. It has also frequently happened that enactments and provisions of law have been introduced into bills with the title or general subject of which they have little or no connection or relation. In this mode of legislation so many enactments have been heaped upon each other, and often with but little consideration, that in many instances it is difficult to search out and determine what is the law.

The Government of the United States is emphatically a government of written laws. The statutes should therefore, as far as practicable, not only be made accessible to all, but be expressed in language so plain and simple as to be understood by all and arranged in such method as to give perspicuity to every subject. Many of the States have revised their public acts with great and manifest benefit, and I recommend that provision be made by law for the appointment of a commission to revise the public statutes of the United States, arranging them in order, supplying deficiencies, correcting incongruities, simplifying their language, and reporting them to Congress for its action.

An act of Congress approved 30th September, 1850, contained a provision for the extension of the Capitol according to such plan as might be approved by the President, and appropriated $100,000 to be expended under his direction by such architect as he should appoint to execute the same. On examining the various plans which had been submitted by different architects in pursuance of an advertisement by a committee of the Senate no one was found to be entirely satisfactory, and it was therefore deemed advisable to combine and adopt the advantages of several.

The great object to be accomplished was to make such an addition as would afford ample and convenient halls for the deliberations of the two Houses of Congress, with sufficient accommodations for spectators and suitable apartments for the committees and officers of the two branches of the Legislature. It was also desirable not to mar the harmony and beauty of the present structure, which, as a specimen of architecture, is so universally admired. Keeping these objects in view, I concluded to make the addition by wings, detached from the present building, yet connected with it by corridors. This mode of enlargement will leave the present Capitol uninjured and afford great advantages for ventilation and the admission of light, and will enable the work to progress without interrupting the deliberations of Congress. To carry this plan into effect I have appointed an experienced and competent architect. The corner stone was laid on the 4th day of July last with suitable ceremonies, since which time the work has advanced with commendable rapidity, and the foundations of both wings are now nearly complete.

Page 796

I again commend to your favorable regard the interests of the District of Columbia, and deem it only necessary to remind you that although its inhabitants have no voice in the choice of Representatives in Congress, they are not the less entitled to a just and liberal consideration in your legislation. My opinions on this subject were more fully expressed in my last annual communication.

Other subjects were brought to the attention of Congress in my last annual message, to which I would respectfully refer. But there was one of more than ordinary interest, to which I again invite your special attention. I allude to the recommendation for the appointment of a commission to settle private claims against the United States. Justice to individuals, as well as to the Government, imperatively demands that some more convenient and expeditious mode than an appeal to Congress should be adopted.

It is deeply to be regretted that in several instances officers of the Government, in attempting to execute the law for the return of fugitives from labor, have been openly resisted and their efforts frustrated and defeated by lawless and violent mobs; that in one case such resistance resulted in the death of an estimable citizen, and in others serious injury ensued to those officers and to individuals who were using their endeavors to sustain the laws. Prosecutions have been instituted against the alleged offenders so far as they could be identified, and are still pending. I have regarded it as my duty in these cases to give all aid legally in my power to the enforcement of the laws, and I shall continue to do so wherever and whenever their execution may be resisted.

The act of Congress for the return of fugitives from labor is one required and demanded by the express words of the Constitution. The Constitution declares that—No person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up on claim of the party to whom such service or labor may be due. This constitutional provision is equally obligatory upon the legislative, the executive, and judicial departments of the Government, and upon every citizen of the United States.

Congress, however, must from necessity first act upon the subject by prescribing the proceedings necessary to ascertain that the person is a fugitive and the means to be used for his restoration to the claimant. This was done by an act passed during the first term of President Washington, which was amended by that enacted by the last Congress, and it now remains for the executive and judicial departments to take care that these laws be faithfully executed. This injunction of the Constitution is as peremptory and as binding as any other; it stands exactly on the same foundation as that clause which provides for the return of fugitives from justice, or that which declares

Page 797

that no bill of attainder or ex post facto law shall be passed, or that which provides for an equality of taxation according to the census, or the clause declaring that all duties shall be uniform throughout the United States, or the important provision that the trial of all crimes shall be by jury. These several articles and clauses of the Constitution, all resting on the same authority, must stand or fall together. Some objections have been urged against the details of the act for the return of fugitives from labor, but it is worthy of remark that the main opposition is aimed against the Constitution itself, and proceeds from persons and classes of persons many of whom declare their wish to see that Constitution overturned. They avow their hostility to any law which shall give full and practical effect to this requirement of the Constitution. Fortunately, the number of these persons is comparatively small, and is believed to be daily diminishing; but the issue which they present is one which involves the supremacy and even the existence of the Constitution.

Cases have heretofore arisen in which individuals have denied the binding authority of acts of Congress, and even States have proposed to nullify such acts upon the ground that the Constitution was the supreme law of the land, and that those acts of Congress were repugnant to that instrument; but nullification is now aimed not so much against particular laws as being inconsistent with the Constitution as against the Constitution itself, and it is not to be disguised that a spirit exists, and has been actively at work, to rend asunder this Union, which is our cherished inheritance from our Revolutionary fathers.

In my last annual message I stated that I considered the series of measures which had been adopted at the previous session in reference to the agitation growing out of the Territorial and slavery questions as a final settlement in principle and substance of the dangerous and exciting subjects which they embraced, and I recommended adherence to the adjustment established by those measures until time and experience should demonstrate the necessity of further legislation to guard against evasion or abuse. I was not induced to make this recommendation because I thought those measures perfect, for no human legislation can be perfect. Wide differences and jarring opinions can only be reconciled by yielding something on all sides, and this result had been reached after an angry conflict of many months, in which one part of the country was arrayed against another, and violent convulsion seemed to be imminent. Looking at the interests of the whole country, I felt it to be my duty to seize upon this compromise as the best that could be obtained amid conflicting interests and to insist upon it as a final settlement, to be adhered to by all who value the peace and welfare of the country. A year has now elapsed since that recommendation was made. To that recommendation I still adhere, and

Page 798

I congratulate you and the country upon the general acquiescence in these measures of peace which has been exhibited in all parts of the Republic. And not only is there this general acquiescence in these measures, but the spirit of conciliation which has been manifested in regard to them in all parts of the country has removed doubts and uncertainties in the minds of thousands of good men concerning the durability of our popular institutions and given renewed assurance that our liberty and our Union may subsist together for the benefit of this and all succeeding generations.

***

State of the Union Address
Millard Fillmore
December 6, 1852

Fellow-Citizens of the Senate and of the House of Representatives:

The brief space which has elapsed since the close of your last session has been marked by no extraordinary political event. The quadrennial election of Chief Magistrate has passed off with less than the usual excitement. However individuals and parties may have been disappointed in the result, it is, nevertheless, a subject of national congratulation that the choice has been effected by the independent suffrages of a free people, undisturbed by those influences which in other countries have too often affected the purity of popular elections.

Our grateful thanks are due to an all-merciful Providence, not only for staying the pestilence which in different forms has desolated some of our cities, but for crowning the labors of the husbandman with an abundant harvest and the nation generally with the blessings of peace and prosperity.

Within a few weeks the public mind has been deeply affected by the death of Daniel Webster, filling at his decease the office of Secretary of State. His associates in the executive government have sincerely sympathized with his family and the public generally on this mournful occasion. His commanding talents, his great political and professional eminence, his well-tried patriotism, and his long and faithful services in the most important public trusts have caused his death to be lamented throughout the country and have earned for him a lasting place in our history. In the course of the last summer considerable anxiety was caused for a short time by an official intimation from the Government of Great Britain that orders had been given for the protection of the fisheries upon the coasts of the British provinces in North America against the alleged encroachments of the fishing vessels of the United States and France. The shortness of this notice and the season of the year seemed to make it a matter of urgent importance. It was at first apprehended that an increased naval force had been ordered

to the fishing grounds to carry into effect the British interpretation of those provisions in the convention of 1818 in reference to the true intent of which the two Governments differ. It was soon discovered that such was not the design of Great Britain, and satisfactory explanations of the real objects of the measure have been given both here and in London.

Page 799

The unadjusted difference, however, between the two Governments as to the interpretation of the first article of the convention of 1818 is still a matter of importance. American fishing vessels, within nine or ten years, have been excluded from waters to which they had free access for twenty-five years after the negotiation of the treaty. In 1845 this exclusion was relaxed so far as concerns the Bay of Fundy, but the just and liberal intention of the home Government, in compliance with what we think the true construction of the convention, to open all the other outer bays to our fishermen was abandoned in consequence of the opposition of the colonies. Notwithstanding this, the United States have, since the Bay of Fundy was reopened to our fishermen in 1845, pursued the most liberal course toward the colonial fishing interests. By the revenue law of 1846 the duties on colonial fish entering our ports were very greatly reduced, and by the warehousing act it is allowed to be entered in bond without payment of duty. In this way colonial fish has acquired the monopoly of the export trade in our market and is entering to some extent into the home consumption. These facts were among those which increased the sensibility of our fishing interest at the movement in question. These circumstances and the incidents above alluded to have led me to think the moment favorable for a reconsideration of the entire subject of the fisheries on the coasts of the British Provinces, with a view to place them upon a more liberal footing of reciprocal privilege. A willingness to meet us in some arrangement of this kind is understood to exist on the part of Great Britain, with a desire on her part to include in one comprehensive settlement as well this subject as the commercial intercourse between the United States and the British Provinces. I have thought that, whatever arrangements may be made on these two subjects, it is expedient that they should be embraced in separate conventions. The illness and death of the late Secretary of State prevented the commencement of the contemplated negotiation. Pains have been taken to collect the information required for the details of such an arrangement. The subject is attended with considerable difficulty. If it is found practicable to come to an agreement mutually acceptable to the two parties, conventions may be concluded in the course of the present winter. The control of Congress over all the provisions of such an arrangement affecting the revenue will of course be reserved.

The affairs of Cuba formed a prominent topic in my last annual message. They remain in an uneasy condition, and a feeling of alarm and irritation on the part of the Cuban authorities appears to exist. This feeling has interfered with the regular commercial intercourse between the United States and the island and led to some acts of which we have a fight to complain. But the Captain-General of Cuba is clothed with no power to treat with foreign governments, nor is he

Page 800

in any degree under the control of the Spanish minister at Washington. Any communication which he may hold with an agent of a foreign power is informal and matter of courtesy. Anxious to put an end to the existing inconveniences (which seemed to rest on a misconception), I directed the newly appointed minister to Mexico to visit Havana on his way to Vera Cruz. He was respectfully received by the Captain-General, who conferred with him freely on the recent occurrences, but no permanent arrangement was effected.

In the meantime the refusal of the Captain-Generalto allow passengers and the mail to be landed in certain cases, for a reason which does not furnish, in the opinion of this Government, even a good presumptive ground for such prohibition, has been made the subject of a serious remonstrance at Madrid, and I have no reason to doubt that due respect will be paid by the Government of Her Catholic Majesty to the representations which our minister has been instructed to make on the subject.

It is but justice to the Captain-General to add that his conduct toward the steamers employed to carry the mails of the United States to Havana has, with the exceptions above alluded to, been marked with kindness and liberality, and indicates no general purpose of interfering with the commercial correspondence and intercourse between the island and this country.

Early in the present year official notes were received from the ministers of France and England inviting the Government of the United States to become a party with Great Britain and France to a tripartite convention, in virtue of which the three powers should severally and collectively disclaim now and for the future all intention to obtain possession of the island of Cuba, and should bind themselves to discountenance all attempts to that effect on the part of any power or individual whatever. This invitation has been respectfully declined, for reasons which it would occupy too much space in this communication to state in detail, but which led me to think that the proposed measure would be of doubtful constitutionality, impolitic, and unavailing. I have, however, in common with several of my predecessors, directed the ministers of France and England to be assured that the United States entertain no designs against Cuba, but that, on the contrary, I should regard its incorporation into the Union at the present time as fraught with serious peril.

Were this island comparatively destitute of inhabitants or occupied by a kindred race, I should regard it, if voluntarily ceded by Spain, as a most desirable acquisition. But under existing circumstances I should look upon its incorporation into our Union as a very hazardous measure. It would bring into the Confederacy a population of a different national stock, speaking a different language, and not likely to harmonize with the other members. It would probably affect in a prejudicial manner the industrial interests of the South, and it might revive those conflicts of opinion between the different sections of the

country which lately shook the Union to its center, and which have been so happily compromised.

Page 801

The rejection by the Mexican Congress of the convention which had been concluded between that Republic and the United States for the protection of a transit way across the Isthmus of Tehuantepec and of the interests of those citizens of the United States who had become proprietors of the rights which Mexico had conferred on one of her own citizens in regard to that transit has thrown a serious obstacle in the way of the attainment of a very desirable national object. I am still willing to hope that the differences on the subject which exist, or may hereafter arise, between the Governments will be amicably adjusted. This subject, however, has already engaged the attention of the Senate of the United States, and requires no further comment in this communication.

The settlement of the question respecting the port of San Juan de Nicaragua and of the controversy between the Republics of Costa Rica and Nicaragua in regard to their boundaries was considered indispensable to the commencement of the ship canal between the two oceans, which was the subject of the convention between the United States and Great Britain of the 19th of April, 1850. Accordingly, a proposition for the same purposes, addressed to the two Governments in that quarter and to the Mosquito Indians, was agreed to in April last by the Secretary of State and the minister of Her Britannic Majesty. Besides the wish to aid in reconciling the differences of the two Republics, I engaged in the negotiation from a desire to place the great work of a ship canal between the two oceans under one jurisdiction and to establish the important port of San Juan de Nicaragua under the government of a civilized power. The proposition in question was assented to by Costs Rica and the Mosquito Indians. It has not proved equally acceptable to Nicaragua, but it is to be hoped that the further negotiations on the subject which are in train will be carried on in that spirit of conciliation and compromise which ought always to prevail on such occasions, and that they will lead to a satisfactory result.

I have the satisfaction to inform you that the executive government of Venezuela has acknowledged some claims of citizens of the United States which have for many years past been urged by our charge d'affaires at Caracas. It is hoped that the same sense of justice will actuate the Congress of that Republic in providing the means for their payment.

The recent revolution in Buenos Ayres and the Confederated States having opened the prospect of an improved state of things in that quarter, the Governments of Great Britain and France determined to negotiate with the chief of the new confederacy for the free access of their commerce to the extensive countries watered by the tributaries of the La Plata; and they gave a friendly notice of this purpose to the United States, that we might, if we thought proper, pursue the same course. In compliance with this invitation, our minister at Rio Janeiro and our charge d'affaires at Buenos Ayres have been fully authorized to conclude treaties with the newly organized confederation or the States composing it. The delays which have taken place in the formation of the new government have as yet prevented the execution of those instructions, but there is

every reason to hope that these vast countries will be eventually opened to our commerce.

Page 802

A treaty of commerce has been concluded between the United States and the Oriental Republic of Uruguay, which will be laid before the Senate. Should this convention go into operation, it will open to the commercial enterprise of our citizens a country of great extent and unsurpassed in natural resources, but from which foreign nations have hitherto been almost wholly excluded.

The correspondence of the late Secretary of State with the Peruvian charge d'affaires relative to the Lobos Islands was communicated to Congress toward the close of the last session. Since that time, on further investigation of the subject, the doubts which had been entertained of the title of Peru to those islands have been removed, and I have deemed it just that the temporary wrong which had been unintentionally done her from want of information should be repaired by an unreserved acknowledgment of her sovereignty.

I have the satisfaction to inform you that the course pursued by Peru has been creditable to the liberality of her Government. Before it was known by her that her title would be acknowledged at Washington, her minister of foreign affairs had authorized our charge d'affaires at Lima to announce to the American vessels which had gone to the Lobos for guano that the Peruvian Government was willing to freight them on its own account. This intention has been carried into effect by the Peruvian minister here by an arrangement which is believed to be advantageous to the parties in interest.

Our settlements on the shores of the Pacific have already given a great extension, and in some respects a new direction, to our commerce in that ocean. A direct and rapidly increasing intercourse has sprung up with eastern Asia. The waters of the Northern Pacific, even into the Arctic Sea, have of late years been frequented by our whalemen. The application of steam to the general purposes of navigation is becoming daily more common, and makes it desirable to obtain fuel and other necessary supplies at convenient points on the route between Asia and our Pacific shores. Our unfortunate countrymen who from time to time suffer shipwreck on the coasts of the eastern seas are entitled to protection. Besides these specific objects, the general prosperity of our States on the Pacific requires that an attempt should be made to open the opposite regions of Asia to a mutually beneficial intercourse. It is obvious that this attempt could be made by no power to so great advantage as by the United States, whose constitutional system excludes every idea of distant colonial dependencies. I have accordingly been led to order an appropriate naval force to Japan, under the command of a discreet and intelligent officer of the highest rank known to our service. He is instructed to endeavor to obtain from the Government of that country some relaxation of the inhospitable and antisocial system which it has pursued for about two centuries. He has been directed particularly to remonstrate in the strongest

Page 803

language against the cruel treatment to which our shipwrecked mariners have often been subjected and to insist that they shall be treated with humanity. He is instructed, however, at the same time, to give that Government the amplest assurances that the objects of the United States are such, and such only, as I have indicated, and that the expedition is friendly and peaceful. Notwithstanding the jealousy with which the Governments of eastern Asia regard all overtures from foreigners, I am not without hopes of a beneficial result of the expedition. Should it be crowned with success, the advantages will not be confined to the United States, but, as in the case of China, will be equally enjoyed by all the other maritime powers. I have much satisfaction in stating that in all the steps preparatory to this expedition the Government of the United States has been materially aided by the good offices of the King of the Netherlands, the only European power having any commercial relations with Japan.

In passing from this survey of our foreign relations, I invite the attention of Congress to the condition of that Department of the Government to which this branch of the public business is intrusted. Our intercourse with foreign powers has of late years greatly increased, both in consequence of our own growth and the introduction of many new states into the family of nations. In this way the Department of State has become overburdened. It has by the recent establishment of the Department of the Interior been relieved of some portion of the domestic business. If the residue of the business of that kind—such as the distribution of Congressional documents, the keeping, publishing, and distribution of the laws of the United States, the execution of the copyright law, the subject of reprieves and pardons, and some other subjects relating to interior administration—should be transferred from the Department of State, it would unquestionably be for the benefit of the public service. I would also suggest that the building appropriated to the State Department is not fireproof; that there is reason to think there are defects in its construction, and that the archives of the Government in charge of the Department, with the precious collections of the manuscript papers of Washington, Jefferson, Hamilton, Madison, and Monroe, are exposed to destruction by fire. A similar remark may be made of the buildings appropriated to the War and Navy Departments.

The condition of the Treasury is exhibited in the annual report from that Department.

The cash receipts into the Treasury for the fiscal year ending the 30th June last, exclusive of trust funds, were $49,728,386.89, and the expenditures for the same period, likewise exclusive of trust funds, were $46,007,896.20, of which $9,455,815.83 was on account of the principal and interest of the public debt, including the last installment of the indemnity to Mexico under the treaty of Guadalupe Hidalgo, leaving a balance of $14,632,136.37 in the Treasury on the 1st day of July last. Since this latter period further purchases of the principal of the public debt have been made to the extent of $2,456,547.49, and the surplus in the Treasury will continue to be applied to

that object whenever the stock can be procured within the limits as to price authorized by law.

Page 804

The value of foreign merchandise imported during the last fiscal year was $207,240,101, and the value of domestic productions exported was $149,861,911, besides $17,204,026 of foreign merchandise exported, making the aggregate of the entire exports $167,065,937. Exclusive of the above, there was exported $42,507,285 in specie, and imported from foreign ports $5,262,643.

In my first annual message to Congress I called your attention to what seemed to me some defects in the present tariff, and recommended such modifications as in my judgment were best adapted to remedy its evils and promote the prosperity of the country. Nothing has since occurred to change my views on this important question.

Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of large importations of foreign goods upon our currency. Most of the gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer, to that extent, is deprived of a home market for the sale of his surplus produce. In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he consequently raises the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England. The prosperity and wealth of every nation must depend upon its productive industry. The farmer is stimulated to exertion by finding a ready market for his surplus products, and benefited by being able to exchange them without loss of time or expense of transportation for the manufactures which his comfort or convenience requires. This is always done to the best advantage where a portion of the community in which he lives is engaged in other pursuits. But most manufactures require an amount of capital and a practical skill which can not be commanded unless they be protected for a time from ruinous competition from abroad. Hence the necessity of laying those duties upon imported goods which the Constitution authorizes for revenue in such a manner as to protect and encourage the labor of our own citizens. Duties, however, should not be fixed at a rate so high as to exclude the foreign article, but should be so graduated as to enable the domestic manufacturer fairly to compete with the foreigner in our own markets, and by this competition to reduce the price of the manufactured article to the consumer to the lowest rate at which it can be produced. This policy would place the mechanic by the side of the farmer, create a mutual interchange of their respective commodities, and thus stimulate the industry of the whole country and render us independent of foreign nations for the supplies required by the habits or necessities of the people.

Page 805

Another question, wholly independent of protection, presents itself, and that is, whether the duties levied should be upon the value of the article at the place of shipment, or, where it is practicable, a specific duty, graduated according to quantity, as ascertained by weight or measure. All our duties are at present ad valorem. A certain percentage is levied on the price of the goods at the port of shipment in a foreign country. Most commercial nations have found it indispensable, for the purpose of preventing fraud and perjury, to make the duties specific whenever the article is of such a uniform value in weight or measure as to justify such a duty. Legislation should never encourage dishonesty or crime. It is impossible that the revenue officers at the port where the goods are entered and the duties paid should know with certainty what they cost in the foreign country. Yet the law requires that they should levy the duty according to such cost. They are therefore compelled to resort to very unsatisfactory evidence to ascertain what that cost was. They take the invoice of the importer, attested by his oath, as the best evidence of which the nature of the case admits. But everyone must see that the invoice may be fabricated and the oath by which it is supported false, by reason of which the dishonest importer pays a part only of the duties which are paid by the honest one, and thus indirectly receives from the Treasury of the United States a reward for his fraud and perjury. The reports of the Secretary of the Treasury heretofore made on this subject show conclusively that these frauds have been practiced to a great extent. The tendency is to destroy that high moral character for which our merchants have long been distinguished, to defraud the Government of its revenue, to break down the honest importer by a dishonest competition, and, finally, to transfer the business of importation to foreign and irresponsible agents, to the great detriment of our own citizens. I therefore again most earnestly recommend the adoption of specific duties wherever it is practicable, or a home valuation, to prevent these frauds.

I would also again call your attention to the fact that the present tariff in some cases imposes a higher duty upon the raw material imported than upon the article manufactured from it, the consequence of which is that the duty operates to the encouragement of the foreigner and the discouragement of our own citizens.

For full and detailed information in regard to the general condition of our Indian affairs, I respectfully refer you to the report of the Secretary of the Interior and the accompanying documents.

The Senate not having thought proper to ratify the treaties which have been negotiated with the tribes of Indians in California and Oregon, our relations with them have been left in a very unsatisfactory condition.

In other parts of our territory particular districts of country have been set apart for the exclusive occupation of the Indians, and their right to the lands within those limits has been acknowledged and respected. But in California and Oregon there has been no recognition by the Government of the exclusive right of the Indians to any part of the

country. They are therefore mere tenants at sufferance, and liable to be driven from place to place at the pleasure of the whites.

Page 806

The treaties which have been rejected proposed to remedy this evil by allotting to the different tribes districts of country suitable to their habits of life and sufficient for their support. This provision, more than any other, it is believed, led to their rejection; and as no substitute for it has been adopted by Congress, it has not been deemed advisable to attempt to enter into new treaties of a permanent character, although no effort has been spared by temporary arrangements to preserve friendly relations with them.

If it be the desire of Congress to remove them from the country altogether, or to assign to them particular districts more remote from the settlements of the whites, it will be proper to set apart by law the territory which they are to occupy and to provide the means necessary for removing them to it. Justice alike to our own citizens and to the Indians requires the prompt action of Congress on this subject. The amendments proposed by the Senate to the treaties which were negotiated with the Sioux Indians of Minnesota have been submitted to the tribes who were parties to them, and have received their assent. A large tract of valuable territory has thus been opened for settlement and cultivation, and all danger of collision with these powerful and warlike bands has been happily removed.

The removal of the remnant of the tribe of Seminole Indians from Florida has long been a cherished object of the Government, and it is one to which my attention has been steadily directed. Admonished by past experience of the difficulty and cost of the attempt to remove them by military force, resort has been had to conciliatory measures. By the invitation of the Commissioner of Indian Affairs, several of the principal chiefs recently visited Washington, and whilst here acknowledged in writing the obligation of their tribe to remove with the least possible delay. Late advices from the special agent of the Government represent that they adhere to their promise, and that a council of their people has been called to make their preliminary arrangements. A general emigration may therefore be confidently expected at an early day.

The report from the General Land Office shows increased activity in its operations. The survey of the northern boundary of Iowa has been completed with unexampled dispatch. Within the last year 9,522,953 acres of public land have been surveyed and 8,032,463 acres brought into market.

Acres In the last fiscal year there were sold 1,553,071 Located with bounty-land warrants 3,201,314 Located with other certificates 115,682 Making a total of 4,870,067

In addition there were—Reported under swamp-land grants 5,219,188 For internal improvements, railroads, etc 3,025,920 Making an aggregate of 13,115,175 Being an increase of the amount sold and located under land warrants of 569,220 acres over the previous year. The whole amount thus sold, located under land warrants, reported under swamp-land grants, and selected for internal improvements exceeds that of the previous year by 3,342,372 acres; and the sales would without doubt have been much

larger but for the extensive reservations for railroads in Missouri, Mississippi, and Alabama.

Page 807

Acres For the quarter ending 30th September, 1852, there were sold 243,255 Located with bounty-land warrants 1,387,116 Located with other certificates 15,649 Reported under swamp-land grants 2,485,233 Making an aggregate for the quarter of 4,131,253

Much the larger portion of the labor of arranging and classifying the returns of the last census has been finished, and it will now devolve upon Congress to make the necessary provision for the publication of the results in such form as shall be deemed best. The apportionment of representation on the basis of the new census has been made by the Secretary of the Interior in conformity with the provisions of law relating to that subject, and the recent elections have been made in accordance with it.

I commend to your favorable regard the suggestion contained in the report of the Secretary of the Interior that provision be made by law for the publication and distribution, periodically, of an analytical digest of all the patents which have been or may hereafter be granted for useful inventions and discoveries, with such descriptions and illustrations as may be necessary to present an intelligible view of their nature and operation. The cost of such publication could easily be defrayed out of the patent fund, and I am persuaded that it could be applied to no object more acceptable to inventors and beneficial to the public at large.

An appropriation of $100,000 having been made at the last session for the purchase of a suitable site and for the erection, furnishing, and fitting up of an asylum for the insane of the District of Columbia and of the Army and Navy of the United States, the proper measures have been adopted to carry this beneficent purpose into effect.

By the latest advices from the Mexican boundary commission it appears that the survey of the river Gila from its continence with the Colorado to its supposed intersection with the western line of New Mexico has been completed. The survey of the Rio Grande has also been finished from the point agreed on by the commissioners as “the point where it strikes the southern boundary of New Mexico” to a point 135 miles below Eagle Pass, which is about two-thirds of the distance along the course of the river to its mouth.

The appropriation which was made at the last session of Congress for the continuation of the survey is subject to the following proviso: Provided, That no part of this appropriation shall be used or expended until it shall be made satisfactorily to appear to the President of the United States that the southern boundary of New Mexico is not established by the commissioner and surveyor of the United States farther north of the town called “Paso” than the same is laid down in Disturnell’s map, which is added to the treaty.

Page 808

My attention was drawn to this subject by a report from the Department of the Interior, which reviewed all the facts of the case and submitted for my decision the question whether under existing circumstances any part of the appropriation could be lawfully used or expended for the further prosecution of the work. After a careful consideration of the subject I came to the conclusion that it could not, and so informed the head of that Department. Orders were immediately issued by him to the commissioner and surveyor to make no further requisitions on the Department, as they could not be paid, and to discontinue all operations on the southern line of New Mexico. But as the Department had no exact information as to the amount of provisions and money which remained unexpended in the hands of the commissioner and surveyor, it was left discretionary with them to continue the survey down the Rio Grande as far as the means at their disposal would enable them or at once to disband the commission. A special messenger has since arrived from the officer in charge of the survey on the river with information that the funds subject to his control were exhausted and that the officers and others employed in the service were destitute alike of the means of prosecuting the work and of returning to their homes.

The object of the proviso was doubtless to arrest the survey of the southern and western lines of New Mexico, in regard to which different opinions have been expressed; for it is hardly to be supposed that there could be any objection to that part of the line which extends along the channel of the Rio Grande. But the terms of the law are so broad as to forbid the use of any part of the money for the prosecution of the work, or even for the payment to the officers and agents of the arrearages of pay which are justly due to them.

I earnestly invite your prompt attention to this subject, and recommend a modification of the terms of the proviso, so as to enable the Department to use as much of the appropriation as will be necessary to discharge the existing obligations of the Government and to complete the survey of the Rio Grande to its mouth.

It will also be proper to make further provision by law for the fulfillment of our treaty with Mexico for running and marking the residue of the boundary line between the two countries.

Permit me to invite your particular attention to the interests of the District of Columbia, which are confided by the Constitution to your peculiar care.

Among the measures which seem to me of the greatest importance to its prosperity are the introduction of a copious supply of water into the city of Washington and the construction of suitable bridges across the Potomac to replace those which were destroyed by high water in the early part of the present year.

At the last session of Congress an appropriation was made to defray the cost of the surveys necessary for determining the best means of affording an unfailing supply of

good and wholesome water. Some progress has been made in the survey, and as soon as it is completed the result will be laid before you.

Page 809

Further appropriations will also be necessary for grading and paving the streets and avenues and inclosing and embellishing the public grounds within the city of Washington.

I commend all these objects, together with the charitable institutions of the District, to your favorable regard. Every effort has been made to protect our frontier and that of the adjoining Mexican States from the incursions of the Indian tribes. Of about 11,000 men of which the Army is composed, nearly 8,000 are employed in the defense of the newly acquired territory (including Texas) and of emigrants proceeding thereto. I am gratified to say that these efforts have been unusually successful. With the exception of some partial outbreaks in California and Oregon and occasional depredations on a portion of the Rio Grande, owing, it is believed, to the disturbed state of that border region, the inroads of the Indians have been effectually restrained.

Experience has shown, however, that whenever the two races are brought into contact collisions will inevitably occur. To prevent these collisions the United States have generally set apart portions of their territory for the exclusive occupation of the Indian tribes. A difficulty occurs, however, in the application of this policy to Texas. By the terms of the compact by which that State was admitted into the Union she retained the ownership of all the vacant lands within her limits. The government of that State, it is understood, has assigned no portion of her territory to the Indians, but as fast as her settlements advance lays it off into counties and proceeds to survey and sell it. This policy manifestly tends not only to alarm and irritate the Indians, but to compel them to resort to plunder for subsistence. It also deprives this Government of that influence and control over them without which no durable peace can ever exist between them and the whites. I trust, therefore, that a due regard for her own interests, apart from considerations of humanity and justice, will induce that State to assign a small portion of her vast domain for the provisional occupancy of the small remnants of tribes within her borders, subject, of course, to her ownership and eventual jurisdiction. If she should fail to do this, the fulfillment of our treaty stipulations with Mexico and our duty to the Indians themselves will, it is feared, become a subject of serious embarrassment to the Government. It is hoped, however, that a timely and just provision by Texas may avert this evil.

No appropriations for fortifications were made at the two last sessions of Congress. The cause of this omission is probably to be found in a growing belief that the system of fortifications adopted in 1816, and heretofore acted on, requires revision.

The subject certainly deserves full and careful investigation, but it should not be delayed longer than can be avoided. In the meantime there are certain works which have been commenced, some of them nearly completed, designed to protect our principal seaports from Boston to New Orleans and a few other important points. In regard to the necessity for these works, it is believed that little difference of opinion exists among

military men. I therefore recommend that the appropriations necessary to prosecute them be made.

Page 810

I invite your attention to the remarks on this subject and on others connected with his Department contained in the accompanying report of the Secretary of War.

Measures have been taken to carry into effect the law of the last session making provision for the improvement of certain rivers and harbors, and it is believed that the arrangements made for that purpose will combine efficiency with economy. Owing chiefly to the advanced season when the act was passed, little has yet been done in regard to many of the works beyond making the necessary preparations. With respect to a few of the improvements, the sums already appropriated will suffice to complete them; but most of them will require additional appropriations. I trust that these appropriations will be made, and that this wise and beneficent policy, so auspiciously resumed, will be continued. Great care should be taken, however, to commence no work which is not of sufficient importance to the commerce of the country to be viewed as national in its character. But works which have been commenced should not be discontinued until completed, as otherwise the sums expended will in most cases be lost.

The report from the Navy Department will inform you of the prosperous condition of the branch of the public service committed to its charge. It presents to your consideration many topics and suggestions of which I ask your approval. It exhibits an unusual degree of activity in the operations of the Department during the past year. The preparations for the Japan expedition, to which I have already alluded; the arrangements made for the exploration and survey of the China Seas, the Northern Pacific, and Behrings Straits; the incipient measures taken toward a reconnoissance of the continent of Africa eastward of Liberia; the preparation for an early examination of the tributaries of the river La Plata, which a recent decree of the provisional chief of the Argentine Confederation has opened to navigation—all these enterprises and the means by which they are proposed to be accomplished have commanded my full approbation, and I have no doubt will be productive of most useful results.

Two officers of the Navy were heretofore instructed to explore the whole extent of the Amazon River from the confines of Peru to its mouth. The return of one of them has placed in the possession of the Government an interesting and valuable account of the character and resources of a country abounding in the materials of commerce, and which if opened to the industry of the world will prove an inexhaustible fund of wealth. The report of this exploration will be communicated to you as soon as it is completed.

Among other subjects offered to your notice by the Secretary of the Navy, I select for special commendation, in view of its connection with the interests of the Navy, the plan submitted by him for the establishment of a permanent corps of seamen and the suggestions he has presented for the reorganization of the Naval Academy.

Page 811

In reference to the first of these, I take occasion to say that I think it will greatly improve the efficiency of the service, and that I regard it as still more entitled to favor for the salutary influence it must exert upon the naval discipline, now greatly disturbed by the increasing spirit of insubordination resulting from our present system. The plan proposed for the organization of the seamen furnishes a judicious substitute for the law of September, 1850, abolishing corporal punishment, and satisfactorily sustains the policy of that act under conditions well adapted to maintain the authority of command and the order and security of our ships. It is believed that any change which proposes permanently to dispense with this mode of punishment should be preceded by a system of enlistment which shall supply the Navy with seamen of the most meritorious class, whose good deportment and pride of character may preclude all occasion for a resort to penalties of a harsh or degrading nature. The safety of a ship and her crew is often dependent upon immediate obedience to a command, and the authority to enforce it must be equally ready. The arrest of a refractory seaman in such moments not only deprives the ship of indispensable aid, but imposes a necessity for double service on others, whose fidelity to their duties may be relied upon in such an emergency. The exposure to this increased and arduous labor since the passage of the act of 1850 has already had, to a most observable and injurious extent, the effect of preventing the enlistment of the best seamen in the Navy. The plan now suggested is designed to promote a condition of service in which this objection will no longer exist. The details of this plan may be established in great part, if not altogether, by the Executive under the authority of existing laws, but I have thought it proper, in accordance with the suggestion of the Secretary of the Navy, to submit it to your approval.

The establishment of a corps of apprentices for the Navy, or boys to be enlisted until they become of age, and to be employed under such regulations as the Navy Department may devise, as proposed in the report, I cordially approve and commend to your consideration; and I also concur in the suggestion that this system for the early training of seamen may be most usefully ingrafted upon the service of our merchant marine. The other proposition of the report to which I have referred—the reorganization of the Naval Academy—I recommend to your attention as a project worthy of your encouragement and support. The valuable services already rendered by this institution entitle it to the continuance of your fostering care.

Your attention is respectfully called to the report of the Postmaster General for the detailed operation of his Department during the last fiscal year, from which it will be seen that the receipts from postages for that time were less by $1,431,696 than for the preceding fiscal year, being a decrease of about 23 per cent.

Page 812

This diminution is attributable to the reduction in the rates of postage made by the act of March 3, 1851, which reduction took effect at the commencement of the last fiscal year.

Although in its operation during the last year the act referred to has not fulfilled the predictions of its friends by increasing the correspondence of the country in proportion to the reduction of postage, I should, nevertheless, question the policy of returning to higher rates. Experience warrants the expectation that as the community becomes accustomed to cheap postage correspondence will increase. It is believed that from this cause and from the rapid growth of the country in population and business the receipts of the Department must ultimately exceed its expenses, and that the country may safely rely upon the continuance of the present cheap rate of postage.

In former messages I have, among other things, respectfully recommended to the consideration of Congress the propriety and necessity of further legislation for the protection and punishment of foreign consuls residing in the United States; to revive, with certain modifications, the act of 10th March, 1838, to restrain unlawful military expeditions against the inhabitants of conterminous states or territories; for the preservation and protection from mutilation or theft of the papers, records, and archives of the nation; for authorizing the surplus revenue to be applied to the payment of the public debt in advance of the time when it will become due; for the establishment of land offices for the sale of the public lands in California and the Territory of Oregon; for the construction of a road from the Mississippi Valley to the Pacific Ocean; for the establishment of a bureau of agriculture for the promotion of that interest, perhaps the most important in the country; for the prevention of frauds upon the Government in applications for pensions and bounty lands; for the establishment of a uniform fee bill, prescribing a specific compensation for every service required of clerks, district attorneys, and marshals; for authorizing an additional regiment of mounted men for the defense of our frontiers against the Indians and for fulfilling our treaty stipulations with Mexico to defend her citizens against the Indians “with equal diligence and energy as our own;” for determining the relative rank between the naval and civil officers in our public ships and between the officers of the Army and Navy in the various grades of each; for reorganizing the naval establishment by fixing the number of officers in each grade, and providing for a retired list upon reduced pay of those unfit for active duty; for prescribing and regulating punishments in the Navy; for the appointment of a commission to revise the public statutes of the United States by arranging them in order, supplying deficiencies, correcting incongruities, simplifying their language, and reporting them to Congress for its final action; and for the establishment of a commission to adjudicate and settle private claims against the United States. I am not aware, however, that any of these subjects have been finally acted upon by Congress. Without repeating the reasons for legislation on these subjects which have been assigned in former messages, I respectfully recommend them again to your favorable consideration.

Page 813

I think it due to the several Executive Departments of this Government to bear testimony to the efficiency and integrity with which they are conducted. With all the careful superintendence which it is possible for the heads of those Departments to exercise, still the due administration and guardianship of the public money must very much depend on the vigilance, intelligence, and fidelity of the subordinate officers and clerks, and especially on those intrusted with the settlement and adjustment of claims and accounts. I am gratified to believe that they have generally performed their duties faithfully and well. They are appointed to guard the approaches to the public Treasury, and they occupy positions that expose them to all the temptations and seductions which the cupidity of peculators and fraudulent claimants can prompt them to employ. It will be but a wise precaution to protect the Government against that source of mischief and corruption, as far as it can be done, by the enactment of all proper legal penalties. The laws in this respect are supposed to be defective, and I therefore deem it my duty to call your attention to the subject and to recommend that provision be made by law for the punishment not only of those who shall accept bribes, but also of those who shall either promise, give, or offer to give to any of those officers or clerks a bribe or reward touching or relating to any matter of their official action or duty.

It has been the uniform policy of this Government, from its foundation to the present day, to abstain from all interference in the domestic affairs of other nations. The consequence has been that while the nations of Europe have been engaged in desolating wars our country has pursued its peaceful course to unexampled prosperity and happiness. The wars in which we have been compelled to engage in defense of the rights and honor of the country have been, fortunately, of short duration. During the terrific contest of nation against nation which succeeded the French Revolution we were enabled by the wisdom and firmness of President Washington to maintain our neutrality. While other nations were drawn into this wide-sweeping whirlpool, we sat quiet and unmoved upon our own shores. While the flower of their numerous armies was wasted by disease or perished by hundreds of thousands upon the battlefield, the youth of this favored land were permitted to enjoy the blessings of peace beneath the paternal roof. While the States of Europe incurred enormous debts, under the burden of which their subjects still groan, and which must absorb no small part of the product of the honest industry of those countries for generations to come, the United States have once been enabled to exhibit the proud spectacle of a nation free from public debt, and if permitted to pursue our prosperous way for a few years longer in peace we may do the same again.

Page 814

But it is now said by some that this policy must be changed. Europe is no longer separated from us by a voyage of months, but steam navigation has brought her within a few days' sail of our shores. We see more of her movements and take a deeper interest in her controversies. Although no one proposes that we should join the fraternity of potentates who have for ages lavished the blood and treasure of their subjects in maintaining "the balance of power," yet it is said that we ought to interfere between contending sovereigns and their subjects for the purpose of overthrowing the monarchies of Europe and establishing in their place republican institutions. It is alleged that we have heretofore pursued a different course from a sense of our weakness, but that now our conscious strength dictates a change of policy, and that it is consequently our duty to mingle in these contests and aid those who are struggling for liberty.

This is a most seductive but dangerous appeal to the generous sympathies of freemen. Enjoying, as we do, the blessings of a free Government, there is no man who has an American heart that would not rejoice to see these blessings extended to all other nations. We can not witness the struggle between the oppressed and his oppressor anywhere without the deepest sympathy for the former and the most anxious desire for his triumph. Nevertheless, is it prudent or is it wise to involve ourselves in these foreign wars? Is it indeed true that we have heretofore refrained from doing so merely from the degrading motive of a conscious weakness? For the honor of the patriots who have gone before us, I can not admit it. Men of the Revolution, who drew the sword against the oppressions of the mother country and pledged to Heaven "their lives, their fortunes, and their sacred honor" to maintain their freedom, could never have been actuated by so unworthy a motive. They knew no weakness or fear where right or duty pointed the way, and it is a libel upon their fair fame for us, while we enjoy the blessings for which they so nobly fought and bled, to insinuate it. The truth is that the course which they pursued was dictated by a stern sense of international justice, by a statesmanlike prudence and a far-seeing wisdom, looking not merely to the present necessities but to the permanent safety and interest of the country. They knew that the world is governed less by sympathy than by reason and force; that it was not possible for this nation to become a "propagandist" of free principles without arraying against it the combined powers of Europe, and that the result was more likely to be the overthrow of republican liberty here than its establishment there. History has been written in vain for those who can doubt this. France had no sooner established a republican form of government than she manifested a desire to force its blessings on all the world. Her own historian informs us that, hearing of some petty acts of tyranny in a neighboring

Page 815

principality, “the National Convention declared that she would afford succor and fraternity to all nations who wished to recover their liberty, and she gave it in charge to the executive power to give orders to the generals of the French armies to aid all citizens who might have been or should be oppressed in the cause of liberty.” Here was the false step which led to her subsequent misfortunes. She soon found herself involved in war with all the rest of Europe. In less than ten years her Government was changed from a republic to an empire, and finally, after shedding rivers of blood, foreign powers restored her exiled dynasty and exhausted Europe sought peace and repose in the unquestioned ascendency of monarchical principles. Let us learn wisdom from her example. Let us remember that revolutions do not always establish freedom. Our own free institutions were not the offspring of our Revolution. They existed before. They were planted in the free charters of self-government under which the English colonies grew up, and our Revolution only freed us from the dominion of a foreign power whose government was at variance with those institutions. But European nations have had no such training for self-government, and every effort to establish it by bloody revolutions has been, and must without that preparation continue to be, a failure. Liberty unregulated by law degenerates into anarchy, which soon becomes the most horrid of all despotisms. Our policy is wisely to govern ourselves, and thereby to set such an example of national justice, prosperity, and true glory as shall teach to all nations the blessings of self-government and the unparalleled enterprise and success of a free people.

We live in an age of progress, and ours is emphatically a country of progress. Within the last half century the number of States in this Union has nearly doubled, the population has almost quadrupled, and our boundaries have been extended from the Mississippi to the Pacific. Our territory is checkered over with railroads and furrowed with canals. The inventive talent of our country is excited to the highest pitch, and the numerous applications for patents for valuable improvements distinguish this age and this people from all others. The genius of one American has enabled our commerce to move against wind and tide and that of another has annihilated distance in the transmission of intelligence. The whole country is full of enterprise. Our common schools are diffusing intelligence among the people and our industry is fast accumulating the comforts and luxuries of life. This is in part owing to our peculiar position, to our fertile soil and comparatively sparse population; but much of it is also owing to the popular institutions under which we live, to the freedom which every man feels to engage in any useful pursuit according to his taste or inclination, and to the entire confidence that his person and property will be protected by the laws. But whatever may

Page 816

be the cause of this unparalleled growth in population, intelligence, and wealth, one tiring is clear—that the Government must keep pace with the progress of the people. It must participate in their spirit of enterprise, and while it exacts obedience to the laws and restrains all unauthorized invasions of the rights of neighboring states, it should foster and protect home industry and lend its powerful strength to the improvement of such means of intercommunication as are necessary to promote our internal commerce and strengthen the ties which bind us together as a people.

It is not strange, however much it may be regretted, that such an exuberance of enterprise should cause some individuals to mistake change for progress and the invasion of the rights of others for national prowess and glory. The former are constantly agitating for some change in the organic law, or urging new and untried theories of human rights. The latter are ever ready to engage in any wild crusade against a neighboring people, regardless of the justice of the enterprise and without looking at the fatal consequences to ourselves and to the cause of popular government. Such expeditions, however, are often stimulated by mercenary individuals, who expect to share the plunder or profit of the enterprise without exposing themselves to danger, and are led on by some irresponsible foreigner, who abuses the hospitality of our own Government by seducing the young and ignorant to join in his scheme of personal ambition or revenge under the false and delusive pretense of extending the area of freedom. These reprehensible aggressions but retard the true progress of our nation and tarnish its fair fame. They should therefore receive the indignant frowns of every good citizen who sincerely loves his country and takes a pride in its prosperity and honor. Our Constitution, though not perfect, is doubtless the best that ever was formed. Therefore let every proposition to change it be well weighed and, if found beneficial, cautiously adopted. Every patriot will rejoice to see its authority so exerted as to advance the prosperity and honor of the nation, whilst he will watch with jealousy any attempt to mutilate this charter of our liberties or pervert its powers to acts of aggression or injustice. Thus shall conservatism and progress blend their harmonious action in preserving the form and spirit of the Constitution and at the same time carry forward the great improvements of the country with a rapidity and energy which freemen only can display.

In closing this my last annual communication, permit me, fellow-citizens, to congratulate you on the prosperous condition of our beloved country. Abroad its relations with all foreign powers are friendly, its rights are respected, and its high place in the family of nations cheerfully recognized. At home we enjoy an amount of happiness, public and private, which has probably never fallen to the lot of any other people. Besides affording to our own citizens a degree of prosperity of which on so large a scale I know of no other instance, our country is annually affording a refuge and a home to multitudes, altogether without example, from the Old World.

Page 817

We owe these blessings, under Heaven, to the happy Constitution and Government which were bequeathed to us by our fathers, and which it is our sacred duty to transmit in all their integrity to our children. We must all consider it a great distinction and privilege to have been chosen by the people to bear a part in the administration of such a Government. Called by an unexpected dispensation to its highest trust at a season of embarrassment and alarm, I entered upon its arduous duties with extreme diffidence. I claim only to have discharged them to the best of an humble ability, with a single eye to the public good, and it is with devout gratitude in retiring from office that I leave the country in a state of peace and prosperity.

***

State of the Union Address
Franklin Pierce
December 5, 1853

Fellow-Citizens of the Senate and of the House of Representatives:

The interest with which the people of the Republic anticipate the assembling of Congress and the fulfillment on that occasion of the duty imposed upon a new President is one of the best evidences of their capacity to realize the hopes of the founders of a political system at once complex and symmetrical. While the different branches of the Government are to a certain extent independent of each other, the duties of all alike have direct reference to the source of power. Fortunately, under this system no man is so high and none so humble in the scale of public station as to escape from the scrutiny or to be exempt from the responsibility which all official functions imply.

Upon the justice and intelligence of the masses, in a government thus organized, is the sole reliance of the confederacy and the only security for honest and earnest devotion to its interests against the usurpations and encroachment of power on the one hand and the assaults of personal ambition on the other.

The interest of which I have spoken is inseparable from an inquiring, self-governing community, but stimulated, doubtless, at the present time by the unsettled condition of our relations with several foreign powers, by the new obligations resulting from a sudden extension of the field of enterprise, by the spirit with which that field has been entered and the amazing energy with which its resources for meeting the demands of humanity have been developed.

Although disease, assuming at one time the characteristics of a widespread and devastating pestilence, has left its sad traces upon some portions of our country, we have still the most abundant cause for reverent thankfulness to God for an accumulation of signal mercies showered upon us as a nation. It is well that a consciousness of rapid

advancement and increasing strength be habitually associated with an abiding sense of dependence upon Him who holds in His hands the destiny of men and of nations.

Page 818

Recognizing the wisdom of the broad principle of absolute religious toleration proclaimed in our fundamental law, and rejoicing in the benign influence which it has exerted upon our social and political condition, I should shrink from a clear duty did I fail to express my deepest conviction that we can place no secure reliance upon any apparent progress if it be not sustained by national integrity, resting upon the great truths affirmed and illustrated by divine revelation. In the midst of our sorrow for the afflicted and suffering, it has been consoling to see how promptly disaster made true neighbors of districts and cities separated widely from each other, and cheering to watch the strength of that common bond of brotherhood which unites all hearts, in all parts of this Union, when danger threatens from abroad or calamity impends over us at home.

Our diplomatic relations with foreign powers have undergone no essential change since the adjournment of the last Congress. With some of them questions of a disturbing character are still pending, but there are good reasons to believe that these may all be amicably adjusted. For some years past Great Britain has so construed the first article of the convention of the 20th of April, 1818, in regard to the fisheries on the northeastern coast, as to exclude our citizens from some of the fishing grounds to which they freely resorted for nearly a quarter of a century subsequent to the date of that treaty. The United States have never acquiesced in this construction, but have always claimed for their fishermen all the rights which they had so long enjoyed without molestation. With a view to remove all difficulties on the subject, to extend the rights of our fishermen beyond the limits fixed by the convention of 1818, and to regulate trade between the United States and the British North American Provinces, a negotiation has been opened with a fair prospect of a favorable result. To protect our fishermen in the enjoyment of their rights and prevent collision between them and British fishermen, I deemed it expedient to station a naval force in that quarter during the fishing season.

Embarrassing questions have also arisen between the two Governments in regard to Central America. Great Britain has proposed to settle them by an amicable arrangement, and our minister at London is instructed to enter into negotiations on that subject. A commission for adjusting the claims of our citizens against Great Britain and those of British subjects against the United States, organized under the convention of the 8th of February last, is now sitting in London for the transaction of business. It is in many respects desirable that the boundary line between the United States and the British Provinces in the northwest, as designated in the convention of the 15th of June, 1846, and especially that part which separates the Territory of Washington from the British possessions on the north, should be traced and marked. I therefore present the subject to your notice.

Page 819

With France our relations continue on the most friendly footing. The extensive commerce between the United States and that country might, it is conceived, be released from some unnecessary restrictions to the mutual advantage of both parties. With a view to this object, some progress has been made in negotiating a treaty of commerce and navigation.

Independently of our valuable trade with Spain, we have important political relations with her growing out of our neighborhood to the islands of Cuba and Porto Rico. I am happy to announce that since the last Congress no attempts have been made by unauthorized expeditions within the United States against either of those colonies. Should any movement be manifested within our limits, all the means at my command will be vigorously exerted to repress it. Several annoying occurrences have taken place at Havana, or in the vicinity of the island of Cuba, between our citizens and the Spanish authorities. Considering the proximity of that island to our shores, lying, as it does, in the track of trade between some of our principal cities, and the suspicious vigilance with which foreign intercourse, particularly that with the United States, is there guarded, a repetition of such occurrences may well be apprehended.

As no diplomatic intercourse is allowed between our consul at Havana and the Captain-General of Cuba, ready explanations can not be made or prompt redress afforded where injury has resulted. All complaint on the part of our citizens under the present arrangement must be, in the first place, presented to this Government and then referred to Spain. Spain again refers it to her local authorities in Cuba for investigation, and postpones an answer till she has heard from those authorities. To avoid these irritating and vexatious delays, a proposition has been made to provide for a direct appeal for redress to the Captain-General by our consul in behalf of our injured fellow-citizens. Hitherto the Government of Spain has declined to enter into any such arrangement. This course on her part is deeply regretted, for without some arrangement of this kind the good understanding between the two countries may be exposed to occasional interruption. Our minister at Madrid is instructed to renew the proposition and to press it again upon the consideration of Her Catholic Majesty's Government.

For several years Spain has been calling the attention of this Government to a claim for losses by some of her subjects in the case of the schooner Amistad. This claim is believed to rest on the obligations imposed by our existing treaty with that country. Its justice was admitted in our diplomatic correspondence with the Spanish Government as early as March, 1847, and one of my predecessors, in his annual message of that year, recommended that provision should be made for its payment. In January last it was again submitted to Congress by the Executive. It has received a favorable consideration by committees of both branches, but as yet there has been no final action upon it. I conceive that good faith requires its prompt adjustment, and I present it to your early and favorable consideration.

Page 820

Martin Koszta, a Hungarian by birth, came to this country in 1850, and declared his intention in due form of law to become a citizen of the United States. After remaining here nearly two years he visited Turkey. While at Smyrna he was forcibly seized, taken on board an Austrian brig of war then lying in the harbor of that place, and there confined in irons, with the avowed design to take him into the dominions of Austria. Our consul at Smyrna and legation at Constantinople interposed for his release, but their efforts were ineffectual. While thus in prison Commander Ingraham, with the United States ship of war St. Louis, arrived at Smyrna, and after inquiring into the circumstances of the case came to the conclusion that Koszta was entitled to the protection of this Government, and took energetic and prompt measures for his release. Under an arrangement between the agents of the United States and of Austria, he was transferred to the custody of the French consul-general at Smyrna, there to remain until he should be disposed of by the mutual agreement of the consuls of the respective Governments at that place. Pursuant to that agreement, he has been released, and is now in the United States. The Emperor of Austria has made the conduct of our officers who took part in this transaction a subject of grave complaint. Regarding Koszta as still his subject, and claiming a right to seize him within the limits of the Turkish Empire, he has demanded of this Government its consent to the surrender of the prisoner, a disavowal of the acts of its agents, and satisfaction for the alleged outrage. After a careful consideration of the case I came to the conclusion that Koszta was seized without legal authority at Smyrna; that he was wrongfully detained on board of the Austrian brig of war; that at the time of his seizure he was clothed with the nationality of the United States, and that the acts of our officers, under the circumstances of the case, were justifiable, and their conduct has been fully approved by me, and a compliance with the several demands of the Emperor of Austria has been declined.

For a more full account of this transaction and my views in regard to it I refer to the correspondence between the charge d'affaires of Austria and the Secretary of State, which is herewith transmitted. The principles and policy therein maintained on the part of the United States will, whenever a proper occasion occurs, be applied and enforced.

The condition of China at this time renders it probable that some important changes will occur in that vast Empire which will lead to a more unrestricted intercourse with it. The commissioner to that country who has been recently appointed is instructed to avail himself of all occasions to open and extend our commercial relations, not only with the Empire of China, but with other Asiatic nations.

In 1852 an expedition was sent to Japan, under the command of Commodore Perry, for the purpose of opening commercial intercourse with that Empire. Intelligence has been received of his arrival there and of his having made known to the Emperor of Japan the object of his visit. But it is not yet ascertained how far the Emperor will be disposed to abandon his restrictive policy and open that populous country to a commercial intercourse with the United States.

Page 821

It has been my earnest desire to maintain friendly intercourse with the Governments upon this continent and to aid them in preserving good understanding among themselves. With Mexico a dispute has arisen as to the true boundary line between our Territory of New Mexico and the Mexican State of Chihuahua. A former commissioner of the United States, employed in running that line pursuant to the treaty of Guadalupe Hidalgo, made a serious mistake in determining the initial point on the Rio Grande; but inasmuch as his decision was clearly a departure from the directions for tracing the boundary contained in that treaty, and was not concurred in by the surveyor appointed on the part of the United States, whose concurrence was necessary to give validity to that decision, this Government is not concluded thereby; but that of Mexico takes a different view of the subject.

There are also other questions of considerable magnitude pending between the two Republics. Our minister in Mexico has ample instructions to adjust them. Negotiations have been opened, but sufficient progress has not been made therein to enable me to speak of the probable result. Impressed with the importance of maintaining amicable relations with that Republic and of yielding with liberality to all her just claims, it is reasonable to expect that an arrangement mutually satisfactory to both countries may be concluded and a lasting friendship between them confirmed and perpetuated.

Congress having provided for a full mission to the States of Central America, a minister was sent thither in July last. As yet he has had time to visit only one of these States (Nicaragua), where he was received in the most friendly manner. It is hoped that his presence and good offices will have a benign effect in composing the dissensions which prevail among them, and in establishing still more intimate and friendly relations between them respectively and between each of them and the United States.

Considering the vast regions of this continent and the number of states which would be made accessible by the free navigation of the river Amazon, particular attention has been given to this subject. Brazil, through whose territories it passes into the ocean, has hitherto persisted in a policy so restricted in regard to the use of this river as to obstruct and nearly exclude foreign commercial intercourse with the States which lie upon its tributaries and upper branches. Our minister to that country is instructed to obtain a relaxation of that policy and to use his efforts to induce the Brazilian Government to open to common use, under proper safeguards, this great natural highway for international trade. Several of the South American States are deeply interested in this attempt to secure the free navigation of the Amazon, and it is reasonable to expect their cooperation in the measure. As the advantages of free commercial intercourse among nations are better understood, more

Page 822

liberal views are generally entertained as to the common rights of all to the free use of those means which nature has provided for international communication. To these more liberal and enlightened views it is hoped that Brazil will conform her policy and remove all unnecessary restrictions upon the free use of a river which traverses so many states and so large a part of the continent. I am happy to inform you that the Republic of Paraguay and the Argentine Confederation have yielded to the liberal policy still resisted by Brazil in regard to the navigable rivers within their respective territories. Treaties embracing this subject, among others, have been negotiated with these Governments, which will be submitted to the Senate at the present session.

A new branch of commerce, important to the agricultural interests of the United States, has within a few years past been opened with Peru. Notwithstanding the inexhaustible deposits of guano upon the islands of that country, considerable difficulties are experienced in obtaining the requisite supply. Measures have been taken to remove these difficulties and to secure a more abundant importation of the article. Unfortunately, there has been a serious collision between our citizens who have resorted to the Chincha Islands for it and the Peruvian authorities stationed there. Redress for the outrages committed by the latter was promptly demanded by our minister at Lima. This subject is now under consideration, and there is reason to believe that Peru is disposed to offer adequate indemnity to the aggrieved parties. We are thus not only at peace with all foreign countries, but, in regard to political affairs, are exempt from any cause of serious disquietude in our domestic relations.

The controversies which have agitated the country heretofore are passing away with the causes which produced them and the passions which they had awakened; or, if any trace of them remains, it may be reasonably hoped that it will only be perceived in the zealous rivalry of all good citizens to testify their respect for the rights of the States, their devotion to the Union, and their common determination that each one of the States, its institutions, its welfare, and its domestic peace, shall be held alike secure under the sacred aegis of the Constitution. This new league of amity and of mutual confidence and support into which the people of the Republic have entered happily affords inducement and opportunity for the adoption of a more comprehensive and unembarrassed line of policy and action as to the great material interests of the country, whether regarded in themselves or in connection with the powers of the civilized world.

The United States have continued gradually and steadily to expand through acquisitions of territory, which, how much soever some of them may have been questioned, are now universally seen and admitted to have been wise in policy, just in character, and a great element in the advancement of our country, and with it of the human race, in freedom, in prosperity, and in happiness. The thirteen States have grown to be thirty-one, with relations reaching to Europe on the one side and on the other to the distant realms of Asia.

Page 823

I am deeply sensible of the immense responsibility which the present magnitude of the Republic and the diversity and multiplicity of its interests devolves upon me, the alleviation of which so far as relates to the immediate conduct of the public business, is, first, in my reliance on the wisdom and patriotism of the two Houses of Congress, and, secondly, in the directions afforded me by the principles of public polity affirmed by our fathers of the epoch of 1798, sanctioned by long experience, and consecrated anew by the overwhelming voice of the people of the United States.

Recurring to these principles, which constitute the organic basis of union, we perceive that vast as are the functions and the duties of the Federal Government, vested in or intrusted to its three great departments—the legislative, executive, and judicial—yet the substantive power, the popular force, and the large capacities for social and material development exist in the respective States, which, all being of themselves well-constituted republics, as they preceded so they alone are capable of maintaining and perpetuating the American Union. The Federal Government has its appropriate line of action in the specific and limited powers conferred on it by the Constitution, chiefly as to those things in which the States have a common interest in their relations to one another and to foreign governments, while the great mass of interests which belong to cultivated men—the ordinary business of life, the springs of industry, all the diversified personal and domestic affairs of society—rest securely upon the general reserved powers of the people of the several States. There is the effective democracy of the nation, and there the vital essence of its being and its greatness.

Of the practical consequences which flow from the nature of the Federal Government, the primary one is the duty of administering with integrity and fidelity the high trust reposed in it by the Constitution, especially in the application of the public funds as drawn by taxation from the people and appropriated to specific objects by Congress.

Happily, I have no occasion to suggest any radical changes in the financial policy of the Government. Ours is almost, if not absolutely, the solitary power of Christendom having a surplus revenue drawn immediately from imposts on commerce, and therefore measured by the spontaneous enterprise and national prosperity of the country, with such indirect relation to agriculture, manufactures, and the products of the earth and sea as to violate no constitutional doctrine and yet vigorously promote the general welfare. Neither as to the sources of the public treasure nor as to the manner of keeping and managing it does any grave controversy now prevail, there being a general acquiescence in the wisdom of the present system.

The report of the Secretary of the Treasury will exhibit in detail the state of the public finances and the condition of the various branches of the public service administered by that Department of the Government.

Page 824

The revenue of the country, levied almost insensibly to the taxpayer, goes on from year to year, increasing beyond either the interests or the prospective wants of the Government.

At the close of the fiscal year ending June 30, 1852, there remained in the Treasury a balance of $14,632,136. The public revenue for the fiscal year ending June 30, 1853, amounted to $58,931,865 from customs and to $2,405,708 from public lands and other miscellaneous sources, amounting together to $61,337,574, while the public expenditures for the same period, exclusive of payments on account of the public debt, amounted to $43,554,262, leaving a balance of $32,425,447 of receipts above expenditures.

This fact of increasing surplus in the Treasury became the subject of anxious consideration at a very early period of my Administration, and the path of duty in regard to it seemed to me obvious and clear, namely: First, to apply the surplus revenue to the discharge of the public debt so far as it could judiciously be done, and, secondly, to devise means for the gradual reduction of the revenue to the standard of the public exigencies.

Of these objects the first has been in the course of accomplishment in a manner and to a degree highly satisfactory. The amount of the public debt of all classes was on the 4th of March, 1853, $69,190,037, payments on account of which have been made since that period to the amount of $12,703,329, leaving unpaid and in continuous course of liquidation the sum of $56,486,708. These payments, although made at the market price of the respective classes of stocks, have been effected readily and to the general advantage of the Treasury, and have at the same time proved of signal utility in the relief they have incidentally afforded to the money market and to the industrial and commercial pursuits of the country.

The second of the above-mentioned objects, that of the reduction of the tariff, is of great importance, and the plan suggested by the Secretary of the Treasury, which is to reduce the duties on certain articles and to add to the free list many articles now taxed, and especially such as enter into manufactures and are not largely, or at all, produced in the country, is commended to your candid and careful consideration.

You will find in the report of the Secretary of the Treasury, also, abundant proof of the entire adequacy of the present fiscal system to meet all the requirements of the public service, and that, while properly administered, it operates to the advantage of the community in ordinary business relations.

I respectfully ask your attention to sundry suggestions of improvements in the settlement of accounts, especially as regards the large sums of outstanding arrears due to the Government, and of other reforms in the administrative action of his Department which are indicated by the Secretary; as also to the progress made in the construction

of marine hospitals, custom-houses, and of a new mint in California and assay office in the city of New York, heretofore provided for by Congress, and also to the eminently successful progress of the Coast Survey and of the Light House Board.

Page 825

Among the objects meriting your attention will be important recommendations from the Secretaries of War and Navy. I am fully satisfied that the Navy of the United States is not in a condition of strength and efficiency commensurate with the magnitude of our commercial and other interests, and commend to your especial attention the suggestions on this subject made by the Secretary of the Navy. I respectfully submit that the Army, which under our system must always be regarded with the highest interest as a nucleus around which the volunteer forces of the nation gather in the hour of danger, requires augmentation, or modification, to adapt it to the present extended limits and frontier relations of the country and the condition of the Indian tribes in the interior of the continent, the necessity of which will appear in the communications of the Secretaries of War and the Interior.

In the administration of the Post-Office Department for the fiscal year ending June 30, 1853, the gross expenditure was $7,982,756, and the gross receipts during the same period $5,942,734, showing that the current revenue failed to meet the current expenses of the Department by the sum of $2,042,032. The causes which, under the present postal system and laws, led inevitably to this result are fully explained by the report of the Postmaster-General, one great cause being the enormous rates the Department has been compelled to pay for mail service rendered by railroad companies.

The exhibit in the report of the Postmaster-General of the income and expenditures by mail steamers will be found peculiarly interesting and of a character to demand the immediate action of Congress.

Numerous and flagrant frauds upon the Pension Bureau have been brought to light within the last year, and in some instances merited punishments inflicted; but, unfortunately, in others guilty parties have escaped, not through the want of sufficient evidence to warrant a conviction, but in consequence of the provisions of limitation in the existing laws.

From the nature of these claims, the remoteness of the tribunals to pass upon them, and the mode in which the proof is of necessity furnished, temptations to crime have been greatly stimulated by the obvious difficulties of detection. The defects in the law upon this subject are so apparent and so fatal to the ends of justice that your early action relating to it is most desirable.

During the last fiscal year 9,819,411 acres of the public lands have been surveyed and 10,363,891 acres brought into market. Within the same period the sales by public purchase and private entry amounted to 1,083,495 acres; located under military bountys and warrants, 6,142,360 acres; located under other certificates, 9,427 acres; ceded to the States as swamp lands, 16,684,253 acres; selected for railroad and other objects under acts of Congress, 1,427,457 acres: total amount of lands disposed of within the fiscal

Page 826

year, 25,346,992 acres, which is an increase in quantity sold and located under land warrants and grants of 12,231, 818 acres over the fiscal year immediately preceding. The quantity of land sold during the second and third quarters of 1852 was 334,451 acres; the amount received therefor was $623,687. The quantity sold the second and third quarters of the year 1853 was 1,609,919 acres, and the amount received therefor $2,226,876.

The whole number of land warrants issued under existing laws prior to the 30th of September last was 266,042, of which there were outstanding at that date 66,947. The quantity of land required to satisfy these outstanding warrants is 4,778,120 acres. Warrants have been issued to 30th of September last under the act of 11th February, 1847, calling for 12,879,280 acres, under acts of September 28, 1850, and March 22, 1852, calling for 12,505,360 acres, making a total of 25,384,640 acres.

It is believed that experience has verified the wisdom and justice of the present system with regard to the public domain in most essential particulars.

You will perceive from the report of the Secretary of the Interior that opinions which have often been expressed in relation to the operation of the land system as not being a source of revenue to the Federal Treasury were erroneous. The net profits from the sale of the public lands to June 30, 1853, amounted to the sum of $53,289,465.

I recommend the extension of the land system over the Territories of Utah and New Mexico, with such modifications as their peculiarities may require.

Regarding our public domain as chiefly valuable to provide homes for the industrious and enterprising, I am not prepared to recommend any essential change in the land system, except by modifications in favor of the actual settler and an extension of the preemption principle in certain cases, for reasons and on grounds which will be fully developed in the reports to be laid before you.

Congress, representing the proprietors of the territorial domain and charged especially with power to dispose of territory belonging to the United States, has for a long course of years, beginning with the Administration of Mr. Jefferson, exercised the power to construct roads within the Territories, and there are so many and obvious distinctions between this exercise of power and that of making roads within the States that the former has never been considered subject to such objections as apply to the latter; and such may now be considered the settled construction of the power of the Federal Government upon the subject.

Page 827

Numerous applications have been and no doubt will continue to be made for grants of land in aid of the construction of railways. It is not believed to be within the intent and meaning of the Constitution that the power to dispose of the public domain should be used otherwise than might be expected from a prudent proprietor and therefore that grants of land to aid in the construction of roads should be restricted to cases where it would be for the interest of a proprietor under like circumstances thus to contribute to the construction of these works. For the practical operation of such grants thus far in advancing the interests of the States in which the works are located, and at the same time the substantial interests of all the other States, by enhancing the value and promoting the rapid sale of the public domain, I refer you to the report of the Secretary of the Interior. A careful examination, however, will show that this experience is the result of a just discrimination and will be far from affording encouragement to a reckless or indiscriminate extension of the principle.

I commend to your favorable consideration the men of genius of our country who by their inventions and discoveries in science and arts have contributed largely to the improvements of the age without, in many instances, securing for themselves anything like an adequate reward. For many interesting details upon this subject I refer you to the appropriate reports, and especially urge upon your early attention the apparently slight, but really important, modifications of existing laws therein suggested.

The liberal spirit which has so long marked the action of Congress in relation to the District of Columbia will, I have no doubt, continue to be manifested.

The erection of an asylum for the insane of the District of Columbia and of the Army and Navy of the United States has been somewhat retarded by the great demand for materials and labor during the past summer, but full preparation for the reception of patients before the return of another winter is anticipated; and there is the best reason to believe, from the plan and contemplated arrangements which have been devised, with the large experience furnished within the last few years in relation to the nature and treatment of the disease, that it will prove an asylum indeed to this most helpless and afflicted class of sufferers and stand as a noble monument of wisdom and mercy. Under the acts of Congress of August 31, 1852, and of March 3, 1853, designed to secure for the cities of Washington and Georgetown an abundant supply of good and wholesome water, it became my duty to examine the report and plans of the engineer who had charge of the surveys under the act first named. The best, if not the only, plan calculated to secure permanently the object sought was that which contemplates taking the water from the Great Falls of the Potomac, and consequently I gave to it my approval.

Page 828

For the progress and present condition of this important work and for its demands so far as appropriations are concerned I refer you to the report of the Secretary of War.

The present judicial system of the United States has now been in operation for so long a period of time and has in its general theory and much of its details become so familiar to the country and acquired so entirely the public confidence that if modified in any respect it should only be in those particulars which may adapt it to the increased extent, population, and legal business of the United States. In this relation the organization of the courts is now confessedly inadequate to the duties to be performed by them, in consequence of which the States of Florida, Wisconsin, Iowa, Texas, and California, and districts of other States, are in effect excluded from the full benefits of the general system by the functions of the circuit court being devolved on the district judges in all those States or parts of States. The spirit of the Constitution and a due regard to justice require that all the States of the Union should be placed on the same footing in regard to the judicial tribunals. I therefore commend to your consideration this important subject, which in my judgment demands the speedy action of Congress. I will present to you, if deemed desirable, a plan which I am prepared to recommend for the enlargement and modification of the present judicial system.

The act of Congress establishing the Smithsonian Institution provided that the President of the United States and other persons therein designated should constitute an "establishment" by that name, and that the members should hold stated and special meetings for the supervision of the affairs of the Institution. The organization not having taken place, it seemed to me proper that it should be effected without delay. This has been done; and an occasion was thereby presented for inspecting the condition of the Institution and appreciating its successful progress thus far and its high promise of great and general usefulness.

I have omitted to ask your favorable consideration for the estimates of works of a local character in twenty-seven of the thirty-one States, amounting to $1,754,500, because, independently of the grounds which have so often been urged against the application of the Federal revenue for works of this character, inequality, with consequent injustice, is inherent in the nature of the proposition, and because the plan has proved entirely inadequate to the accomplishment of the objects sought.

The subject of internal improvements, claiming alike the interest and good will of all, has, nevertheless, been the basis of much political discussion and has stood as a deep-graven line of division between statesmen of eminent ability and patriotism. The rule of strict construction of all powers delegated by the States to the General Government has arrayed itself from time to time against the rapid progress of expenditures from the National Treasury on works of a local character within the States. Memorable as an epoch in the history of this subject is the message of President Jackson of the 27th of May, 1830, which met the system of internal improvements in its comparative infancy;

but so rapid had been its growth that the projected appropriations in that year for works of this character had risen to the alarming amount of more than $100,000,000

Page 829

In that message the President admitted the difficulty of bringing back the operations of the Government to the construction of the Constitution set up in 1798, and marked it as an admonitory proof of the necessity of guarding that instrument with sleepless vigilance against the authority of precedents which had not the sanction of its most plainly defined powers.

Our Government exists under a written compact between sovereign States, uniting for specific objects and with specific grants to their general agent. If, then, in the progress of its administration there have been departures from the terms and intent of the compact, it is and will ever be proper to refer back to the fixed standard which our fathers left us and to make a stern effort to conform our action to it. It would seem that the fact of a principle having been resisted from the first by many of the wisest and most patriotic men of the Republic, and a policy having provoked constant strife without arriving at a conclusion which can be regarded as satisfactory to its most earnest advocates, should suggest the inquiry whether there may not be a plan likely to be crowned by happier results. Without perceiving any sound distinction or intending to assert any principle as opposed to improvements needed for the protection of internal commerce which does not equally apply to improvements upon the seaboard for the protection of foreign commerce, I submit to you whether it may not be safely anticipated that if the policy were once settled against appropriations by the General Government for local improvements for the benefit of commerce, localities requiring expenditures would not, by modes and means clearly legitimate and proper, raise the fund necessary for such constructions as the safety or other interests of their commerce might require.

If that can be regarded as a system which in the experience of mere than thirty years has at no time so commanded the public judgment as to give it the character of a settled policy; which, though it has produced some works of conceded importance, has been attended with an expenditure quite disproportionate to their value and has resulted in squandering large sums upon objects which have answered no valuable purpose, the interests of all the States require it to be abandoned unless hopes may be indulged for the future which find no warrant in the past.

With an anxious desire for the completion of the works which are regarded by all good citizens with sincere interest, I have deemed it my duty to ask at your hands a deliberate reconsideration of the question, with a hope that, animated by a desire to promote the permanent and substantial interests of the country, your wisdom may prove equal to the task of devising and maturing a plan which, applied to this subject, may promise something better than constant strife, the suspension of the powers of local enterprise, the exciting of vain hopes, and the disappointment of cherished expectations.

Page 830

In expending the appropriations made by the last Congress several cases have arisen in relation to works for the improvement of harbors which involve questions as to the right of soil and jurisdiction, and have threatened conflict between the authority of the State and General Governments. The right to construct a breakwater, jetty, or dam would seem necessarily to carry with it the power to protect and preserve such constructions. This can only be effectually done by having jurisdiction over the soil. But no clause of the Constitution is found on which to rest the claim of the United States to exercise jurisdiction over the soil of a State except that conferred by the eighth section of the first article of the Constitution. It is, then, submitted whether, in all cases where constructions are to be erected by the General Government, the right of soil should not first be obtained and legislative provision be made to cover all such cases. For the progress made in the construction of roads within the Territories, as provided for in the appropriations of the last Congress, I refer you to the report of the Secretary of War.

There is one subject of a domestic nature which, from its intrinsic importance and the many interesting questions of future policy which it involves, can not fail to receive your early attention. I allude to the means of communication by which different parts of the wide expanse of our country are to be placed in closer connection for purposes both of defense and commercial intercourse, and more especially such as appertain to the communication of those great divisions of the Union which lie on the opposite sides of the Rocky Mountains. That the Government has not been unmindful of this heretofore is apparent from the aid it has afforded through appropriations for mail facilities and other purposes. But the general subject will now present itself under aspects more imposing and more purely national by reason of the surveys ordered by Congress, and now in the process of completion, for communication by railway across the continent, and wholly within the limits of the United States.

The power to declare war, to raise and support armies, to provide and maintain a navy, and to call forth the militia to execute the laws, suppress insurrections, and repel invasions was conferred upon Congress as means to provide for the common defense and to protect a territory and a population now widespread and vastly multiplied. As incidental to and indispensable for the exercise of this power, it must sometimes be necessary to construct military roads and protect harbors of refuge. To appropriations by Congress for such objects no sound objection can be raised. Happily for our country, its peaceful policy and rapidly increasing population impose upon us no urgent necessity for preparation, and leave but few trackless deserts between assailable points and a patriotic people ever ready and generally able to protect them. These necessary links the enterprise and energy of our people are steadily and boldly struggling to supply. All experience affirms that wherever private enterprise will avail it is most wise for the General Government to leave to that and individual watchfulness the location and execution of all means of communication.

Page 831

The surveys before alluded to were designed to ascertain the most practicable and economical route for a railroad from the river Mississippi to the Pacific Ocean. Parties are now in the field making explorations, where previous examinations had not supplied sufficient data and where there was the best reason to hope the object sought might be found. The means and time being both limited, it is not to be expected that all the accurate knowledge desired will be obtained, but it is hoped that much and important information will be added to the stock previously possessed, and that partial, if not full, reports of the surveys ordered will be received in time for transmission to the two Houses of Congress on or before the first Monday in February next, as required by the act of appropriation. The magnitude of the enterprise contemplated has aroused and will doubtless continue to excite a very general interest throughout the country. In its political, its commercial, and its military bearings it has varied, great, and increasing claims to consideration. The heavy expense, the great delay, and, at times, fatality attending travel by either of the Isthmus routes have demonstrated the advantage which would result from interterritorial communication by such safe and rapid means as a railroad would supply.

These difficulties, which have been encountered in a period of peace, would be magnified and still further increased in time of war. But whilst the embarrassments already encountered and others under new contingencies to be anticipated may serve strikingly to exhibit the importance of such a work, neither these nor all considerations combined can have an appreciable value when weighed against the obligation strictly to adhere to the Constitution and faithfully to execute the powers it confers.

Within this limit and to the extent of the interest of the Government involved it would seem both expedient and proper if an economical and practicable route shall be found to aid by all constitutional means in the construction of a road which will unite by speedy transit the populations of the Pacific and Atlantic States. To guard against misconception, it should be remarked that although the power to construct or aid in the construction of a road within the limits of a Territory is not embarrassed by that question of jurisdiction which would arise within the limits of a State, it is, nevertheless, held to be of doubtful power and more than doubtful propriety, even within the limits of a Territory, for the General Government to undertake to administer the affairs of a railroad, a canal, or other similar construction, and therefore that its connection with a work of this character should be incidental rather than primary. I will only add at present that, fully appreciating the magnitude of the subject and solicitous that the Atlantic and Pacific shores of the Republic may be bound together by inseparable ties of common interest, as well as

Page 832

of common fealty and attachment to the Union, I shall be disposed, so far as my own action is concerned, to follow the lights of the Constitution as expounded and illustrated by those whose opinions and expositions constitute the standard of my political faith in regard to the powers of the Federal Government. It is, I trust, not necessary to say that no grandeur of enterprise and no present urgent inducement promising popular favor will lead me to disregard those lights or to depart from that path which experience has proved to be safe, and which is now radiant with the glow of prosperity and legitimate constitutional progress. We can afford to wait, but we can not afford to overlook the ark of our security.

It is no part of my purpose to give prominence to any subject which may properly be regarded as set at rest by the deliberate judgment of the people. But while the present is bright with promise and the future full of demand and inducement for the exercise of active intelligence, the past can never be without useful lessons of admonition and instruction. If its dangers serve not as beacons, they will evidently fail to fulfill the object of a wise design. When the grave shall have closed over all who are now endeavoring to meet the obligations of duty, the year 1850 will be recurred to as a period filled with anxious apprehension. A successful war had just terminated. Peace brought with it a vast augmentation of territory. Disturbing questions arose bearing upon the domestic institutions of one portion of the Confederacy and involving the constitutional rights of the States. But notwithstanding differences of opinion and sentiment which then existed in relation to details and specific provisions, the acquiescence of distinguished citizens, whose devotion to the Union can never be doubted, has given renewed vigor to our institutions and restored a sense of repose and security to the public mind throughout the Confederacy. That this repose is to suffer no shock during my official term, if I have power to avert it, those who placed me here may be assured. The wisdom of men who knew what independence cost, who had put all at stake upon the issue of the Revolutionary struggle, disposed of the subject to which I refer in the only way consistent with the Union of these States and with the march of power and prosperity which has made us what we are. It is a significant fact that from the adoption of the Constitution until the officers and soldiers of the Revolution had passed to their graves, or, through the infirmities of age and wounds, had ceased to participate actively in public affairs, there was not merely a quiet acquiescence in, but a prompt vindication of, the constitutional rights of the States. The reserved powers were scrupulously respected. No statesman put forth the narrow views of casuists to justify interference and agitation, but the spirit of the compact was regarded as sacred in the eye of honor and indispensable for the great experiment of

Page 833

civil liberty, which, environed by inherent difficulties, was yet borne forward in apparent weakness by a power superior to all obstacles. There is no condemnation which the voice of freedom will not pronounce upon us should we prove faithless to this great trust. While men inhabiting different parts of this vast continent can no more be expected to hold the same opinions or entertain the same sentiments than every variety of climate or soil can be expected to furnish the same agricultural products, they can unite in a common object and sustain common principles essential to the maintenance of that object. The gallant men of the South and the North could stand together during the struggle of the Revolution; they could stand together in the more trying period which succeeded the clangor of arms. As their united valor was adequate to all the trials of the camp and dangers of the field, so their united wisdom proved equal to the greater task of founding upon a deep and broad basis institutions which it has been our privilege to enjoy and will ever be our most sacred duty to sustain. It is but the feeble expression of a faith strong and universal to say that their sons, whose blood mingled so often upon the same field during the War of 1812 and who have more recently borne in triumph the flag of the country upon a foreign soil, will never permit alienation of feeling to weaken the power of their united efforts nor internal dissensions to paralyze the great arm of freedom, uplifted for the vindication of self-government.

I have thus briefly presented such suggestions as seem to me especially worthy of your consideration. In providing for the present you can hardly fail to avail yourselves of the light which the experience of the past casts upon the future.

The growth of our population has now brought us, in the destined career of our national history, to a point at which it well behooves us to expand our vision over the vast prospective.

The successive decennial returns of the census since the adoption of the Constitution have revealed a law of steady, progressive development, which may be stated in general terms as a duplication every quarter century. Carried forward from the point already reached for only a short period of time, as applicable to the existence of a nation, this law of progress, if unchecked, will bring us to almost incredible results. A large allowance for a diminished proportional effect of emigration would not very materially reduce the estimate, while the increased average duration of human life known to have already resulted from the scientific and hygienic improvements of the past fifty years will tend to keep up through the next fifty, or perhaps hundred, the same ratio of growth which has been thus revealed in our past progress; and to the influence of these causes may be added the influx of laboring masses from eastern Asia to the Pacific side of our possessions, together with the probable

Page 834

accession of the populations already existing in other parts of our hemisphere, which within the period in question will feel with yearly increasing force the natural attraction of so vast, powerful, and prosperous a confederation of self-governing republics and will seek the privilege of being admitted within its safe and happy bosom, transferring with themselves, by a peaceful and healthy process of incorporation, spacious regions of virgin and exuberant soil, which are destined to swarm with the fast growing and fast-spreading millions of our race.

These considerations seem fully to justify the presumption that the law of population above stated will continue to act with undiminished effect through at least the next half century, and that thousands of persons who have already arrived at maturity and are now exercising the rights of freemen will close their eyes on the spectacle of more than 100,000,000 of population embraced within the majestic proportions of the American Union. It is not merely as an interesting topic of speculation that I present these views for your consideration. They have important practical bearings upon all the political duties we are called upon to perform. Heretofore our system of government has worked on what may be termed a miniature scale in comparison with the development which it must thus assume within a future so near at hand as scarcely to be beyond the present of the existing generation.

It is evident that a confederation so vast and so varied, both in numbers and in territorial extent, in habits and in interests, could only be kept in national cohesion by the strictest fidelity to the principles of the Constitution as understood by those who have adhered to the most restricted construction of the powers granted by the people and the States. Interpreted and applied according to those principles, the great compact adapts itself with healthy ease and freedom to an unlimited extension of that benign system of federative self-government of which it is our glorious and, I trust, immortal charter. Let us, then, with redoubled vigilance, be on our guard against yielding to the temptation of the exercise of doubtful powers, even under the pressure of the motives of conceded temporary advantage and apparent temporary expediency. The minimum of Federal government compatible with the maintenance of national unity and efficient action in our relations with the rest of the world should afford the rule and measure of construction of our powers under the general clauses of the Constitution. A spirit of strict deference to the sovereign rights and dignity of every State, rather than a disposition to subordinate the States into a provincial relation to the central authority, should characterize all our exercise of the respective powers temporarily vested in us as a sacred trust from the generous confidence of our constituents.

Page 835

In like manner, as a manifestly indispensable condition of the perpetuation of the Union and of the realization of that magnificent national future adverted to, does the duty become yearly stronger and clearer upon us, as citizens of the several States, to cultivate a fraternal and affectionate spirit, language, and conduct in regard to other States and in relation to the varied interests, institutions, and habits of sentiment and opinion which may respectively characterize them. Mutual forbearance, respect, and noninterference in our personal action as citizens and an enlarged exercise of the most liberal principles of comity in the public dealings of State with State, whether in legislation or in the execution of laws, are the means to perpetuate that confidence and fraternity the decay of which a mere political union, on so vast a scale, could not long survive.

In still another point of view is an important practical duty suggested by this consideration of the magnitude of dimensions to which our political system, with its corresponding machinery of government, is so rapidly expanding. With increased vigilance does it require us to cultivate the cardinal virtues of public frugality and official integrity and purity. Public affairs ought to be so conducted that a settled conviction shall pervade the entire Union that nothing short of the highest tone and standard of public morality marks every part of the administration and legislation of the General Government. Thus will the federal system, whatever expansion time and progress may give it, continue more and more deeply rooted in the love and confidence of the people.

That wise economy which is as far removed from parsimony as from corrupt and corrupting extravagance; that single regard for the public good which will frown upon all attempts to approach the Treasury with insidious projects of private interest cloaked under public pretexts; that sound fiscal administration which, in the legislative department, guards against the dangerous temptations incident to overflowing revenue, and, in the executive, maintains an unsleeping watchfulness against the tendency of all national expenditure to extravagance, while they are admitted elementary political duties, may, I trust, be deemed as properly adverted to and urged in view of the more impressive sense of that necessity which is directly suggested by the considerations now presented.

Since the adjournment of Congress the Vice-President of the United States has passed from the scenes of earth, without having entered upon the duties of the station to which he had been called by the voice of his countrymen. Having occupied almost continuously for more than thirty years a seat in one or the other of the two Houses of Congress, and having by his singular purity and wisdom secured unbounded confidence and universal respect, his failing health was watched by the nation with painful solicitude. His loss to the country, under all the circumstances, has been justly regarded as irreparable.

Page 836

In compliance with the act of Congress of March 2, 1853, the oath of office was administered to him on the 24th of that month at Ariadne estate, near Matanzas, in the island of Cuba; but his strength gradually declined, and was hardly sufficient to enable him to return to his home in Alabama, where, on the 18th day of April, in the most calm and peaceful way, his long and eminently useful career was terminated. Entertaining unlimited confidence in your intelligent and patriotic devotion to the public interest, and being conscious of no motives on my part which are not inseparable from the honor and advancement of my country, I hope it may be my privilege to deserve and secure not only your cordial cooperation in great public measures, but also those relations of mutual confidence and regard which it is always so desirable to cultivate between members of coordinate branches of the Government.

***

State of the Union Address
Franklin Pierce
December 4, 1854

Fellow-Citizens of the Senate and of the House of Representatives:

The past has been an eventful year, and will be hereafter referred to as a marked epoch in the history of the world. While we have been happily preserved from the calamities of war, our domestic prosperity has not been entirely uninterrupted. The crops in portions of the country have been nearly cut off. Disease has prevailed to a greater extent than usual, and the sacrifice of human life through casualties by sea and land is without parallel. But the pestilence has swept by, and restored salubrity invites the absent to their homes and the return of business to its ordinary channels. If the earth has rewarded the labor of the husbandman less bountifully than in preceding seasons, it has left him with abundance for domestic wants and a large surplus for exportation. In the present, therefore, as in the past, we find ample grounds for reverent thankfulness to the God of grace and providence for His protecting care and merciful dealings with us as a people.

Although our attention has been arrested by painful interest in passing events, yet our country feels no more than the slight vibrations of the convulsions which have shaken Europe. As individuals we can not repress sympathy with human suffering nor regret for the causes which produce it; as a nation we are reminded that whatever interrupts the peace or checks the prosperity of any part of Christendom tends more or less to involve our own. The condition of States is not unlike that of individuals; they are mutually dependent upon each other. Amicable relations between them and reciprocal good will are essential for the promotion of whatever is desirable in their moral, social, and political condition. Hence it has been my earnest endeavor to maintain peace and friendly intercourse with all nations.

Page 837

The wise theory of this Government, so early adopted and steadily pursued, of avoiding all entangling alliances has hitherto exempted it from many complications in which it would otherwise have become involved. Notwithstanding this our clearly defined and well-sustained course of action and our geographical position, so remote from Europe, increasing disposition has been manifested by some of its Governments to supervise and in certain respects to direct our foreign policy. In plans for adjusting the balance of power among themselves they have assumed to take us into account, and would constrain us to conform our conduct to their views. One or another of the powers of Europe has from time to time undertaken to enforce arbitrary regulations contrary in many respects to established principles of international law. That law the United States have in their foreign intercourse uniformly respected and observed, and they can not recognize any such interpolations therein as the temporary interests of others may suggest. They do not admit that the sovereigns of one continent or of a particular community of states can legislate for all others.

Leaving the transatlantic nations to adjust their political system in the way they may think best for their common welfare, the independent powers of this continent may well assert the right to be exempt from all annoying interference on their part. Systematic abstinence from intimate political connection with distant foreign nations does not conflict with giving the widest range to our foreign commerce. This distinction, so clearly marked in history, seems to have been overlooked or disregarded by some leading foreign states. Our refusal to be brought within and subjected to their peculiar system has, I fear, created a jealous distrust of our conduct and induced on their part occasional acts of disturbing effect upon our foreign relations. Our present attitude and past course give assurances, which should not be questioned, that our purposes are not aggressive nor threatening to the safety and welfare of other nations. Our military establishment in time of peace is adapted to maintain exterior defenses and to preserve order among the aboriginal tribes within the limits of the Union. Our naval force is intended only for the protection of our citizens abroad and of our commerce, diffused, as it is, over all the seas of the globe. The Government of the United States, being essentially pacific in policy, stands prepared to repel invasion by the voluntary service of a patriotic people, and provides no permanent means of foreign aggression. These considerations should allay all apprehension that we are disposed to encroach on the rights or endanger the security of other states.

Page 838

Some European powers have regarded with disquieting concern the territorial expansion of the United States. This rapid growth has resulted from the legitimate exercise of sovereign rights belonging alike to all nations, and by many liberally exercised. Under such circumstances it could hardly have been expected that those among them which have within a comparatively recent period subdued and absorbed ancient kingdoms, planted their standards on every continent, and now possess or claim the control of the islands of every ocean as their appropriate domain would look with unfriendly sentiments upon the acquisitions of this country, in every instance honorably obtained, or would feel themselves justified in imputing our advancement to a spirit of aggression or to a passion for political predominance. Our foreign commerce has reached a magnitude and extent nearly equal to that of the first maritime power of the earth, and exceeding that of any other. Over this great interest, in which not only our merchants, but all classes of citizens, at least indirectly, are concerned, it is the duty of the executive and legislative branches of the Government to exercise a careful supervision and adopt proper measures for its protection. The policy which I had in view in regard to this interest embraces its future as well as its present security. Long experience has shown that, in general, when the principal powers of Europe are engaged in war the rights of neutral nations are endangered. This consideration led, in the progress of the War of our Independence, to the formation of the celebrated confederacy of armed neutrality, a primary object of which was to assert the doctrine that free ships make free goods, except in the case of articles contraband of war—a doctrine which from the very commencement of our national being has been a cherished idea of the statesmen of this country. At one period or another every maritime power has by some solemn treaty stipulation recognized that principle, and it might have been hoped that it would come to be universally received and respected as a rule of international law. But the refusal of one power prevented this, and in the next great war which ensued—that of the French Revolution—it failed to be respected among the belligerent States of Europe. Notwithstanding this, the principle is generally admitted to be a sound and salutary one, so much so that at the commencement of the existing war in Europe Great Britain and France announced their purpose to observe it for the present; not, however, as a recognized international fight, but as a mere concession for the time being. The cooperation, however, of these two powerful maritime nations in the interest of neutral rights appeared to me to afford an occasion inviting and justifying on the part of the United States a renewed effort to make the doctrine in question a principle of international law, by means of special conventions between the several powers of Europe and America. Accordingly, a proposition embracing not only the rule that free ships make free goods, except contraband articles, but also the less contested one that neutral property other than contraband, though on board enemy's ships, shall be exempt from confiscation, has been submitted by this Government to those of Europe and America.

Page 839

Russia acted promptly in this matter, and a convention was concluded between that country and the United States providing for the observance of the principles announced, not only as between themselves, but also as between them and all other nations which shall enter into like stipulations. None of the other powers have as yet taken final action on the subject. I am not aware, however, that any objection to the proposed stipulations has been made, but, on the contrary, they are acknowledged to be essential to the security of neutral commerce, and the only apparent obstacle to their general adoption is in the possibility that it may be encumbered by inadmissible conditions. The King of the Two Sicilies has expressed to our minister at Naples his readiness to concur in our proposition relative to neutral rights and to enter into a convention on that subject.

The King of Prussia entirely approves of the project of a treaty to the same effect submitted to him, but proposes an additional article providing for the renunciation of privateering. Such an article, for most obvious reasons, is much desired by nations having naval establishments large in proportion to their foreign commerce. If it were adopted as an international rule, the commerce of a nation having comparatively a small naval force would be very much at the mercy of its enemy in case of war with a power of decided naval superiority. The bare statement of the condition in which the United States would be placed, after having surrendered the right to resort to privateers, in the event of war with a belligerent of naval supremacy will show that this Government could never listen to such a proposition. The navy of the first maritime power in Europe is at least ten times as large as that of the United States. The foreign commerce of the two countries is nearly equal, and about equally exposed to hostile depredations. In war between that power and the United States, without resort on our part to our mercantile marine the means of our enemy to inflict injury upon our commerce would be tenfold greater than ours to retaliate. We could not extricate our country from this unequal condition, with such an enemy, unless we at once departed from our present peaceful policy and became a great naval power. Nor would this country be better situated in war with one of the secondary naval powers. Though the naval disparity would be less, the greater extent and more exposed condition of our widespread commerce would give any of them a like advantage over us.

The proposition to enter into engagements to forego a resort to privateers in case this country should be forced into war with a great naval power is not entitled to more favorable consideration than would be a proposition to agree not to accept the services of volunteers for operations on land. When the honor or the rights of our country require it to assume a hostile attitude, it confidently relies upon the patriotism of its citizens, not ordinarily devoted

Page 840

to the military profession, to augment the Army and the Navy so as to make them fully adequate to the emergency which calls them into action. The proposal to surrender the right to employ privateers is professedly founded upon the principle that private property of unoffending noncombatants, though enemies, should be exempt from the ravages of war; but the proposed surrender goes but little way in carrying out that principle, which equally requires that such private property should not be seized or molested by national ships of war. Should the leading powers of Europe concur in proposing as a rule of international law to exempt private property upon the ocean from seizure by public armed cruisers as well as by privateers, the United States will readily meet them upon that broad ground.

Since the adjournment of Congress the ratifications of the treaty between the United States and Great Britain relative to coast fisheries and to reciprocal trade with the British North American Provinces have been exchanged, and some of its anticipated advantages are already enjoyed by us, although its full execution was to abide certain acts of legislation not yet fully performed. So soon as it was ratified Great Britain opened to our commerce the free navigation of the river St. Lawrence and to our fishermen unmolested access to the shores and bays, from which they had been previously excluded, on the coasts of her North American Provinces; in return for which she asked for the introduction free of duty into the ports of the United States of the fish caught on the same coast by British fishermen. This being the compensation stipulated in the treaty for privileges of the highest importance and value to the United States, which were thus voluntarily yielded before it became effective, the request seemed to me to be a reasonable one; but it could not be acceded to from want of authority to suspend our laws imposing duties upon all foreign fish. In the meantime the Treasury Department issued a regulation for ascertaining the duties paid or secured by bonds on fish caught on the coasts of the British Provinces and brought to our markets by British subjects after the fishing grounds had been made fully accessible to the citizens of the United States. I recommend to your favorable consideration a proposition, which will be submitted to you, for authority to refund the duties and cancel the bonds thus received. The Provinces of Canada and New Brunswick have also anticipated the full operation of the treaty by legislative arrangements, respectively, to admit free of duty the products of the United States mentioned in the free list of the treaty; and an arrangement similar to that regarding British fish has been made for duties now chargeable on the products of those Provinces enumerated in the same free list and introduced therefrom into the United States, a proposition for refunding which will, in my judgment, be in like manner entitled to your favorable consideration.

Page 841

There is difference of opinion between the United States and Great Britain as to the boundary line of the Territory of Washington adjoining the British possessions on the Pacific, which has already led to difficulties on the part of the citizens and local authorities of the two Governments I recommend that provision he made for a commission, to be joined by one on the part of Her Britannic Majesty, for the purpose of running and establishing the line in controversy. Certain stipulations of the third and fourth articles of the treaty concluded by the United States and Great Britain in 1846, regarding possessory rights of the Hudsons Bay Company and property of the Pugets Sound Agricultural Company, have given rise to serious disputes, and it is important to all concerned that summary means of settling them amicably should be devised. I have reason to believe that an arrangement can be made on just terms for the extinguishment of the rights in question, embracing also the right of the Hudsons Bay Company to the navigation of the river Columbia; and I therefore suggest to your consideration the expediency of making a contingent appropriation for that purpose.

France was the early and efficient ally of the United States in their struggle for independence. From that time to the present, with occasional slight interruptions, cordial relations of friendship have existed between the Governments and people of the two countries. The kindly sentiments cherished alike by both nations have led to extensive social and commercial intercourse, which I trust will not be interrupted or checked by any casual event of an apparently unsatisfactory character. The French consul at San Francisco was not long since brought into the United States district court at that place by compulsory process as a witness in favor of another foreign consul, in violation, as the French Government conceives, of his privileges under our consular convention with France. There being nothing in the transaction which could imply any disrespect to France or its consul, such explanation has been made as, I hope, will be satisfactory. Subsequently misunderstanding arose on the subject of the French Government having, as it appeared, abruptly excluded the American minister to Spain from passing through France on his way from London to Madrid. But that Government has unequivocally disavowed any design to deny the right of transit to the minister of the United States, and after explanations to this effect he has resumed his journey and actually returned through France to Spain. I herewith lay before Congress the correspondence on this subject between our envoy at Paris and the minister of foreign relations of the French Government.

Page 842

The position of our affairs with Spain remains as at the close of the last session. Internal agitation, assuming very nearly the character of political revolution, has recently convulsed that country. The late ministers were violently expelled from power, and men of very different views in relation to its internal affairs have succeeded. Since this change there has been no propitious opportunity to resume and press on negotiations for the adjustment of serious questions of difficulty between the Spanish Government and the United States. There is reason to believe that our minister will find the present Government more favorably inclined than the preceding to comply with our just demands and to make suitable arrangements for restoring harmony and preserving peace between the two countries.

Negotiations are pending with Denmark to discontinue the practice of levying tolls on our vessels and their cargoes passing through the Sound. I do not doubt that we can claim exemption therefrom as a matter of right. It is admitted on all hands that this exaction is sanctioned, not by the general principles of the law of nations, but only by special conventions which most of the commercial nations have entered into with Denmark. The fifth article of our treaty of 1826 with Denmark provides that there shall not be paid on the vessels of the United States and their cargoes when passing through the Sound higher duties than those of the most favored nations. This may be regarded as an implied agreement to submit to the tolls during the continuance of the treaty, and consequently may embarrass the assertion of our right to be released therefrom. There are also other provisions in the treaty which ought to be modified. It was to remain in force for ten years and until one year after either party should give notice to the other of intention to terminate it. I deem it expedient that the contemplated notice should be given to the Government of Denmark.

The naval expedition dispatched about two years since for the purpose of establishing relations with the Empire of Japan has been ably and skillfully conducted to a successful termination by the officer to whom it was intrusted. A treaty opening certain of the ports of that populous country has been negotiated, and in order to give full effect thereto it only remains to exchange ratifications and adopt requisite commercial regulations.

The treaty lately concluded between the United States and Mexico settled some of our most embarrassing difficulties with that country, but numerous claims upon it for wrongs and injuries to our citizens remained unadjusted, and many new cases have been recently added to the former list of grievances. Our legation has been earnest in its endeavors to obtain from the Mexican Government a favorable consideration of these claims, but hitherto without success. This failure is probably in some measure to be ascribed to the disturbed condition of that country. It has been my anxious

Page 843

desire to maintain friendly relations with the Mexican Republic and to cause its rights and territories to be respected, not only by our citizens, but by foreigners who have resorted to the United States for the purpose of organizing hostile expeditions against some of the States of that Republic. The defenseless condition in which its frontiers have been left has stimulated lawless adventurers to embark in these enterprises and greatly increased the difficulty of enforcing our obligations of neutrality. Regarding it as my solemn duty to fulfill efficiently these obligations not only toward Mexico, but other foreign nations, I have exerted all the powers with which I am invested to defeat such proceedings and bring to punishment those who by taking a part therein violated our laws. The energy and activity of our civil and military authorities have frustrated the designs of those who meditated expeditions of this character except in two instances. One of these, composed of foreigners, was at first countenanced and aided by the Mexican Government itself, it having been deceived as to their real object. The other, small in number, eluded the vigilance of the magistrates at San Francisco and succeeded in reaching the Mexican territories; but the effective measures taken by this Government compelled the abandonment of the undertaking.

The commission to establish the new line between the United States and Mexico, according to the provisions of the treaty of the 30th of December last, has been organized, and the work is already commenced.

Our treaties with the Argentine Confederation and with the Republics of Uruguay and Paraguay secure to us the free navigation of the river La Plata and some of its larger tributaries, but the same success has not attended our endeavors to open the Amazon. The reasons in favor of the free use of that river I had occasion to present fully in a former message, and, considering the cordial relations which have long existed between this Government and Brazil, it may be expected that pending negotiations will eventually reach a favorable result.

Convenient means of transit between the several parts of a country are not only desirable for the objects of commercial and personal communication, but essential to its existence under one government. Separated, as are the Atlantic and Pacific coasts of the United States, by the whole breadth of the continent, still the inhabitants of each are closely bound together by community of origin and institutions and by strong attachment to the Union. Hence the constant and increasing intercourse and vast interchange of commercial productions between these remote divisions of the Republic. At the present time the most practicable and only, commodious routes for communication between them are by the way of the isthmus of Central America. It is the duty of the Government to secure these avenues against all danger of interruption.

Page 844

In relation to Central America, perplexing questions existed between the United States and Great Britain at the time of the cession of California. These, as well as questions which subsequently arose concerning interoceanic communication across the Isthmus, were, as it was supposed, adjusted by the treaty of April 19, 1850, but, unfortunately, they have been reopened by serious misunderstanding as to the import of some or its provisions, a readjustment of which is now under consideration. Our minister at London has made strenuous efforts to accomplish this desirable object, but has not yet found it possible to bring the negotiations to a termination.

As incidental to these questions, I deem it proper to notice an occurrence which happened in Central America near the close of the last session of Congress. So soon as the necessity was perceived of establishing interoceanic communications across the Isthmus a company was organized, under the authority of the State of Nicaragua, but composed for the most part of citizens of the United States, for the purpose of opening such a transit way by the river San Juan and Lake Nicaragua, which soon became an eligible and much used route in the transportation of our citizens and their property between the Atlantic and Pacific. Meanwhile, and in anticipation of the completion and importance of this transit way, a number of adventurers had taken possession of the old Spanish port at the mouth of the river San Juan in open defiance of the State or States of Central America, which upon their becoming independent had rightfully succeeded to the local sovereignty and jurisdiction of Spain. These adventurers undertook to change the name of the place from San Juan del Norte to Greytown, and though at first pretending to act as the subjects of the fictitious sovereign of the Mosquito Indians, they subsequently repudiated the control of any power whatever, assumed to adopt a distinct political organization, and declared themselves an independent sovereign state. If at some time a faint hope was entertained that they might become a stable and respectable community, that hope soon vanished. They proceeded to assert unfounded claims to civil jurisdiction over Punta Arenas, a position on the opposite side of the river San Juan, which was in possession, under a title wholly independent of them, of citizens of the United States interested in the Nicaragua Transit Company, and which was indispensably necessary to the prosperous operation of that route across the Isthmus. The company resisted their groundless claims, whereupon they proceeded to destroy some of its buildings and attempted violently to dispossess it.

Page 845

At a later period they organized a strong force for the purpose of demolishing the establishment at Punta Arenas, but this mischievous design was defeated by the interposition of one of our ships of war at that time in the harbor of San Juan. Subsequently to this, in May last, a body of men from Greytown crossed over to Punta Arenas, arrogating authority to arrest on the charge of murder a captain of one of the steamboats of the Transit Company. Being well aware that the claim to exercise jurisdiction there would be resisted then, as it had been on previous occasions, they went prepared to assert it by force of arms. Our minister to Central America happened to be present on that occasion. Believing that the captain of the steamboat was innocent (for he witnessed the transaction on which the charge was founder), and believing also that the intruding party, having no jurisdiction over the place where they proposed to make the arrest, would encounter desperate resistance if they persisted in their purpose, he interposed, effectually, to prevent violence and bloodshed. The American minister afterwards visited Greytown, and whilst he was there a mob, including certain of the so-called public functionaries of the place, surrounded the house in which he was, avowing that they had come to arrest him by order of some person exercising the chief authority. While parleying with them he was wounded by a missile from the crowd. A boat dispatched from the American steamer Northern Light to release him from the perilous situation in which he was understood to be was fired into by the town guard and compelled to return. These incidents, together with the known character of the population of Greytown and their excited state, induced just apprehensions that the lives and property of our citizens at Punta Arenas would be in imminent danger after the departure of the steamer, with her passengers, for New York, unless a guard was left for their protection. For this purpose, and in order to insure the safety of passengers and property passing over the route, a temporary force was organized, at considerable expense to the United States, for which provision was made at the last session of Congress.

This pretended community, a heterogeneous assemblage gathered from various countries, and composed for the most part of blacks and persons of mixed blood, had previously given other indications of mischievous and dangerous propensities. Early in the same month property was clandestinely abstracted from the depot of the Transit Company and taken to Greytown. The plunderers obtained shelter there and their pursuers were driven back by its people, who not only protected the wrongdoers and shared the plunder, but treated with rudeness and violence those who sought to recover their property.

Page 846

Such, in substance, are the facts submitted to my consideration, and proved by trustworthy evidence. I could not doubt that the case demanded the interposition of this Government. Justice required that reparation should be made for so many and such gross wrongs, and that a course of insolence and plunder, tending directly to the insecurity of the lives of numerous travelers and of the rich treasure belonging to our citizens passing over this transit way, should be peremptorily arrested. Whatever it might be in other respects, the community in question, in power to do mischief, was not despicable. It was well provided with ordnance, small arms, and ammunition, and might easily seize on the unarmed boats, freighted with millions of property, which passed almost daily within its reach. It did not profess to belong to any regular government, and had, in fact, no recognized dependence on or connection with anyone to which the United States or their injured citizens might apply for redress or which could be held responsible in any way for the outrages committed. Not standing before the world in the attitude of an organized political society, being neither competent to exercise the rights nor to discharge the obligations of a government, it was, in fact, a marauding establishment too dangerous to be disregarded and too guilty to pass unpunished, and yet incapable of being treated in any other way than as a piratical resort of outlaws or a camp of savages depredating on emigrant trains or caravans and the frontier settlements of civilized states.

Seasonable notice was given to the people of Greytown that this Government required them to repair the injuries they had done to our citizens and to make suitable apology for their insult of our minister, and that a ship of war would be dispatched thither to enforce compliance with these demands. But the notice passed unheeded. Thereupon a commander of the Navy, in charge of the sloop of war Cyane, was ordered to repeat the demands and to insist upon a compliance therewith. Finding that neither the populace nor those assuming to have authority over them manifested any disposition to make the required reparation, or even to offer excuse for their conduct, he warned them by a public proclamation that if they did not give satisfaction within a time specified he would bombard the town. By this procedure he afforded them opportunity to provide for their personal safety. To those also who desired to avoid loss of property in the punishment about to be inflicted on the offending town he furnished the means of removing their effects by the boats of his own ship and of a steamer which he procured and tendered to them for that purpose. At length, perceiving no disposition on the part of the town to comply with his requisitions, he appealed to the commander of Her Britannic Majesty's schooner Bermuda, who was seen to have intercourse and apparently much influence with the leaders among them, to interpose and persuade them to take some

Page 847

course calculated to save the necessity of resorting to the extreme measure indicated in his proclamation; but that officer, instead of acceding to the request, did nothing more than to protest against the contemplated bombardment. No steps of any sort were taken by the people to give the satisfaction required. No individuals, if any there were, who regarded themselves as not responsible for the misconduct of the community adopted any means to separate themselves from the fate of the guilty. The several charges on which the demands for redress were founded had been publicly known to all for some time, and were again announced to them. They did not deny any of these charges; they offered no explanation, nothing in extenuation of their conduct, but contumaciously refused to hold any intercourse with the commander of the Cyane. By their obstinate silence they seemed rather desirous to provoke chastisement than to escape it. There is ample reason to believe that this conduct of wanton defiance on their part is imputable chiefly to the delusive idea that the American Government would be deterred from punishing them through fear of displeasing a formidable foreign power, which they presumed to think looked with complacency upon their aggressive and insulting deportment toward the United States. The Cyane at length fired upon the town. Before much injury had been done the fire was twice suspended in order to afford opportunity for an arrangement, but this was declined. Most of the buildings of the place, of little value generally, were in the sequel destroyed, but, owing to the considerate precautions taken by our naval commander, there was no destruction of life.

When the Cyane was ordered to Central America, it was confidently hoped and expected that no occasion would arise for “a resort to violence and destruction of property and loss of life.” Instructions to that effect were given to her commander; and no extreme act would have been requisite had not the people themselves, by their extraordinary conduct in the affair, frustrated all the possible mild measures for obtaining satisfaction. A withdrawal from the place, the object of his visit entirely defeated, would under the circumstances in which the commander of the Cyane found himself have been absolute abandonment of all claim of our citizens for indemnification and submissive acquiescence in national indignity. It would have encouraged in these lawless men a spirit of insolence and rapine most dangerous to the lives and property of our citizens at Punta Arenas, and probably emboldened them to grasp at the treasures and valuable merchandise continually passing over the Nicaragua route. It certainly would have been most satisfactory to me if the objects of the Cyane’s mission could have been consummated without any act of public force, but the arrogant contumacy of the offenders rendered it impossible to avoid the alternative either to break up their establishment or to leave them impressed with the idea that they might persevere with impunity in a career of insolence and plunder.

Page 848

This transaction has been the subject of complaint on the part of some foreign powers, and has been characterized with more of harshness than of justice. If comparisons were to be instituted, it would not be difficult to present repeated instances in the history of states standing in the very front of modern civilization where communities far less offending and more defenseless than Greytown have been chastised with much greater severity, and where not cities only have been laid in ruins, but human life has been recklessly sacrificed and the blood of the innocent made profusely to mingle with that of the guilty.

Passing from foreign to domestic affairs, your attention is naturally directed to the financial condition of the country, always a subject of general interest. For complete and exact information regarding the finances and the various branches of the public service connected therewith I refer you to the report of the Secretary of the Treasury, from which it will appear that the amount of revenue during the last fiscal year from all sources was $73,549,705, and that the public expenditures for the same period, exclusive of payments on account of the public debt, amounted to $51, 018,249. During the same period the payments made in redemption of the public debt, including interest and premium, amounted to $24,336,380. To the sum total of the receipts of that year is to be added a balance remaining in the Treasury at the commencement thereof, amounting to $21,942,892; and at the close of the same year a corresponding balance, amounting to $20,137,967, of receipts above expenditures also remained in the Treasury. Although, in the opinion of the Secretary of the Treasury, the receipts of the current fiscal year are not likely to equal in amount those of the last, yet they will undoubtedly exceed the amount of expenditures by at least $15,000,000. I shall therefore continue to direct that the surplus revenue be applied, so far as it can be judiciously and economically done, to the reduction of the public debt, the amount of which at the commencement of the last fiscal year was $67,340,628; of which there had been paid on the 20th day of November, 1854, the sum of $22,365,172, leaving a balance of outstanding public debt of only $44,975,456, redeemable at different periods within fourteen years. There are also remnants of other Government stocks, most of which are already due, and on which the interest has ceased, but which have not yet been presented for payment, amounting to $233,179. This statement exhibits the fact that the annual income of the Government greatly exceeds the amount of its public debt, which latter remains unpaid only because the time of payment has not yet matured, and it can not be discharged at once except at the option of public creditors, who prefer to retain the securities of the United States; and the other fact, not less striking, that the annual revenue from all sources exceeds by many millions of dollars the amount needed for a prudent and economical administration of the Government.

Page 849

The estimates presented to Congress from the different Executive Departments at the last session amounted to $38,406,581 and the appropriations made to the sum of $58,116,958. Of this excess of appropriations over estimates, however, more than twenty millions was applicable to extraordinary objects, having no reference to the usual annual expenditures. Among these objects was embraced ten millions to meet the third article of the treaty between the United States and Mexico; so that, in fact, for objects of ordinary expenditure the appropriations were limited to considerably less than $40,000,000. I therefore renew my recommendation for a reduction of the duties on imports. The report of the Secretary of the Treasury presents a series of tables showing the operation of the revenue system for several successive years; and as the general principle of reduction of duties with a view to revenue, and not protection, may now be regarded as the settled policy of the country, I trust that little difficulty will be encountered in settling the details of a measure to that effect.

In connection with this subject I recommend a change in the laws, which recent experience has shown to be essential to the protection of the Government. There is no express provision of law requiring the records and papers of a public character of the several officers of the Government to be left in their offices for the use of their successors, nor any provision declaring it felony on their part to make false entries in the books or return false accounts. In the absence of such express provision by law, the outgoing officers in many instances have claimed and exercised the right to take into their own possession important books and papers, on the ground that these were their private property, and have placed them beyond the reach of the Government. Conduct of this character, brought in several instances to the notice of the present Secretary of the Treasury, naturally awakened his suspicion, and resulted in the disclosure that at four ports—namely, Oswego, Toledo, Sandusky, and Milwaukee—the Treasury had, by false entries, been defrauded within the four years next preceding March, 1853, of the sum of $198,000. The great difficulty with which the detection of these frauds has been attended, in consequence of the abstraction of books and papers by the retiring officers, and the facility with which similar frauds in the public service may be perpetrated render the necessity of new legal enactments in the respects above referred to quite obvious. For other material modifications of the revenue laws which seem to me desirable, I refer you to the report of the Secretary of the Treasury. That report and the tables which accompany it furnish ample proofs of the solid foundation on which the financial security of the country rests and of the salutary influence of the independent-treasury system upon commerce and all monetary operations.

Page 850

The experience of the last year furnishes additional reasons, I regret to say, of a painful character, for the recommendation heretofore made to provide for increasing the military force employed in the Territory inhabited by the Indians. The settlers-on the frontier have suffered much from the incursions of predatory bands, and large parties of emigrants to our Pacific possessions have been massacred with impunity. The recurrence of such scenes can only be prevented by teaching these wild tribes the power of and their responsibility to the United States. From the garrisons of our frontier posts it is only possible to detach troops in small bodies; and though these have on all occasions displayed a gallantry and a stern devotion to duty which on a larger field would have commanded universal admiration, they have usually suffered severely in these conflicts with superior numbers, and have sometimes been entirely sacrificed. All the disposable force of the Army is already employed on this service, and is known to be wholly inadequate to the protection which should be afforded. The public mind of the country has been recently shocked by savage atrocities committed upon defenseless emigrants and border settlements, and hardly less by the unnecessary destruction of valuable lives where inadequate detachments of troops have undertaken to furnish the needed aid. Without increase of the military force these scenes will be repeated, it is to be feared, on a larger scale and with more disastrous consequences. Congress, I am sure, will perceive that the plainest duties and responsibilities of Government are involved in this question, and I doubt not that prompt action may be confidently anticipated when delay must be attended by such fearful hazards.

The bill of the last session providing for an increase of the pay of the rank and file of the Army has had beneficial results, not only in facilitating enlistments, but in obvious improvement in the class of men who enter the service. I regret that corresponding consideration was not bestowed on the officers, who, in view of their character and services and the expenses to which they are necessarily subject, receive at present what is, in my judgment, inadequate compensation.

The valuable services constantly rendered by the Army and its inestimable importance as the nucleus around which the volunteer forces of the nation can promptly gather in the hour of danger, sufficiently attest the wisdom of maintaining a military peace establishment; but the theory of our system and the wise practice under it require that any proposed augmentation in time of peace be only commensurate with our extended limits and frontier relations. While scrupulously adhering to this principle, I find in existing circumstances a necessity for increase of our military force, and it is believed that four new regiments, two of infantry and two of mounted men, will be sufficient to meet the present exigency. If it were necessary carefully to weigh the cost in a case of such urgency, it would be shown that the additional expense would be comparatively light.

Page 851

With the increase of the numerical force of the Army should, I think, be combined certain measures of reform in its organic arrangement and administration. The present organization is the result of partial legislation often directed to special objects and interests; and the laws regulating rank and command, having been adopted many years ago from the British code, are not always applicable to our service. It is not surprising, therefore, that the system should be deficient in the symmetry and simplicity essential to the harmonious working of its several parts, and require a careful revision.

The present organization, by maintaining large staff corps or departments, separates many officers from that close connection with troops and those active duties in the field which are deemed requisite to qualify them for the varied responsibilities of high command. Were the duties of the Army staff mainly discharged by officers detached from their regiments, it is believed that the special service would be equally well performed and the discipline and instruction of the Army be improved. While due regard to the security of the rights of officers and to the nice sense of honor which should be cultivated among them would seem to exact compliance with the established rule of promotion in ordinary cases, still it can hardly be doubted that the range of promotion by selection, which is now practically confined to the grade of general officers, might be somewhat extended with benefit to the public service. Observance of the rule of seniority sometimes leads, especially in time of peace, to the promotion of officers who, after meritorious and even distinguished service, may have been rendered by age or infirmity incapable of performing active duty, and whose advancement, therefore, would tend to impair the efficiency of the Army. Suitable provision for this class of officers, by the creation of a retired list, would remedy the evil without wounding the just pride of men who by past services have established a claim to high consideration. In again commending this measure to the favorable consideration of Congress I would suggest that the power of placing officers on the retired list be limited to one year. The practical operation of the measure would thus be tested, and if after the lapse of years there should be occasion to renew the provision it can be reproduced with any improvements which experience may indicate. The present organization of the artillery into regiments is liable to obvious objections. The service of artillery is that of batteries, and an organization of batteries into a corps of artillery would be more consistent with the nature of their duties. A large part of the troops now called artillery are, and have been, on duty as infantry, the distinction between the two arms being merely nominal. This nominal artillery in our service is disproportionate to the whole force and greater than the wants of the country demand. I therefore commend the discontinuance of a distinction which has no foundation in either the arms used or the character of the service expected to be performed.

Page 852

In connection with the proposition for the increase of the Army, I have presented these suggestions with regard to certain measures of reform as the complement of a system which would produce the happiest results from a given expenditure, and which, I hope, may attract the early attention and be deemed worthy of the approval of Congress.

The recommendation of the Secretary of the Navy having reference to more ample provisions for the discipline and general improvement in the character of seamen and for the reorganization and gradual increase of the Navy I deem eminently worthy of your favorable consideration. The principles which have controlled our policy in relation to the permanent military force by sea and land are sound, consistent with the theory of our system, and should by no means be disregarded. But, limiting the force to the objects particularly set forth in the preceding part of this message, we should not overlook the present magnitude and prospective extension of our commercial marine, nor fail to give due weight to the fact that besides the 2,000 miles of Atlantic seaboard we have now a Pacific coast stretching from Mexico to the British possessions in the north, teeming with wealth and enterprise and demanding the constant presence of ships of war. The augmentation of the Navy has not kept pace with the duties properly and profitably assigned to it in time of peace, and it is inadequate for the large field of its operations, not merely in the present, but still more in the progressively increasing exigencies of the commerce of the United States. I cordially approve of the proposed apprentice system for our national vessels recommended by the Secretary of the Navy. The occurrence during the last few months of marine disasters of the most tragic nature, involving great loss of human life, has produced intense emotions of sympathy and sorrow throughout the country. It may well be doubted whether all these calamitous events are wholly attributable to the necessary and inevitable dangers of the sea. The merchants, mariners, and shipbuilders of the United States are, it is true, unsurpassed in far-reaching enterprise, skill, intelligence, and courage by any others in the world. But with the increasing amount of our commercial tonnage in the aggregate and the larger size and improved equipment of the ships now constructed a deficiency in the supply of reliable seamen begins to be very seriously felt. The inconvenience may perhaps be met in part by due regulation for the introduction into our merchant ships of indented apprentices, which, while it would afford useful and eligible occupation to numerous young men, would have a tendency to raise the character of seamen as a class. And it is deserving of serious reflection whether it may not be desirable to revise the existing laws for the maintenance of discipline at sea, upon which the security of life and property on the ocean must to so great an extent depend. Although much attention

Page 853

has already been given by Congress to the proper construction and arrangement of steam vessels and all passenger ships, still it is believed that the resources of science and mechanical skill in this direction have not been exhausted. No good reason exists for the marked distinction which appears upon our statutes between the laws for protecting life and property at sea and those for protecting them on land. In most of the States severe penalties are provided to punish conductors of trains, engineers, and others employed in the transportation of persons by railway or by steamboats on rivers. Why should not the same principle be applied to acts of insubordination, cowardice, or other misconduct on the part of masters and mariners producing injury or death to passengers on the high seas, beyond the jurisdiction of any of the States, and where such delinquencies can be reached only by the power of Congress? The whole subject is earnestly commended to your consideration.

The report of the Postmaster-General, to which you are referred for many interesting details in relation to this important and rapidly extending branch of the public service, shows that the expenditure of the year ending June 30, 1854, including $133,483 of balance due to foreign offices, amounted to $8,710,907. The gross receipts during the same period amounted to $6,955,586, exhibiting an expenditure over income of $1,755,321 and a diminution of deficiency as compared with the last year of $361,756. The increase of the revenue of the Department for the year ending June 30, 1854, over the preceding year was $970,399. No proportionate increase, however, can be anticipated for the current year, in consequence of the act of Congress of June 23, 1854, providing for increased compensation to all postmasters. From these statements it is apparent that the Post-Office Department, instead of defraying its expenses according to the design at the time of its creation, is now, and under existing laws must continue to be, to no small extent a charge upon the general Treasury. The cost of mail transportation during the year ending June 30, 1854, exceeds the cost of the preceding year by $495,074. I again call your attention to the subject of mail transportation by ocean steamers, and commend the suggestions of the Postmaster General to your early attention.

During the last fiscal year 11,070,935 acres of the public lands have been surveyed and 8,190,017 acres brought into market. The number of acres sold is 7,035,735 and the amount received therefor $9,285,533. The aggregate amount of lands sold, located under military scrip and land warrants, selected as swamp lands by States, and by locating under grants for roads is upward of 23,000,000 acres. The increase of lands sold over the previous year is about 6,000,000 acres, and the sales during the first two quarters of the current year present the extraordinary result of five and a half millions sold, exceeding by nearly 4,000,000 acres the sales of the corresponding quarters of the last year.

Page 854

The commendable policy of the Government in relation to setting apart public domain for those who have served their country in time of war is illustrated by the fact that since 1790 no less than 30,000,000 acres have been applied to this object.

The suggestions which I submitted in my annual message of last year in reference to grants of land in aid of the construction of railways were less full and explicit than the magnitude of the subject and subsequent developments would seem to render proper and desirable. Of the soundness of the principle then asserted with regard to the limitation of the power of Congress I entertain no doubt, but in its application it is not enough that the value of lands in a particular locality may be enhanced; that, in fact, a larger amount of money may probably be received in a given time for alternate sections than could have been realized for all the sections without the impulse and influence of the proposed improvements. A prudent proprietor looks beyond limited sections of his domain, beyond present results to the ultimate effect which a particular line of policy is likely to produce upon all his possessions and interests. The Government, which is trustee in this matter for the people of the States, is bound to take the same wise and comprehensive view. Prior to and during the last session of Congress upward of 30,000,000 acres of land were withdrawn from public sale with a view to applications for grants of this character pending before Congress. A careful review of the whole subject led me to direct that all such orders be abrogated and the lands restored to market, and instructions were immediately given to that effect. The applications at the last session contemplated the construction of more than 5,000 miles of road and grants to the amount of nearly 20,000,000 acres of the public domain. Even admitting the right on the part of Congress to be unquestionable, is it quite clear that the proposed grants would be productive of good, and not evil? The different projects are confined for the present to eleven States of this Union and one Territory. The reasons assigned for the grants show that it is proposed to put the works speedily in process of construction. When we reflect that since the commencement of the construction of railways in the United States, stimulated, as they have been, by the large dividends realized from the earlier works over the great thoroughfares and between the most important points of commerce and population, encouraged by State legislation, and pressed forward by the amazing energy of private enterprise, only 17,000 miles have been completed in all the States in a quarter of a century; when we see the crippled condition of many works commenced and prosecuted upon what were deemed to be sound principles and safe calculations; when we contemplate the enormous absorption of capital withdrawn from the ordinary channels of business, the extravagant rates of interest at this moment paid

Page 855

to continue operations, the bankruptcies, not merely in money but in character, and the inevitable effect upon finances generally, can it be doubted that the tendency is to run to excess in this matter? Is it wise to augment this excess by encouraging hopes of sudden wealth expected to flow from magnificent schemes dependent upon the action of Congress? Does the spirit which has produced such results need to be stimulated or checked? Is it not the better rule to leave all these works to private enterprise, regulated and, when expedient, aided by the cooperation of States? If constructed by private capital the stimulant and the check go together and furnish a salutary restraint against speculative schemes and extravagance. But it is manifest that with the most effective guards there is danger of going too fast and too far. We may well pause before a proposition contemplating a simultaneous movement for the construction of railroads which in extent will equal, exclusive of the great Pacific road and all its branches, nearly one-third of the entire length of such works now completed in the United States, and which can not cost with equipments less than $150,000,000. The dangers likely to result from combinations of interests of this character can hardly be overestimated. But independently of these considerations, where is the accurate knowledge, the comprehensive intelligence, which shall discriminate between the relative claims of these twenty eight proposed roads in eleven States and one Territory? Where will you begin and where end? If to enable these companies to execute their proposed works it is necessary that the aid of the General Government be primarily given, the policy will present a problem so comprehensive in its bearings and so important to our political and social well-being as to claim in anticipation the severest analysis. Entertaining these views, I recur with satisfaction to the experience and action of the last session of Congress as furnishing assurance that the subject will not fail to elicit a careful reexamination and rigid scrutiny. It was my intention to present on this occasion some suggestions regarding internal improvements by the General Government, which want of time at the close of the last session prevented my submitting on the return to the House of Representatives with objections of the bill entitled “An act making appropriations for the repair, preservation, and completion of certain public works heretofore commenced under the authority of law;” but the space in this communication already occupied with other matter of immediate public exigency constrains me to reserve that subject for a special message, which will be transmitted to the two Houses of Congress at an early day. The judicial establishment of the United States requires modification, and certain reforms in the manner of conducting the legal business of the Government are also much needed; but as I have addressed you upon both of these subjects at length before, I have only to call your attention to the suggestions then made.

Page 856

My former recommendations in relation to suitable provision for various objects of deep interest to the inhabitants of the District of Columbia are renewed. Many of these objects partake largely of a national character, and are important independently of their relation to the prosperity of the only considerable organized community in the Union entirely unrepresented in Congress.

I have thus presented suggestions on such subjects as appear to me to be of particular interest or importance, and therefore most worthy of consideration during the short remaining period allotted to the labors of the present Congress.

Our forefathers of the thirteen united colonies, in acquiring their independence and in rounding this Republic of the United States of America, have devolved upon us, their descendants, the greatest and the most noble trust ever committed to the hands of man, imposing upon all, and especially such as the public will may have invested for the time being with political functions, the most sacred obligations. We have to maintain inviolate the great doctrine of the inherent right of popular self-government; to reconcile the largest liberty of the individual citizen with complete security of the public order; to render cheerful obedience to the laws of the land, to unite in enforcing their execution, and to frown indignantly on all combinations to resist them; to harmonize a sincere and ardent devotion to the institutions of religions faith with the most universal religious toleration; to preserve the rights of all by causing each to respect those of the other; to carry forward every social improvement to the uttermost limit of human perfectibility, by the free action of mind upon mind, not by the obtrusive intervention of misapplied force; to uphold the integrity and guard the limitations of our organic law; to preserve sacred from all touch of usurpation, as the very palladium of our political salvation, the reserved rights and powers of the several States and of the people; to cherish with loyal fealty and devoted affection this Union, as the only sure foundation on which the hopes of civil liberty rest; to administer government with vigilant integrity and rigid economy; to cultivate peace and friendship with foreign nations, and to demand and exact equal justice from all, but to do wrong to none; to eschew intermeddling with the national policy and the domestic repose of other governments, and to repel it from our own; never to shrink from war when the rights and the honor of the country call us to arms, but to cultivate in preference the arts of peace, seek enlargement of the rights of neutrality, and elevate and liberalize the intercourse of nations; and by such just and honorable means, and such only, whilst exalting the condition of the Republic, to assure to it the legitimate influence and the benign authority of a great example amongst all the powers of Christendom.

Under the solemnity of these convictions the blessing of Almighty God is earnestly invoked to attend upon your deliberations and upon all the counsels and acts of the Government, to the end that, with common zeal and common efforts, we may, in humble submission to the divine will, cooperate for the promotion of the supreme good of these United States.

Page 857

***

State of the Union Address
Franklin Pierce
December 31, 1855

Fellow-Citizens of the Senate and of the House of Representatives:

The Constitution of the United States provides that Congress shall assemble annually on the first Monday of December, and it has been usual for the President to make no communication of a public character to the Senate and House of Representatives until advised of their readiness to receive it. I have deferred to this usage until the close of the first month of the session, but my convictions of duty will not permit me longer to postpone the discharge of the obligation enjoined by the Constitution upon the President "to give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient." It is matter of congratulation that the Republic is tranquilly advancing in a career of prosperity and peace.

Whilst relations of amity continue to exist between the United States and all foreign powers, with some of them grave questions are depending which may require the consideration of Congress.

Of such questions, the most important is that which has arisen out of the negotiations with Great Britain in reference to Central America. By the convention concluded between the two Governments on the 19th of April, 1850, both parties covenanted that "neither will ever" "occupy, or fortify, or colonize, or assume or exercise any dominion over Nicaragua. Costa Rica, the Mosquito Coast, or any part of Central America."

It was the undoubted understanding of the United States in making this treaty that all the present States of the former Republic of Central America and the entire territory of each would thenceforth enjoy complete independence, and that both contracting parties engaged equally and to the same extent, for the present and, for the future, that if either then had any claim of right in Central America such claim and all occupation or authority under it were unreservedly relinquished by the stipulations of the convention, and that no dominion was thereafter to be exercised or assumed in any part of Central America by Great Britain or the United States.

This Government consented to restrictions in regard to a region of country wherein we had specific and peculiar interests only upon the conviction that the like restrictions were in the same sense obligatory on Great Britain. But for this understanding of the force and effect of the convention it would never have been concluded by us.

So clear was this understanding on the part of the United States that in correspondence contemporaneous with the ratification of the convention it was distinctly expressed that the mutual covenants of nonoccupation were not intended to apply to the British establishment at the Balize. This qualification is to be ascribed to the fact that, in virtue of successive treaties with previous sovereigns of the country, Great Britain had obtained a concession of the right to cut mahogany or dyewoods at the Balize, but with positive exclusion of all domain or sovereignty; and thus it confirms the natural construction and understood import of the treaty as to all the rest of the region to which the stipulations applied.

Page 858

It, however, became apparent at an early day after entering upon the discharge of my present functions that Great Britain still continued in the exercise or assertion of large authority in all that part of Central America commonly called the Mosquito Coast, and covering the entire length of the State of Nicaragua and a part of Costa Rica; that she regarded the Balize as her absolute domain and was gradually extending its limits at the expense of the State of Honduras, and, that she had formally colonized a considerable insular group known as the Bay Islands, and belonging of right to that State.

All these acts or pretensions of Great Britain, being contrary to the rights of the States of Central America and to the manifest tenor of her stipulations with the United States as understood by this Government, have been made the subject of negotiation through the American minister in London. I transmit herewith the instructions to him on the subject and the correspondence between him and the British secretary for foreign affairs, by which you will perceive that the two Governments differ widely and irreconcilably as to the construction of the convention and its effect on their respective relations to Central America.

Great Britain so construes the convention as to maintain unchanged all her previous pretensions over the Mosquito Coast and in different parts of Central America. These pretensions as to the Mosquito Coast are founded on the assumption of political relation between Great Britain and the remnant of a tribe of Indians on that coast, entered into at a time when the whole country was a colonial possession of Spain. It can not be successfully controverted that by the public law of Europe and America no possible act of such Indians or their predecessors could confer on Great Britain any political rights.

Great Britain does not allege the assent of Spain as the origin of her claims on the Mosquito Coast. She has, on the contrary, by repeated and successive treaties renounced and relinquished all pretensions of her own and recognized the full and sovereign rights of Spain in the most unequivocal terms. Yet these pretensions, so without solid foundation in the beginning and thus repeatedly abjured, were at a recent period revived by Great Britain against the Central American States, the legitimate successors to all the ancient jurisdiction of Spain in that region. They were first applied only to a defined part of the coast of Nicaragua, afterwards to the whole of its Atlantic coast, and lastly to a part of the coast of Costa Rica, and they are now reasserted to this extent notwithstanding engagements to the United States.

On the eastern coast of Nicaragua and Costa Rica the interference of Great Britain, though exerted at one time in the form of military occupation of the port of San Juan del Norte, then in the peaceful possession of the appropriate authorities of the Central American States, is now presented by her as the rightful exercise of a protectorship over the Mosquito tribe of Indians.

Page 859

But the establishment at the Balize, now reaching far beyond its treaty limits into the State of Honduras, and that of the Bay Islands, appertaining of right to the same State, are as distinctly colonial governments as those of Jamaica or Canada, and therefore contrary to the very letter, as well as the spirit, of the convention with the United States as it was at the time of ratification and now is understood by this Government.

The interpretation which the British Government thus, in assertion and act, persists in ascribing to the convention entirely changes its character. While it holds us to all our obligations, it in a great measure releases Great Britain from those which constituted the consideration of this Government for entering into the convention. It is impossible, in my judgment, for the United States to acquiesce in such a construction of the respective relations of the two Governments to Central America.

To a renewed call by this Government upon Great Britain to abide by and Carry into effect the stipulations of the convention according to its obvious import by withdrawing from the possession or colonization of portions of the Central American States of Honduras, Nicaragua, and Costa Rica, the British Government has at length replied, affirming that the operation of the treaty is prospective only and did not require Great Britain to abandon or contract any possessions held by her in Central America at the date of its conclusion.

This reply substitutes a partial issue in the place of the general one presented by the United States. The British Government passes over the question of the rights of Great Britain, real or supposed, in Central America, and assumes that she had such rights at the date of the treaty and that those rights comprehended the protectorship of the Mosquito Indians, the extended jurisdiction and limits of the Balize, and the colony of the Bay Islands, and thereupon proceeds by implication to infer that if the stipulations of the treaty be merely future in effect Great Britain may still continue to hold the contested portions of Central America. The United States can not admit either the inference or the premises. We steadily deny that at the date of the treaty Great Britain had any possessions there other than the limited and peculiar establishment at the Balize, and maintain that if she had any they were surrendered by the convention.

This Government, recognizing the obligations of the treaty, has, of course, desired to see it executed in good faith by both parties, and in the discussion, therefore, has not looked to rights which we might assert independently of the treaty in consideration of our geographical position and of other circumstances which create for us relations to the Central American States different from those of any government of Europe. The British Government, in its last communication, although well knowing the views of the United States, still declares that it sees no reason why a conciliatory spirit may not enable the two Governments to overcome all obstacles to a satisfactory adjustment of the subject.

Page 860

Assured of the correctness of the construction of the treaty constantly adhered to by this Government and resolved to insist on the rights of the United States, yet actuated also by the same desire which is avowed by the British Government, to remove all causes of serious misunderstanding between two nations associated by so many ties of interest and kindred, it has appeared to me proper not to consider an amicable solution of the controversy hopeless.

There is, however, reason to apprehend that with Great Britain in the actual occupation of the disputed territories, and the treaty therefore practically null so far as regards our rights, this international difficulty can not long remain undetermined without involving in serious danger the friendly relations which it is the interest as well as the duty of both countries to cherish and preserve. It will afford me sincere gratification if future efforts shall result in the success anticipated heretofore with more confidence than the aspect of the case permits me now to entertain.

One other subject of discussion between the United States and Great Britain has grown out of the attempt, which the exigencies of the war in which she is engaged with Russia induced her to make, to draw recruits from the United States.

It is the traditional and settled policy of the United States to maintain impartial neutrality during the wars which from time to time occur among the great powers of the world. Performing all the duties of neutrality toward the respective belligerent states, we may reasonably expect them not to interfere with our lawful enjoyment of its benefits. Notwithstanding the existence of such hostilities, our citizens retained the individual right to continue all their accustomed pursuits, by land or by sea, at home or abroad, subject only to such restrictions in this relation as the laws of war, the usage of nations, or special treaties may impose; and it is our sovereign right that our territory and jurisdiction shall not be invaded by either of the belligerent parties for the transit of their armies, the operations of their fleets, the levy of troops for their service, the fitting out of cruisers by or against either, or any other act or incident of war. And these undeniable rights of neutrality, individual and national, the United States will under no circumstances surrender.

In pursuance of this policy, the laws of the United States do not forbid their citizens to sell to either of the belligerent powers articles contraband of war or take munitions of war or soldiers on board their private ships for transportation; and although in so doing the individual citizen exposes his property or person to some of the hazards of war, his acts do not involve any breach of national neutrality nor of themselves implicate the Government. Thus, during the progress of the present war in Europe, our citizens have, without national responsibility therefor, sold gunpowder and arms to all buyers, regardless

Page 861

of the destination of those articles. Our merchantmen have been, and still continue to be, largely employed by Great Britain and by France in transporting troops, provisions, and munitions of war to the principal seat of military operations and in bringing home their sick and wounded soldiers; but such use of our mercantile marine is not interdicted either by the international or by our municipal law, and therefore does not compromise our neutral relations with Russia. But our municipal law, in accordance with the law of nations, peremptorily forbids not only foreigners, but our own citizens, to fit out within the United States a vessel to commit hostilities against any state with which the United States are at peace, or to increase the force of any foreign armed vessel intended for such hostilities against a friendly state.

Whatever concern may have been felt by either of the belligerent powers lest private armed cruisers or other vessels in the service of one might be fitted out in the ports of this country to depredate on the property of the other, all such fears have proved to be utterly groundless. Our citizens have been withheld from any such act or purpose by good faith and by respect for the law.

While the laws of the Union are thus peremptory in their prohibition of the equipment or armament of belligerent cruisers in our ports, they provide not less absolutely that no person shall, within the territory or jurisdiction of the United States, enlist or enter himself, or hire or retain another person to enlist or enter himself, or to go beyond the limits or jurisdiction of the United States with intent to be enlisted or entered, in the service of any foreign state, either as a soldier or as a marine or seaman on board of any vessel of war, letter of marque, or privateer. And these enactments are also in strict conformity with the law of nations, which declares that no state has the right to raise troops for land or sea service in another state without its consent, and that, whether forbidden by the municipal law or not, the very attempt to do it without such consent is an attack on the national sovereignty.

Such being the public rights and the municipal law of the United States, no solicitude on the subject was entertained by this Government when, a year since, the British Parliament passed an act to provide for the enlistment of foreigners in the military service of Great Britain. Nothing on the face of the act or in its public history indicated that the British Government proposed to attempt recruitment in the United States, nor did it ever give intimation of such intention to this Government. It was matter of surprise, therefore, to find subsequently that the engagement of persons within the United States to proceed to Halifax, in the British Province of Nova Scotia, and there enlist in the service of Great Britain, was going on extensively, with little or no disguise. Ordinary legal steps were immediately taken to arrest and punish parties concerned, and so put an end to acts infringing the municipal law and derogatory to our sovereignty. Meanwhile suitable representations on the subject were addressed to the British Government.

Page 862

Thereupon it became known, by the admission of the British Government itself, that the attempt to draw recruits from this country originated with it, or at least had its approval and sanction; but it also appeared that the public agents engaged in it had “stringent instructions” not to violate the municipal law of the United States.

It is difficult to understand how it should have been supposed that troops could be raised here by Great Britain without violation of the municipal law. The unmistakable object of the law was to prevent every such act which if performed must be either in violation of the law or in studied evasion of it, and in either alternative the act done would be alike injurious to the sovereignty of the United States. In the meantime the matter acquired additional importance by the recruitments in the United States not being discontinued, and the disclosure of the fact that they were prosecuted upon a systematic plan devised by official authority; that recruiting rendezvous had been opened in our principal cities and depots for the reception of recruits established on our frontier, and the whole business conducted under the supervision and by the regular cooperation of British officers, civil and military, some in the North American Provinces and some in the United States. The complicity of those officers in an undertaking which could only be accomplished by defying our laws, throwing suspicion over our attitude of neutrality, and disregarding our territorial rights is conclusively proved by the evidence elicited on the trial of such of their agents as have been apprehended and convicted. Some of the officers thus implicated are of high official position, and many of them beyond our jurisdiction, so that legal proceedings could not reach the source of the mischief.

These considerations, and the fact that the cause of complaint was not a mere casual occurrence, trot a deliberate design, entered upon with full knowledge of our laws and national policy and conducted by responsible public functionaries, impelled me to present the case to the British Government, in order to secure not only a cessation of the, wrong, but its reparation. The subject is still under discussion, the result of which will be communicated to you in due time.

I repeat the recommendation submitted to the last Congress, that provision be made for the appointment of a commissioner, in connection with Great Britain, to survey and establish the boundary line which divides the Territory of Washington from the contiguous British possessions. By reason of the extent and importance of the country in dispute, there has been imminent danger of collision between the subjects of Great Britain and the citizens of the United States, including their respective authorities, in that quarter. The prospect of a speedy arrangement has contributed hitherto to induce on both sides forbearance to assert by force what each claims as a right. Continuance of delay on the part of the two Governments to act in the matter will increase the dangers and difficulties of the controversy.

Page 863

Misunderstanding exists as to the extent, character, and value of the possessory rights of the Hudsons Bay Company and the property of the Pugets Sound Agricultural Company reserved in our treaty with Great Britain relative to the Territory of Oregon. I have reason to believe that a cession of the rights of both companies to the United States, which would be the readiest means of terminating all questions, can be obtained on reasonable terms, and with a view to this end I present the subject to the attention of Congress.

The colony of Newfoundland, having enacted the laws required by the treaty of the 5th of June, 1854, is now placed on the same footing in respect to commercial intercourse with the United States as the other British North American Provinces.

The commission which that treaty contemplated, for determining the rights of fishery in rivers and mouths of rivers on the coasts of the United States and the British North American Provinces, has been organized, and has commenced its labors, to complete which there are needed further appropriations for the service of another season.

In pursuance of the authority conferred by a resolution of the Senate of the United States passed on the 3d of March last, notice was given to Denmark on the 14th day of April of the intention of this Government to avail itself of the stipulation of the subsisting convention of friendship, commerce, and navigation between that Kingdom and the United States whereby either party might after ten years terminate the same at the expiration of one year from the date of notice for that purpose.

The considerations which led me to call the attention of Congress to that convention and induced the Senate to adopt the resolution referred to still continue in full force. The convention contains an article which, although it does not directly engage the United States to submit to the imposition of tolls on the vessels and cargoes of Americans passing into or from the Baltic Sea during the continuance of the treaty, yet may by possibility be construed as implying such submission. The exaction of those tolls not being justified by any principle of international law, it became the right and duty of the United States to relieve themselves from the implication of engagement on the subject, so as to be perfectly free to act in the premises in such way as their public interests and honor shall demand.

I remain of the opinion that the United States ought not to submit to the payment of the Sound dues, not so much because of their amount, which is a secondary matter, but because it is in effect the recognition of the right of Denmark to treat one of the great maritime highways of nations as a close sea, and prevent the navigation of it as a privilege, for which tribute may be imposed upon those who have occasion to use it.

Page 864

This Government on a former occasion, not unlike the present, signalized its determination to maintain the freedom of the seas and of the great natural channels of navigation. The Barbary States had for a long time coerced the payment of tribute from all nations whose ships frequented the Mediterranean. To the last demand of such payment made by them the United States, although suffering less by their depredations than many other nations, returned the explicit answer that we preferred war to tribute, and thus opened the way to the relief of the commerce of the world from an ignominious tax, so long submitted to by the more powerful nations of Europe.

If the manner of payment of the Sound dues differ from that of the tribute formerly conceded to the Barbary States, still their exaction by Denmark has no better foundation in right. Each was in its origin nothing but a tax on a common natural right, extorted by those who were at that time able to obstruct the free and secure enjoyment of it, but who no longer possess that power.

Denmark, while resisting our assertion of the freedom of the Baltic Sound and Belts, has indicated a readiness to make some new arrangement on the subject, and has invited the governments interested, including the United States, to be represented in a convention to assemble for the purpose of receiving and considering a proposition which she intends to submit for the capitalization of the Sound dues and the distribution of the sum to be paid as commutation among the governments according to the respective proportions of their maritime commerce to and from the Baltic. I have declined, in behalf of the United States, to accept this invitation, for the most cogent reasons. One is that Denmark does not offer to submit to the convention the question of her right to levy the Sound dues. The second is that if the convention were allowed to take cognizance of that particular question, still it would not be competent to deal with the great international principle involved, which affects the right in other cases of navigation and commercial freedom, as well as that of access to the Baltic. Above all, by the express terms of the proposition it is contemplated that the consideration of the Sound dues shall be commingled with and made subordinate to a matter wholly extraneous—the balance of power among the Governments of Europe.

While, however, rejecting this proposition and insisting on the right of free transit into and from the Baltic, I have expressed to Denmark a willingness on the part of the United States to share liberally with other powers in compensating her for any advantages which commerce shall hereafter derive from expenditures made by her for the improvement and safety of the navigation of the Sound or Belts.

I lay before you herewith sundry documents on the subject, in which my views are more fully disclosed. Should no satisfactory arrangement be soon concluded, I shall again call your attention to the subject, with recommendation of such measures as may appear to be required in order to assert and secure the rights of the United States, so far as they are affected by the pretensions of Denmark.

Page 865

I announce with much gratification that since the adjournment of the last Congress the question then existing between this Government and that of France respecting the French consul at San Francisco has been satisfactorily determined, and that the relations of the two Governments continue to be of the most friendly nature.

A question, also, which has been pending for several years between the United States and the Kingdom of Greece, growing out of the sequestration by public authorities of that country of property belonging to the present American consul at Athens, and which had been the subject of very earnest discussion heretofore, has recently been settled to the satisfaction of the party interested and of both Governments.

With Spain peaceful relations are still maintained, and some progress has been made in securing the redress of wrongs complained of by this Government. Spain has not only disavowed and disapproved the conduct of the officers who illegally seized and detained the steamer Black Warrior at Havana, but has also paid the sum claimed as indemnity for the loss thereby inflicted on citizens of the United States.

In consequence of a destructive hurricane which visited Cuba in 1844, the supreme authority of that island issued a decree permitting the importation for the period of six months of certain building materials and provisions free of duty, but revoked it when about half the period only had elapsed, to the injury of citizens of the United States who had proceeded to act on the faith of that decree. The Spanish Government refused indemnification to the parties aggrieved until recently, when it was assented to, payment being promised to be made so soon as the amount due can be ascertained.

Satisfaction claimed for the arrest and search of the steamer El Dorado has not yet been accorded, but there is reason to believe that it will be; and that case, with others, continues to be urged on the attention of the Spanish Government. I do not abandon the hope of concluding with Spain some general arrangement which, if it do not wholly prevent the recurrence of difficulties in Cuba, will render them less frequent, and, whenever they shall occur, facilitate their more speedy settlement.

The interposition of this Government has been invoked by many of its citizens on account of injuries done to their persons and property for which the Mexican Republic is responsible. The unhappy situation of that country for some time past has not allowed its Government to give due consideration to claims of private reparation, and has appeared to call for and justify some forbearance in such matters on the part of this Government. But if the revolutionary movements which have lately occurred in that Republic end in the organization of a stable government, urgent appeals to its justice will then be made, and, it may be hoped, with success, for the redress of all complaints of our citizens.

Page 866

In regard to the American Republics, which from their proximity and other considerations have peculiar relations to this Government, while it has been my constant aim strictly to observe all the obligations of political friendship and of good neighborhood, obstacles to this have arisen in some of them from their own insufficient power to cheek lawless irruptions, which in effect throws most of the task on the United States. Thus it is that the distracted internal condition of the State of Nicaragua has made it incumbent on me to appeal to the good faith of our citizens to abstain from unlawful intervention in its affairs and to adopt preventive measures to the same end, which on a similar occasion had the best results in reassuring the peace of the Mexican States of Sonora and Lower California.

Since the last session of Congress a treaty of amity, commerce, and navigation and for the surrender of fugitive criminals with the Kingdom of the Two Sicilies; a treaty of friendship, commerce, and navigation with Nicaragua, and a convention of commercial reciprocity with the Hawaiian Kingdom have been negotiated. The latter Kingdom and the State of Nicaragua have also acceded to a declaration recognizing as international rights the principles contained in the convention between the United States and Russia of July 22, 1854. These treaties and conventions will be laid before the Senate for ratification.

The statements made in my last annual message respecting the anticipated receipts and expenditures of the Treasury have been substantially verified.

It appears from the report of the Secretary of the Treasury that the receipts during the last fiscal year, ending June 30, 1855, from all sources were $65,003,930, and that the public expenditures for the same period, exclusive of payments on account of the public debt, amounted to $56,365,393. During the same period the payments made in redemption of the public debt, including interest and premium, amounted to $9,844,528.

The balance in the Treasury at the beginning of the present fiscal year, July 1, 1855, was $18,931,976; the receipts for the first quarter and the estimated receipts for the remaining three quarters amount together to $67,918,734; thus affording in all, as the available resources of the current fiscal year, the sum of $86,856,710.

If to the actual expenditures of the first quarter of the current fiscal year be added the probable expenditures for the remaining three quarters, as estimated by the Secretary of the Treasury, the sum total will be $71,226,846, thereby leaving an estimated balance in the Treasury on July 1, 1856, of $15,623,863.41.

In the above-estimated expenditures of the present fiscal year are included $3,000,000 to meet the last installment of the ten millions provided for in the late treaty with Mexico and $7,750,000 appropriated on account of the debt due to Texas, which two sums make an aggregate amount of $10,750,000 and reduce the expenditures, actual or estimated, for ordinary objects of the year to the sum of $60,476,000.

Page 867

The amount of the public debt at the commencement of the present fiscal year was $40,583,631, and, deduction being made of subsequent payments, the whole public debt of the Federal Government remaining at this time is less than $40,000,000. The remnant of certain other Government stocks, amounting to $243,000, referred to in my last message as outstanding, has since been paid.

I am fully persuaded that it would be difficult to devise a system superior to that by which the fiscal business of the Government is now conducted. Notwithstanding the great number of public agents of collection and disbursement, it is believed that the checks and guards provided, including the requirement of monthly returns, render it scarcely possible for any considerable fraud on the part of those agents or neglect involving hazard of serious public loss to escape detection. I renew, however, the recommendation heretofore made by me of the enactment of a law declaring it felony on the part of public officers to insert false entries in their books of record or account or to make false returns, and also requiring them on the termination of their service to deliver to their successors all books, records, and other objects of a public nature in their custody.

Derived, as our public revenue is, in chief part from duties on imports, its magnitude affords gratifying evidence of the prosperity, not only of our commerce, but of the other great interests upon which that depends.

The principle that all moneys not required for the current expenses of the Government should remain for active employment in the hands of the people and the conspicuous fact that the annual revenue from all sources exceeds by many millions of dollars the amount needed for a prudent and economical administration of public affairs can not fail to suggest the propriety of an early revision and reduction of the tariff of duties on imports. It is now so generally conceded that the purpose of revenue alone can justify the imposition of duties on imports that in readjusting the impost tables and schedules, which unquestionably require essential modifications, a departure from the principles of the present tariff is not anticipated.

The Army during the past year has been actively engaged in defending the Indian frontier, the state of the service permitting but few and small garrisons in our permanent fortifications. The additional regiments authorized at the last session of Congress have been recruited and organized, and a large portion of the troops have already been sent to the field. All the duties which devolve on the military establishment have been satisfactorily performed, and the dangers and privations incident to the character of the service required of our troops have furnished additional evidence of their courage, zeal, and capacity to meet any requisition which their country may make upon them. For the details of the military operations, the distribution of the troops, and additional provisions required for the military service, I refer to the report of the Secretary of War and the accompanying documents.

Page 868

Experience gathered from events which have transpired since my last annual message has but served to confirm the opinion then expressed of the propriety of making provision by a retired list for disabled officers and for increased compensation to the officers retained on the list for active duty. All the reasons which existed when these measures were recommended on former occasions continue without modification, except so far as circumstances have given to some of them additional force.

The recommendations heretofore made for a partial reorganization of the Army are also renewed. The thorough elementary education given to those officers who commenced their service with the grade of cadet qualifies them to a considerable extent to perform the duties of every arm of the service; but to give the highest efficiency to artillery requires the practice and special study of many years, and it is not, therefore, believed to be advisable to maintain in time of peace a larger force of that arm than can be usually employed in the duties appertaining to the service of field and siege artillery. The duties of the staff in all its various branches belong to the movements of troops, and the efficiency of an army in the field would materially depend upon the ability with which those duties are discharged. It is not, as in the case of the artillery, a specialty, but requires also an intimate knowledge of the duties of an officer of the line, and it is not doubted that to complete the education of an officer for either the line or the general staff it is desirable that he shall have served in both. With this view, it was recommended on a former occasion that the duties of the staff should be mainly performed by details from the line, and, with conviction of the advantages which would result from such a change, it is again presented for the consideration of Congress.

The report of the Secretary of the Navy, herewith submitted, exhibits in full the naval operations of the past year, together with the present condition of the service, and it makes suggestions of further legislation, to which your attention is invited.

The construction of the six steam frigates for which appropriations were made by the last Congress has proceeded in the most satisfactory manner and with such expedition as to warrant the belief that they will be ready for service early in the coming spring. Important as this addition to our naval force is, it still remains inadequate to the contingent exigencies of the protection of the extensive seacoast and vast commercial interests of the United States. In view of this fact and of the acknowledged wisdom of the policy of a gradual and systematic increase of the Navy an appropriation is recommended for the construction of six steam sloops of war.

In regard to the steps taken in execution of the act of Congress to promote the efficiency of the Navy, it is unnecessary for me to say more than to express entire concurrence in the observations on that subject presented by the Secretary in his report.

Page 869

It will be perceived by the report of the postmaster-General that the gross expenditure of the Department for the last fiscal year was $9,968,342 and the gross receipts $7,342,136, making an excess of expenditure over receipts of $2,626,206; and that the cost of mail transportation during that year was $674,952 greater than the previous year. Much of the heavy expenditures to which the Treasury is thus subjected is to be ascribed to the large quantity of printed matter conveyed by the mails, either franked or liable to no postage by law or to very low rates of postage compared with that charged on letters, and to the great cost of mail service on railroads and by ocean steamers. The suggestions of the Postmaster-General on the subject deserve the consideration of Congress.

The report of the Secretary of the Interior will engage your attention as well for useful suggestions it contains as for the interest and importance of the subjects to which they refer.

The aggregate amount of public land sold during the last fiscal year, located with military scrip or land warrants, taken up under grants for roads, and selected as swamp lands by States is 24,557,409 acres, of which the portion sold was 15,729,524 acres, yielding in receipts the sum of $11,485,380. In the same period of time 8,723,854 acres have been surveyed, but, in consideration of the quantity already subject to entry, no additional tracts have been brought into market.

The peculiar relation of the General Government to the District of Columbia renders it proper to commend to your care not only its material but also its moral interests, including education, more especially in those parts of the District outside of the cities of Washington and Georgetown.

The commissioners appointed to revise and codify the laws of the District have made such progress in the performance of their task as to insure its completion in the time prescribed by the act of Congress.

Information has recently been received that the peace of the settlements in the Territories of Oregon and Washington is disturbed by hostilities on the part of the Indians, with indications of extensive combinations of a hostile character among the tribes in that quarter, the more serious in their possible effect by reason of the undetermined foreign interests existing in those Territories, to which your attention has already been especially invited. Efficient measures have been taken, which, it is believed, will restore quiet and afford protection to our citizens.

In the Territory of Kansas there have been acts prejudicial to good order, but as yet none have occurred under circumstances to justify the interposition of the Federal Executive. That could only be in case of obstruction to Federal law or of organized resistance to Territorial law, assuming the character of insurrection, which, if it should occur, it would be my duty promptly to overcome and suppress. I cherish the hope,

Page 870

however, that the occurrence of any such untoward event will be prevented by the sound sense of the people of the Territory, who by its organic law, possessing the right to determine their own domestic institutions, are entitled while deporting themselves peacefully to the free exercise of that right, and must be protected in the enjoyment of it without interference on the part of the citizens of any of the States. The southern boundary line of this Territory has never been surveyed and established. The rapidly extending settlements in that region and the fact that the main route between Independence, in the State of Missouri, and New Mexico is contiguous in this line suggest the probability that embarrassing questions of jurisdiction may consequently arise. For these and other considerations I commend the subject to your early attention.

I have thus passed in review the general state of the Union, including such particular concerns of the Federal Government, whether of domestic or foreign relation, as it appeared to me desirable and useful to bring to the special notice of Congress. Unlike the great States of Europe and Asia and many of those of America, these United States are wasting their strength neither in foreign war nor domestic strife. Whatever of discontent or public dissatisfaction exists is attributable to the imperfections of human nature or is incident to all governments, however perfect, which human wisdom can devise. Such subjects of political agitation as occupy the public mind consist to a great extent of exaggeration of inevitable evils, or over zeal in social improvement, or mere imagination of grievance, having but remote connection with any of the constitutional functions or duties of the Federal Government. To whatever extent these questions exhibit a tendency menacing to the stability of the Constitution or the integrity of the Union, and no further, they demand the consideration of the Executive and require to be presented by him to Congress.

Before the thirteen colonies became a confederation of independent States they were associated only by community of transatlantic origin, by geographical position, and by the mutual tie of common dependence on Great Britain. When that tie was sundered they severally assumed the powers and rights of absolute self-government. The municipal and social institutions of each, its laws of property and of personal relation, even its political organization, were such only as each one chose to establish, wholly without interference from any other. In the language of the Declaration of Independence, each State had “full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which independent states may of right do.” The several colonies differed in climate, in soil, in natural productions, in religion, in systems of education, in legislation, and in the forms of political administration, and they continued to differ in these respects when

Page 871

they voluntarily allied themselves as States to carry on the War of the Revolution. The object of that war was to disenthrall the united colonies from foreign rule, which had proved to be oppressive, and to separate them permanently from the mother country. The political result was the foundation of a Federal Republic of the free white men of the colonies, constituted, as they were, in distinct and reciprocally independent State governments. As for the subject races, whether Indian or African, the wise and brave statesmen of that day, being engaged in no extravagant scheme of social change, left them as they were, and thus preserved themselves and their posterity from the anarchy and the ever-recurring civil wars which have prevailed in other revolutionized European colonies of America.

When the confederated States found it convenient to modify the conditions of their association by giving to the General Government direct access in some respects to the people of the States, instead of confining it to action on the States as such, they proceeded to frame the existing Constitution, adhering steadily to one guiding thought, which was to delegate only such power as was necessary and proper to the execution of specific purposes, or, in other words, to retain as much as possible consistently with those purposes of the independent powers of the individual States. For objects of common defense and security, they intrusted to the General Government certain carefully defined functions, leaving all others as the undelegated rights of the separate independent sovereignties.

Such is the constitutional theory of our Government, the practical observance of which has carried us, and us alone among modern republics, through nearly three generations of time without the cost of one drop of blood shed in civil war. With freedom and concert of action, it has enabled us to contend successfully on the battlefield against foreign foes, has elevated the feeble colonies into powerful States, and has raised our industrial productions and our commerce which transports them to the level of the richest and the greatest nations of Europe. And the admirable adaptation of our political institutions to their objects, combining local self-government with aggregate strength, has established the practicability of a government like ours to cover a continent with confederate states.

The Congress of the United States is in effect that congress of sovereignties which good men in the Old World have sought for, but could never attain, and which imparts to America an exemption from the mutable leagues for common action, from the wars, the mutual invasions, and vague aspirations after the balance of power which convulse from time to time the Governments of Europe. Our cooperative action rests in the conditions of permanent confederation prescribed by the Constitution. Our balance of power is in the separate reserved rights of the States and their equal representation in the Senate. That independent

Page 872

sovereignty in every one of the States, with its reserved rights of local self-government assured to each by their coequal power in the Senate, was the fundamental condition of the Constitution. Without it the Union would never have existed. However desirous the larger States might be to reorganize the Government so as to give to their population its proportionate weight in the common counsels, they knew it was impossible unless they conceded to the smaller ones authority to exercise at least a negative influence on all the measures of the Government, whether legislative or executive, through their equal representation in the Senate. Indeed, the larger States themselves could not have failed to perceive that the same power was equally necessary to them for the security of their own domestic interests against the aggregate force of the General Government. In a word, the original States went into this permanent league on the agreed premises of exerting their common strength for the defense of the whole and of all its parts, but of utterly excluding all capability of reciprocal aggression. Each solemnly bound itself to all the others neither to undertake nor permit any encroachment upon or intermeddling with another's reserved rights.

Where it was deemed expedient particular rights of the States were expressly guaranteed by the Constitution, but in all things besides these rights were guarded by the limitation of the powers granted and by express reservation of all powers not granted in the compact of union. Thus the great power of taxation was limited to purposes of common defense and general welfare, excluding objects appertaining to the local legislation of the several States; and those purposes of general welfare and common defense were afterwards defined by specific enumeration as being matters only of co-relation between the States themselves or between them and foreign governments, which, because of their common and general nature, could not be left to the separate control of each State.

Of the circumstances of local condition, interest, and rights in which a portion of the States, constituting one great section of the Union, differed from the rest and from another section, the most important was the peculiarity of a larger relative colored population in the Southern than in the Northern States.

A population of this class, held in subjection, existed in nearly all the States, but was more numerous and of more serious concernment in the South than in the North on account of natural differences of climate and production; and it was foreseen that, for the same reasons, while this population would diminish and sooner or later cease to exist in some States, it might increase in others. The peculiar character and magnitude of this question of local rights, not in material relations only, but still more in social ones, caused it to enter into the special stipulations of the Constitution.

Page 873

Hence, while the General Government, as well by the enumerated powers granted to it as by those not enumerated, and therefore refused to it, was forbidden to touch this matter in the sense of attack or offense, it was placed under the general safeguard of the Union in the sense of defense against either invasion or domestic violence, like all other local interests of the several States. Each State expressly stipulated, as well for itself as for each and all of its citizens, and every citizen of each State became solemnly bound by his allegiance to the Constitution that any person held to service or labor in one State, escaping into another, should not, in consequence of any law or regulation thereof, be discharged from such service or labor, but should be delivered up on claim of the party to whom such service or labor might be due by the laws of his State.

Thus and thus only, by the reciprocal guaranty of all the rights of every State against interference on the part of another, was the present form of government established by our fathers and transmitted to us, and by no other means is it possible for it to exist. If one State ceases to respect the rights of another and obtrusively intermeddles with its local interests; if a portion of the States assume to impose their institutions on the others or refuse to fulfill their obligations to them, we are no longer united, friendly States, but distracted, hostile ones, with little capacity left of common advantage, but abundant means of reciprocal injury and mischief. Practically it is immaterial whether aggressive interference between the States or deliberate refusal on the part of any one of them to comply with constitutional obligations arise from erroneous conviction or blind prejudice, whether it be perpetrated by direction or indirection. In either case it is full of threat and of danger to the durability of the Union.

Placed in the office of Chief Magistrate as the executive agent of the whole country, bound to take care that the laws be faithfully executed, and specially enjoined by the Constitution to give information to Congress on the state of the Union, it would be palpable neglect of duty on my part to pass over a subject like this, which beyond all things at the present time vitally concerns individual and public security.

It has been matter of painful regret to see States conspicuous for their services in rounding this Republic and equally sharing its advantages disregard their constitutional obligations to it. Although conscious of their inability to heal admitted and palpable social evils of their own, and which are completely within their jurisdiction, they engage in the offensive and hopeless undertaking of reforming the domestic institutions of other States, wholly beyond their control and authority. In the vain pursuit of ends by them entirely unattainable, and which they may not legally attempt to compass, they peril the very existence of the Constitution

Page 874

and all the countless benefits which it has conferred. While the people of the Southern States confine their attention to their own affairs, not presuming officiously to intermeddle with the social institutions of the Northern States, too many of the inhabitants of the latter are permanently organized in associations to inflict injury on the former by wrongful acts, which would be cause of war as between foreign powers and only fail to be such in our system because perpetrated under cover of the Union.

Is it possible to present this subject as truth and the occasion require without noticing the reiterated but groundless allegation that the South has persistently asserted claims and obtained advantages in the practical administration of the General Government to the prejudice of the North, and in which the latter has acquiesced? That is, the States which either promote or tolerate attacks on the rights of persons and of property in other States, to disguise their own injustice, pretend or imagine, and constantly aver, that they, whose constitutional rights are thus systematically assailed, are themselves the aggressors. At the present time this imputed aggression, resting, as it does, only in the vague declamatory charges of political agitators, resolves itself into misapprehension, or misinterpretation, of the principles and facts of the political organization of the new Territories of the United States.

What is the voice of history? When the ordinance which provided for the government of the territory northwest of the river Ohio and for its eventual subdivision into new States was adopted in the Congress of the Confederation, it is not to be supposed that the question of future relative power as between the States which retained and those which did not retain a numerous colored population escaped notice or failed to be considered. And yet the concession of that vast territory to the interests and opinions of the Northern States, a territory now the seat of five among the largest members of the Union, was in great measure the act of the State of Virginia and of the South.

When Louisiana was acquired by the United States, it was an acquisition not less to the North than to the South; for while it was important to the country at the mouth of the river Mississippi to become the emporium of the country above it, so also it was even more important to the whole Union to have that emporium; and although the new province, by reason of its imperfect settlement, was mainly regarded as on the Gulf of Mexico, yet in fact it extended to the opposite boundaries of the United States, with far greater breadth above than below, and was in territory, as in everything else, equally at least an accession to the Northern States. It is mere delusion and prejudice, therefore, to speak of Louisiana as acquisition in the special interest of the South.

The patriotic and just men who participated in the act were influenced by motives far above all sectional jealousies. It was in truth the great event which, by completing for us the possession of the Valley of the Mississippi, with commercial access to the Gulf of

Mexico, imparted unity and strength to the whole Confederation and attached together by indissoluble ties the East and the West, as well as the North and the South.

Page 875

As to Florida, that was but the transfer by Spain to the United States of territory on the east side of the river Mississippi in exchange for large territory which the United States transferred to Spain on the west side of that river, as the entire diplomatic history of the transaction serves to demonstrate. Moreover, it was an acquisition demanded by the commercial interests and the security of the whole Union. In the meantime the people of the United States had grown up to a proper consciousness of their strength, and in a brief contest with France and in a second serious war with Great Britain they had shaken off all which remained of undue reverence for Europe, and emerged from the atmosphere of those transatlantic influences which surrounded the infant Republic, and had begun to turn their attention to the full and systematic development of the internal resources of the Union.

Among the evanescent controversies of that period the most conspicuous was the question of regulation by Congress of the social condition of the future States to be rounded in the territory of Louisiana.

The ordinance for the government of the territory northwest of the river Ohio had contained a provision which prohibited the use of servile labor therein, subject to the condition of the extraditions of fugitives from service due in any other part of the United States. Subsequently to the adoption of the Constitution this provision ceased to remain as a law, for its operation as such was absolutely superseded by the Constitution. But the recollection of the fact excited the zeal of social propagandism in some sections of the Confederation, and when a second State, that of Missouri, came to be formed in the territory of Louisiana proposition was made to extend to the latter territory the restriction originally applied to the country situated between the rivers Ohio and Mississippi.

Most questionable as was this proposition in all its constitutional relations, nevertheless it received the sanction of Congress, with some slight modifications of line, to save the existing rights of the intended new State. It was reluctantly acquiesced in by Southern States as a sacrifice to the cause of peace and of the Union, not only of the rights stipulated by the treaty of Louisiana, but of the principle of equality among the States guaranteed by the Constitution. It was received by the Northern States with angry and resentful condemnation and complaint, because it did not concede all which they had exactingly demanded. Having passed through the forms of legislation, it took its place in the statute book, standing open to repeal, like any other act of doubtful constitutionality, subject to be pronounced null and void by the courts of law, and possessing no possible efficacy to control the rights of the States which might thereafter be organized out of any part of the original territory of Louisiana.

In all this, if any aggression there were, any innovation upon preexisting rights, to which portion of the Union are they justly chargeable? This controversy passed away with the occasion, nothing surviving it save the dormant letter of the statute.

Page 876

But long afterwards, when by the proposed accession of the Republic of Texas the United States were to take their next step in territorial greatness, a similar contingency occurred and became the occasion for systematized attempts to intervene in the domestic affairs of one section of the Union, in defiance of their rights as States and of the stipulations of the Constitution. These attempts assumed a practical direction in the shape of persevering endeavors by some of the Representatives in both Houses of Congress to deprive the Southern States of the supposed benefit of the provisions of the act authorizing the organization of the State of Missouri.

But the good sense of the people and the vital force of the Constitution triumphed over sectional prejudice and the political errors of the day, and the State of Texas returned to the Union as she was, with social institutions which her people had chosen for themselves and with express agreement by the reannexing act that she should be susceptible of subdivision into a plurality of States.

Whatever advantage the interests of the Southern States, as such, gained by this were far inferior in results, as they unfolded in the progress of time, to those which sprang from previous concessions made by the South.

To every thoughtful friend of the Union, to the true lovers of their country, to all who longed and labored for the full success of this great experiment of republican institutions, it was cause of gratulation that such an opportunity had occurred to illustrate our advancing power on this continent and to furnish to the world additional assurance of the strength and stability of the Constitution. Who would wish to see Florida still a European colony? Who would rejoice to hail Texas as a lone star instead of one in the galaxy of States? Who does not appreciate the incalculable benefits of the acquisition of Louisiana? And yet narrow views and sectional purposes would inevitably have excluded them all from the Union.

But another struggle on the same point ensued when our victorious armies returned from Mexico and it devolved on Congress to provide for the territories acquired by the treaty of Guadalupe Hidalgo. The great relations of the subject had now become distinct and clear to the perception of the public mind, which appreciated the evils of sectional controversy upon the question of the admission of new States. In that crisis intense solicitude pervaded the nation. But the patriotic impulses of the popular heart, guided by the admonitory advice of the Father of his Country, rose superior to all the difficulties of the incorporation of a new empire into the Union. In the counsels of Congress there was manifested extreme antagonism of opinion and action between some Representatives, who sought by the abusive and unconstitutional employment of the legislative powers of the Government to interfere in the condition of the inchoate States and to impose

Page 877

their own social theories upon the latter, and other Representatives, who repelled the interposition of the General Government in this respect and maintained the self-constituting rights of the States. In truth, the thing attempted was in form alone action of the General Government, while in reality it was the endeavor, by abuse of legislative power, to force the ideas of internal policy entertained in particular States upon allied independent States. Once more the Constitution and the Union triumphed signally. The new territories were organized without restrictions on the disputed point, and were thus left to judge in that particular for themselves; and the sense of constitutional faith proved vigorous enough in Congress not only to accomplish this primary object, but also the incidental and hardly less important one of so amending the provisions of the statute for the extradition of fugitives from service as to place that public duty under the safeguard of the General Government, and thus relieve it from obstacles raised up by the legislation of some of the States.

Vain declamation regarding the provisions of law for the extradition of fugitives from service, with occasional episodes of frantic effort to obstruct their execution by riot and murder, continued for a brief time to agitate certain localities. But the true principle of leaving each State and Territory to regulate its own laws of labor according to its own sense of right and expediency had acquired fast hold of the public judgment, to such a degree that by common consent it was observed in the organization of the Territory of Washington. When, more recently, it became requisite to organize the Territories of Nebraska and Kansas, it was the natural and legitimate, if not the inevitable, consequence of previous events and legislation that the same great and sound principle which had already been applied to Utah and New Mexico should be applied to them—-that they should stand exempt from the restrictions proposed in the act relative to the State of Missouri.

These restrictions were, in the estimation of many thoughtful men, null from the beginning, unauthorized by the Constitution, contrary to the treaty stipulations for the cession of Louisiana, and inconsistent with the equality of these States.

They had been stripped of all moral authority by persistent efforts to procure their indirect repeal through contradictory enactments. They had been practically abrogated by the legislation attending the organization of Utah, New Mexico, and Washington. If any vitality remained in them it would have been taken away, in effect, by the new Territorial acts in the form originally proposed to the Senate at the first session of the last Congress. It was manly and ingenuous, as well as patriotic and just, to do this directly and plainly, and thus relieve the statute book of an act which might be of possible future injury, but of no possible future benefit; and the measure of its repeal was the final consummation and complete recognition of the principle that no portion of the United States shall undertake through assumption of the powers of the General Government to dictate the social institutions of any other portion.

Page 878

The scope and effect of the language of repeal were not left in doubt. It was declared in terms to be “the true intent and meaning of this act not to legislate slavery into any Territory or State, nor to exclude it therefrom, but to leave the people thereof perfectly free to form and regulate their domestic institutions in their own way, subject only to the Constitution of the United States.”

The measure could not be withstood upon its merits alone. It was attacked with violence on the false or delusive pretext that it constituted a breach of faith. Never was objection more utterly destitute of substantial justification. When before was it imagined by sensible men that a regulative or declarative statute, whether enacted ten or forty years ago, is irrepealable; that an act of Congress is above the Constitution? If, indeed, there were in the facts any cause to impute bad faith, it would attach to those only who have never ceased, from the time of the enactment of the restrictive provision to the present day, to denounce and condemn it; who have constantly refused to complete it by needful supplementary legislation; who have spared no exertion to deprive it of moral force; who have themselves again and again attempted its repeal by the enactment of incompatible provisions, and who, by the inevitable reactionary effect of their own violence on the subject, awakened the country to perception of the true constitutional principle of leaving the matter involved to the discretion of the people of the respective existing or incipient States.

It is not pretended that this principle or any other precludes the possibility of evils in practice, disturbed, as political action is liable to be, by human passions. No form of government is exempt from inconveniences; but in this case they are the result of the abuse, and not of the legitimate exercise, of the powers reserved or conferred in the organization of a Territory. They are not to be charged to the great principle of popular sovereignty. On the contrary, they disappear before the intelligence and patriotism of the people, exerting through the ballot box their peaceful and silent but irresistible power.

If the friends of the Constitution are to have another struggle, its enemies could not present a more acceptable issue than that of a State whose constitution clearly embraces “a republican form of government” being excluded from the Union because its domestic institutions may not in all respects comport with the ideas of what is wise and expedient entertained in some other State. Fresh from groundless imputations of breach of faith against others, men will commence the agitation of this new question with indubitable violation of an express compact between the independent sovereign powers of the United States and of the Republic of Texas, as well as of the older and equally solemn compacts which assure the equality of all the States.

Page 879

But deplorable as would be such a violation of compact in itself and in all its direct consequences, that is the very least of the evils involved. When sectional agitators shall have succeeded in forcing on this issue, can their pretensions fail to be met by counter pretensions? Will not different States be compelled, respectively, to meet extremes with extremes? And if either extreme carry its point, what is that so far forth but dissolution of the Union? If a new State, formed from the territory of the United States, be absolutely excluded from admission therein, that fact of itself constitutes the disruption of union between it and the other States. But the process of dissolution could not stop there. Would not a sectional decision producing such result by a majority of votes, either Northern or Southern, of necessity drive out the oppressed and aggrieved minority and place in presence of each other two irreconcilably hostile confederations?

It is necessary to speak thus plainly of projects the offspring of that sectional agitation now prevailing in some of the States, which are as impracticable as they are unconstitutional, and which if persevered in must and will end calamitously. It is either disunion and civil war or it is mere angry, idle, aimless disturbance of public peace and tranquillity. Disunion for what? If the passionate rage of fanaticism and partisan spirit did not force the fact upon our attention, it would be difficult to believe that any considerable portion of the people of this enlightened country could have so surrendered themselves to a fanatical devotion to the supposed interests of the relatively few Africans in the United States as totally to abandon and disregard the interests of the 25,000,000 Americans; to trample under foot the injunctions of moral and constitutional obligation, and to engage in plans of vindictive hostility against those who are associated with them in the enjoyment of the common heritage of our national institutions.

Nor is it hostility against their fellow-citizens of one section of the Union alone. The interests, the honor, the duty, the peace, and the prosperity of the people of all sections are equally involved and imperiled in this question. And are patriotic men in any part of the Union prepared on such issue thus madly to invite all the consequences of the forfeiture of their constitutional engagements? It is impossible. The storm of frenzy and faction must inevitably dash itself in vain against the unshaken rock of the Constitution. I shall never doubt it. I know that the Union is stronger a thousand times than all the wild and chimerical schemes of social change which are generated one after another in the unstable minds of visionary sophists and interested agitators. I rely confidently on the patriotism of the people, on the dignity and self-respect of the States, on the wisdom of Congress, and, above all, on the continued gracious favor of Almighty God to maintain against all enemies, whether at home or abroad, the sanctity of the Constitution and the integrity of the Union.

Page 880

***

State of the Union Address
Franklin Pierce
December 2, 1856

Fellow-Citizens of the Senate and of the House of Representatives:

The Constitution requires that the President shall from time to time not only recommend to the consideration of Congress such measures as he may judge necessary and expedient, but also that he shall give information to them of the state of the Union. To do this fully involves exposition of all matters in the actual condition of the country, domestic or foreign, which essentially concern the general welfare. While performing his constitutional duty in this respect, the President does not speak merely to express personal convictions, but as the executive minister of the Government, enabled by his position and called upon by his official obligations to scan with an impartial eye the interests of the whole and of every part of the United States.

Of the condition of the domestic interests of the Union—its agriculture, mines, manufactures, navigation, and commerce—it is necessary only to say that the internal prosperity of the country, its continuous and steady advancement in wealth and population and in private as well as public well-being, attest the wisdom of our institutions and the predominant spirit of intelligence and patriotism which, notwithstanding occasional irregularities of opinion or action resulting from popular freedom, has distinguished and characterized the people of America. In the brief interval between the termination of the last and the commencement of the present session of Congress the public mind has been occupied with the care of selecting for another constitutional term the President and Vice-President of the United States.

The determination of the persons who are of right, or contingently, to preside over the administration of the Government is under our system committed to the States and the people. We appeal to them, by their voice pronounced in the forms of law, to call whomsoever they will to the high post of Chief Magistrate.

And thus it is that as the Senators represent the respective States of the Union and the members of the House of Representatives the several constituencies of each State, so the President represents the aggregate population of the United States. Their election of him is the explicit and solemn act of the sole sovereign authority of the Union.

It is impossible to misapprehend the great principles which by their recent political action the people of the United States have sanctioned and announced.

They have asserted the constitutional equality of each and all of the States of the Union as States: they have affirmed the constitutional equality of each and all of the citizens

of the United States as citizens, whatever their religion, wherever their birth or their residence; they have maintained the inviolability of the constitutional rights of the different sections of the Union, and they have proclaimed their

Page 881

devoted and unalterable attachment to the Union and to the Constitution, as objects of interest superior to all subjects of local or sectional controversy, as the safeguard of the rights of all, as the spirit and the essence of the liberty, peace, and greatness of the Republic. In doing this they have at the same time emphatically condemned the idea of organizing in these United States mere geographical parties, of marshaling in hostile array toward each other the different parts of the country, North or South, East or West.

Schemes of this nature, fraught with incalculable mischief, and which the considerate sense of the people has rejected, could have had countenance in no part of the country had they not been disguised by suggestions plausible in appearance, acting upon an excited state of the public mind, induced by causes temporary in their character and, it is to be hoped, transient in their influence.

Perfect liberty of association for political objects and the widest scope of discussion are the received and ordinary conditions of government in our country. Our institutions, framed in the spirit of confidence in the intelligence and integrity of the people, do not forbid citizens, either individually or associated together, to attack by writing, speech, or any other methods short of physical force the Constitution and the very existence of the Union. Under the shelter of this great liberty, and protected by the laws and usages of the Government they assail, associations have been formed in some of the States of individuals who, pretending to seek only to prevent the spread of the institution of slavery into the present or future inchoate States of the Union, are really inflamed with desire to change the domestic institutions of existing States. To accomplish their objects they dedicate themselves to the odious task of depreciating the government organization which stands in their way and of calumniating with indiscriminate invective not only the citizens of particular States with whose laws they find fault, but all others of their fellow citizens throughout the country who do not participate with them in their assaults upon the Constitution, framed and adopted by our fathers, and claiming for the privileges it has secured and the blessings it has conferred the steady support and grateful reverence of their children. They seek an object which they well know to be a revolutionary one. They are perfectly aware that the change in the relative condition of the white and black races in the slaveholding States which they would promote is beyond their lawful authority; that to them it is a foreign object; that it can not be effected by any peaceful instrumentality of theirs; that for them and the States of which they are citizens the only path to its accomplishment is through burning cities, and ravaged fields, and slaughtered populations, and all there is most terrible in foreign complicated with civil and servile war; and that the

Page 882

first step in the attempt is the forcible disruption of a country embracing in its broad bosom a degree of liberty and an amount of individual and public prosperity to which there is no parallel in history, and substituting in its place hostile governments, driven at once and inevitably into mutual devastation and fratricidal carnage, transforming the now peaceful and felicitous brotherhood into a vast permanent camp of armed men like the rival monarchies of Europe and Asia. Well knowing that such, and such only, are the means and the consequences of their plans and purposes, they endeavor to prepare the people of the United States for civil war by doing everything in their power to deprive the Constitution and the laws of moral authority and to undermine the fabric of the Union by appeals to passion and sectional prejudice, by indoctrinating its people with reciprocal hatred, and by educating them to stand face to face as enemies, rather than shoulder to shoulder as friends.

It is by the agency of such unwarrantable interference, foreign and domestic, that the minds of many otherwise good citizens have been so inflamed into the passionate condemnation of the domestic institutions of the Southern States as at length to pass insensibly to almost equally passion late hostility toward their fellow-citizens of those States, and thus finally to fall into temporary fellowship with the avowed and active enemies of the Constitution. Ardently attached to liberty in the abstract, they do not stop to consider practically how the objects they would attain can be accomplished, nor to reflect that, even if the evil were as great as they deem it, they have no remedy to apply, and that it can be only aggravated by their violence and unconstitutional action. A question which is one of the most difficult of all the problems of social institution, political economy, and statesmanship they treat with unreasoning intemperance of thought and language. Extremes beget extremes. Violent attack from the North finds its inevitable consequence in the growth of a spirit of angry defiance at the South. Thus in the progress of events we had reached that consummation, which the voice of the people has now so pointedly rebuked, of the attempt of a portion of the States, by a sectional organization and movement, to usurp the control of the Government of the United States.

I confidently believe that the great body of those who inconsiderately took this fatal step are sincerely attached to the Constitution and the Union. They would upon deliberation shrink with unaffected horror from any conscious act of disunion or civil war. But they have entered into a path which leads nowhere unless it be to civil war and disunion, and which has no other possible outlet. They have proceeded thus far in that direction in consequence of the successive stages of their progress having consisted of a series of secondary issues, each of which professed to be confined within constitutional and peaceful limits, but which attempted indirectly what few men were willing to do directly; that is, to act aggressively against the constitutional rights of nearly one-half of the thirty-one States.

Page 883

In the long series of acts of indirect aggression, the first was the strenuous agitation by citizens of the Northern States, in Congress and out of it, of the question of Negro emancipation in the Southern States.

The second step in this path of evil consisted of acts of the people of the Northern States, and in several instances of their governments, aimed to facilitate the escape of persons held to service in the Southern States and to prevent their extradition when reclaimed according to law and in virtue of express provisions of the Constitution. To promote this object, legislative enactments and other means were adopted to take away or defeat rights which the Constitution solemnly guaranteed. In order to nullify the then existing act of Congress concerning the extradition of fugitives from service, laws were enacted in many States forbidding their officers, under the severest penalties, to participate in the execution of any act of Congress whatever. In this way that system of harmonious cooperation between the authorities of the United States and of the several States, for the maintenance of their common institutions, which existed in the early years of the Republic was destroyed; conflicts of jurisdiction came to be frequent, and Congress found itself compelled, for the support of the Constitution and the vindication of its power, to authorize the appointment of new officers charged with the execution of its acts, as if they and the officers of the States were the ministers, respectively, of foreign governments in a state of mutual hostility rather than fellow-magistrates of a common country peacefully subsisting under the protection of one well-constituted Union. Thus here also aggression was followed by reaction, and the attacks upon the Constitution at this point did but serve to raise up new barriers for its defense and security.

The third stage of this unhappy sectional controversy was in connection with the organization of Territorial governments and the admission of new States into the Union. When it was proposed to admit the State of Maine, by separation of territory from that of Massachusetts, and the State of Missouri, formed of a portion of the territory ceded by France to the United States, representatives in Congress objected to the admission of the latter unless with conditions suited to particular views of public policy. The imposition of such a condition was successfully resisted; but at the same period the question was presented of imposing restrictions upon the residue of the territory ceded by France. That question was for the time disposed of by the adoption of a geographical line of limitation.

Page 884

In this connection it should not be forgotten that when France, of her own accord, resolved, for considerations of the most farsighted sagacity, to cede Louisiana to the United States, and that accession was accepted by the United States, the latter expressly engaged that “the inhabitants of the ceded territory shall be incorporated in the Union of the United States and admitted as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of citizens of the United States; and in the meantime they shall be maintained and protected in the free enjoyment of their liberty, property, and the religion which they profess;” that is to say, while it remains in a Territorial condition its inhabitants are maintained and protected in the free enjoyment of their liberty and property, with a right then to pass into the condition of States on a footing of perfect equality with the original States.

The enactment which established the restrictive geographical line was acquiesced in rather than approved by the States of the Union. It stood on the statute book, however, for a number of years; and the people of the respective States acquiesced in the reenactment of the principle as applied to the State of Texas, and it was proposed to acquiesce in its further application to the territory acquired by the United States from Mexico. But this proposition was successfully resisted by the representatives from the Northern States, who, regardless of the statute line, insisted upon applying restriction to the new territory generally, whether lying north or south of it, thereby repealing it as a legislative compromise, and, on the part of the North, persistently violating the compact, if compact there was.

Thereupon this enactment ceased to have binding virtue in any sense, whether as respects the North or the South, and so in effect it was treated on the occasion of the admission of the State of California and the organization of the Territories of New Mexico, Utah, and Washington.

Such was the state of this question when the time arrived for the organization of the Territories of Kansas and Nebraska. In the progress of constitutional inquiry and reflection it had now at length come to be seen clearly that Congress does not possess constitutional power to impose restrictions of this character upon any present or future State of the Union. In a long series of decisions, on the fullest argument and after the most deliberate consideration, the Supreme Court of the United States had finally determined this point in every form under which the question could arise, whether as affecting public or private rights—in questions of the public domain, of religion, of navigation, and of servitude.

Page 885

The several States of the Union are by force of the Constitution coequal in domestic legislative power. Congress can not change a law of domestic relation in the State of Maine; no more can it in the State of Missouri. Any statute which proposes to do this is a mere nullity; it takes away no right, it confers none. If it remains on the statute book unrepealed, it remains there only as a monument of error and a beacon of warning to the legislator and the statesman. To repeal it will be only to remove imperfection from the statutes, without affecting, either in the sense of permission, or of prohibition, the action of the States or of their citizens.

Still, when the nominal restriction of this nature, already a dead letter in law, was in terms repealed by the last Congress, in a clause of the act organizing the Territories of Kansas and Nebraska, that repeal was made the occasion of a widespread and dangerous agitation. It was alleged that the original enactment being a compact of perpetual moral obligation, its repeal constituted an odious breach of faith. An act of Congress, while it remains unrepealed, more especially if it be constitutionally valid in the judgment of those public functionaries whose duty it is to pronounce on that point, is undoubtedly binding on the conscience of each good citizen of the Republic. But in what sense can it be asserted that the enactment in question was invested with perpetuity and entitled to the respect of a solemn Compact? Between whom was the compact? No distinct contending powers of the Government, no separate sections of the Union treating as such, entered into treaty stipulations on the subject. It was a mere clause of an act of Congress, and, like any other controverted matter of legislation, received its final shape and was passed by compromise of the conflicting opinions or sentiments of the members of Congress. But if it had moral authority over men's consciences, to whom did this authority attach? Not to those of the North, who had repeatedly refused to confirm it by extension and who had zealously striven to establish other and incompatible regulations upon the subject. And if, as it thus appears, the supposed compact had no obligatory force as to the North, of course it could not have had any as to the South, for all such compacts must be mutual and of reciprocal obligation.

It has not unfrequently happened that lawgivers, with undue estimation of the value of the law they give or in the view of imparting to it peculiar strength, make it perpetual in terms; but they can not thus bind the conscience, the judgment, and the will of those who may succeed them, invested with similar responsibilities and clothed with equal authority. More careful investigation may prove the law to be unsound in principle. Experience may show it to be imperfect in detail and impracticable in execution. And then both reason and right combine not merely to justify but to require its repeal.

Page 886

The Constitution, supreme, as it is, over all the departments of the Government—-legislative, executive, and judicial—is open to amendment by its very terms; and Congress or the States may, in their discretion, propose amendment to it, solemn compact though it in truth is between the sovereign States of the Union. In the present instance a political enactment which had ceased to have legal power or authority of any kind was repealed. The position assumed that Congress had no moral right to enact such repeal was strange enough, and singularly so in view of the fact that the argument came from those who openly refused obedience to existing laws of the land, having the same popular designation and quality as compromise acts; nay, more, who unequivocally disregarded and condemned the most positive and obligatory injunctions of the Constitution itself, and sought by every means within their reach to deprive a portion of their fellow-citizens of the equal enjoyment of those rights and privileges guaranteed alike to all by the fundamental compact of our Union.

This argument against the repeal of the statute line in question was accompanied by another of congenial character and equally with the former destitute of foundation in reason and truth. It was imputed that the measure originated in the conception of extending the limits of slave labor beyond those previously assigned to it, and that such was its natural as well as intended effect; and these baseless assumptions were made, in the Northern States, the ground of unceasing assault upon constitutional right.

The repeal in terms of a statute, which was already obsolete and also null for unconstitutionality, could have no influence to obstruct or to promote the propagation of conflicting views of political or social institution. When the act organizing the Territories of Kansas and Nebraska was passed, the inherent effect upon that portion of the public domain thus opened to legal settlement was to admit settlers from all the States of the Union alike, each with his convictions of public policy and private interest, there to found, in their discretion, subject to such limitations as the Constitution and acts of Congress might prescribe, new States, hereafter to be admitted into the Union. It was a free field, open alike to all, whether the statute line of assumed restriction were repealed or not. That repeal did not open to free competition of the diverse opinions and domestic institutions a field which without such repeal would have been closed against them; it found that field of competition already opened, in fact and in law. All the repeal did was to relieve the statute book of an objectionable enactment, unconstitutional in effect and injurious in terms to a large portion of the States.

Page 887

Is it the fact that in all the unsettled regions of the United States, if emigration be left free to act in this respect for itself, without legal prohibitions on either side, slave labor will spontaneously go everywhere in preference to free labor? Is it the fact that the peculiar domestic institutions of the Southern States possess relatively so much of vigor that wheresoever an avenue is freely opened to all the world they will penetrate to the exclusion of those of the Northern States? Is it the fact that the former enjoy, compared with the latter, such irresistibly superior vitality, independent of climate, soil, and all other accidental circumstances, as to be able to produce the supposed result in spite of the assumed moral and natural obstacles to its accomplishment and of the more numerous population of the Northern States? The argument of those who advocate the enactment of new laws of restriction and condemn the repeal of old ones in effect avers that their particular views of government have no self-extending or self-sustaining power of their own, and will go nowhere unless forced by act of Congress. And if Congress do but pause for a moment in the policy of stern coercion; if it venture to try the experiment of leaving men to judge for themselves what institutions will best suit them; if it be not strained up to perpetual legislative exertion on this point—if Congress proceed thus to act in the very spirit of liberty, it is at once charged with aiming to extend slave labor into all the new Territories of the United States.

Of course these imputations on the intentions of Congress in this respect, conceived, as they were, in prejudice and disseminated in passion, are utterly destitute of any justification in the nature of things and contrary to all the fundamental doctrines and principles of civil liberty and self-government.

While, therefore, in general, the people of the Northern States have never at any time arrogated for the Federal Government the power to interfere directly with the domestic condition of persons in the Southern States, but, on the contrary, have disavowed all such intentions and have shrunk from conspicuous affiliation with those few who pursue their fanatical objects avowedly through the contemplated means of revolutionary change of the Government and with acceptance of the necessary consequences—a civil and servile war—yet many citizens have suffered themselves to be drawn into one evanescent political issue of agitation after another, appertaining to the same set of opinions, and which subsided as rapidly as they arose when it came to be seen, as it uniformly did, that they were incompatible with the compacts of the Constitution and the existence of the Union. Thus when the acts of some of the States to nullify the existing extradition law imposed upon Congress the duty of passing a new one, the country was invited by agitators to enter into party organization for its repeal; but

Page 888

that agitation speedily ceased by reason of the impracticability of its object. So when the statute restriction upon the institutions of new States by a geographical line had been repealed, the country was urged to demand its restoration, and that project also died almost with its birth. Then followed the cry of alarm from the North against imputed Southern encroachments, which cry sprang in reality from the spirit of revolutionary attack on the domestic institutions of the South, and, after a troubled existence of a few months, has been rebuked by the voice of a patriotic people.

Of this last agitation, one lamentable feature was that it was carried on at the immediate expense of the peace and happiness of the people of the Territory of Kansas. That was made the battlefield, not so much of opposing factions or interests within itself as of the conflicting passions of the whole people of the United States. Revolutionary disorder in Kansas had its origin in projects of intervention deliberately arranged by certain members of that Congress which enacted the law for the organization of the Territory; and when propagandist colonization of Kansas had thus been undertaken in one section of the Union for the systematic promotion of its peculiar views of policy there ensued as a matter of course a counteraction with opposite views in other sections of the Union.

In consequence of these and other incidents, many acts of disorder, it is undeniable, have been perpetrated in Kansas, to the occasional interruption rather than the permanent suspension of regular government. Aggressive and most reprehensible incursions into the Territory were undertaken both in the North and the South, and entered it on its northern border by the way of Iowa, as well as on the eastern by way of Missouri; and there has existed within it a state of insurrection against the constituted authorities, not without countenance from inconsiderate persons in each of the great sections of the Union. But the difficulties in that Territory have been extravagantly exaggerated for purposes of political agitation elsewhere. The number and gravity of the acts of violence have been magnified partly by statements entirely untrue and partly by reiterated accounts of the same rumors or facts. Thus the Territory has been seemingly filled with extreme violence, when the whole amount of such acts has not been greater than what occasionally passes before us in single cities to the regret of all good citizens, but without being regarded as of general or permanent political consequence.

Imputed irregularities in the elections had in Kansas, like occasional irregularities of the same description in the States, were beyond the sphere of action of the Executive. But incidents of actual violence or of organized obstruction of law, pertinaciously renewed from time to time, have been met as they occurred by such means as were available and as the circumstances required, and nothing of this character now remains

Page 889

to affect the general peace of the Union. The attempt of a part of the inhabitants of the Territory to erect a revolutionary government, though sedulously encouraged and supplied with pecuniary aid from active agents of disorder in some of the States, has completely failed. Bodies of armed men, foreign to the Territory, have been prevented from entering or compelled to leave it; predatory bands, engaged in acts of rapine under cover of the existing political disturbances, have been arrested or dispersed, and every well-disposed person is now enabled once more to devote himself in peace to the pursuits of prosperous industry, for the prosecution of which he undertook to participate in the settlement of the Territory.

It affords me unmingled satisfaction thus to announce the peaceful condition of things in Kansas, especially considering the means to which it was necessary to have recourse for the attainment of the end, namely, the employment of a part of the military force of the United States. The withdrawal of that force from its proper duty of defending the country against foreign foes or the savages of the frontier to employ it for the suppression of domestic insurrection is, when the exigency occurs, a matter of the most earnest solicitude. On this occasion of imperative necessity it has been done with the best results, and my satisfaction in the attainment of such results by such means is greatly enhanced by the consideration that, through the wisdom and energy of the present executive of Kansas and the prudence, firmness, and vigilance of the military officers on duty there tranquillity has been restored without one drop of blood having been shed in its accomplishment by the forces of the United States.

The restoration of comparative tranquillity in that Territory furnishes the means of observing calmly and appreciating at their just value the events which have occurred there and the discussions of which the government of the Territory has been the subject. We perceive that controversy concerning its future domestic institutions was inevitable; that no human prudence, no form of legislation, no wisdom on the part of Congress, could have prevented it.

It is idle to suppose that the particular provisions of their organic law were the cause of agitation. Those provisions were but the occasion, or the pretext, of an agitation which was inherent in the nature of things. Congress legislated upon the subject in such terms as were most consonant with the principle of popular sovereignty which underlies our Government. It could not have legislated otherwise without doing violence to another great principle of our institutions—the imprescriptible right of equality of the several States.

Page 890

We perceive also that sectional interests and party passions have been the great impediment to the salutary operation of the organic principles adopted and the chief cause of the successive disturbances in Kansas. The assumption that because in the organization of the Territories of Nebraska and Kansas Congress abstained from imposing restraints upon them to which certain other Territories had been subject, therefore disorders occurred in the latter Territory, is emphatically contradicted by the fact that none have occurred in the former. Those disorders were not the consequence, in Kansas, of the freedom of self-government conceded to that Territory by Congress, but of unjust interference on the part of persons not inhabitants of the Territory. Such interference, wherever it has exhibited itself by acts of insurrectionary character or of obstruction to process of law, has been repelled or suppressed by all the means which the Constitution and the laws place in the hands of the Executive.

In those parts of the United States where, by reason of the inflamed state of the public mind, false rumors and misrepresentations have the greatest currency it has been assumed that it was the duty of the Executive not only to suppress insurrectionary movements in Kansas, but also to see to the regularity of local elections. It needs little argument to show that the President has no such power. All government in the United States rests substantially upon popular election. The freedom of elections is liable to be impaired by the intrusion of unlawful votes or the exclusion of lawful ones, by improper influences, by violence, or by fraud. But the people of the United States are themselves the all sufficient guardians of their own rights, and to suppose that they will not remedy in due season any such incidents of civil freedom is to suppose them to have ceased to be capable of self-government. The President of the United States has not power to interpose in elections, to see to their freedom, to canvass their votes, or to pass upon their legality in the Territories any more than in the States. If he had such power the Government might be republican in form, but it would be a monarchy in fact; and if he had undertaken to exercise it in the case of Kansas he would have been justly subject to the charge of usurpation and of violation of the dearest rights of the people of the United States.

Unwise laws, equally with irregularities at elections, are in periods of great excitement the occasional incidents of even the freest and best political institutions; but all experience demonstrates that in a country like ours, where the right of self-constitution exists in the completest form, the attempt to remedy unwise legislation by resort to revolution is totally out of place, inasmuch as existing legal institutions afford more prompt and efficacious means for the redress of wrong.

Page 891

I confidently trust that now, when the peaceful condition of Kansas affords opportunity for calm reflection and wise legislation, either the legislative assembly of the Territory or Congress will see that no act shall remain on its statute book violative of the provisions of the Constitution or subversive of the great objects for which that was ordained and established, and will take all other necessary steps to assure to its inhabitants the enjoyment, without obstruction or abridgment, of all the constitutional rights, privileges, and immunities of citizens of the United States, as contemplated by the organic law of the Territory.

Full information in relation to recent events in this Territory will be found in the documents communicated herewith from the Departments of State and War.

I refer you to the report of the Secretary of the Treasury for particular information concerning the financial condition of the Government and the various branches of the public service connected with the Treasury Department.

During the last fiscal year the receipts from customs were for the first time more than $64,000,000, and from all sources $73,918,141, which, with the balance on hand up to the 1st of July, 1855, made the total resources of the year amount to $92,850,117. The expenditures, including $3,000,000 in execution of the treaty with Mexico and excluding sums paid on account of the public debt, amounted to $60,172,401, and including the latter to $72,948,792, the payment on this account having amounted to $12,776,390.

On the 4th of March, 1853, the amount of the public debt was $69,129,937. There was a subsequent increase of $2,750,000 for the debt of Texas, making a total of $71,879,937. Of this the sum of $45,525,319, including premium, has been discharged, reducing the debt to $30,963,909, all which might be paid within a year without embarrassing the public service, but being not yet due and only redeemable at the option of the holder, can not be pressed to payment by the Government.

On examining the expenditures of the last five years it will be seen that the average, deducting payments on account of the public debt and $10,000,000 paid by treaty to Mexico, has been but about $48,000,000. It is believed that under an economical administration of the Government the average expenditure for the ensuing five years will not exceed that sum, unless extraordinary occasion for its increase should occur. The acts granting bounty lands will soon have been executed, while the extension of our frontier settlements will cause a continued demand for lands and augmented receipts, probably, from that source. These considerations will justify a reduction of the revenue from customs so as not to exceed forty-eight or fifty million dollars. I think the exigency for such reduction is imperative, and again urge it upon the consideration of Congress.

The amount of reduction, as well as the manner of effecting it, are questions of great and general interest, it being essential to industrial enterprise and the public prosperity,

as well as the dictate of obvious justice, that the burden of taxation be made to rest as equally as possible upon all classes and all sections and interests of the country.

Page 892

I have heretofore recommended to your consideration the revision of the revenue laws, prepared under the direction of the Secretary of the Treasury, and also legislation upon some special questions affecting the business of that Department, more especially the enactment of a law to punish the abstraction of official books or papers from the files of the Government and requiring all such books and papers and all other public property to be turned over by the outgoing officer to his successor; of a law requiring disbursing officers to deposit all public money in the vaults of the Treasury or in other legal depositories, where the same are conveniently accessible, and a law to extend existing penal provisions to all persons who may become possessed of public money by deposit or otherwise and who shall refuse or neglect on due demand to pay the same into the Treasury. I invite your attention anew to each of these objects.

The Army during the past year has been so constantly employed against hostile Indians in various quarters that it can scarcely be said, with propriety of language, to have been a peace establishment. Its duties have been satisfactorily performed, and we have reason to expect as a result of the year's operations greater security to the frontier inhabitants than has been hitherto enjoyed. Extensive combinations among the hostile Indians of the Territories of Washington and Oregon at one time threatened the devastation of the newly formed settlements of that remote portion of the country. From recent information we are permitted to hope that the energetic and successful operations conducted there will prevent such combinations in future and secure to those Territories an opportunity to make steady progress in the development of their agricultural and mineral resources.

Legislation has been recommended by me on previous occasions to cure defects in the existing organization and to increase the efficiency of the Army, and further observation has but served to confirm me in the views then expressed and to enforce on my mind the conviction that such measures are not only proper, but necessary.

I have, in addition, to invite the attention of Congress to a change of policy in the distribution of troops and to the necessity of providing a more rapid increase of the military armament. For details of these and other subjects relating to the Army I refer to the report of the Secretary of War.

The condition of the Navy is not merely satisfactory, but exhibits the most gratifying evidences of increased vigor. As it is comparatively small, it is more important that it should be as complete as possible in all the elements of strength; that it should be efficient in the character of its officers, in the zeal and discipline of its men, in the reliability of its ordnance, and in the capacity of its ships. In all these various qualities the Navy has made great progress within the last few years. The execution

Page 893

of the law of Congress of February 28, 1855, “to promote the efficiency of the Navy,” has been attended by the most advantageous results. The law for promoting discipline among the men is found convenient and salutary. The system of granting an honorable discharge to faithful seamen on the expiration of the period of their enlistment and permitting them to reenlist after a leave of absence of a few months without cessation of pay is highly beneficial in its influence. The apprentice system recently adopted is evidently destined to incorporate into the service a large number of our countrymen, hitherto so difficult to procure. Several hundred American boys are now on a three years’ cruise in our national vessels and will return well-trained seamen. In the Ordnance Department there is a decided and gratifying indication of progress, creditable to it and to the country. The suggestions of the Secretary of the Navy in regard to further improvement in that branch of the service I commend to your favorable action. The new frigates ordered by Congress are now afloat and two of them in active service. They are superior models of naval architecture, and with their formidable battery add largely to public strength and security. I concur in the views expressed by the Secretary of the Department in favor of a still further increase of our naval force.

The report of the Secretary of the Interior presents facts and views in relation to internal affairs over which the supervision of his Department extends of much interest and importance.

The aggregate sales of the public lands during the last fiscal year amount to 9,227,878 acres, for which has been received the sum of $8,821,414. During the same period there have been located with military scrip and land warrants and for other purposes 30,100,230 acres, thus making a total aggregate of 39,328,108 acres. On the 30th of September last surveys had been made of 16,873,699 acres, a large proportion of which is ready for market.

The suggestions in this report in regard to the complication and progressive expansion of the business of the different bureaus of the Department, to the pension system, to the colonization of Indian tribes, and the recommendations in relation to various improvements in the District of Columbia are especially commended to your consideration.

The report of the Postmaster-General presents fully the condition of that Department of the Government. Its expenditures for the last fiscal year were $10,407,868 and its gross receipts $7,620,801, making an excess of expenditure over receipts of $2,787,046. The deficiency of this Department is thus $744,000 greater than for the year ending June 30, 1853. Of this deficiency $330,000 is to be attributed to the additional compensation allowed to postmasters by the act of Congress of June 22, 1854. The mail facilities in every part of the country have been very much increased in

that period, and the large addition of railroad service, amounting to 7,908 miles, has added largely to the cost of transportation.

Page 894

The inconsiderable augmentation of the income of the Post-Office Department under the reduced rates of postage and its increasing expenditures must for the present make it dependent to some extent upon the Treasury for support. The recommendations of the Postmaster-General in relation to the abolition of the franking privilege and his views on the establishment of mail steamship lines deserve the consideration of Congress. I also call the special attention of Congress to the statement of the Postmaster-General respecting the sums now paid for the transportation of mails to the Panama Railroad Company, and commend to their early and favorable consideration the suggestions of that officer in relation to new contracts for mail transportation upon that route, and also upon the Tehuantepec and Nicaragua routes.

The United States continue in the enjoyment of amicable relations with all foreign powers.

When my last annual message was transmitted to Congress two subjects of controversy, one relating to the enlistment of soldiers in this country for foreign service and the other to Central America, threatened to disturb the good understanding between the United States and Great Britain. Of the progress and termination of the former question you were informed at the time, and the other is now in the way of satisfactory adjustment.

The object of the convention between the United States and Great Britain of the 19th of April, 1850, was to secure for the benefit of all nations the neutrality and the common use of any transit way or interoceanic communication across the Isthmus of Panama which might be opened within the limits of Central America. The pretensions subsequently asserted by Great Britain to dominion or control over territories in or near two of the routes, those of Nicaragua and Honduras, were deemed by the United States not merely incompatible with the main object of the treaty, but opposed even to its express stipulations. Occasion of controversy on this point has been removed by an additional treaty, which our minister at London has concluded, and which will be immediately submitted to the Senate for its consideration. Should the proposed supplemental arrangement be concurred in by all the parties to be affected by it, the objects contemplated by the original convention will have been fully attained.

The treaty between the United States and Great Britain of the 5th of June, 1854, which went into effective operation in 1855, put an end to causes of irritation between the two countries, by securing to the United States the right of fishery on the coast of the British North American Provinces, with advantages equal to those enjoyed by British subjects. Besides the signal benefits of this treaty to a large class of our citizens engaged in a pursuit connected to no inconsiderable degree with our national prosperity and strength, it has had a favorable effect upon other interests in the provision it made for reciprocal freedom of trade between the United States and the British Provinces in America. The exports of domestic articles to those Provinces during the last year amounted to more than $22,000,000, exceeding those of the preceding year by nearly $7,000,000; and the

imports therefrom during the same period amounted to more than twenty-one million, an increase of six million upon those of the previous year.

Page 895

The improved condition of this branch of our commerce is mainly attributable to the above-mentioned treaty.

Provision was made in the first article of that treaty for a commission to designate the mouths of rivers to which the common right of fishery on the coast of the United States and the British Provinces was not to extend. This commission has been employed a part of two seasons, but without much progress in accomplishing the object for which it was instituted, in consequence of a serious difference of opinion between the commissioners, not only as to the precise point where the rivers terminate, but in many instances as to what constitutes a river. These difficulties, however, may be overcome by resort to the umpirage provided for by the treaty.

The efforts perseveringly prosecuted since the commencement of my Administration to relieve our trade to the Baltic from the exaction of Sound dues by Denmark have not yet been attended with success. Other governments have also sought to obtain a like relief to their commerce, and Denmark was thus induced to propose an arrangement to all the European powers interested in the subject, and the manner in which her proposition was received warranting her to believe that a satisfactory arrangement with them could soon be concluded, she made a strong appeal to this Government for temporary suspension of definite action on its part, in consideration of the embarrassment which might result to her European negotiations by an immediate adjustment of the question with the United States. This request has been acceded to upon the condition that the sums collected after the 16th of June last and until the 16th of June next from vessels and cargoes belonging to our merchants are to be considered as paid under protest and subject to future adjustment. There is reason to believe that an arrangement between Denmark and the maritime powers of Europe on the subject will be soon concluded, and that the pending negotiation with the United States may then be resumed and terminated in a satisfactory manner.

With Spain no new difficulties have arisen, nor has much progress been made in the adjustment of pending ones.

Negotiations entered into for the purpose of relieving our commercial intercourse with the island of Cuba of some of its burdens and providing for the more speedy settlement of local disputes growing out of that intercourse have not yet been attended with any results. Soon after the commencement of the late war in Europe this Government submitted to the consideration of all maritime nations two principles for the security of neutral commerce—one that the neutral flag should cover enemies' goods, except articles contraband of war, and the other that neutral property on board merchant vessels of belligerents should be exempt from condemnation, with the exception of contraband articles. These were not presented as new rules of international law, having been generally claimed

Page 896

by neutrals, though not always admitted by belligerents. One of the parties to the war (Russia), as well as several neutral powers, promptly acceded to these propositions, and the two other principal belligerents (Great Britain and France) having consented to observe them for the present occasion, a favorable opportunity seemed to be presented for obtaining a general recognition of them, both in Europe and America. But Great Britain and France, in common with most of the States of Europe, while forbearing to reject, did not affirmatively act upon the overtures of the United States.

While the question was in this position the representatives of Russia, France, Great Britain, Austria, Prussia, Sardinia, and Turkey, assembled at Paris, took into consideration the subject of maritime rights, and put forth a declaration containing the two principles which this Government had submitted nearly two years before to the consideration of maritime powers, and adding thereto the following propositions: “Privateering is and remains abolished,” and “Blockades in order to be binding must be effective; that is to say, maintained by a force sufficient really to prevent access to the coast of the enemy;” and to the declaration thus composed of four points, two of which had already been proposed by the United States, this Government has been invited to accede by all the powers represented at Paris except Great Britain and Turkey. To the last of the two additional propositions—that in relation to blockades—there can certainly be no objection. It is merely the definition of what shall constitute the effectual investment of a blockaded place, a definition for which this Government has always contended, claiming indemnity for losses where a practical violation of the rule thus defined has been injurious to our commerce. As to the remaining article of the declaration of the conference of Paris, that “privateering is and remains abolished,” I certainly can not ascribe to the powers represented in the conference of Paris any but liberal and philanthropic views in the attempt to change the unquestionable rule of maritime law in regard to privateering. Their proposition was doubtless intended to imply approval of the principle that private property upon the ocean, although it might belong to the citizens of a belligerent state, should be exempted from capture; and had that proposition been so framed as to give full effect to the principle, it would have received my ready assent on behalf of the United States. But the measure proposed is inadequate to that purpose. It is true that if adopted private property upon the ocean would be withdrawn from one mode of plunder, but left exposed meanwhile to another mode, which could be used with increased effectiveness. The aggressive capacity of great naval powers would be thereby augmented, while the defensive ability of others would be reduced. Though the surrender of the means of prosecuting hostilities by employing privateers, as proposed by the conference

Page 897

of Paris, is mutual in terms, yet in practical effect it would be the relinquishment of a right of little value to one class of states, but of essential importance to another and a far larger class. It ought not to have been anticipated that a measure so inadequate to the accomplishment of the proposed object and so unequal in its operation would receive the assent of all maritime powers. Private property would be still left to the depredations of the public armed cruisers.

I have expressed a readiness on the part of this Government to accede to all the principles contained in the declaration of the conference of Paris provided that the one relating to the abandonment of privateering can be so amended as to effect the object for which, as is presumed, it was intended—the immunity of private property on the ocean from hostile capture. To effect this object, it is proposed to add to the declaration that “privateering is and remains abolished” the following amendment:

And that the private property of subjects and citizens of a belligerent on the high seas shall be exempt from seizure by the public armed vessels of the other belligerent, except it be contraband.

This amendment has been presented not only to the powers which have asked our assent to the declaration to abolish privateering, but to all other maritime states. Thus far it has not been rejected by any, and is favorably entertained by all which have made any communication in reply.

Several of the governments regarding with favor the proposition of the United States have delayed definitive action upon it only for the purpose of consulting with others, parties to the conference of Paris. I have the satisfaction of stating, however, that the Emperor of Russia has entirely and explicitly approved of that modification and will cooperate in endeavoring to obtain the assent of other powers, and that assurances of a similar purport have been received in relation to the disposition of the Emperor of the French. The present aspect of this important subject allows us to cherish the hope that a principle so humane in its character, so just and equal in its operation, so essential to the prosperity of commercial nations, and so consonant to the sentiments of this enlightened period of the world will command the approbation of all maritime powers, and thus be incorporated into the code of international law.

My views on the subject are more fully set forth in the reply of the Secretary of State, a copy of which is herewith transmitted, to the communications on the subject made to this Government, especially to the communication of France.

The Government of the United States has at all times regarded with friendly interest the other States of America, formerly, like this country, European colonies, and now independent members of the great family of nations. But the unsettled condition of

some of them, distracted by frequent revolutions, and thus incapable of regular and firm internal administration, has tended to embarrass occasionally our public intercourse by reason of wrongs which our citizens suffer at their hands, and which they are slow to redress.

Page 898

Unfortunately, it is against the Republic of Mexico, with which it is our special desire to maintain a good understanding, that such complaints are most numerous; and although earnestly urged upon its attention, they have not as yet received the consideration which this Government had a right to expect. While reparation for past injuries has been withheld, others have been added. The political condition of that country, however, has been such as to demand forbearance on the part of the United States. I shall continue my efforts to procure for the wrongs of our citizens that redress which is indispensable to the continued friendly association of the two Republics.

The peculiar condition of affairs in Nicaragua in the early part of the present year rendered it important that this Government should have diplomatic relations with that State. Through its territory had been opened one of the principal thoroughfares across the isthmus connecting North and South America, on which a vast amount of property was transported and to which our citizens resorted in great numbers in passing between the Atlantic and Pacific coasts of the United States. The protection of both required that the existing power in that State should be regarded as a responsible Government, and its minister was accordingly received. But he remained here only a short time. Soon thereafter the political affairs of Nicaragua underwent unfavorable change and became involved in much uncertainty and confusion. Diplomatic representatives from two contending parties have been recently sent to this Government, but with the imperfect information possessed it was not possible to decide which was the Government de facto, and, awaiting further developments, I have refused to receive either.

Questions of the most serious nature are pending between the United States and the Republic of New Granada. The Government of that Republic undertook a year since to impose tonnage duties on foreign vessels in her ports, but the purpose was resisted by this Government as being contrary to existing treaty stipulations with the United States and to rights conferred by charter upon the Panama Railroad Company, and was accordingly refurbished at that time, it being admitted that our vessels were entitled to be exempt from tonnage duty in the free ports of Panama and Aspinwall. But the purpose has been recently revived on the part of New Granada by the enactment of a law to subject vessels visiting her ports to the tonnage duty of 40 cents per ton, and although the law has not been put in force, yet the right to enforce it is still asserted and may at any time be acted on by the Government of that Republic.

The Congress of New Granada has also enacted a law during the last year which levies a tax of more than $3 on every pound of mail matter transported across the Isthmus. The sum thus required to be paid on the mails of the United States would be nearly $2,000,000 annually in addition to the large sum payable by contract to the Panama Railroad Company. If the only objection to this exaction were the exorbitancy of its amount, it could not be submitted to by the United States.

Page 899

The imposition of it, however, would obviously contravene our treaty with New Granada and infringe the contract of that Republic with the Panama Railroad Company. The law providing for this tax was by its terms to take effect on the 1st of September last, but the local authorities on the Isthmus have been induced to suspend its execution and to await further instructions on the subject from the Government of the Republic. I am not yet advised of the determination of that Government. If a measure so extraordinary in its character and so clearly contrary to treaty stipulations and the contract rights of the Panama Railroad Company, composed mostly of American citizens, should be persisted in, it will be the duty of the United States to resist its execution.

I regret exceedingly that occasion exists to invite your attention to a subject of still graver import in our relations with the Republic of New Granada. On the 15th day of April last a riotous assemblage of the inhabitants of Panama committed a violent and outrageous attack on the premises of the railroad company and the passengers and other persons in or near the same, involving the death of several citizens of the United States, the pillage of many others, and the destruction of a large amount of property belonging to the railroad company. I caused full investigation of that event to be made, and the result shows satisfactorily that complete responsibility for what occurred attaches to the Government of New Granada. I have therefore demanded of that Government that the perpetrators of the wrongs in question should be punished; that provision should be made for the families of citizens of the United States who were killed, with full indemnity for the property pillaged or destroyed.

The present condition of the Isthmus of Panama, in so far as regards the security of persons and property passing over it, requires serious consideration. Recent incidents tend to show that the local authorities can not be relied on to maintain the public peace of Panama, and there is just ground for apprehension that a portion of the inhabitants are meditating further outrages, without adequate measures for the security and protection of persons or property having been taken, either by the State of Panama or by the General Government of New Granada. Under the guaranties of treaty, citizens of the United States have, by the outlay of several million dollars, constructed a railroad across the Isthmus, and it has become the main route between our Atlantic and Pacific possessions, over which multitudes of our citizens and a vast amount of property are constantly passing; to the security and protection of all which and the continuance of the public advantages involved it is impossible for the Government of the United States to be indifferent.

Page 900

I have deemed the danger of the recurrence of scenes of lawless violence in this quarter so imminent as to make it my duty to station a part of our naval force in the harbors of Panama and Aspinwall, in order to protect the persons and property of the citizens of the United States in those ports and to insure to them safe passage across the Isthmus. And it would, in my judgment, be unwise to withdraw the naval force now in those ports until, by the spontaneous action of the Republic of New Granada or otherwise, some adequate arrangement shall have been made for the protection and security of a line of interoceanic communication, so important at this time not to the United States only, but to all other maritime states, both of Europe and America.

Meanwhile negotiations have been instituted, by means of a special commission, to obtain from New Granada full indemnity for injuries sustained by our citizens on the Isthmus and satisfactory security for the general interests of the United States.

In addressing to you my last annual message the occasion seems to me an appropriate one to express my congratulations, in view of the peace, greatness, and felicity which the United States now possess and enjoy. To point you to the state of the various Departments of the Government and of all the great branches of the public service, civil and military, in order to speak of the intelligence and the integrity which pervades the whole, would be to indicate but imperfectly the administrative condition of the country and the beneficial effects of that on the general welfare. Nor would it suffice to say that the nation is actually at peace at home and abroad; that its industrial interests are prosperous; that the canvas of its mariners whitens every sea, and the plow of its husbandmen is marching steadily onward to the bloodless conquest of the continent; that cities and populous States are springing up, as if by enchantment, from the bosom of oar Western wilds, and that the courageous energy of our people is making of these United States the great Republic of the world. These results have not been attained without passing through trials and perils, by experience of which, and thus only, nations can harden into manhood. Our forefathers were trained to the wisdom which conceived and the courage which achieved independence by the circumstances which surrounded them, and they were thus made capable of the creation of the Republic. It devolved on the next generation to consolidate the work of the Revolution, to deliver the country entirely from the influences of conflicting transatlantic partialities or antipathies which attached to our colonial and Revolutionary history, and to organize the practical operation of the constitutional and legal institutions of the Union. To us of this generation remains the not less noble task of maintaining and extending the national power. We have at length reached that stage of our country's career in which

Page 901

the dangers to be encountered and the exertions to be made are the incidents, not of weakness, but of strength. In foreign relations we have to attemper our power to the less happy condition of other Republics in America and to place ourselves in the calmness and conscious dignity of right by the side of the greatest and wealthiest of the Empires of Europe. In domestic relations we have to guard against the shock of the discontents, the ambitions, the interests, and the exuberant, and therefore sometimes irregular, impulses of opinion or of action which are the natural product of the present political elevation, the self-reliance, and the restless spirit of enterprise of the people of the United States.

I shall prepare to surrender the Executive trust to my successor and retire to private life with sentiments of profound gratitude to the good Providence which during the period of my Administration has vouchsafed to carry the country through many difficulties, domestic and foreign, and which enables me to contemplate the spectacle of amicable and respectful relations between ours and all other governments and the establishment of constitutional order and tranquillity throughout the Union.

***

State of the Union Address
James Buchanan
December 8, 1857

Fellow-Citizens of the Senate and House of Representatives:

In obedience to the command of the Constitution, it has now become my duty “to give to Congress information of the state of the Union and recommend to their consideration such measures” as I judge to be “necessary and expedient.”

But first and above all, our thanks are due to Almighty God for the numerous benefits which He has bestowed upon this people, and our united prayers ought to ascend to Him that He would continue to bless our great Republic in time to come as He has blessed it in time past. Since the adjournment of the last Congress our constituents have enjoyed an unusual degree of health. The earth has yielded her fruits abundantly and has bountifully rewarded the toil of the husbandman. Our great staples have commanded high prices, and up till within a brief period our manufacturing, mineral, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different

kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Page 902

Under these circumstances a loan may be required before the close of your present session; but this, although deeply to be regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the Government can not fail deeply to sympathize, though it may be without the power to extend relief.

It is our duty to inquire what has produced such unfortunate results and whether their recurrence can be prevented. In all former revulsions the blame might have been fairly attributed to a variety of cooperating causes, but not so upon the present occasion. It is apparent that our existing misfortunes have proceeded solely from our extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks. These revulsions must continue to recur at successive intervals so long as the amount of the paper currency and bank loans and discounts of the country shall be left to the discretion of 1,400 irresponsible banking institutions, which from the very law of their nature will consult the interest of their stockholders rather than the public welfare.

The framers of the Constitution, when they gave to Congress the power “to coin money and to regulate the value thereof” and prohibited the States from coining money, emitting bills of credit, or making anything but gold and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a Government endowed with the sovereign attribute of coining money and regulating the value thereof should have no power to prevent others from driving this coin out of the country and filling up the channels of circulation with paper which does not represent gold and silver.

It is one of the highest and most responsible duties of Government to insure to the people a sound circulating medium, the amount of which ought to be adapted with the utmost possible wisdom and skill to the wants of internal trade and foreign exchanges. If this be either greatly above or greatly below the proper standard, the marketable value of every man’s property is increased or diminished in the same proportion, and injustice to individuals as well as incalculable evils to the community are the consequence.

Unfortunately, under the construction of the Federal Constitution which has now prevailed too long to be changed this important and delicate duty has been dissevered from the coining power and virtually transferred to more than 1,400 State banks acting independently of each other and regulating their paper issues almost exclusively by a regard to the present interest of their stockholders. Exercising the sovereign power of providing a paper currency instead of coin for the country, the first duty which these banks owe to the public is to keep in their vaults a sufficient

Page 903

amount of gold and silver to insure the convertibility of their notes into coin at all times and under all circumstances. No bank ought ever to be chartered without such restrictions on its business as to secure this result. All other restrictions are comparatively vain. This is the only true touchstone, the only efficient regulator of a paper currency—the only one which can guard the public against overissues and bank suspensions. As a collateral and eventual security, it is doubtless wise, and in all cases ought to be required, that banks shall hold an amount of United States or State securities equal to their notes in circulation and pledged for their redemption. This, however, furnishes no adequate security against overissue. On the contrary, it may be perverted to inflate the currency. Indeed, it is possible by this means to convert all the debts of the United States and State Governments into bank notes, without reference to the specie required to redeem them. However valuable these securities may be in themselves, they can not be converted into gold and silver at the moment of pressure, as our experience teaches, in sufficient time to prevent bank suspensions and the depreciation of bank notes. In England, which is to a considerable extent a paper-money country, though vastly behind our own in this respect, it was deemed advisable, anterior to the act of Parliament of 1844, which wisely separated the issue of notes from the banking department, for the Bank of England always to keep on hand gold and silver equal to one-third of its combined circulation and deposits. If this proportion was no more than sufficient to secure the convertibility of its notes with the whole of Great Britain and to some extent the continent of Europe as a field for its circulation, rendering it almost impossible that a sudden and immediate run to a dangerous amount should be made upon it, the same proportion would certainly be insufficient under our banking system. Each of our 1,400 banks has but a limited circumference for its circulation, and in the course of a very few days the depositors and note holders might demand from such a bank a sufficient amount in specie to compel it to suspend, even although it had coin in its vaults equal to one-third of its immediate liabilities. And yet I am not aware, with the exception of the banks of Louisiana, that any State bank throughout the Union has been required by its charter to keep this or any other proportion of gold and silver compared with the amount of its combined circulation and deposits. What has been the consequence? In a recent report made by the Treasury Department on the condition of the banks throughout the different States, according to returns dated nearest to January, 1857, the aggregate amount of actual specie in their vaults is $58,349,838, of their circulation $214,778,822, and of their deposits $230,351,352. Thus it appears that these banks in the aggregate have considerably less than one dollar in seven of gold and silver compared

Page 904

with their circulation and deposits. It was palpable, therefore, that the very first pressure must drive them to suspension and deprive the people of a convertible currency, with all its disastrous consequences. It is truly wonderful that they should have so long continued to preserve their credit when a demand for the payment of one-seventh of their immediate liabilities would have driven them into insolvency. And this is the condition of the banks, notwithstanding that four hundred millions of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed, such has been the extravagance of bank credits that the banks now hold a considerably less amount of specie, either in proportion to their capital or to their circulation and deposits combined, than they did before the discovery of gold in California. Whilst in the year 1848 their specie in proportion to their capital was more than equal to one dollar for four and a half, in 1857 it does not amount to one dollar for every six dollars and thirty-three cents of their capital. In the year 1848 the specie was equal within a very small fraction to one dollar in five of their circulation and deposits; in 1857 it is not equal to one dollar in seven and a half of their circulation and deposits.

From this statement it is easy to account for our financial history for the last forty years. It has been a history of extravagant expansions in the business of the country, followed by ruinous contractions. At successive intervals the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit, exciting them to extravagant importations of foreign goods, wild speculations, and ruinous and demoralizing stock gambling. When the crisis arrives, as arrive it must, the banks can extend no relief to the people. In a vain struggle to redeem their liabilities in specie they are compelled to contract their loans and their issues, and at last, in the hour of distress, when their assistance is most needed, they and their debtors together sink into insolvency.

It is this paper system of extravagant expansion, raising the nominal price of every article far beyond its real value when compared with the cost of similar articles in countries whose circulation is wisely regulated, which has prevented us from competing in our own markets with foreign manufacturers, has produced extravagant importations, and has counteracted the effect of the large incidental protection afforded to our domestic manufactures by the present revenue tariff. But for this the branches of our manufactures composed of raw materials, the production of our own country—such as cotton, iron, and woolen fabrics—would not only have acquired almost exclusive possession of the home market, but would have created for themselves a foreign market throughout the world.

Page 905

Deplorable, however, as may be our present financial condition, we may yet indulge in bright hopes for the future. No other nation has ever existed which could have endured such violent expansions and contractions of paper credits without lasting injury; yet the buoyancy of youth, the energies of our population, and the spirit which never quails before difficulties will enable us soon to recover from our present financial embarrassments, and may even occasion us speedily to forget the lesson which they have taught. In the meantime it is the duty of the Government, by all proper means within its power, to aid in alleviating the sufferings of the people occasioned by the suspension of the banks and to provide against a recurrence of the same calamity. Unfortunately, in either aspect of the case it can do but little. Thanks to the independent treasury, the Government has not suspended payment, as it was compelled to do by the failure of the banks in 1837. It will continue to discharge its liabilities to the people in gold and silver. Its disbursements in coin will pass into circulation and materially assist in restoring a sound currency. From its high credit, should we be compelled to make a temporary loan, it can be effected on advantageous terms. This, however, shall if possible be avoided, but if not, then the amount shall be limited to the lowest practicable sum.

I have therefore determined that whilst no useful Government works already in progress shall be suspended, new works not already commenced will be postponed if this can be done without injury to the country. Those necessary for its defense shall proceed as though there had been no crisis in our monetary affairs.

But the Federal Government can not do much to provide against a recurrence of existing evils. Even if insurmountable constitutional objections did not exist against the creation of a national bank, this would furnish no adequate preventive security. The history of the last Bank of the United States abundantly proves the truth of this assertion. Such a bank could not, if it would, regulate the issues and credits of 1,400 State banks in such a manner as to prevent the ruinous expansions and contractions in our currency which afflicted the country throughout the existence of the late bank, or secure us against future suspensions. In 1825 an effort was made by the Bank of England to curtail the issues of the country banks under the most favorable circumstances. The paper currency had been expanded to a ruinous extent, and the bank put forth all its power to contract it in order to reduce prices and restore the equilibrium of the foreign exchanges. It accordingly commenced a system of curtailment of its loans and issues, in the vain hope that the joint stock and private banks of the Kingdom would be compelled to follow its example. It found, however, that as it contracted they expanded, and at the end of the process, to employ the language of a very high official authority, “whatever reduction of the paper circulation was effected by the Bank of England (in 1825) was more than made up by the issues of the country banks.”

Page 906

But a bank of the United States would not, if it could, restrain the issues and loans of the State banks, because its duty as a regulator of the currency must often be in direct conflict with the immediate interest of its stockholders. If we expect one agent to restrain or control another, their interests must, at least in some degree, be antagonistic. But the directors of a bank of the United States would feel the same interest and the same inclination with the directors of the State banks to expand the currency, to accommodate their favorites and friends with loans, and to declare large dividends. Such has been our experience in regard to the last bank.

After all, we must mainly rely upon the patriotism and wisdom of the States for the prevention and redress of the evil. If they will afford us a real specie basis for our paper circulation by increasing the denomination of bank notes, first to twenty and afterwards to fifty dollars; if they will require that the banks shall at all times keep on hand at least one dollar of gold and silver for every three dollars of their circulation and deposits, and if they will provide by a self-executing enactment, which nothing can arrest, that the moment they suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by each bank of a statement of its condition, would go far to secure us against future suspensions of specie payments.

Congress, in my opinion, possess the power to pass a uniform bankrupt law applicable to all banking institutions throughout the United States, and I strongly recommend its exercise. This would make it the irreversible organic law of each bank's existence that a suspension of specie payments shall produce its civil death. The instinct of self-preservation would then compel it to perform its duties in such a manner as to escape the penalty and preserve its life.

The existence of banks and the circulation of bank paper are so identified with the habits of our people that they can not at this day be suddenly abolished without much immediate injury to the country. If we could confine them to their appropriate sphere and prevent them from administering to the spirit of wild and reckless speculation by extravagant loans and issues, they might be continued with advantage to the public.

But this I say, after long and much reflection: If experience shall prove it to be impossible to enjoy the facilities which well-regulated banks might afford without at the same time suffering the calamities which the excesses of the banks have hitherto inflicted upon the country, it would then be far the lesser evil to deprive them altogether of the power to issue a paper currency and confine them to the functions of banks of deposit and discount.

Our relations with foreign governments are upon the whole in a satisfactory condition.

Page 907

The diplomatic difficulties which existed between the Government of the United States and that of Great Britain at the adjournment of the last Congress have been happily terminated by the appointment of a British minister to this country, who has been cordially received. Whilst it is greatly to the interest, as I am convinced it is the sincere desire, of the Governments and people of the two countries to be on terms of intimate friendship with each other, it has been our misfortune almost always to have had some irritating, if not dangerous, outstanding question with Great Britain.

Since the origin of the Government we have been employed in negotiating treaties with that power, and afterwards in discussing their true intent and meaning. In this respect the convention of April 19, 1850, commonly called the Clayton and Bulwer treaty, has been the most unfortunate of all, because the two Governments place directly opposite and contradictory constructions upon its first and most important article. Whilst in the United States we believed that this treaty would place both powers upon an exact equality by the stipulation that neither will ever “occupy, or fortify, or colonize, or assume, or exercise any dominion” over any part of Central America, it is contended by the British Government that the true construction of this language has left them in the rightful possession of all that portion of Central America which was in their occupancy at the date of the treaty; in fact, that the treaty is a virtual recognition on the part of the United States of the right of Great Britain, either as owner or protector, to the whole extensive coast of Central America, sweeping round from the Rio Hondo to the port and harbor of San Juan de Nicaragua, together with the adjacent Bay Islands, except the comparatively small portion of this between the Sarstoon and Cape Honduras. According to their construction, the treaty does no more than simply prohibit them from extending their possessions in Central America beyond the present limits. It is not too much to assert that if in the United States the treaty had been considered susceptible of such a construction it never would have been negotiated under the authority of the President, nor would it have received the approbation of the Senate. The universal conviction in the United States was that when our Government consented to violate its traditional and time-honored policy and to stipulate with a foreign government never to occupy or acquire territory in the Central American portion of our own continent, the consideration for this sacrifice was that Great Britain should, in this respect at least, be placed in the same position with ourselves. Whilst we have no right to doubt the sincerity of the British Government in their construction of the treaty, it is at the same time my deliberate conviction that this construction is in opposition both to its letter and its spirit.

Page 908

Under the late Administration negotiations were instituted between the two Governments for the purpose, if possible, of removing these difficulties, and a treaty having this laudable object in view was signed at London on the 17th October, 1856, and was submitted by the President to the Senate on the following 10th of December. Whether this treaty, either in its original or amended form, would have accomplished the object intended without giving birth to new and embarrassing complications between the two Governments, may perhaps be well questioned. Certain it is, however, it was rendered much less objectionable by the different amendments made to it by the Senate. The treaty as amended was ratified by me on the 12th March, 1857, and was transmitted to London for ratification by the British Government. That Government expressed its willingness to concur in all the amendments made by the Senate with the single exception of the clause relating to Ruatan and the other islands in the Bay of Honduras. The article in the original treaty as submitted to the Senate, after reciting that these islands and their inhabitants "having been, by a convention bearing date the 27th day of August, 1856, between Her Britannic Majesty and the Republic of Honduras, constituted and declared a free territory under the sovereignty of the said Republic of Honduras," stipulated that "the two contracting parties do hereby mutually engage to recognize and respect in all future time the independence and rights of the said free territory as a part of the Republic of Honduras."

Upon an examination of this convention between Great Britain and Honduras of the 27th August, 1856, it was found that whilst declaring the Bay Islands to be "a free territory under the sovereignty of the Republic of Honduras" it deprived that Republic of rights without which its sovereignty over them could scarcely be said to exist. It divided them from the remainder of Honduras and gave to their inhabitants a separate government of their own, with legislative, executive, and judicial officers elected by themselves. It deprived the Government of Honduras of the taxing power in every form and exempted the people of the islands from the performance of military duty except for their own exclusive defense. It also prohibited that Republic from erecting fortifications upon them for their protection, thus leaving them open to invasion from any quarter; and, finally, it provided "that slavery shall not at any time hereafter be permitted to exist therein."

Had Honduras ratified this convention, she would have ratified the establishment of a state substantially independent within her own limits, and a state at all times subject to British influence and control. Moreover, had the United States ratified the treaty with Great Britain in its original form, we should have been bound "to recognize and respect in all future time" these stipulations to the prejudice of Honduras. Being in direct opposition to the

Page 909

spirit and meaning of the Clayton and Bulwer treaty as understood in the United States, the Senate rejected the entire clause, and substituted in its stead a simple recognition of the sovereign right of Honduras to these islands in the following language: The two contracting parties do hereby mutually engage to recognize and respect the islands of Ruatan, Bonaco, Utila, Barbaretta, Helena, and Moral, situate in the Bay of Honduras and off the coast of the Republic of Honduras, as under the sovereignty and as part of the said Republic of Honduras.

Great Britain rejected this amendment, assigning as the only reason that the ratifications of the convention of the 27th August, 1856, between her and Honduras had not been "exchanged, owing to the hesitation of that Government." Had this been done, it is stated that "Her Majesty's Government would have had little difficulty in agreeing to the modification proposed by the Senate, which then would have had in effect the same signification as the original wording." Whether this would have been the effect, whether the mere circumstance of the exchange of the ratifications of the British convention with Honduras prior in point of time to the ratification of our treaty with Great Britain would "in effect" have had "the same signification as the original wording," and thus have nullified the amendment of the Senate, may well be doubted. It is, perhaps, fortunate that the question has never arisen.

The British Government, immediately after rejecting the treaty as amended, proposed to enter into a new treaty with the United States, similar in all respects to the treaty which they had just refused to ratify, if the United States would consent to add to the Senate's clear and unqualified recognition of the sovereignty of Honduras over the Bay Islands the following conditional stipulation: Whenever and so soon as the Republic of Honduras shall have concluded and ratified a treaty with Great Britain by which Great Britain shall have ceded and the Republic of Honduras shall have accepted the said islands, subject to the provisions and conditions contained in such treaty.

This proposition was, of course, rejected. After the Senate had refused to recognize the British convention with Honduras of the 27th August, 1856, with full knowledge of its contents, it was impossible for me, necessarily ignorant of "the provisions and conditions" which might be contained in a future convention between the same parties, to sanction them in advance.

The fact is that when two nations like Great Britain and the United States, mutually desirous, as they are, and I trust ever may be, of maintaining the most friendly relations with each other, have unfortunately concluded a treaty which they understand in senses directly opposite, the wisest course is to abrogate such a treaty by mutual consent and to commence anew. Had this been done promptly, all difficulties in Central America would most probably ere this have been adjusted to the satisfaction of both parties. The time spent in discussing the meaning of the Clayton and Bulwer treaty would have been

devoted to this praiseworthy purpose, and the task would have been the more easily accomplished because the interest of the two countries in Central America is identical, being confined to securing safe transits over all the routes across the Isthmus.

Page 910

Whilst entertaining these sentiments, I shall, nevertheless, not refuse to contribute to any reasonable adjustment of the Central American questions which is not practically inconsistent with the American interpretation of the treaty. Overtures for this purpose have been recently made by the British Government in a friendly spirit, which I cordially reciprocate, but whether this renewed effort will result in success I am not yet prepared to express an opinion. A brief period will determine.

With France our ancient relations of friendship still continue to exist. The French Government have in several recent instances, which need not be enumerated, evinced a spirit of good will and kindness toward our country, which I heartily reciprocate. It is, notwithstanding, much to be regretted that two nations whose productions are of such a character as to invite the most extensive exchanges and freest commercial intercourse should continue to enforce ancient and obsolete restrictions of trade against each other. Our commercial treaty with France is in this respect an exception from our treaties with all other commercial nations. It jealously levies discriminating duties both on tonnage and on articles the growth, produce, or manufacture of the one country when arriving in vessels belonging to the other.

More than forty years ago, on the 3d March, 1815, Congress passed an act offering to all nations to admit their vessels laden with their national productions into the ports of the United States upon the same terms with our own vessels provided they would reciprocate to us similar advantages. This act confined the reciprocity to the productions of the respective foreign nations who might enter into the proposed arrangement with the United States. The act of May 24, 1828, removed this restriction and offered a similar reciprocity to all such vessels without reference to the origin of their cargoes. Upon these principles our commercial treaties and arrangements have been rounded, except with France, and let us hope that this exception may not long exist.

Our relations with Russia remain, as they have ever been, on the most friendly footing. The present Emperor, as well as his predecessors, have never failed when the occasion offered to manifest their good will to our country, and their friendship has always been highly appreciated by the Government and people of the United States.

With all other European Governments, except that of Spain, our relations are as peaceful as we could desire. I regret to say that no progress whatever has been made since the adjournment of Congress toward the settlement of any of the numerous claims of our citizens against the Spanish Government. Besides, the outrage committed on our flag by the Spanish war frigate Ferrolana on the high seas off the coast of Cuba in March, 1855, by firing into the American mail steamer El Dorado and detaining and searching her, remains unacknowledged and unredressed. The general tone

Page 911

and temper of the Spanish Government toward that of the United States are much to be regretted. Our present envoy extraordinary and minister plenipotentiary to Madrid has asked to be recalled, and it is my purpose to send out a new minister to Spain with special instructions on all questions pending between the two Governments, and with a determination to have them speedily and amicably adjusted if this be possible. In the meantime, whenever our minister urges the just claims of our citizens on the notice of the Spanish Government he is met with the objection that Congress has never made the appropriation recommended by President Polk in his annual message of December, 1847, “to be paid to the Spanish Government for the purpose of distribution among the claimants in the Amistad case.” A similar recommendation was made by my immediate predecessor in his message of December, 1853, and entirely concurring with both in the opinion that this indemnity is justly due under the treaty with Spain of the 27th of October, 1795, I earnestly recommend such an appropriation to the favorable consideration of Congress.

A treaty of friendship and commerce was concluded at Constantinople on the 13th December, 1856, between the United States and Persia, the ratifications of which were exchanged at Constantinople on the 13th June, 1857, and the treaty was proclaimed by the President on the 18th August, 1857. This treaty, it is believed, will prove beneficial to American commerce. The Shah has manifested an earnest disposition to cultivate friendly relations with our country, and has expressed a strong wish that we should be represented at Teheran by a minister plenipotentiary; and I recommend that an appropriation be made for this purpose.

Recent occurrences in China have been unfavorable to a revision of the treaty with that Empire of the 3d July, 1844, with a view to the security and extension of our commerce. The twenty-fourth article of this treaty stipulated for a revision of it in case experience should prove this to be requisite, “in which case the two Governments will, at the expiration of twelve years from the date of said convention, treat amicably concerning the same by means of suitable persons appointed to conduct such negotiations.” These twelve years expired on the 3d July, 1856, but long before that period it was ascertained that important changes in the treaty were necessary, and several fruitless attempts were made by the commissioner of the United States to effect these changes. Another effort was about to be made for the same purpose by our commissioner in conjunction with the ministers of England and France, but this was suspended by the occurrence of hostilities in the Canton River between Great Britain and the Chinese Empire. These hostilities have necessarily interrupted the trade of all nations with Canton, which is now in a state of blockade, and have occasioned a serious loss of life and property. Meanwhile the insurrection within the Empire against the existing imperial dynasty still continues, and it is difficult to anticipate what will be the result.

Page 912

Under these circumstances I have deemed it advisable to appoint a distinguished citizen of Pennsylvania envoy extraordinary and minister plenipotentiary to proceed to China and to avail himself of any opportunities which may offer to effect changes in the existing treaty favorable to American commerce. He left the United States for the place of his destination in July last in the war steamer Minnesota. Special ministers to China have also been appointed by the Governments of Great Britain and France.

Whilst our minister has been instructed to occupy a neutral position in reference to the existing hostilities at Canton, he will cordially cooperate with the British and French ministers in all peaceful measures to secure by treaty stipulations those just concessions to commerce which the nations of the world have a right to expect and which China can not long be permitted to withhold. From assurances received I entertain no doubt that the three ministers will act in harmonious concert to obtain similar commercial treaties for each of the powers they represent.

We can not fail to feel a deep interest in all that concerns the welfare of the independent Republics on our own continent, as well as of the Empire of Brazil.

Our difficulties with New Granada, which a short time since bore so threatening an aspect, are, it is to be hoped, in a fair train of settlement in a manner just and honorable to both parties.

The isthmus of Central America, including that of Panama, is the great highway between the Atlantic and Pacific over which a large portion of the commerce of the world is destined to pass. The United States are more deeply interested than any other nation in preserving the freedom and security of all the communications across this isthmus. It is our duty, therefore, to take care that they shall not be interrupted either by invasions from our own country or by wars between the independent States of Central America. Under our treaty with New Granada of the 12th December, 1846, we are bound to guarantee the neutrality of the Isthmus of Panama, through which the Panama Railroad passes, “as well as the rights of sovereignty and property which New Granada has and possesses over the said territory.” This obligation is rounded upon equivalents granted by the treaty to the Government and people of the United States.

Under these circumstances I recommend to Congress the passage of an act authorizing the President, in case of necessity, to employ the land and naval forces of the United States to carry into effect this guaranty of neutrality and protection. I also recommend similar legislation for the security of any other route across the Isthmus in which we may acquire an interest by treaty.

With the independent Republics on this continent it is both our duty and our interest to cultivate the most friendly relations. We can never feel indifferent to their fate, and must always rejoice in their prosperity. Unfortunately both for them and for us, our example and advice have lost much of their influence in consequence of the lawless expeditions

which have been fitted out against some of them within the limits of our country. Nothing is better calculated to retard our steady material progress or impair our character as a nation than the toleration of such enterprises in violation of the law of nations.

Page 913

It is one of the first and highest duties of any independent state in its relations with the members of the great family of nations to restrain its people from acts of hostile aggression against their citizens or subjects. The most eminent writers on public law do not hesitate to denounce such hostile acts as robbery and murder.

Weak and feeble states like those of Central America may not feel themselves able to assert and vindicate their rights. The case would be far different if expeditions were set on foot within our own territories to make private war against a powerful nation. If such expeditions were fitted out from abroad against any portion of our own country, to burn down our cities, murder and plunder our people, and usurp our Government, we should call any power on earth to the strictest account for not preventing such enormities.

Ever since the Administration of General Washington acts of Congress have been enforced to punish severely the crime of setting on foot a military expedition within the limits of the United States to proceed from thence against a nation or state with whom we are at peace. The present neutrality act of April 20, 1818, is but little more than a collection of preexisting laws. Under this act the President is empowered to employ the land and naval forces and the militia “for the purpose of preventing the carrying on of any such expedition or enterprise from the territories and jurisdiction of the United States,” and the collectors of customs are authorized and required to detain any vessel in port when there is reason to believe she is about to take part in such lawless enterprises.

When it was first rendered probable that an attempt would be made to get up another unlawful expedition against Nicaragua, the Secretary of State issued instructions to the marshals and district attorneys, which were directed by the Secretaries of War and the Navy to the appropriate army and navy officers, requiring them to be vigilant and to use their best exertions in carrying into effect the provisions of the act of 1818. Notwithstanding these precautions, the expedition has escaped from our shores. Such enterprises can do no possible good to the country, but have already inflicted much injury both on its interests and its character. They have prevented peaceful emigration from the United States to the States of Central America, which could not fail to prove highly beneficial to all the parties concerned. In a pecuniary point of view alone our citizens have sustained heavy losses from the seizure and closing of the transit route by the San Juan between the two oceans.

The leader of the recent expedition was arrested at New Orleans, but was discharged on giving bail for his appearance in the insufficient sum of $2,000.

I commend the whole subject to the serious attention of Congress, believing that our duty and our interest, as well as our national character, require that we should adopt such measures as will be effectual in restraining our citizens from committing such outrages.

Page 914

I regret to inform you that the President of Paraguay has refused to ratify the treaty between the United States and that State as amended by the Senate, the signature of which was mentioned in the message of my predecessor to Congress at the opening of its session in December, 1853. The reasons assigned for this refusal will appear in the correspondence herewith submitted.

It being desirable to ascertain the fitness of the river La Plata and its tributaries for navigation by steam, the United States steamer Water Witch was sent thither for that purpose in 1853. This enterprise was successfully carried on until February, 1855, when, whilst in the peaceful prosecution of her voyage up the Parana River, the steamer was fired upon by a Paraguayan fort. The fire was returned, but as the Water Witch was of small force and not designed for offensive operations, she retired from the conflict. The pretext upon which the attack was made was a decree of the President of Paraguay of October, 1854, prohibiting foreign vessels of war from navigating the rivers of that State. As Paraguay, however, was the owner of but one bank of the river of that name, the other belonging to Corientes, a State of the Argentine Confederation, the right of its Government to expect that such a decree would be obeyed can not be acknowledged. But the Water Witch was not, properly speaking, a vessel of war. She was a small steamer engaged in a scientific enterprise intended for the advantage of commercial states generally. Under these circumstances I am constrained to consider the attack upon her as unjustifiable and as calling for satisfaction from the Paraguayan Government.

Citizens of the United States also who were established in business in Paraguay have had their property seized and taken from them, and have otherwise been treated by the authorities in an insulting and arbitrary manner, which requires redress.

A demand for these purposes will be made in a firm but conciliatory spirit. This will the more probably be granted if the Executive shall have authority to use other means in the event of a refusal. This is accordingly recommended.

It is unnecessary to state in detail the alarming condition of the Territory of Kansas at the time of my inauguration. The opposing parties then stood in hostile array against each other, and any accident might have relighted the flames of civil war. Besides, at this critical moment Kansas was left without a governor by the resignation of Governor Geary.

On the 19th of February previous the Territorial legislature had passed a law providing for the election of delegates on the third Monday of June to a convention to meet on the first Monday of September for the purpose of framing a constitution preparatory to admission into the Union. This law was in the main fair and just, and it is to be regretted that all the qualified electors had not registered themselves and voted under its provisions.

Page 915

At the time of the election for delegates an extensive organization existed in the Territory whose avowed object it was, if need be, to put down the lawful government by force and to establish a government of their own under the so-called Topeka constitution. The persons attached to this revolutionary organization abstained from taking any part in the election.

The act of the Territorial legislature had omitted to provide for submitting to the people the constitution which might be framed by the convention, and in the excited state of public feeling throughout Kansas an apprehension extensively prevailed that a design existed to force upon them a constitution in relation to slavery against their will. In this emergency it became my duty, as it was my unquestionable right, having in view the union of all good citizens in support of the Territorial laws, to express an opinion on the true construction of the provisions concerning slavery contained in the organic act of Congress of the 30th May, 1854. Congress declared it to be "the true intent and meaning of this act not to legislate slavery into any Territory or State, nor to exclude it therefrom, but to leave the people thereof perfectly free to form and regulate their domestic institutions in their own way." Under it Kansas, "when admitted as a State," was to "be received into the Union with or without slavery, as their constitution may prescribe at the time of their admission."

Did Congress mean by this language that the delegates elected to frame a constitution should have authority finally to decide the question of slavery, or did they intend by leaving it to the people that the people of Kansas themselves should decide this question by a direct vote? On this subject I confess I had never entertained a serious doubt, and therefore in my instructions to Governor Walker of the 28th March last I merely said that when "a constitution shall be submitted to the people of the Territory they must be protected in the exercise of their right of voting for or against that instrument, and the fair expression of the popular will must not be interrupted by fraud or violence."

In expressing this opinion it was far from my intention to interfere with the decision of the people of Kansas, either for or against slavery. From this I have always carefully abstained. Intrusted with the duty of taking "care that the laws be faithfully executed," my only desire was that the people of Kansas should furnish to Congress the evidence required by the organic act, whether for or against slavery, and in this manner smooth their passage into the Union. In emerging from the condition of Territorial dependence into that of a sovereign State it was their duty, in my opinion, to make known their will by the votes of the majority on the direct question whether this important domestic institution should or should not continue to exist. Indeed, this was the only possible mode in which their will could be authentically ascertained.

Page 916

The election of delegates to a convention must necessarily take place in separate districts. From this cause it may readily happen, as has often been the case, that a majority of the people of a State or Territory are on one side of a question, whilst a majority of the representatives from the several districts into which it is divided may be upon the other side. This arises front the fact that in some districts delegates may be elected by small majorities, whilst in others those of different sentiments may receive majorities sufficiently great not only to overcome the votes given for the former, but to leave a large majority of the whole people in direct opposition to a majority of the delegates. Besides, our history proves that influences may be brought to bear on the representative sufficiently powerful to induce him to disregard the will of his constituents. The truth is that no other authentic and satisfactory mode exists of ascertaining the will of a majority of the people of any State or Territory on an important and exciting question like that of slavery in Kansas except by leaving it to a direct vote. How wise, then, was it for Congress to pass over all subordinate and intermediate agencies and proceed directly to the source of all legitimate power under our institutions!

How vain would any other principle prove in practice! This may be illustrated by the case of Kansas. Should she be admitted into the Union with a constitution either maintaining or abolishing slavery against the sentiment of the people, this could have no other effect than to continue and to exasperate the existing agitation during the brief period required to make the constitution conform to the irresistible will of the majority.

The friends and supporters of the Nebraska and Kansas act, when struggling on a recent occasion to sustain its wise provisions before the great tribunal of the American people, never differed about its true meaning on this subject. Everywhere throughout the Union they publicly pledged their faith and their honor that they would cheerfully submit the question of slavery to the decision of the bona fide people of Kansas, without any restriction or qualification whatever. All were cordially united upon the great doctrine of popular sovereignty, which is the vital principle of our free institutions. Had it then been insinuated from any quarter that it would be a sufficient compliance with the requisitions of the organic law for the members of a convention thereafter to be elected to withhold the question of slavery from the people and to substitute their own will for that of a legally ascertained majority of all their constituents, this would have been instantly rejected. Everywhere they remained true to the resolution adopted on a celebrated occasion recognizing “the right of the people of all the Territories, including Kansas and Nebraska, acting through the legally and fairly expressed will of a majority of actual residents, and whenever the number of their inhabitants justifies it, to form a constitution with or without slavery and be admitted into the Union upon terms of perfect equality with the other States.”

Page 917

The convention to frame a constitution for Kansas met on the first Monday of September last. They were called together by virtue of an act of the Territorial legislature, whose lawful existence had been recognized by Congress in different forms and by different enactments. A large proportion of the citizens of Kansas did not think proper to register their names and to vote at the election for delegates; but an opportunity to do this having been fairly afforded, their refusal to avail themselves of their right could in no manner affect the legality of the convention. This convention proceeded to frame a constitution for Kansas, and finally adjourned on the 7th day of November. But little difficulty occurred in the convention except on the subject of slavery. The truth is that the general provisions of our recent State constitutions are so similar and, I may add, so excellent that the difference between them is not essential. Under the earlier practice of the Government no constitution framed by the convention of a Territory preparatory to its admission into the Union as a State had been submitted to the people. I trust, however, the example set by the last Congress, requiring that the constitution of Minnesota "should be subject to the approval and ratification of the people of the proposed State," may be followed on future occasions. I took it for granted that the convention of Kansas would act in accordance with this example, rounded, as it is, on correct principles, and hence my instructions to Governor Walker in favor of submitting the constitution to the people were expressed in general and unqualified terms.

In the Kansas-Nebraska act, however, this requirement, as applicable to the whole constitution, had not been inserted, and the convention were not bound by its terms to submit any other portion of the instrument to an election except that which relates to the "domestic institution" of slavery. This will be rendered clear by a simple reference to its language. It was "not to legislate slavery into any Territory or State, nor to exclude it therefrom, but to leave the people thereof perfectly free to form and regulate their domestic institutions in their own way." According to the plain construction of the sentence, the words "domestic institutions" have a direct, as they have an appropriate, reference to slavery. "Domestic institutions" are limited to the family. The relation between master and slave and a few others are "domestic institutions," and are entirely distinct from institutions of a political character. Besides, there was no question then before Congress, nor, indeed, has there since been any serious question before the people of Kansas or the country, except that which relates to the "domestic institution" of slavery. The convention, after an angry and excited debate, finally determined, by a majority of only two, to submit the question of slavery to the people, though at the last forty-three of the fifty delegates present affixed their signatures to the constitution.

Page 918

A large majority of the convention were in favor of establishing slavery in Kansas. They accordingly inserted an article in the constitution for this purpose similar in form to those which had been adopted by other Territorial conventions. In the schedule, however, providing for the transition from a Territorial to a State government the question has been fairly and explicitly referred to the people whether they will have a constitution "with or without slavery." It declares that before the constitution adopted by the convention "shall be sent to Congress for admission into the Union as a State" an election shall be held to decide this question, at which all the white male inhabitants of the Territory above the age of 21 are entitled to vote. They are to vote by ballot, and "the ballots cast at said election shall be indorsed 'constitution with slavery' and 'constitution with no slavery.'" If there be a majority in favor of the "constitution with slavery," then it is to be transmitted to Congress by the president of the convention in its original form; if, on the contrary, there shall be a majority in favor of the "constitution with no slavery," "then the article providing for slavery shall be stricken from the constitution by the president of this convention;" and it is expressly declared that "no slavery shall exist in the State of Kansas, except that the right of property in slaves now in the Territory shall in no manner be interfered with;" and in that event it is made his duty to have the constitution thus ratified transmitted to the Congress of the United States for the admission of the State into the Union.

At this election every citizen will have an opportunity of expressing his opinion by his vote "whether Kansas shall be received into the Union with or without slavery," and thus this exciting question may be peacefully settled in the very mode required by the organic law. The election will be held under legitimate authority, and if any portion of the inhabitants shall refuse to vote, a fair opportunity to do so having been presented, this will be their own voluntary act and they alone will be responsible for the consequences.

Whether Kansas shall be a free or a slave State must eventually, under some authority, be decided by an election; and the question can never be more clearly or distinctly presented to the people than it is at the present moment. Should this opportunity be rejected she may be involved for years in domestic discord, and possibly in civil war, before she can again make up the issue now so fortunately tendered and again reach the point she has already attained.

Page 919

Kansas has for some years occupied too much of the public attention. It is high time this should be directed to far more important objects. When once admitted into the Union, whether with or without slavery, the excitement beyond her own limits will speedily pass away, and she will then for the first time be left, as she ought to have been long since, to manage her own affairs in her own way. If her constitution on the subject of slavery or on any other subject be displeasing to a majority of the people, no human power can prevent them from changing it within a brief period. Under these circumstances it may well be questioned whether the peace and quiet of the whole country are not of greater importance than the mere temporary triumph of either of the political parties in Kansas.

Should the constitution without slavery be adopted by the votes of the majority, the rights of property in slaves now in the Territory are reserved. The number of these is very small, but if it were greater the provision would be equally just and reasonable. The slaves were brought into the Territory under the Constitution of the United States and are now the property of their masters. This point has at length been finally decided by the highest judicial tribunal of the country, and this upon the plain principle that when a confederacy of sovereign States acquire a new territory at their joint expense both equality and justice demand that the citizens of one and all of them shall have the right to take into it whatsoever is recognized as property by the common Constitution. To have summarily confiscated the property in slaves already in the Territory would have been an act of gross injustice and contrary to the practice of the older States of the Union which have abolished slavery.

A Territorial government was established for Utah by act of Congress approved the 9th September, 1850, and the Constitution and laws of the United States were thereby extended over it “so far as the same or any provisions thereof may be applicable.” This act provided for the appointment by the President, by and with the advice and consent of the Senate, of a governor (who was to be ex officio superintendent of Indian affairs), a secretary, three judges of the supreme court, a marshal, and a district attorney. Subsequent acts provided for the appointment of the officers necessary to extend our land and our Indian system over the Territory. Brigham Young was appointed the first governor on the 20th September, 1850, and has held the office ever since. Whilst Governor Young has been both governor and superintendent of Indian affairs throughout this period, he has been at the same time the head of the church called the Latter-day Saints, and professes to govern its members and dispose of their property by direct inspiration and authority from the Almighty. His power has been, therefore, absolute over both church and state.

Page 920

The people of Utah almost exclusively belong to this church, and believing with a fanatical spirit that he is governor of the Territory by divine appointment, they obey his commands as if these were direct revelations from Heaven. If, therefore, he chooses that his government shall come into collision with the Government of the United States, the members of the Mormon Church will yield implicit obedience to his will. Unfortunately, existing facts leave but little doubt that such is his determination. Without entering upon a minute history of occurrences, it is sufficient to say that all the officers of the United States, judicial and executive, with the single exception of two Indian agents, have found it necessary for their own personal safety to withdraw from the Territory, and there no longer remains any government in Utah but the despotism of Brigham Young. This being the condition of affairs in the Territory, I could not mistake the path of duty. As Chief Executive Magistrate I was bound to restore the supremacy of the Constitution and laws within its limits. In order to effect this purpose, I appointed a new governor and other Federal officers for Utah and sent with them a military force for their protection and to aid as a posse comitatus in case of need in the execution of the laws.

With the religious opinions of the Mormons, as long as they remained mere opinions, however deplorable in themselves and revolting to the moral and religious sentiments of all Christendom, I had no right to interfere. Actions alone, when in violation of the Constitution and laws of the United States, become the legitimate subjects for the jurisdiction of the civil magistrate. My instructions to Governor Cumming have therefore been framed in strict accordance with these principles. At their date a hope was indulged that no necessity might exist for employing the military in restoring and maintaining the authority of the law, but this hope has now vanished. Governor Young has by proclamation declared his determination to maintain his power by force, and has already committed acts of hostility against the United States. Unless he should retrace his steps the Territory of Utah will be in a state of open rebellion. He has committed these acts of hostility notwithstanding Major Van Vliet, an officer of the Army, sent to Utah by the Commanding General to purchase provisions for the troops, had given him the strongest assurances of the peaceful intentions of the Government, and that the troops would only be employed as a posse comitatus when called on by the civil authority to aid in the execution of the laws.

Page 921

There is reason to believe that Governor Young has long contemplated this result. He knows that the continuance of his despotic power depends upon the exclusion of all settlers from the Territory except those who will acknowledge his divine mission and implicitly obey his will, and that an enlightened public opinion there would soon prostrate institutions at war with the laws both of God and man. "He has therefore for several years, in order to maintain his independence, been industriously employed in collecting and fabricating arms and munitions of war and in disciplining the Mormons for military service." As superintendent of Indian affairs he has had an opportunity of tampering with the Indian tribes and exciting their hostile feelings against the United States. This, according to our information, he has accomplished in regard to some of these tribes, while others have remained true to their allegiance and have communicated his intrigues to our Indian agents. He has laid in a store of provisions for three years, which in case of necessity, as he informed Major Van Vliet, he will conceal, "and then take to the mountains and bid defiance to all the powers of the Government."

A great part of all this may be idle boasting, but yet no wise government will lightly estimate the efforts which may be inspired by such frenzied fanaticism as exists among the Mormons in Utah. This is the first rebellion which has existed in our Territories, and humanity itself requires that we should put it down in such a manner that it shall be the last. To trifle with it would be to encourage it and to render it formidable. We ought to go there with such an imposing force as to convince these deluded people that resistance would be vain, and thus spare the effusion of blood. We can in this manner best convince them that we are their friends, not their enemies. In order to accomplish this object it will be necessary, according to the estimate of the War Department, to raise four additional regiments; and this I earnestly recommend to Congress. At the present moment of depression in the revenues of the country I am sorry to be obliged to recommend such a measure; but I feel confident of the support of Congress, cost what it may, in suppressing the insurrection and in restoring and maintaining the sovereignty of the Constitution and laws over the Territory of Utah.

I recommend to Congress the establishment of a Territorial government over Arizona, incorporating with it such portions of New Mexico as they may deem expedient. I need scarcely adduce arguments in support of this recommendation. We are bound to protect the lives and the property of our citizens inhabiting Arizona, and these are now without any efficient protection. Their present number is already considerable, and is rapidly increasing, notwithstanding the disadvantages under which they labor. Besides, the proposed Territory is believed to be rich in mineral and agricultural resources, especially in silver and copper. The mails of the United States to California are now carried over it throughout its whole extent, and this route is known to be the nearest and believed to be the best to the Pacific.

Page 922

Long experience has deeply convinced me that a strict construction of the powers granted to Congress is the only true, as well as the only safe, theory of the Constitution. Whilst this principle shall guide my public conduct, I consider it clear that under the war-making power Congress may appropriate money for the Construction of a military road through the Territories of the United States when this is absolutely necessary for the defense of any of the States against foreign invasion. The Constitution has conferred upon Congress power "to declare war," "to raise and support armies," "to provide and maintain a navy," and to call forth the militia to "repel invasions." These high sovereign powers necessarily involve important and responsible public duties, and among them there is none so sacred and so imperative as that of preserving our soil from the invasion of a foreign enemy. The Constitution has therefore left nothing on this point to construction, but expressly requires that "the United States shall protect each of them [the States] against invasion." Now if a military road over our own Territories be indispensably necessary to enable us to meet and repel the invader, it follows as a necessary consequence not only that we possess the power, but it is our imperative duty to construct such a road. It would be an absurdity to invest a government with the unlimited power to make and conduct war and at the same time deny to it the only means of reaching and defeating the enemy at the frontier. Without such a road it is quite evident we can not "protect" California and our Pacific possessions "against invasion." We can not by any other means transport men and munitions of war from the Atlantic States in sufficient time successfully to defend these remote and distant portions of the Republic.

Experience has proved that the routes across the isthmus of Central America are at best but a very uncertain and unreliable mode of communication. But even if this were not the case, they would at once be closed against us in the event of war with a naval power so much stronger than our own as to enable it to blockade the ports at either end of these routes. After all, therefore, we can only rely upon a military road through our own Territories; and ever since the origin of the Government Congress has been in the practice of appropriating money from the public Treasury for the construction of such roads.

The difficulties and the expense of constructing a military railroad to connect our Atlantic and Pacific States have been greatly exaggerated. The distance on the Arizona route, near the thirty-second parallel of north latitude, between the western boundary of Texas, on the Rio Grande, and the eastern boundary of California, on the Colorado, from the best explorations now within our knowledge, does not exceed 470 miles, and the face of the country is in the main favorable. For obvious reasons the Government ought not to undertake

Page 923

the work itself by means of its own agents. This ought to be committed to other agencies, which Congress might assist, either by grants of land or money, or by both, upon such terms and conditions as they may deem most beneficial for the country. Provision might thus be made not only for the safe, rapid, and economical transportation of troops and munitions of war, but also of the public mails. The commercial interests of the whole country, both East and West, would be greatly promoted by such a road, and, above all, it would be a powerful additional bond of union. And although advantages of this kind, whether postal, commercial, or political, can not confer constitutional power, yet they may furnish auxiliary arguments in favor of expediting a work which, in my judgment, is clearly embraced within the war-making power.

For these reasons I commend to the friendly consideration of Congress the subject of the Pacific Railroad, without finally committing myself to any particular route.

The report of the Secretary of the Treasury will furnish a detailed statement of the condition of the public finances and of the respective branches of the public service devolved upon that Department of the Government. By this report it appears that the amount of revenue received from all sources into the Treasury during the fiscal year ending the 30th June, 1857, was $68,631,513.67, which amount, with the balance of $19,901,325.45 remaining in the Treasury at the commencement of the year, made an aggregate for the service of the year of $88,532,839.12.

The public expenditures for the fiscal year ending 30th June, 1857, amounted to $70,822,724.85, of which $5,943,896.91 were applied to the redemption of the public debt, including interest and premium, leaving in the Treasury at the commencement of the present fiscal year, on the 1st July, 1857, $17,710,114.27.

The receipts into the Treasury for the first quarter of the present fiscal year, commencing 1st July, 1857, were $20,929,819.81, and the estimated receipts of the remaining three quarters to the 30th June, 1858, are $36,750,000, making, with the balance before stated, an aggregate of $75,389,934.08 for the service of the present fiscal year.

The actual expenditures during the first quarter of the present fiscal year were $23,714,528.37, of which $3,895,232.39 were applied to the redemption of the public debt, including interest and premium. The probable expenditures of the remaining three quarters to 30th June, 1858, are $51,248,530.04, including interest on the public debt, making an aggregate of $74,963,058.41, leaving an estimated balance in the Treasury at the close of the present fiscal year of $426,875.67.

The amount of the public debt at the commencement of the present fiscal year was $29,060,386.90.

The amount redeemed since the 1st of July was $3,895,232.39, leaving a balance unredeemed at this time of $25,165,154.51.

Page 924

The amount of estimated expenditures for the remaining three quarters of the present fiscal year will in all probability be increased from the causes set forth in the report of the Secretary. His suggestion, therefore, that authority should be given to supply any temporary deficiency by the issue of a limited amount of Treasury notes is approved, and I accordingly recommend the passage of such a law.

As stated in the report of the Secretary, the tariff of March 3, 1857, has been in operation for so short a period of time and under circumstances so unfavorable to a just development of its results as a revenue measure that I should regard it as inexpedient, at least for the present, to undertake its revision.

I transmit herewith the reports made to me by the Secretaries of War and of the Navy, of the Interior, and of the Postmaster-General. They all contain valuable and important information and suggestions, which I commend to the favorable consideration of Congress.

I have already recommended the raising of four additional regiments, and the report of the Secretary of War presents strong reasons proving this increase of the Army under existing circumstances to be indispensable.

I would call the special attention of Congress to the recommendation of the Secretary of the Navy in favor of the construction of ten small war steamers of light draft. For some years the Government has been obliged on many occasions to hire such steamers from individuals to supply its pressing wants. At the present moment we have no armed vessel in the Navy which can penetrate the rivers of China. We have but few which can enter any of the harbors south of Norfolk, although many millions of foreign and domestic commerce annually pass in and out of these harbors. Some of our most valuable interests and most vulnerable points are thus left exposed. This class of vessels of light draft, great speed, and heavy guns would be formidable in coast defense. The cost of their construction will not be great and they will require but a comparatively small expenditure to keep them in commission. In time of peace they will prove as effective as much larger vessels and more useful. One of them should be at every station where we maintain a squadron, and three or four should be constantly employed on our Atlantic and Pacific coasts. Economy, utility, and efficiency combine to recommend them as almost indispensable. Ten of these small vessels would be of incalculable advantage to the naval service, and the whole cost of their construction would not exceed $2,300,000, or $230,000 each.

Page 925

The report of the Secretary of the Interior is worthy of grave consideration. It treats of the numerous important and diversified branches of domestic administration intrusted to him by law. Among these the most prominent are the public lands and our relations with the Indians. Our system for the disposal of the public lands, originating with the fathers of the Republic, has been improved as experience pointed the way, and gradually adapted to the growth and settlement of our Western States and Territories. It has worked well in practice. Already thirteen States and seven Territories have been carved out of these lands, and still more than a thousand millions of acres remain unsold. What a boundless prospect this presents to our country of future prosperity and power!

We have heretofore disposed of 363,862,464 acres of the public land. Whilst the public lands, as a source of revenue, are of great importance, their importance is far greater as furnishing homes for a hardy and independent race of honest and industrious citizens who desire to subdue and cultivate the soil. They ought to be administered mainly with a view of promoting this wise and benevolent policy. In appropriating them for any other purpose we ought to use even greater economy than if they had been converted into money and the proceeds were already in the public Treasury. To squander away this richest and noblest inheritance which any people have ever enjoyed upon objects of doubtful constitutionality or expediency would be to violate one of the most important trusts ever committed to any people. Whilst I do not deny to Congress the power, when acting bona fide as a proprietor, to give away portions of them for the purpose of increasing the value of the remainder, yet, considering the great temptation to abuse this power, we can not be too cautious in its exercise. Actual settlers under existing laws are protected against other purchasers at the public sales in their right of preemption to the extent of a quarter section, or 160 acres, of land. The remainder may then be disposed of at public or entered at private sale in unlimited quantities. Speculation has of late years prevailed to a great extent in the public lands. The consequence has been that large portions of them have become the property of individuals and companies, and thus the price is greatly enhanced to those who desire to purchase for actual settlement. In order to limit the area of speculation as much as possible, the extinction of the Indian title and the extension of the public surveys ought only to keep pace with the tide of emigration.

If Congress should hereafter grant alternate sections to States or companies, as they have done heretofore, I recommend that the intermediate sections retained by the Government should be subject to preemption by actual settlers.

It ought ever to be our cardinal policy to reserve the public lands as much as may be for actual settlers, and this at moderate prices. We shall thus not only best promote the prosperity of the new States and Territories and the power of the Union, but shall secure homes for our posterity for many generations.

Page 926

The extension of our limits has brought within our jurisdiction many additional and populous tribes of Indians, a large proportion of which are wild, untractable, and difficult to control. Predatory and warlike in their disposition and habits, it is impossible altogether to restrain them from committing aggressions on each other, as well as upon our frontier citizens and those emigrating to our distant States and Territories. Hence expensive military expeditions are frequently necessary to overawe and chastise the more lawless and hostile. The present system of making them valuable presents to influence them to remain at peace has proved ineffectual. It is believed to be the better policy to colonize them in suitable localities where they can receive the rudiments of education and be gradually induced to adopt habits of industry. So far as the experiment has been tried it has worked well in practice, and it will doubtless prove to be less expensive than the present system.

The whole number of Indians within our territorial limits is believed to be, from the best data in the Interior Department, about 325,000. The tribes of Cherokees, Choctaws, Chickasaws, and Creeks settled in the Territory set apart for them west of Arkansas are rapidly advancing in education and in all the arts of civilization and self-government and we may indulge the agreeable anticipation that at no very distant day they will be incorporated into the Union as one of the sovereign States.

It will be seen from the report of the Postmaster-General that the Post-Office Department still continues to depend on the Treasury, as it has been compelled to do for several years past, for an important portion of the means of sustaining and extending its operations. Their rapid growth and expansion are shown by a decennial statement of the number of post-offices and the length of post-roads, commencing with the year 1827. In that year there were 7,000 post-offices; in 1837, 11,177; in 1847, 15,146, and in 1857 they number 26,586. In this year 1,725 post-offices have been established and 704 discontinued, leaving a net increase of 1,021. The postmasters of 368 offices are appointed by the President.

The length of post-roads in 1827 was 105,336 miles; in 1837,141,242 miles; in 1847, 153,818 miles, and in the year 1857 there are 242,601 miles of post-road, including 22,530 miles of railroad on which the mails are transported.

The expenditures of the Department for the fiscal year ending on the 30th June, 1857, as adjusted by the Auditor, amounted to $11,507,670. To defray these expenditures there was to the credit of the Department on the 1st July, 1856, the sum of $789,599; the gross revenue of the year, including the annual allowances for the transportation of free mail matter, produced $8,053,951, and the remainder was supplied by the appropriation from the Treasury of $2,250,000 granted by the act of Congress approved August 18, 1856, and by the appropriation

Page 927

of $666,883 made by the act of March 3, 1857, leaving $252,763 to be carried to the credit of the Department in the accounts of the current year. I commend to your consideration the report of the Department in relation to the establishment of the overland mail route from the Mississippi River to San Francisco, Cal. The route was selected with my full concurrence, as the one, in my judgment, best calculated to attain the important objects contemplated by Congress.

The late disastrous monetary revulsion may have one good effect should it cause both the Government and the people to return to the practice of a wise and judicious economy both in public and private expenditures.

An overflowing Treasury has led to habits of prodigality and extravagance in our legislation. It has induced Congress to make large appropriations to objects for which they never would have provided had it been necessary to raise the amount of revenue required to meet them by increased taxation or by loans. We are now compelled to pause in our career and to scrutinize our expenditures with the utmost vigilance; and in performing this duty I pledge my cooperation to the extent of my constitutional competency.

It ought to be observed at the same time that true public economy does not consist in withholding the means necessary to accomplish important national objects intrusted to us by the Constitution, and especially such as may be necessary for the common defense. In the present crisis of the country it is our duty to confine our appropriations to objects of this character, unless in cases where justice to individuals may demand a different course. In all cases care ought to be taken that the money granted by Congress shall be faithfully and economically applied.

Under the Federal Constitution “every bill which shall have passed the House of Representatives and the Senate shall, before it become a law,” be approved and signed by the President; and if not approved, “he shall return it with his objections to that House in which it shall have originated.” In order to perform this high and responsible duty, sufficient time must be allowed the President to read and examine every bill presented to him for approval. Unless this be afforded, the Constitution becomes a dead letter in this particular, and; even worse, it becomes a means of deception. Our constituents, seeing the President’s approval and signature attached to each act of Congress, are induced to believe that he has actually performed his duty, when in truth nothing is in many cases more unfounded.

From the practice of Congress such an examination of each bill as the Constitution requires has been rendered impossible. The most important business of each session is generally crowded into its last hours, and the alternative presented to the President is either to violate the constitutional duty which he owes to the people and approve bills

which for want of time it is impossible he should have examined, or by his refusal to do this subject the country and individuals to great loss and inconvenience.

Page 928

Besides, a practice has grown up of late years to legislate in appropriation bills at the last hours of the session on new and important subjects. This practice constrains the President either to suffer measures to become laws which he does not approve or to incur the risk of stopping the wheels of the Government by vetoing an appropriation bill. Formerly such bills were confined to specific appropriations for carrying into effect existing laws and the well-established policy of the country, and little time was then requited by the President for their examination.

For my own part, I have deliberately determined that I shall approve no bills which I have not examined, and it will be a case of extreme and most urgent necessity which shall ever induce me to depart from this rule. I therefore respectfully but earnestly recommend that the two Houses would allow the President at least two days previous to the adjournment of each session within which no new bill shall be presented to him for approval. Under the existing joint rule one day is allowed, but this rule has been hitherto so constantly suspended in practice that important bills continue to be presented to him up till the very last moments of the session. In a large majority of cases no great public inconvenience can arise from the want of time to examine their provisions, because the Constitution has declared that if a bill be presented to the President within the last ten days of the session he is not required to return it, either with an approval or with a veto, “in which case it shall not be a law.” It may then lie over and be taken up and passed at the next session. Great inconvenience would only be experienced in regard to appropriation bills, but, fortunately, under the late excellent law allowing a salary instead of a per diem to members of Congress the expense and inconvenience of a called session will be greatly reduced.

I can not conclude without commending to your favorable consideration the interest of the people of this District. Without a representative on the floor of Congress, they have for this very reason peculiar claims upon our just regard. To this I know, from my long acquaintance with them, they are eminently entitled.

***

State of the Union Address
James Buchanan
December 6, 1858

Fellow-Citizens of the Senate and House of Representatives:

When we compare the condition of the country at the present day with what it was one year ago at the meeting of Congress, we have much reason for gratitude to that Almighty Providence which has never failed to interpose for our relief at the most critical periods of our history. One year ago the sectional strife between the North and the South on the dangerous subject of slavery had again become so intense as to threaten

the peace and perpetuity of the Confederacy. The application for the admission of Kansas as a State into the Union fostered this unhappy agitation and

Page 929

brought the whole subject once more before Congress. It was the desire of every patriot that such measures of legislation might be adopted as would remove the excitement from the States and confine it to the Territory where it legitimately belonged. Much has been done, I am happy to say, toward the accomplishment of this object during the last session of Congress. The Supreme Court of the United States had previously decided that all American citizens have an equal right to take into the Territories whatever is held as property under the laws of any of the States, and to hold such property there under the guardianship of the Federal Constitution so long as the Territorial condition shall remain.

This is now a well-established position, and the proceedings of the last session were alone wanting to give it practical effect. The principle has been recognized in some form or other by an almost unanimous vote of both Houses of Congress that a Territory has a right to come into the Union either as a free or a slave State, according to the will of a majority of its people. The just equality of all the States has thus been vindicated and a fruitful source of dangerous dissension among them has been removed.

Whilst such has been the beneficial tendency of your legislative proceedings outside of Kansas, their influence has nowhere been so happy as within that Territory itself. Left to manage and control its own affairs in its own way, without the pressure of external influence, the revolutionary Topeka organization and all resistance to the Territorial government established by Congress have been finally abandoned. As a natural consequence that fine Territory now appears to be tranquil and prosperous and is attracting increasing thousands of immigrants to make it their happy home.

The past unfortunate experience of Kansas has enforced the lesson, so often already taught, that resistance to lawful authority under our form of government can not fail in the end to prove disastrous to its authors. Had the people of the Territory yielded obedience to the laws enacted by their legislature, it would at the present moment have contained a large additional population of industrious and enterprising citizens, who have been deterred from entering its borders by the existence of civil strife and organized rebellion.

It was the resistance to rightful authority and the persevering attempts to establish a revolutionary government under the Topeka constitution which caused the people of Kansas to commit the grave error of refusing to vote for delegates to the convention to frame a constitution under a law not denied to be fair and just in its provisions. This refusal to vote has been the prolific source of all the evils which have followed, In their hostility to the Territorial government they disregarded the principle, absolutely essential to the working of our form of government, that a majority of those who vote, not the majority who may remain at home, from whatever cause, must decide the result of an

election. For this reason, seeking to take advantage of their own error, they denied the authority of the convention thus elected to frame a constitution.

Page 930

The convention, notwithstanding, proceeded to adopt a constitution unexceptionable in its general features, and providing for the submission of the slavery question to a vote of the people, which, in my opinion, they were bound to do under the Kansas and Nebraska act. This was the all-important question which had alone convulsed the Territory; and yet the opponents of the lawful government, persisting in their first error, refrained from exercising their right to vote, and preferred that slavery should continue rather than surrender their revolutionary Topeka organization.

A wiser and better spirit seemed to prevail before the first Monday of January last, when an election was held under the constitution. A majority of the people then voted for a governor and other State officers, for a Member of Congress and members of the State legislature. This election was warmly contested by the two political parties in Kansas, and a greater vote was polled than at any previous election. A large majority of the members of the legislature elect belonged to that party which had previously refused to vote. The antislavery party were thus placed in the ascendant, and the political power of the State was in their own hands. Had Congress admitted Kansas into the Union under the Lecompton constitution, the legislature might at its very first session have submitted the question to a vote of the people whether they would or would not have a convention to amend their constitution, either on the slavery or any other question, and have adopted all necessary means for giving speedy effect to the will of the majority. Thus the Kansas question would have been immediately and finally settled.

Under these circumstances I submitted to Congress the constitution thus framed, with all the officers already elected necessary to put the State government into operation, accompanied by a strong recommendation in favor of the admission of Kansas as a State. In the course of my long public life I have never performed any official act which in the retrospect has afforded me more heartfelt satisfaction. Its admission could have inflicted no possible injury on any human being, whilst it would within a brief period have restored peace to Kansas and harmony to the Union. In that event the slavery question would ere this have been finally settled according to the legally expressed will of a majority of the voters, and popular sovereignty would thus have been vindicated in a constitutional manner.

With my deep convictions of duty I could have pursued no other course. It is true that as an individual I had expressed an opinion, both before and during the session of the convention, in favor of submitting the remaining clauses of the constitution, as well as that concerning slavery, to the people. But, acting in an official character, neither myself nor any human authority had the power to rejudge the proceedings of the convention and declare the constitution which

Page 931

it had framed to be a nullity. To have done this would have been a violation of the Kansas and Nebraska act, which left the people of the Territory “perfectly free to form and regulate their domestic institutions in their own way, subject only to the Constitution of the United States.” It would equally have violated the great principle of popular sovereignty, at the foundation of our institutions, to deprive the people of the power, if they thought proper to exercise it, of confiding to delegates elected by themselves the trust of framing a constitution without requiring them to subject their constituents to the trouble, expense, and delay of a second election. It would have been in opposition to many precedents in our history, commencing in the very best age of the Republic, of the admission of Territories as States into the Union without a previous vote of the people approving their constitution.

It is to be lamented that a question so insignificant when viewed in its practical effects on the people of Kansas, whether decided one way or the other, should have kindled such a flame of excitement throughout the country. This reflection may prove to be a lesson of wisdom and of warning for our future guidance. Practically considered, the question is simply whether the people of that Territory should first come into the Union and then change any provision in their constitution not agreeable to themselves, or accomplish the very same object by remaining out of the Union and framing another constitution in accordance with their will. In either case the result would be precisely the same. The only difference, in point of fact, is that the object would have been much sooner attained and the pacification of Kansas more speedily effected had it been admitted as a State during the last session of Congress.

My recommendation, however, for the immediate admission of Kansas failed to meet the approbation of Congress. They deemed it wiser to adopt a different measure for the settlement of the question. For my own part, I should have been willing to yield my assent to almost any constitutional measure to accomplish this object. I therefore cordially acquiesced in what has been called the English compromise and approved the “act for the admission of the State of Kansas into the Union” upon the terms therein prescribed.

Under the ordinance which accompanied the Lecompton constitution the people of Kansas had claimed double the quantity of public lands for the support of common schools which had ever been previously granted to any State upon entering the Union, and also the alternate sections of land for 12 miles on each side of two railroads proposed to be constructed from the northern to the southern boundary and from the eastern to the western boundary of the State. Congress, deeming these claims unreasonable, provided by the act of May 4, 1858, to which I have just referred, for the admission of the State on an equal footing with the

Page 932

original States, but “upon the fundamental condition precedent” that a majority of the people thereof, at an election to be held for that purpose, should, in place of the very large grants of public lands which they had demanded under the ordinance, accept such grants as had been made to Minnesota and other new States. Under this act, should a majority reject the proposition offered them, “it shall be deemed and held that the people of Kansas do not desire admission into the Union with said constitution under the conditions set forth in said proposition.” In that event the act authorizes the people of the Territory to elect delegates to form a constitution and State government for themselves “whenever, and not before, it is ascertained by a census, duly and legally taken, that the population of said Territory equals or exceeds the ratio of representation required for a member of the House of Representatives of the Congress of the United States.” The delegates thus assembled “shall first determine by a vote whether it is the wish of the people of the proposed State to be admitted into the Union at that time, and, if so, shall proceed to form a constitution and take all necessary steps for the establishment of a State government in conformity with the Federal Constitution.” After this constitution shall have been formed, Congress, carrying out the principles of popular sovereignty and nonintervention, have left “the mode and manner of its approval or ratification by the people of the proposed State” to be “prescribed by law,” and they “shall then be admitted into the Union as a State under such constitution, thus fairly and legally made, with or without slavery, as said constitution may prescribe.”

An election was held throughout Kansas, in pursuance of the provisions of this act, on the 2d day of August last, and it resulted in the rejection by a large majority of the proposition submitted to the people by Congress. This being the case, they are now authorized to form another constitution, preparatory to admission into the Union, but not until their number, as ascertained by a census, shall equal or exceed the ratio required to elect a member to the House of Representatives.

It is not probable, in the present state of the case, that a third constitution can be lawfully framed and presented to Congress by Kansas before its population shall have reached the designated number. Nor is it to be presumed that after their sad experience in resisting the Territorial laws they will attempt to adopt a constitution in express violation of the provisions of an act of Congress. During the session of 1856 much of the time of Congress was occupied on the question of admitting Kansas under the Topeka constitution. Again, nearly the whole of the last session was devoted to the question of its admission under the Lecompton constitution. Surely it is not unreasonable to require the people of Kansas to wait before making a third attempt until the number of their inhabitants shall amount to 93,420. During this brief period the harmony of the States as well as the great business interests of the country demand that the people of the Union shall not for a third time be convulsed by another agitation on the Kansas question. By waiting for a short time and acting in obedience to law Kansas will glide into the Union without the slightest impediment.

Page 933

This excellent provision, which Congress have applied to Kansas, ought to be extended and rendered applicable to all Territories which may hereafter seek admission into the Union.

Whilst Congress possess the undoubted power of admitting a new State into the Union, however small may be the number of its inhabitants, yet this power ought not, in my opinion, to be exercised before the population shall amount to the ratio required by the act for the admission of Kansas. Had this been previously the rule, the country would have escaped all the evils and misfortunes to which it has been exposed by the Kansas question.

Of course it would be unjust to give this rule a retrospective application, and exclude a State which, acting upon the past practice of the Government, has already formed its constitution, elected its legislature and other officers, and is now prepared to enter the Union. The rule ought to be adopted, whether we consider its bearing on the people of the Territories or upon the people of the existing States. Many of the serious dissentions which have prevailed in Congress and throughout the country would have been avoided had this rule been established at an earlier period of the Government.

Immediately upon the formation of a new Territory people from different States and from foreign countries rush into it for the laudable purpose of improving their condition. Their first duty to themselves is to open and cultivate farms, to construct roads, to establish schools, to erect places of religious worship, and to devote their energies generally to reclaim the wilderness and to lay the foundations of a flourishing and prosperous commonwealth. If in this incipient condition, with a population of a few thousand, they should prematurely enter the Union, they are oppressed by the burden of State taxation, and the means necessary for the improvement of the Territory and the advancement of their own interests are thus diverted to very different purposes.

The Federal Government has ever been a liberal parent to the Territories and a generous contributor to the useful enterprises of the early settlers. It has paid the expenses of their governments and legislative assemblies out of the common Treasury, and thus relieved them from a heavy charge. Under these circumstances nothing can be better calculated to retard their material progress than to divert them from their useful employments by prematurely exciting angry political contests among themselves for the benefit of aspiring leaders. It is surely no hardship for embryo governors, Senators, and Members of Congress to wait until the number of inhabitants shall equal those of a single Congressional district. They surely ought not to be permitted to rush into the Union with a population less than one-half of several of the large counties in the interior of some of the States. This was the condition of Kansas when it made application to be admitted

Page 934

under the Topeka constitution. Besides, it requires some time to render the mass of a population collected in a new Territory at all homogeneous and to unite them on anything like a fixed policy. Establish the rule, and all will look forward to it and govern themselves accordingly. But justice to the people of the several States requires that this rule should be established by Congress. Each State is entitled to two Senators and at least one Representative in Congress. Should the people of the States fail to elect a Vice-President, the power devolves upon the Senate to select this officer from the two highest candidates on the list. In case of the death of the President, the Vice-President thus elected by the Senate becomes President of the United States. On all questions of legislation the Senators from the smallest States of the Union have an equal vote with those from the largest. The same may be said in regard to the ratification of treaties and of Executive appointments. All this has worked admirably in practice, whilst it conforms in principle with the character of a Government instituted by sovereign States. I presume no American citizen would desire the slightest change in the arrangement. Still, is it not unjust and unequal to the existing States to invest some 40,000 or 50,000 people collected in a Territory with the attributes of sovereignty and place them on an equal footing with Virginia and New York in the Senate of the United States?

For these reasons I earnestly recommend the passage of a general act which shall provide that, upon the application of a Territorial legislature declaring their belief that the Territory contains a number of inhabitants which, if in a State, would entitle them to elect a Member of Congress, it shall be the duty of the President to cause a census of the inhabitants to be taken, and if found sufficient then by the terms of this act to authorize them to proceed “in their own way” to frame a State constitution preparatory to admission into the Union. I also recommend that an appropriation may be made to enable the President to take a census of the people of Kansas.

The present condition of the Territory of Utah, when contrasted with what it was one year ago, is a subject for congratulation. It was then in a state of open rebellion, and, cost what it might, the character of the Government required that this rebellion should be suppressed and the Mormons compelled to yield obedience to the Constitution and the laws. In order to accomplish this object, as I informed you in my last annual message, I appointed a new governor instead of Brigham Young, and other Federal officers to take the place of those who, consulting their personal safety, had found it necessary to withdraw from the Territory.

To protect these civil officers, and to aid them, as a posse comitatus, in the execution of the laws in case of need, I ordered a detachment of the Army to accompany them to Utah. The necessity for adopting these measures is now demonstrated.

Page 935

On the 15th of September, 1857, Governor Young issued his proclamation, in the style of an independent sovereign, announcing his purpose to resist by force of arms the entry of the United States troops into our own Territory of Utah. By this he required all the forces in the Territory to "hold themselves in readiness to march at a moment's notice to repel any and all such invasion," and established martial law from its date throughout the Territory. These proved to be no idle threats. Forts Bridger and Supply were vacated and burnt down by the Mormons to deprive our troops of a shelter after their long and fatiguing march. Orders were issued by Daniel H. Wells, styling himself "Lieutenant General, Nauvoo Legion," to stampede the animals of the United States troops on their march, to set fire to their trains, to burn the grass and the whole country before them and on their flanks, to keep them from sleeping by night surprises, and to blockade the road by felling trees and destroying the fords of rivers, *etc*.

These orders were promptly and effectually obeyed. On the 4th of October, 1857, the Mormons captured and burned, on Green River, three of our supply trains, consisting of seventy-five wagons loaded with provisions and tents for the army, and carried away several hundred animals. This diminished the supply of provisions so materially that General Johnston was obliged to reduce the ration, and even with this precaution there was only sufficient left to subsist the troops until the 1st of June.

Our little army behaved admirably in their encampment at Fort Bridger under these trying privations. In the midst of the mountains, in a dreary, unsettled, and inhospitable region, more than a thousand miles from home, they passed the severe and inclement winter without a murmur. They looked forward with confidence for relief from their country in due season, and in this they were not disappointed. The Secretary of War employed all his energies to forward them the necessary supplies and to muster and send such a military force to Utah as would render resistance on the part of the Mormons hopeless, and thus terminate the war without the effusion of blood. In his efforts he was efficiently sustained by Congress. They granted appropriations sufficient to cover the deficiency thus necessarily created, and also provided for raising two regiments of volunteers "for the purpose of quelling disturbances in the Territory of Utah, for the protection of supply and emigrant trains, and the suppression of Indian hostilities on the frontiers." Happily, there was no occasion to call these regiments into service. If there had been, I should have felt serious embarrassment in selecting them, so great was the number of our brave and patriotic citizens anxious to serve their country in this distant and apparently dangerous expedition. Thus it has ever been, and thus may it ever be.

Page 936

The wisdom and economy of sending sufficient reenforcements to Utah are established, not only by the event, but in the opinion of those who from their position and opportunities are the most capable of forming a correct judgment. General Johnston, the commander of the forces, in addressing the Secretary of War from Fort Bridger under date of October 18, 1857, expresses the opinion that "unless a large force is sent here, from the nature of the country a protracted war on their [the Mormons's] part is inevitable." This he considered necessary to terminate the war "speedily and more economically than if attempted by insufficient means."

In the meantime it was my anxious desire that the Mormons should yield obedience to the Constitution and the laws without rendering it necessary to resort to military force. To aid in accomplishing this object, I deemed it advisable in April last to dispatch two distinguished citizens of the United States, Messrs. Powell and McCulloch, to Utah. They bore with them a proclamation addressed by myself to the inhabitants of Utah, dated on the 6th day of that month, warning them of their true condition and how hopeless it was on their part to persist in rebellion against the United States, and offering all those who should submit to the laws a full pardon for their past seditions and treasons. At the same time I assured those who should persist in rebellion against the United States that they must expect no further lenity, but look to be rigorously dealt with according to their deserts. The instructions to these agents, as well as a copy of the proclamation and their reports, are herewith submitted. It will be seen by their report of the 3d of July last that they have fully confirmed the opinion expressed by General Johnston in the previous October as to the necessity of sending reenforcements to Utah. In this they state that they "are firmly impressed with the belief that the presence of the Army here and the large additional force that had been ordered to this Territory were the chief inducements that caused the Mormons to abandon the idea of resisting the authority of the United States. A less decisive policy would probably have resulted in a long, bloody, and expensive war."

These gentlemen conducted themselves to my entire satisfaction and rendered useful services in executing the humane intentions of the Government.

It also affords me great satisfaction to state that Governor Cumming has performed his duty in an able and conciliatory manner and with the happiest effect. I can not in this connection refrain from mentioning the valuable services of Colonel Thomas L. Kane, who, from motives of pure benevolence and without any official character or pecuniary compensation, visited Utah during the last inclement winter for the purpose of contributing to the pacification of the Territory.

I am happy to inform you that the governor and other civil officers of Utah are now performing their appropriate functions without resistance. The authority of the Constitution and the laws has been fully restored and peace prevails throughout the Territory. A portion of the troops sent to Utah are now encamped in Cedar Valley, 44

miles southwest of Salt Lake City, and the remainder have been ordered to Oregon to suppress Indian hostilities.

Page 937

The march of the army to Salt Lake City through the Indian Territory has had a powerful effect in restraining the hostile feelings against the United States which existed among the Indians in that region and in securing emigrants to the far West against their depredations. This will also be the means of establishing military posts and promoting settlements along the route. I recommend that the benefits of our land laws and preemption system be extended to the people of Utah by the establishment of a land office in that Territory.

I have occasion also to congratulate you on the result of our negotiations with China.

You were informed by my last annual message that our minister had been instructed to occupy a neutral position in the hostilities conducted by Great Britain and France against Canton. He was, however, at the same time directed to cooperate cordially with the British and French ministers in all peaceful measures to secure by treaty those just concessions to foreign commerce which the nations of the world had a right to demand. It was impossible for me to proceed further than this on my own authority without usurping the war-making power, which under the Constitution belongs exclusively to Congress.

Besides, after a careful examination of the nature and extent of our grievances, I did not believe they were of such a pressing and aggravated character as would have justified Congress in declaring war against the Chinese Empire without first making another earnest attempt to adjust them by peaceful negotiation. I was the more inclined to this opinion because of the severe chastisement which had then but recently been inflicted upon the Chinese by our squadron in the capture and destruction of the Barrier forts to avenge an alleged insult to our flag. The event has proved the wisdom of our neutrality. Our minister has executed his instructions with eminent skill and ability. In conjunction with the Russian plenipotentiary, he has peacefully, but effectually, cooperated with the English and French plenipotentiaries, and each of the four powers has concluded a separate treaty with China of a highly satisfactory character. The treaty concluded by our own plenipotentiary will immediately be submitted to the Senate.

I am happy to announce that through the energetic yet conciliatory efforts of our consul-general in Japan a new treaty has been concluded with that Empire, which may be expected materially to augment our trade and intercourse in that quarter and remove from our countrymen the disabilities which have heretofore been imposed upon the exercise of their religion. The treaty shall be submitted to the Senate for approval without delay.

Page 938

It is my earnest desire that every misunderstanding with the Government of Great Britain should be amicably and speedily adjusted. It has been the misfortune of both countries, almost ever since the period of the Revolution, to have been annoyed by a succession of irritating and dangerous questions, threatening their friendly relations. This has partially prevented the full development of those feelings of mutual friendship between the people of the two countries so natural in themselves and so conducive to their common interest. Any serious interruption of the commerce between the United States and Great Britain would be equally injurious to both. In fact, no two nations have ever existed on the face of the earth which could do each other so much good or so much harm.

Entertaining these sentiments, I am gratified to inform you that the long-pending controversy between the two Governments in relation to the question of visitation and search has been amicably adjusted. The claim on the part of Great Britain forcibly to visit American vessels on the high seas in time of peace could not be sustained under the law of nations, and it had been overruled by her own most eminent jurists. This question was recently brought to an issue by the repeated acts of British cruisers in boarding and searching our merchant vessels in the Gulf of Mexico and the adjacent seas. These acts were the more injurious and annoying, as these waters are traversed by a large portion of the commerce and navigation of the United States and their free and unrestricted use is essential to the security of the coastwise trade between the different States of the Union. Such vexatious interruptions could not fail to excite the feelings of the country and to require the interposition of the Government. Remonstrances were addressed to the British Government against these violations of our rights of sovereignty, and a naval force was at the same time ordered to the Cuban waters with directions “to protect all vessels of the United States on the high seas from search or detention by the vessels of war of any other nation.” These measures received the unqualified and even enthusiastic approbation of the American people. Most fortunately, however, no collision took place, and the British Government promptly avowed its recognition of the principles of international law upon this subject as laid down by the Government of the United States in the note of the Secretary of State to the British minister at Washington of April 10, 1858, which secure the vessels of the United States upon the high seas from visitation or search in time of peace under any circumstances whatever. The claim has been abandoned in a manner reflecting honor on the British Government and evincing a just regard for the law of nations, and can not fail to strengthen the amicable relations between the two countries.

Page 939

The British Government at the same time proposed to the United States that some mode should be adopted, by mutual arrangement between the two countries, of a character which may be found effective without being offensive, for verifying the nationality of vessels suspected on good grounds of carrying false colors. They have also invited the United States to take the initiative and propose measures for this purpose. Whilst declining to assume so grave a responsibility, the Secretary of State has informed the British Government that we are ready to receive any proposals which they may feel disposed to offer having this object in view, and to consider them in an amicable spirit. A strong opinion is, however, expressed that the occasional abuse of the flag of any nation is an evil far less to be deprecated than would be the establishment of any regulations which might be incompatible with the freedom of the seas. This Government has yet received no communication specifying the manner in which the British Government would propose to carry out their suggestion, and I am inclined to believe that no plan which can be devised will be free from grave embarrassments. Still, I shall form no decided opinion on the subject until I shall have carefully and in the best spirit examined any proposals which they may think proper to make.

I am truly sorry I can not also inform you that the complications between Great Britain and the United States arising out of the Clayton and Bulwer treaty of April, 1850, have been finally adjusted.

At the commencement of your last session I had reason to hope that, emancipating themselves from further unavailing discussions, the two Governments would proceed to settle the Central American questions in a practical manner, alike honorable and satisfactory to both; and this hope I have not yet abandoned. In my last annual message I stated that overtures had been made by the British Government for this purpose in a friendly spirit, which I cordially reciprocated. Their proposal was to withdraw these questions from direct negotiation between the two Governments, but to accomplish the same object by a negotiation between the British Government and each of the Central American Republics whose territorial interests are immediately involved. The settlement was to be made in accordance with the general tenor of the interpretation placed upon the Clayton and Bulwer treaty by the United States, with certain modifications. As negotiations are still pending upon this basis, it would not be proper for me now to communicate their present condition. A final settlement of these questions is greatly to be desired, as this would wipe out the last remaining subject of dispute between the two countries.

Our relations with the great Empires of France and Russia, as well as with all other Governments on the continent of Europe, except that of Spain, continue to be of the most friendly character.

Page 940

With Spain our relations remain in an unsatisfactory condition. In my message of December last I informed you that our envoy extraordinary and minister plenipotentiary to Madrid had asked for his recall, and it was my purpose to send out a new minister to that Court with special instructions on all questions pending between the two Governments, and with a determination to have them speedily and amicably adjusted if that were possible. This purpose has been hitherto defeated by causes which I need not enumerate. The mission to Spain has been intrusted to a distinguished citizen of Kentucky, who will proceed to Madrid without delay and make another and a final attempt to obtain justice from that Government.

Spanish officials under the direct control of the Captain-General of Cuba have insulted our national flag and in repeated instances have from time to time inflicted injuries on the persons and property of our citizens. These have given birth to numerous claims against the Spanish Government, the merits of which have been ably discussed for a series of years by our successive diplomatic representatives. Notwithstanding this, we have not arrived at a practical result in any single instance, unless we may except the case of the Black Warrior, under the late Administration, and that presented an outrage of such a character as would have justified an immediate resort to war. All our attempts to obtain redress have been baffled and defeated. The frequent and oft-recurring changes in the Spanish ministry have been employed as reasons for delay. We have been compelled to wait again and again until the new minister shall have had time to investigate the justice of our demands.

Even what have been denominated “the Cuban claims,” in which more than 100 of our citizens are directly interested, have furnished no exception. These claims were for the refunding of duties unjustly exacted from American vessels at different custom-houses in Cuba so long ago as the year 1844. The principles upon which they rest are so manifestly equitable and just that, after a period of nearly ten years, in 1854 they were recognized by the Spanish Government. Proceedings were afterwards instituted to ascertain their amount, and this was finally fixed, according to their own statement (with which we were satisfied), at the sum of $128,635.54. Just at the moment, after a delay of fourteen years, when we had reason to expect that this sum would be repaid with interest, we have received a proposal offering to refund one-third of that amount ($42,878.41), but without interest, if we would accept this in full satisfaction. The offer is also accompanied by a declaration that this indemnification is not founded on any reason of strict justice, but is made as a special favor.

Page 941

One alleged cause for procrastination in the examination and adjustment of our claims arises from an obstacle which it is the duty of the Spanish Government to remove. Whilst the Captain-General of Cuba is invested with general despotic authority in the government of that island, the power is withheld from him to examine and redress wrongs committed by officials under his control on citizens of the United States. Instead of making our complaints directly to him at Havana, we are obliged to present them through our minister at Madrid. These are then referred back to the Captain-General for information, and much time is thus consumed in preliminary investigations and correspondence between Madrid and Cuba before the Spanish Government will consent to proceed to negotiation. Many of the difficulties between the two Governments would be obviated and a long train of negotiation avoided if the Captain-General were invested with authority to settle questions of easy solution on the spot, where all the facts are fresh and could be promptly and satisfactorily ascertained. We have hitherto in vain urged upon the Spanish Government to confer this power upon the Captain-General, and our minister to Spain will again be instructed to urge this subject on their notice. In this respect we occupy a different position from the powers of Europe. Cuba is almost within sight of our shores; our commerce with it is far greater than that of any other nation, including Spain itself, and our citizens are in habits of daily and extended personal intercourse with every part of the island. It is therefore a great grievance that when any difficulty occurs, no matter how unimportant, which might be readily settled at the moment, we should be obliged to resort to Madrid, especially when the very first step to be taken there is to refer it back to Cuba.

The truth is that Cuba, in its existing colonial condition, is a constant source of injury and annoyance to the American people. It is the only spot in the civilized world where the African slave trade is tolerated, and we are bound by treaty with Great Britain to maintain a naval force on the coast of Africa, at much expense both of life and treasure, solely for the purpose of arresting slavers bound to that island. The late serious difficulties between the United States and Great Britain respecting the right of search, now so happily terminated, could never have arisen if Cuba had not afforded a market for slaves. As long as this market shall remain open there can be no hope for the civilization of benighted Africa. Whilst the demand for slaves continues in Cuba wars will be waged among the petty and barbarous chiefs in Africa for the purpose of seizing subjects to supply this trade. In such a condition of affairs it is impossible that the light of civilization and religion can ever penetrate these dark abodes.

Page 942

It has been made known to the world by my predecessors that the United States have on several occasions endeavored to acquire Cuba from Spain by honorable negotiation. If this were accomplished, the last relic of the African slave trade would instantly disappear. We would not, if we could, acquire Cuba in any other manner. This is due to our national character. All the territory which we have acquired since the origin of the Government has been by fair purchase from France, Spain, and Mexico or by the free and voluntary act of the independent State of Texas in blending her destinies with our own. This course we shall ever pursue, unless circumstances should occur which we do not now anticipate, rendering a departure from it clearly justifiable under the imperative and overruling law of self-preservation. The island of Cuba, from its geographical position, commands the mouth of the Mississippi and the immense and annually increasing trade, foreign and coastwise, from the valley of that noble river, now embracing half the sovereign States of the Union. With that island under the dominion of a distant foreign power this trade, of vital importance to these States, is exposed to the danger of being destroyed in time of war, and it has hitherto been subjected to perpetual injury and annoyance in time of peace. Our relations with Spain, which ought to be of the most friendly character, must always be placed in jeopardy whilst the existing colonial government over the island shall remain in its present condition.

Whilst the possession of the island would be of vast importance to the United States, its value to Spain is comparatively unimportant. Such was the relative situation of the parties when the great Napoleon transferred Louisiana to the United States. Jealous as he ever was of the national honor and interests of France, no person throughout the world has imputed blame to him for accepting a pecuniary equivalent for this cession.

The publicity which has been given to our former negotiations upon this subject and the large appropriation which may be required to effect the purpose render it expedient before making another attempt to renew the negotiation that I should lay the whole subject before Congress. This is especially necessary, as it may become indispensable to success that I should be intrusted with the means of making an advance to the Spanish Government immediately after the signing of the treaty, without awaiting the ratification of it by the Senate. I am encouraged to make this suggestion by the example of Mr. Jefferson previous to the purchase of Louisiana from France and by that of Mr. Polk in view of the acquisition of territory from Mexico. I refer the whole subject to Congress and commend it to their careful consideration.

Page 943

I repeat the recommendation made in my message of December last in favor of an appropriation “to be paid to the Spanish Government for the purpose of distribution among the claimants in the Amistad case.” President Polk first made a similar recommendation in December, 1847, and it was repeated by my immediate predecessor in December, 1853. I entertain no doubt that indemnity is fairly due to these claimants under our treaty with Spain of October 27, 1795; and whilst demanding justice we ought to do justice. An appropriation promptly made for this purpose could not fail to exert a favorable influence on our negotiations with Spain.

Our position in relation to the independent States south of us on this continent, and especially those within the limits of North America, is of a peculiar character. The northern boundary of Mexico is coincident with our own southern boundary from ocean to ocean, and we must necessarily feel a deep interest in all that concerns the well-being and the fate of so near a neighbor. We have always cherished the kindest wishes for the success of that Republic, and have indulged the hope that it might at last, after all its trials, enjoy peace and prosperity under a free and stable government. We have never hitherto interfered, directly or indirectly, with its internal affairs, and it is a duty which we owe to ourselves to protect the integrity of its territory against the hostile interference of any other power. Our geographical position, our direct interest in all that concerns Mexico, and our well-settled policy in regard to the North American continent render this an indispensable duty.

Mexico has been in a state of constant revolution almost ever since it achieved its independence. One military leader after another has usurped the Government in rapid succession, and the various constitutions from time to time adopted have been set at naught almost as soon as they were proclaimed. The successive Governments have afforded no adequate protection, either to Mexican citizens or foreign residents, against lawless violence. Heretofore a seizure of the capital by a military chieftain has been generally followed by at least the nominal submission of the country to his rule for a brief period, but not so at the present crisis of Mexican affairs. A civil war has been raging for some time throughout the Republic between the central Government at the City of Mexico, which has endeavored to subvert the constitution last framed by military power, and those who maintain the authority of that constitution. The antagonist parties each hold possession of different States of the Republic, and the fortunes of the war are constantly changing. Meanwhile the most reprehensible means have been employed by both parties to extort money from foreigners, as well as natives, to carry on this ruinous contest. The truth is that this fine country, blessed with a productive soil and a benign climate, has been reduced by civil dissension to a condition of almost hopeless anarchy and imbecility. It would be vain for this Government to attempt to enforce payment in money of the claims of American citizens, now amounting to more than $10,000,000, against Mexico, because she is destitute of all pecuniary means to satisfy these demands.

Page 944

Our late minister was furnished with ample powers and instructions for the adjustment of all pending questions with the central Government of Mexico, and he performed his duty with zeal and ability. The claims of our citizens, some of them arising out of the violation of an express provision of the treaty of Guadalupe Hidalgo, and others from gross injuries to persons as well as property, have remained unredressed and even unnoticed. Remonstrances against these grievances have been addressed without effect to that Government. Meantime in various parts of the Republic instances have been numerous of the murder, imprisonment, and plunder of our citizens by different parties claiming and exercising a local jurisdiction; but the central Government, although repeatedly urged thereto, have made no effort either to punish the authors of these outrages or to prevent their recurrence. No American citizen can now visit Mexico on lawful business without imminent danger to his person and property. There is no adequate protection to either, and in this respect our treaty with that Republic is almost a dead letter.

This state of affairs was brought to a crisis in May last by the promulgation of a decree levying a contribution pro rata upon all the capital in the Republic between certain specified amounts, whether held by Mexicans or foreigners. Mr. Forsyth, regarding this decree in the light of a “forced loan,” formally protested against its application to his countrymen and advised them not to pay the contribution, but to suffer it to be forcibly exacted. Acting upon this advice, an American citizen refused to pay the contribution, and his property was seized by armed men to satisfy the amount. Not content with this, the Government proceeded still further and issued a decree banishing him from the country. Our minister immediately notified them that if this decree should be carried into execution he would feel it to be his duty to adopt “the most decided measures that belong to the powers and obligations of the representative office.” Notwithstanding this warning, the banishment was enforced, and Mr. Forsyth promptly announced to the Government the suspension of the political relations of his legation with them until the pleasure of his own Government should be ascertained.

This Government did not regard the contribution imposed by the decree of the 15th May last to be in strictness a “forced loan,” and as such prohibited by the tenth article of the treaty of 1826 between Great Britain and Mexico, to the benefits of which American citizens are entitled by treaty; yet the imposition of the contribution upon foreigners was considered an unjust and oppressive measure. Besides, internal factions in other parts of the Republic were at the same time levying similar exactions upon the property of our citizens and interrupting their commerce. There had been an entire failure on the part of our minister to secure redress for the wrongs which our

Page 945

citizens had endured, notwithstanding his persevering efforts. And from the temper manifested by the Mexican Government he had repeatedly assured us that no favorable change could be expected until the United States should “give striking evidence of their will and power to protect their citizens,” and that “severe chastening is the only earthly remedy for our grievances.” From this statement of facts it would have been worse than idle to direct Mr. Forsyth to retrace his steps and resume diplomatic relations with that Government, and it was therefore deemed proper to sanction his withdrawal of the legation from the City of Mexico.

Abundant cause now undoubtedly exists for a resort to hostilities against the Government still holding possession of the capital. Should they succeed in subduing the constitutional forces, all reasonable hope will then have expired of a peaceful settlement of our difficulties. On the other hand, should the constitutional party prevail and their authority be established over the Republic, there is reason to hope that they will be animated by a less unfriendly spirit and may grant that redress to American citizens which justice requires so far as they may possess the means. But for this expectation I should at once have recommended to Congress to grant the necessary power to the President to take possession of a sufficient portion of the remote and unsettled territory of Mexico, to be held in pledge until our injuries shall be redressed and our just demands be satisfied. We have already exhausted every milder means of obtaining justice. In such a case this remedy of reprisals is recognized by the law of nations, not only as just in itself, but as a means of preventing actual war.

But there is another view of our relations with Mexico, arising from the unhappy condition of affairs along our southwestern frontier, which demands immediate action. In that remote region, where there are but few white inhabitants, large bands of hostile and predatory Indians roam promiscuously over the Mexican States of Chihuahua and Sonora and our adjoining Territories. The local governments of these States are perfectly helpless and are kept in a state of constant alarm by the Indians. They have not the power, if they possessed the will, even to restrain lawless Mexicans from passing the border and committing depredations on our remote settlers. A state of anarchy and violence prevails throughout that distant frontier. The laws are a dead letter and life and property wholly insecure. For this reason the settlement of Arizona is arrested, whilst it is of great importance that a chain of inhabitants should extend all along its southern border sufficient for their own protection and that of the United States mail passing to and from California. Well-founded apprehensions are now entertained that the Indians and wandering Mexicans, equally lawless, may break up the important stage and postal communication recently

Page 946

established between our Atlantic and Pacific possessions. This passes very near to the Mexican boundary throughout the whole length of Arizona. I can imagine no possible remedy for these evils and no mode of restoring law and order on that remote and unsettled frontier but for the Government of the United States to assume a temporary protectorate over the northern portions of Chihuahua and Sonora and to establish military posts within the same; and this I earnestly recommend to Congress. This protection may be withdrawn as soon as local governments shall be established in these Mexican States capable of performing their duties to the United States, restraining the lawless, and preserving peace along the border.

I do not doubt that this measure will be viewed in a friendly spirit by the governments and people of Chihuahua and Sonora, as it will prove equally effectual for the protection of their citizens on that remote and lawless frontier as for citizens of the United States. And in this connection permit me to recall your attention to the condition of Arizona. The population of that Territory, numbering, as is alleged, more than 10,000 souls, are practically without a government, without laws, and without any regular administration of justice. Murder and other crimes are committed with impunity. This state of things calls loudly for redress, and I therefore repeat my recommendation for the establishment of a Territorial government over Arizona.

The political condition of the narrow isthmus of Central America, through which transit routes pass between the Atlantic and Pacific oceans, presents a subject of deep interest to all commercial nations. It is over these transits that a large proportion of the trade and travel between the European and Asiatic continents is destined to pass. To the United States these routes are of incalculable importance as a means of communication between their Atlantic and Pacific possessions. The latter now extend throughout seventeen degrees of latitude on the Pacific coast, embracing the important State of California and the flourishing territories of Oregon and Washington. All commercial nations therefore have a deep and direct interest that these communications shall be rendered secure from interruption. If an arm of the sea connecting the two oceans penetrated through Nicaragua and Costa Rica, it could not be pretended that these States would have the right to arrest or retard its navigation to the injury of other nations. The transit by land over this narrow isthmus occupies nearly the same position. It is a highway in which they themselves have little interest when compared with the vast interests of the rest of the world. Whilst their rights of sovereignty ought to be respected, it is the duty of other nations to require that this important passage shall not be interrupted by the civil wars and revolutionary outbreaks which have so frequently occurred in that region. The stake

Page 947

is too important to be left at the mercy of rival companies claiming to hold conflicting contracts with Nicaragua. The commerce of other nations is not to stand still and await the adjustment of such petty controversies. The Government of the United States expect no more than this, and they will not be satisfied with less. They would not, if they could, derive any advantage from the Nicaragua transit not common to the rest of the World. Its neutrality and protection for the common use of all nations is their only object. They have no objection that Nicaragua shall demand and receive a fair compensation from the companies and individuals who may traverse the route, but they insist that it shall never hereafter be closed by an arbitrary decree of that Government. If disputes arise between it and those with whom they may have entered into contracts, these must be adjusted by some fair tribunal provided for the purpose, and the route must not be closed pending the controversy. This is our whole policy, and it can not fail to be acceptable to other nations.

All these difficulties might be avoided if, consistently with the good faith of Nicaragua, the use of this transit could be thrown open to general competition, providing at the same time for the payment of a reasonable rate to the Nicaraguan Government on passengers and freight. In August, 1852, the Accessory Transit Company made its first interoceanic trip over the Nicaraguan route, and continued in successful operation, with great advantage to the public, until the 18th February, 1856, when it was closed and the grant to this company as well as its charter were summarily and arbitrarily revoked by the Government of President Rivas. Previous to this date, however, in 1854, serious disputes concerning the settlement of their accounts had arisen between the company and the Government, threatening the interruption of the route at any moment. These the United States in vain endeavored to compose. It would be useless to narrate the various proceedings which took place between the parties up till the time when the transit was discontinued. Suffice it to say that since February, 1856, it has remained closed, greatly to the prejudice of citizens of the United States. Since that time the competition has ceased between the rival routes of Panama and Nicaragua, and in consequence thereof an unjust and unreasonable amount has been exacted from our citizens for their passage to and from California.

A treaty was signed on the 16th day of November, 1857, by the Secretary of State and minister of Nicaragua, under the stipulations of which the use and protection of the transit route would have been secured, not only to the United States, but equally to all other nations. How and on what pretext this treaty has failed to receive the ratification of the Nicaraguan Government will appear by the papers herewith communicated from the State Department. The principal objection seems to have been to the provision authorizing the

Page 948

United States to employ force to keep the route open in case Nicaragua should fail to perform her duty in this respect. From the feebleness of that Republic, its frequent changes of government, and its constant internal dissensions, this had become a most important stipulation, and one essentially necessary, not only for the security of the route, but for the safety of American citizens passing and repassing to and from our Pacific possessions. Were such a stipulation embraced in a treaty between the United States and Nicaragua, the knowledge of this fact would of itself most probably prevent hostile parties from committing aggressions on the route, and render our actual interference for its protection unnecessary.

The executive government of this country in its intercourse with foreign nations is limited to the employment of diplomacy alone. When this fails it can proceed no further. It can not legitimately resort to force without the direct authority of Congress, except in resisting and repelling hostile attacks. It would have no authority to enter the territories of Nicaragua even to prevent the destruction of the transit and protect the lives and property of our own citizens on their passage. It is true that on a sudden emergency of this character the President would direct any armed force in the vicinity to march to their relief, but in doing this he would act upon his own responsibility.

Under these circumstances I earnestly recommend to Congress the passage of an act authorizing the president, under such restrictions as they may deem proper, to employ the land and naval forces of the United States in preventing the transit from being obstructed or closed by lawless violence, and in protecting the lives and property of American citizens traveling thereupon, requiring at the same time that these forces shall be withdrawn the moment the danger shall have passed away. Without such a provision our citizens will be constantly exposed to interruption in their progress and to lawless violence.

A similar necessity exists for the passage of such an act for the protection of the Panama and Tehuantepec routes. In reference to the Panama route, the United States, by their existing treaty with New Granada, expressly guarantee the neutrality of the Isthmus, “with the view that the free transit from the one to the other sea may not be interrupted or embarrassed in any future time while this treaty exists.”

In regard to the Tehuantepec route, which has been recently opened under the most favorable auspices, our treaty with Mexico of the 30th December, 1853, secures to the citizens of the United States a right of transit over it for their persons and merchandise and stipulates that neither Government shall “interpose any obstacle” thereto. It also concedes to the United States the “right to transport across the Isthmus, in closed bags, the mails of the United States not intended for distribution along the line of the communication; also the effects of the United States Government and its citizens which

may be intended for transit and not for distribution on the Isthmus, free of custom-house or other charges by the Mexican Government."

Page 949

These treaty stipulations with New Granada and Mexico, in addition to the considerations applicable to the Nicaragua route, seem to require legislation for the purpose of carrying them into effect.

The injuries which have been inflicted upon our citizens in Costa Rica and Nicaragua during the last two or three years have received the prompt attention of this Government. Some of these injuries were of the most aggravated character. The transaction at Virgin Bay in April, 1856, when a company of unarmed Americans, who were in no way connected with any belligerent conduct or party, were fired upon by the troops of Costa Rica and numbers of them killed and wounded, was brought to the knowledge of Congress by my predecessor soon after its occurrence, and was also presented to the Government of Costa Rica for that immediate investigation and redress which the nature of the case demanded. A similar course was pursued with reference to other outrages in these countries, some of which were hardly less aggravated in their character than the transaction at Virgin Bay. At the time, however, when our present minister to Nicaragua was appointed, in December, 1857, no redress had been obtained for any of these wrongs and no reply even had been received to the demands which had been made by this Government upon that of Costa Rica more than a year before. Our minister was instructed, therefore, to lose no time in expressing to those Governments the deep regret with which the President had witnessed this inattention to the just claims of the United States and in demanding their prompt and satisfactory adjustment. Unless this demand shall be complied with at an early day it will only remain for this Government to adopt such other measures as may be necessary in order to obtain for itself that justice which it has in vain attempted to secure by peaceful means from the Governments of Nicaragua and Costa Rica. While it has shown, and will continue to show, the most sincere regard for the rights and honor of these Republics, it can not permit this regard to be met by an utter neglect on their part of what is due to the Government and citizens of the United States.

Against New Granada we have long-standing causes of complaint, arising out of the unsatisfied claims of our citizens upon that Republic, and to these have been more recently added the outrages committed upon our citizens at Panama in April, 1856. A treaty for the adjustment of these difficulties was concluded by the Secretary of State and the minister of New Granada in September, 1857, which contained just and acceptable provisions for that purpose. This treaty was transmitted to Bogota and was ratified by the Government of New Granada, but with certain amendments. It was not, however, returned to this city until after the close of the last session of the Senate. It will be immediately transmitted to that body for their advice and consent, and should this be obtained it will remove all our existing causes of complaint against New Granada on the subject of claims.

Page 950

Questions have arisen between the two Governments as to the right of New Granada to levy a tonnage duty upon the vessels of the United States in its ports of the Isthmus and to levy a passenger tax upon our citizens arriving in that country, whether with a design to remain there or to pass from ocean to ocean by the transit route; and also a tax upon the mail of the United States transported over the Panama Railroad. The Government of New Granada has been informed that the United States would consider the collection of either of these taxes as an act in violation of the treaty between the two countries, and as such would be resisted by the United States. At the same time, we are prepared to discuss these questions in a spirit of amity and justice and with a sincere desire to adjust them in a satisfactory manner. A negotiation for that purpose has already been commenced. No effort has recently been made to collect these taxes nor is any anticipated under present circumstances.

With the Empire of Brazil our relations are of the most friendly character. The productions of the two countries, and especially those of an agricultural nature, are such as to invite extensive mutual exchanges. A large quantity of American flour is consumed in Brazil, whilst more than treble the amount in value of Brazilian coffee is consumed in the United States. Whilst this is the case, a heavy duty has been levied until very recently upon the importation of American flour into Brazil. I am gratified, however, to be able to inform you that in September last this has been reduced from $1.32 to about 49 cents per barrel, and the duties on other articles of our production have been diminished in nearly the same proportion.

I regret to state that the Government of Brazil still continues to levy an export duty of about 11 per cent on coffee, notwithstanding this article is admitted free from duty in the United States. This is a heavy charge upon the consumers of coffee in our country, as we purchase half of the entire surplus crop of that article raised in Brazil. Our minister, under instructions, will reiterate his efforts to have this export duty removed, and it is hoped that the enlightened Government of the Emperor will adopt this wise, just, and equal policy. In that event, there is good reason to believe that the commerce between the two countries will greatly increase, much to the advantage of both. The claims of our citizens against the Government of Brazil are not in the aggregate of very large amount; but some of these rest upon plain principles of justice and their settlement ought not to be longer delayed. A renewed and earnest, and I trust a successful, effort will be made by our minister to procure their final adjustment.

On the 2d of June last Congress passed a joint resolution authorizing the President “to adopt such measures and use such force as in his judgment may be necessary and advisable” “for the purpose of the differences between the United States and the Republic of Paraguay, in connection with the attack on the United States steamer Water Witch and with other measures referred to” in his annual message, and on the 12th of July following they made an appropriation to defray the expenses and compensation of a commissioner to that Republic should the President deem it proper to make such all appointment.

Page 951

In compliance with these enactments, I have appointed a commissioner, who has proceeded to Paraguay with full powers and instructions to settle these differences in an amicable and peaceful manner if this be practicable. His experience and discretion justify the hope that he may prove successful in convincing the Paraguayan Government that it is due both to honor and justice that they should voluntarily and promptly make atonement for the wrongs which they have committed against the United States and indemnify our injured citizens whom they have forcibly despoiled of their property.

Should our commissioner prove unsuccessful after a sincere and earnest effort to accomplish the object of his mission, then no alternative will remain but the employment of force to obtain “just satisfaction” from Paraguay. In view of this contingency, the Secretary of the Navy, under my direction, has fitted out and dispatched a naval force to rendezvous near Buenos Ayres, which, it is believed, will prove sufficient for the occasion. It is my earnest desire, however, that it may not be found necessary to resort to this last alternative.

When Congress met in December last the business of the country had just been crushed by one of those periodical revulsions which are the inevitable consequence of our unsound and extravagant system of bank credits and inflated currency. With all the elements of national wealth in abundance, our manufactures were suspended, our useful public and private enterprises were arrested, and thousands of laborers were deprived of employment and reduced to want. Universal distress prevailed among the commercial, manufacturing, and mechanical classes. This revulsion was felt the more severely in the United States because similar causes had produced the like deplorable effects throughout the commercial nations of Europe. All were experiencing sad reverses at the same moment. Our manufacturers everywhere suffered severely, not because of the recent reduction in the tariff of duties on imports, but because there was no demand at any price for their productions. The people were obliged to restrict themselves in their purchases to articles of prime necessity. In the general prostration of business the iron manufacturers in different States probably suffered more than any other class, and much destitution was the inevitable consequence among the great number of workmen who had been employed in this useful branch of industry. There could be no supply where there was no demand. To present an example, there could be no demand for railroad iron after our magnificent system of railroads, extending its benefits to every portion of the Union, had been brought to a dead pause. The same consequences have resulted from similar causes to many other branches of useful manufactures. It is self-evident that where there is no ability to purchase manufactured articles these can not be sold, and consequently must cease to be produced.

Page 952

No government, and especially a government of such limited powers as that of the United States, could have prevented the late revulsion. The whole commercial world seemed for years to have been rushing to this catastrophe. The same ruinous consequences would have followed in the United States whether the duties upon foreign imports had remained as they were under the tariff of 1846 or had been raised to a much higher standard. The tariff of 1857 had no agency in the result. The general causes existing throughout the world could not have been controlled by the legislation of any particular country.

The periodical revulsions which have existed in our past history must continue to return at intervals so long as our present unbounded system of bank credits shall prevail. They will, however, probably be the less severe in future, because it is not to be expected, at least for many years to come, that the commercial nations of Europe, with whose interests our own are so materially involved, will expose themselves to similar calamities. But this subject was treated so much at large in my last annual message that I shall not now pursue it further. Still, I respectfully renew the recommendation in favor of the passage of a uniform bankrupt law applicable to banking institutions. This is all the direct power over the subject which I believe the Federal Government possesses. Such a law would mitigate, though it might not prevent, the evil. The instinct of self-preservation might produce a wholesome restraint upon their banking business if they knew in advance that a suspension of specie payments would inevitably produce their civil death.

But the effects of the revulsion are now slowly but surely passing away. The energy and enterprise of our citizens, with our unbounded resources, will within the period of another year restore a state of wholesome industry and trade. Capital has again accumulated in our large cities. The rate of interest is there very low. Confidence is gradually reviving, and so soon as it is discovered that this capital can be profitably employed in commercial and manufacturing enterprises and in the construction of railroads and other works of public and private improvement prosperity will again smile throughout the land. It is vain, however, to disguise the fact from ourselves that a speculative inflation of our currency without a corresponding inflation in other countries whose manufactures come into competition with our own must ever produce disastrous results to our domestic manufactures. No tariff short of absolute prohibition can prevent these evil consequences. In connection with this subject it is proper to refer to our financial condition. The same causes which have produced pecuniary distress throughout the country have so reduced the amount of imports from foreign countries that the revenue has proved inadequate to meet the necessary expenses of the Government. To supply the deficiency, Congress, by the act of December 23, 1857, authorized the issue of $20,000,000 of Treasury notes; and this proving inadequate, they authorized, by the act of June 14, 1858, a loan of $20,000,000, to be applied to the payment of appropriations made by law."

Page 953

No statesman would advise that we should go on increasing the national debt to meet the ordinary expenses of the Government. This would be a most ruinous policy. In case of war our credit must be our chief resource, at least for the first year, and this would be greatly impaired by having contracted a large debt in time of peace. It is our true policy to increase our revenue so as to equal our expenditures. It would be ruinous to continue to borrow. Besides, it may be proper to observe that the incidental protection thus afforded by a revenue tariff would at the present moment to some extent increase the confidence of the manufacturing interests and give a fresh impulse to our reviving business. To this surely no person will object.

In regard to the mode of assessing and collecting duties under a strictly revenue tariff, I have long entertained and often expressed the opinion that sound policy requires this should be done by specific duties in cases to which these can be properly applied. They are well adapted to commodities which are usually sold by weight or by measure, and which from their nature are of equal or of nearly equal value. Such, for example, are the articles of iron of different classes, raw sugar, and foreign wines and spirits.

In my deliberate judgment specific duties are the best, if not the only, means of securing the revenue against false and fraudulent invoices, and such has been the practice adopted for this purpose by other commercial nations. Besides, specific duties would afford to the American manufacturer the incidental advantages to which he is fairly entitled under a revenue tariff. The present system is a sliding scale to his disadvantage. Under it, when prices are high and business prosperous, the duties rise in amount when he least requires their aid. On the contrary, when prices fall and he is struggling against adversity, the duties are diminished in the same proportion, greatly to his injury. Neither would there be danger that a higher rate of duty than that intended by Congress could be levied in the form of specific duties. It would be easy to ascertain the average value of any imported article for a series of years, and, instead of subjecting it to an ad valorem duty at a certain rate per centum, to substitute in its place an equivalent specific duty.

By such an arrangement the consumer would not be injured. It is true he might have to pay a little more duty on a given article in one year, but, if so, he would pay a little less in another, and in a series of years these would counterbalance each other and amount to the same thing so far as his interest is concerned. This inconvenience would be trifling when contrasted with the additional security thus afforded against frauds upon the revenue, in which every consumer is directly interested.

I have thrown out these suggestions as the fruit of my own observation, to which Congress, in their better judgment, will give such weight as they may justly deserve.

Page 954

The report of the Secretary of the Treasury will explain in detail the operations of that Department of the Government. The receipts into the Treasury from all sources during the fiscal year ending June 30, 1858, including the Treasury notes authorized by the act of December 23, 1857, were $70,273,869.59, which amount, with the balance of $17,710,114.27 remaining in the Treasury at the commencement of the year, made an aggregate for the service of the year of $87,983,983.86.

The public expenditures during the fiscal year ending June 30, 1858, amounted to $81,585,667.76, of which $9,684,537.99 were applied to the payment of the public debt and the redemption of Treasury notes with the interest thereon, leaving in the Treasury on July 1, 1858, being the commencement of the present fiscal year, $6,398,316.10.

The receipts into the Treasury during the first quarter of the present fiscal year, commencing the 1st of July, 1858, including one-half of the loan of $20,000,000, with the premium upon it, authorized by the act of June 14, 1858, were $25,230,879.46, and the estimated receipts for the remaining three quarters to the 30th of June, 1859, from ordinary sources are $38,500,000, making, with the balance before stated, an aggregate of $70,129,195.56.

The expenditures during the first quarter of the present fiscal year were $21,708,198.51, of which $1,010,142.37 were applied to the payment of the public debt and the redemption of Treasury notes and the interest thereon. The estimated expenditures during the remaining three quarters to June 30, 1859, are $52,357,698.48, making an aggregate of $74,065,896.99, being an excess of expenditure beyond the estimated receipts into the Treasury from ordinary sources during the fiscal year to the 30th of June, 1859, of $3,936,701.43. Extraordinary means are placed by law within the command of the Secretary of the Treasury, by the reissue of Treasury notes redeemed and by negotiating the balance of the loan authorized by the act of June 14, 1858, to the extent of $11,000,000, which, if realized during the present fiscal year, will leave a balance in the Treasury on the 1st day of July, 1859, of $7,063,298.57.

The estimated receipts during the next fiscal year, ending June 30, 1860, are $62,000,000, which, with the above-estimated balance of $7,063,298.57 make an aggregate for the service of the next fiscal year of $69,063,298.57. The estimated expenditures during the next fiscal year, ending June 30, 1860, are $73,139,147.46, which leaves a deficit of estimated means, compared with the estimated expenditures, for that year, commencing on July 1, 1859, of $4,075,848.89.

Page 955

In addition to this sum the Postmaster-General will require from the Treasury for the service of the Post-Office Department $3,838,728, as explained in the report of the Secretary of the Treasury, which will increase the estimated deficit on June 30, 1860, to $7,914,576.89. To provide for the payment of this estimated deficiency, which will be increased by such appropriations as may be made by Congress not estimated for in the report of the Treasury Department, as well as to provide for the gradual redemption from year to year of the outstanding Treasury notes, the Secretary of the Treasury recommends such a revision of the present tariff as will raise the required amount. After what I have already said I need scarcely add that I concur in the opinion expressed in his report—that the public debt should not be increased by an additional loan—and would therefore strongly urge upon Congress the duty of making at their present session the necessary provision for meeting these liabilities.

The public debt on July 1, 1858, the commencement of the present fiscal year, was $25,155,977.66.

During the first quarter of the present year the sum of $10,000,000 has been negotiated of the loan authorized by the act of June 14, 1858, making the present outstanding public debt, exclusive of Treasury notes, $35,155,977.66. There was on the 1st of July, 1858, of Treasury notes issued by authority of the act of December 23, 1857, unredeemed, the sum of $19,754,800, making the amount of actual indebtedness at that date $54,910,777.66. To this will be added $10,000,000 during the present fiscal year, this being the remaining half of the loan of $20,000,000 not yet negotiated.

The rapid increase of the public debt and the necessity which exists for a modification of the tariff to meet even the ordinary expenses of the Government ought to admonish us all, in our respective spheres of duty, to the practice of rigid economy. The objects of expenditure should be limited in number, as far as this may be practicable, and the appropriations necessary to carry them into effect ought to be disbursed under the strictest accountability. Enlightened economy does not consist in the refusal to appropriate money for constitutional purposes essential to the defense, progress, and prosperity of the Republic, but in taking care that none of this money shall be wasted by mismanagement in its application to the objects designated by law.

Comparisons between the annual expenditure at the present time and what it was ten or twenty years ago are altogether fallacious. The rapid increase of our country in extent and population renders a corresponding increase of expenditure to some extent unavoidable. This is constantly creating new objects of expenditure and augmenting the amount required for the old. The true questions, then, are, Have these objects been unnecessarily multiplied, or has the amount expended upon any or all of them been larger than comports

Page 956

with due economy? In accordance with these principles, the heads of the different Executive Departments of the Government have been instructed to reduce their estimates for the next fiscal year to the lowest standard consistent with the efficiency of the service, and this duty they have performed in a spirit of just economy. The estimates of the Treasury, War, Navy, and Interior Departments have each been in some degree reduced, and unless a sudden and unforeseen emergency should arise it is not anticipated that a deficiency will exist in either within the present or the next fiscal year. The Post-Office Department is placed in a peculiar position, different from the other Departments, and to this I shall hereafter refer.

I invite Congress to institute a rigid scrutiny to ascertain whether the expenses in all the Departments can not be still further reduced, and I promise them all the aid in my power in pursuing the investigation.

I transmit herewith the reports made to me by the Secretaries of War, of the Navy, of the Interior, and of the Postmaster-General. They each contain valuable information and important recommendations, to which I invite the attention of Congress.

In my last annual message I took occasion to recommend the immediate construction of ten small steamers of light draft, for the purpose of increasing the efficiency of the Navy. Congress responded to the recommendation by authorizing the construction of eight of them. The progress which has been made in executing this authority is stated in the report of the Secretary of the Navy. I concur with him in the opinion that a greater number of this class of vessels is necessary for the purpose of protecting in a more efficient manner the persons and property of American citizens on the high seas and in foreign countries, as well as in guarding more effectually our own coasts. I accordingly recommend the passage of an act for this purpose.

The suggestions contained in the report of the Secretary of the Interior, especially those in regard to the disposition of the public domain, the pension and bounty-land system, the policy toward the Indians, and the amendment of our patent laws, are worthy of the serious consideration of Congress.

The Post-Office Department occupies a position very different from that of the other Departments. For many years it was the policy of the Government to render this a self-sustaining Department; and if this can not now be accomplished, in the present condition of the country, we ought to make as near an approach to it as may be practicable.

The Postmaster-General is placed in a most embarrassing position by the existing laws. He is obliged to carry these into effect. He has no other alternative. He finds, however, that this can not be done without heavy demands upon the Treasury over and

above what is received for postage, and these have been progressively increasing from year to year until they amounted for the last fiscal year, ending on the 30th of June, 1858, to more than $4,500,000, whilst it is estimated that for the present fiscal year they will amount to $6,290,000. These sums are exclusive of the annual appropriation of $700,000 for “compensation for the mail service performed for the two Houses of Congress and the other Departments and officers of the Government in the transmission of free matter.”

Page 957

The cause of these large deficits is mainly attributable to the increased expense of transporting the mails. In 1852 the sum paid for this service was but a fraction above four millions and a quarter. Since that year it has annually increased, until in 1858 it has reached more than eight millions and a quarter, and for the service of 1859 it is estimated that it will amount to more than $10,000,000.

The receipts of the Post-Office Department can be made to approach or to equal its expenditure only by means of the legislation of Congress. In applying any remedy care should be taken that the people shall not be deprived of the advantages which they are fairly entitled to enjoy from the Post-Office Department. The principal remedies recommended to the consideration of Congress by the Postmaster-General are to restore the former rate of postage upon single letters to 5 cents; to substitute for the franking privilege the delivery to those now entitled to enjoy it of post-office stamps for their correspondence, and to direct the Department in making contracts for the transportation of the mail to confine itself to the payment of the sum necessary for this single purpose, without requiring it to be transported in post coaches or carriages of any particular description. Under the present system the expense to the Government is greatly increased by requiring that the mail shall be carried in such vehicles as will accommodate passengers. This will be done, without pay from the Department, over all roads where the travel will remunerate the contractors.

These recommendations deserve the grave consideration of Congress. I would again call your attention to the construction of a Pacific railroad. Time and reflection have but served to confirm me in the truth and justice of the observations which I made on this subject in my last annual message, to which I beg leave respectfully to refer.

It is freely admitted that it would be inexpedient for this Government to exercise the power of constructing the Pacific railroad by its own immediate agents. Such a policy would increase the patronage of the Executive to a dangerous extent, and introduce a system of jobbing and corruption which no vigilance on the part of Federal officials could either prevent or detect. This can only be done by the keen eye and active and careful supervision of individual and private interest. The construction of this road ought therefore to be committed to companies incorporated by the States or other agencies whose pecuniary interests would be directly involved. Congress might then assist them in the work by grants of land or of money, or both, under such conditions and restrictions as would secure the transportation of troops and munitions of war free from any charge and that of the United States mail at a fair and reasonable price.

Page 958

The progress of events since the commencement of your last session has shown how soon difficulties disappear before a firm and determined resolution. At that time such a road was deemed by wise and patriotic men to be a visionary project. The great distance to be overcome and the intervening mountains and deserts in the way were obstacles which, in the opinion of many, could not be surmounted. Now, after the lapse of but a single year, these obstacles, it has been discovered, are far less formidable than they were supposed to be, and mail stages with passengers now pass and repass regularly twice in each week, by a common wagon road, between San Francisco and St. Louis and Memphis in less than twenty-five days. The service has been as regularly performed as it was in former years between New York and this city.

Whilst disclaiming all authority to appropriate money for the construction of this road, except that derived from the war-making power of the Constitution, there are important collateral considerations urging us to undertake the work as speedily as possible. The first and most momentous of these is that such a road would be a powerful bond of union between the States east and west of the Rocky Mountains. This is so self-evident as to require no illustration.

But again, in a commercial point of view, I consider this the great question of the day. With the eastern front of our Republic stretching along the Atlantic and its western front along the Pacific, if all the parts should be united by a safe, easy, and rapid intercommunication we must necessarily command a very large proportion of the trade both of Europe and Asia. Our recent treaties with China and Japan will open these rich and populous Empires to our commerce; and the history of the world proves that the nation which has gained possession of the trade with eastern Asia has always become wealthy and powerful. The peculiar geographical position of California and our Pacific possessions invites American capital and enterprise into this fruitful field. To reap the rich harvest, however, it is an indispensable prerequisite that we shall first have a railroad to convey and circulate its products throughout every portion of the Union. Besides, such a railroad through our temperate latitude, which would not be impeded by the frosts and snows of winter nor by the tropical heats of summer, would attract to itself much of the travel and the trade of all nations passing between Europe and Asia.

On the 21st of August last Lieutenant J. N. Maffit, of the United States brig Dolphin, captured the slaver Echo (formerly the Putnam, of New Orleans) near Kay Verde, on the coast of Cuba, with more than 300 African negroes on board. The prize, under the command of Lieutenant Bradford, of the United States Navy, arrived at Charleston on the 27th August, when the negroes, 306 in number, were delivered into the custody of the United States marshal for the district of South

Page 959

Carolina. They were first placed in Castle Pinckney, and afterwards in Fort Sumter, for safe-keeping, and were detained there until the 19th September, when the survivors, 271 in number, were delivered on board the United States steamer Niagara to be transported to the coast of Africa under the charge of the agent of the United States, pursuant to the provisions of the act of the 3d March, 1819, “in addition to the acts prohibiting the slave trade.” Under the second section of this act the President is “authorized to make such regulations and arrangements as he may deem expedient for the safe-keeping, support, and removal beyond the limits of the United States of all such negroes, mulattoes, or persons of color” captured by vessels of the United States as may be delivered to the marshal of the district into which they are brought, “and to appoint a proper person or persons residing upon the coast of Africa as agent or agents for receiving the negroes, mulattoes, or persons of color delivered from on board vessels seized in the prosecution of the slave trade by commanders of United States armed vessels.”

A doubt immediately arose as to the true construction of this act. It is quite clear from its terms that the President was authorized to provide “for the safe-keeping, support, and removal” of these negroes up till the time of their delivery to the agent on the coast of Africa, but no express provision was made for their protection and support after they had reached the place of their destination. Still, an agent was to be pointed to receive them in Africa, and it could not have been supposed that Congress intended he should desert them at the moment they were received and turn them loose on that inhospitable coast to perish for want of food or to become again the victims of the slave trade. Had this been the intention of Congress, the employment of an agent to receive them, who is required to reside on the coast, was unnecessary, and they might have been landed by our vessels anywhere in Africa and left exposed to the sufferings and the fate which would certainly await them.

Mr. Monroe, in his special message of December 17, 1819, at the first session after the act was passed, announced to Congress what in his opinion was its true construction. He believed it to be his duty under it to follow these unfortunates into Africa and make provision for them there until they should be able to provide for themselves. In communicating this interpretation of the act to Congress he stated that some doubt had been entertained as to its true intent and meaning, and he submitted the question to them so that they might, “should it be deemed advisable, amend the same before further proceedings are had under it.” Nothing was done by Congress to explain the act, and Mr. Monroe proceeded to carry it into execution according to his own interpretation. This, then, became the practical construction. When the Africans from on board the Echo were delivered

Page 960

to the marshal at Charleston, it became my duty to consider what disposition ought to be made of them under the law. For many reasons it was expedient to remove them from that locality as speedily as possible. Although the conduct of the authorities and citizens of Charleston in giving countenance to the execution of the law was just what might have been expected from their high character, yet a prolonged continuance of 300 Africans in the immediate vicinity of that city could not have failed to become a source of inconvenience and anxiety to its inhabitants. Where to send them was the question. There was no portion of the coast of Africa to which they could be removed with any regard to humanity except to Liberia. Under these circumstances an agreement was entered into with the Colonization Society on the 7th of September last, a copy of which is herewith transmitted, under which the society engaged, for the consideration of $45,000, to receive these Africans in Liberia from the agent of the United States and furnish them during the period of one year thereafter with comfortable shelter, clothing, provisions, and medical attendance, causing the children to receive schooling, and all, whether children or adults, to be instructed in the arts of civilized life suitable to their condition. This aggregate of $45,000 was based upon an allowance of $150 for each individual; and as there has been considerable mortality among them and may be more before they reach Africa, the society have agreed, in an equitable spirit, to make such a deduction from the amount as under the circumstances may appear just and reasonable. This can not be fixed until we shall ascertain the actual number which may become a charge to the society. It was also distinctly agreed that under no circumstances shall this Government be called upon for any additional expenses. The agents of the society manifested a laudable desire to conform to the wishes of the Government throughout the transaction. They assured me that after a careful calculation they would be required to expend the sum of $150 on each individual in complying with the agreement, and they would have nothing left to remunerate them for their care, trouble, and responsibility. At all events, I could make no better arrangement, and there was no other alternative. During the period when the Government itself, through its own agents, undertook the task of providing for captured negroes in Africa the cost per head was very much greater.

There having been no outstanding appropriation applicable to this purpose, I could not advance any money on the agreement. I therefore recommend that an appropriation may be made of the amount necessary to carry it into effect.

Other captures of a similar character may, and probably will, be made by our naval forces, and I earnestly recommend that Congress may amend the second section of the act of March 3, 1819, so as to free its construction from the ambiguity which has so long existed and render the duty of the President plain in executing its provisions.

Page 961

I recommend to your favorable regard the local interests of the District of Columbia. As the residence of Congress and the Executive Departments of the Government, we can not fail to feel a deep concern in its welfare. This is heightened by the high character and the peaceful and orderly conduct of its resident inhabitants.

I can not conclude without performing the agreeable duty of expressing my gratification that Congress so kindly responded to the recommendation of my last annual message by affording me sufficient time before the close of their late session for the examination of all the bills presented to me for approval. This change in the practice of Congress has proved to be a wholesome reform. It exerted a beneficial influence on the transaction of legislative business and elicited the general approbation of the country. It enabled Congress to adjourn with that dignity and deliberation so becoming to the representatives of this great Republic, without having crowded into general appropriation bills provisions foreign to their nature and of doubtful constitutionality and expediency. Let me warmly and strongly commend this precedent established by themselves as a guide to their proceedings during the present session.

***

State of the Union Address
James Buchanan
December 19, 1859

Fellow-Citizens of the Senate and House of Representatives:

Our deep and heartfelt gratitude is due to that Almighty Power which has bestowed upon us such varied and numerous blessings throughout the past year. The general health of the country has been excellent, our harvests have been unusually plentiful, and prosperity smiles throughout the land. Indeed, notwithstanding our demerits, we have much reason to believe from the past events in our history that we have enjoyed the special protection of Divine Providence ever since our origin as a nation. We have been exposed to many threatening and alarming difficulties in our progress, but on each successive occasion the impending cloud has been dissipated at the moment it appeared ready to burst upon our head, and the danger to our institutions has passed away. May we ever be under the divine guidance and protection. Whilst it is the duty of the President “from time to time to give to Congress information of the state of the Union,” I shall not refer in detail to the recent sad and bloody occurrences at Harpers Ferry. Still, it is proper to observe that these events, however bad and cruel in themselves, derive their chief importance from the apprehension that they are but symptoms of an incurable disease in the public mind, which may break out in still more dangerous outrages and terminate at last in an open war by the North to abolish slavery in the South. Whilst for myself I entertain no such apprehension, they ought to afford a solemn warning to us all to beware of the approach of danger. Our Union is a stake of such inestimable value as

Page 962

to demand our constant and watchful vigilance for its preservation. In this view, let me implore my countrymen, North and South, to cultivate the ancient feelings of mutual forbearance and good will toward each other and strive to allay the demon spirit of sectional hatred and strife now alive in the land. This advice proceeds from the heart of an old public functionary whose service commenced in the last generation, among the wise and conservative statesmen of that day, now nearly all passed away, and whose first and dearest earthly wish is to leave his country tranquil, prosperous, united, and powerful.

We ought to reflect that in this age, and especially in this country, there is an incessant flux and reflux of public opinion. Questions which in their day assumed a most threatening aspect have now nearly gone from the memory of men. They are "volcanoes burnt out, and on the lava and ashes and squalid scoria of old eruptions grow the peaceful olive, the cheering vine, and the sustaining corn." Such, in my opinion, will prove to be the fate of the present sectional excitement should those who wisely seek to apply the remedy continue always to confine their efforts within the pale of the Constitution. If this course be pursued, the existing agitation on the subject of domestic slavery, like everything human, will have its day and give place to other and less threatening controversies. Public opinion in this country is all-powerful, and when it reaches a dangerous excess upon any question the good sense of the people will furnish the corrective and bring it back within safe limits. Still, to hasten this auspicious result at the present crisis we ought to remember that every rational creature must be presumed to intend the natural consequences of his own teachings. Those who announce abstract doctrines subversive of the Constitution and the Union must not be surprised should their heated partisans advance one step further and attempt by violence to carry these doctrines into practical effect. In this view of the subject, it ought never to be forgotten that however great may have been the political advantages resulting from the Union to every portion of our common country, these would all prove to be as nothing should the time ever arrive when they can not be enjoyed without serious danger to the personal safety of the people of fifteen members of the Confederacy. If the peace of the domestic fireside throughout these States should ever be invaded, if the mothers of families within this extensive region should not be able to retire to rest at night without suffering dreadful apprehensions of what may be their own fate and that of their children before the morning, it would be vain to recount to such a people the political benefits which result to them from the Union. Self-preservation is the first instinct of nature, and therefore any state of society in which the sword is all the time suspended over the heads of the people must at last become intolerable.

Page 963

But I indulge in no such gloomy forebodings. On the contrary, I firmly believe that the events at Harpers Ferry, by causing the people to pause and reflect upon the possible peril to their cherished institutions, will be the means under Providence of allaying the existing excitement and preventing further outbreaks of a similar character. They will resolve that the Constitution and the Union shall not be endangered by rash counsels, knowing that should “the silver cord be loosed or the golden bowl be broken at the fountain” human power could never reunite the scattered and hostile fragments.

I cordially congratulate you upon the final settlement by the Supreme Court of the United States of the question of slavery in the Territories, which had presented an aspect so truly formidable at the commencement of my Administration. The right has been established of every citizen to take his property of any kind, including slaves, into the common Territories belonging equally to all the States of the Confederacy, and to have it protected there under the Federal Constitution. Neither Congress nor a Territorial legislature nor any human power has any authority to annul or impair this vested right. The supreme judicial tribunal of the country, which is a coordinate branch of the Government, has sanctioned and affirmed these principles of constitutional law, so manifestly just in themselves and so well calculated to promote peace and harmony among the States. It is a striking proof of the sense of justice which is inherent in our people that the property in slaves has never been disturbed, to my knowledge, in any of the Territories. Even throughout the late troubles in Kansas there has not been any attempt, as I am credibly informed, to interfere in a single instance with the right of the master. Had any such attempt been made, the judiciary would doubtless have afforded an adequate remedy. Should they fail to do this hereafter, it will then be time enough to strengthen their hands by further legislation. Had it been decided that either Congress or the Territorial legislature possess the power to annul or impair the right to property in slaves, the evil would be intolerable. In the latter event there would be a struggle for a majority of the members of the legislature at each successive election, and the sacred rights of property held under the Federal Constitution would depend for the time being on the result. The agitation would thus be rendered incessant whilst the Territorial condition remained, and its baneful influence would keep alive a dangerous excitement among the people of the several States.

Page 964

Thus has the status of a Territory during the intermediate period from its first settlement until it shall become a State been irrevocably fixed by the final decision of the Supreme Court. Fortunate has this been for the prosperity of the Territories, as well as the tranquillity of the States. Now emigrants from the North and the South, the East and the West, will meet in the Territories on a common platform, having brought with them that species of property best adapted, in their own opinion, to promote their welfare. From natural causes the slavery question will in each case soon virtually settle itself, and before the Territory is prepared for admission as a State into the Union this decision, one way or the other, will have been a foregone conclusion. Meanwhile the settlement of the new Territory will proceed without serious interruption, and its progress and prosperity will not be endangered or retarded by violent political struggles.

When in the progress of events the inhabitants of any Territory shall have reached the number required to form a State, they will then proceed in a regular manner and in the exercise of the rights of popular sovereignty to form a constitution preparatory to admission into the Union. After this has been done, to employ the language of the Kansas and Nebraska act, they “shall be received into the Union with or without slavery, as their constitution may prescribe at the time of their admission.” This sound principle has happily been recognized in some form or other by an almost unanimous vote of both Houses of the last Congress.

All lawful means at my command have been employed, and shall continue to be employed, to execute the laws against the African slave trade. After a most careful and rigorous examination of our coasts and a thorough investigation of the subject, we have not been able to discover that any slaves have been imported into the United States except the cargo by the Wanderer, numbering between three and four hundred. Those engaged in this unlawful enterprise have been rigorously prosecuted, but not with as much success as their crimes have deserved. A number of them are still under prosecution.

Our history proves that the fathers of the Republic, in advance of all other nations, condemned the African slave trade. It was, notwithstanding, deemed expedient by the framers of the Constitution to deprive Congress of the power to prohibit “the migration or importation of such persons as any of the States now existing shall think proper to admit” “prior to the year 1808.” It will be seen that this restriction on the power of Congress was confined to such States only as might think proper to admit the importation of slaves. It did not extend to other States or to the trade carried on abroad. Accordingly, we find that so early as the 22d March, 1794, Congress passed an act imposing severe penalties and punishments upon citizens and residents of the United States who should engage in this trade between foreign nations. The provisions of this act were extended and enforced by the act of 10th May, 1800.

Page 965

Again, the States themselves had a clear right to waive the constitutional privilege intended for their benefit, and to prohibit by their own laws this trade at any time they thought proper previous to 1808. Several of them exercised this right before that period, and among them some containing the greatest number of slaves. This gave to Congress the immediate power to act in regard to all such States, because they themselves had removed the constitutional barrier. Congress accordingly passed an act on 28th February, 1803, “to prevent the importation of certain persons into certain States where by the laws thereof their admission is prohibited.” In this manner the importation of African slaves into the United States was to a great extent prohibited some years in advance of 1808.

As the year 1808 approached Congress determined not to suffer this trade to exist even for a single day after they had the power to abolish it. On the 2d of March, 1807, they passed an act, to take effect “from and after the 1st day of January, 1808,” prohibiting the importation of African slaves into the United States. This was followed by subsequent acts of a similar character, to which I need not specially refer. Such were the principles and such the practice of our ancestors more than fifty years ago in regard to the African slave trade. It did not occur to the revered patriots who had been delegates to the Convention, and afterwards became members of Congress, that in passing these laws they had violated the Constitution which they had framed with so much care and deliberation. They supposed that to prohibit Congress in express terms from exercising a specified power before an appointed day necessarily involved the right to exercise this power after that day had arrived.

If this were not the case, the framers of the Constitution had expended much labor in vain. Had they imagined that Congress would possess no power to prohibit the trade either before or after 1808, they would not have taken so much care to protect the States against the exercise of this power before that period. Nay, more, they would not have attached such vast importance to this provision as to have excluded it from the possibility of future repeal or amendment, to which other portions of the Constitution were exposed. It would, then, have been wholly unnecessary to ingraft on the fifth article of the Constitution, prescribing the mode of its own future amendment, the proviso “that no amendment which may be made prior to the year 1808 shall in any manner affect” the provision in the Constitution securing to the States the right to admit the importation of African slaves previous to that period. According to the adverse construction, the clause itself, on which so much care and discussion had been employed by the members of the Convention, was an absolute nullity from the beginning, and all that has since been done under it a mere usurpation.

Page 966

It was well and wise to confer this power on Congress, because had it been left to the States its efficient exercise would have been impossible. In that event any one State could have effectually continued the trade, not only for itself, but for all the other slave States, though never so much against their will. And why? Because African slaves, when once brought within the limits of any one State in accordance with its laws, can not practically be excluded from any State where slavery exists. And even if all the States had separately passed laws prohibiting the importation of slaves, these laws would have failed of effect for want of a naval force to capture the slavers and to guard the coast. Such a force no State can employ in time of peace without the consent of Congress.

These acts of Congress, it is believed, have, with very rare and insignificant exceptions, accomplished their purpose. For a period of more than half a century there has been no perceptible addition to the number of our domestic slaves. During this period their advancement in civilization has far surpassed that of any other portion of the African race. The light and the blessings of Christianity have been extended to them, and both their moral and physical condition has been greatly improved.

Reopen the trade and it would be difficult to determine whether the effect would be more deleterious on the interests of the master or on those of the native-born slave. Of the evils to the master, the one most to be dreaded would be the introduction of wild, heathen, and ignorant barbarians among the sober, orderly, and quiet slaves whose ancestors have been on the soil for several generations. This might tend to barbarize, demoralize, and exasperate the whole mass and produce most deplorable consequences.

The effect upon the existing slave would, if possible, be still more deplorable. At present he is treated with kindness and humanity. He is well fed, well clothed, and not overworked. His condition is incomparably better than that of the coolies which modern nations of high civilization have employed as a substitute for African slaves. Both the philanthropy and the self-interest of the master have combined to produce this humane result. But let this trade be reopened and what will be the effect? The same to a considerable extent as on a neighboring island, the only spot now on earth where the African slave trade is openly tolerated, and this in defiance of solemn treaties with a power abundantly able at any moment to enforce their execution. There the master, intent upon present gain, extorts from the slave as much labor as his physical powers are capable of enduring, knowing that when death comes to his relief his place can be supplied at a price reduced to the lowest point by the competition of rival African slave traders. Should this ever be the case in our country, which I do not deem possible, the present useful character of the domestic institution, wherein those too old and too young to work are provided for with care and humanity and those capable of labor are not overtasked, would undergo an unfortunate change. The feeling of reciprocal dependence and attachment which now exists between master and slave would be converted into mutual distrust and hostility.

Page 967

But we are obliged as a Christian and moral nation to consider what would be the effect upon unhappy Africa itself if we should reopen the slave trade. This would give the trade an impulse and extension which it has never had, even in its palmiest days. The numerous victims required to supply it would convert the whole slave coast into a perfect pandemonium, for which this country would be held responsible in the eyes both of God and man. Its petty tribes would then be constantly engaged in predatory wars against each other for the purpose of seizing slaves to supply the American market. All hopes of African civilization would thus be ended.

On the other hand, when a market for African slaves shall no longer be furnished in Cuba, and thus all the world be closed against this trade, we may then indulge a reasonable hope for the gradual improvement of Africa. The chief motive of war among the tribes will cease whenever there is no longer any demand for slaves. The resources of that fertile but miserable country might then be developed by the hand of industry and afford subjects for legitimate foreign and domestic commerce. In this manner Christianity and civilization may gradually penetrate the existing gloom.

The wisdom of the course pursued by this Government toward China has been vindicated by the event. Whilst we sustained a neutral position in the war waged by Great Britain and France against the Chinese Empire, our late minister, in obedience to his instructions, judiciously cooperated with the ministers of these powers in all peaceful measures to secure by treaty the just concessions demanded by the interests of foreign commerce. The result is that satisfactory treaties have been concluded with China by the respective ministers of the United States, Great Britain, France, and Russia. Our “treaty, or general convention, of peace, amity, and commerce” with that Empire was concluded at Tien-tsin on the 18th June, 1858, and was ratified by the President, by and with the advice and consent of the Senate, on the 21st December following. On the 15th December, 1858, John E. Ward, a distinguished citizen of Georgia, was duly commissioned as envoy extraordinary and minister plenipotentiary to China.

He left the United States for the place of his destination on the 5th of February, 1859, bearing with him the ratified copy of this treaty, and arrived at Shanghai on the 28th May. From thence he proceeded to Peking on the 16th June, but did not arrive in that city until the 27th July. According to the terms of the treaty, the ratifications were to be exchanged on or before the 18th June, 1859. This was rendered impossible by reasons and events beyond his control, not necessary to detail; but still it is due to the Chinese authorities at Shanghai to state that they always assured him no advantage should be taken of the delay, and this pledge has been faithfully redeemed.

Page 968

On the arrival of Mr. Ward at Peking he requested an audience of the Emperor to present his letter of credence. This he did not obtain, in consequence of his very proper refusal to submit to the humiliating ceremonies required by the etiquette of this strange people in approaching their sovereign. Nevertheless, the interviews on this question were conducted in the most friendly spirit and with all due regard to his personal feelings and the honor of his country. When a presentation to His Majesty was found to be impossible, the letter of credence from the President was received with peculiar honors by Kweiliang, “the Emperor’s prime minister and the second man in the Empire to the Emperor himself.” The ratifications of the treaty were afterwards, on the 16th of August, exchanged in proper form at Peit-sang. As the exchange did not take place until after the day prescribed by the treaty, it is deemed proper before its publication again to submit it to the Senate. It is but simple justice to the Chinese authorities to observe that throughout the whole transaction they appear to have acted in good faith and in a friendly spirit toward the United States. It is true this has been done after their own peculiar fashion; but we ought to regard with a lenient eye the ancient customs of an empire dating back for thousands of years, so far as this may be consistent with our own national honor. The conduct of our minister on the occasion has received my entire approbation.

In order to carry out the spirit of this treaty and to give it full effect it became necessary to conclude two supplemental conventions, the one for the adjustment and satisfaction of the claims of our citizens and the other to fix the tariff on imports and exports and to regulate the transit duties and trade of our merchants with China. This duty was satisfactorily performed by our late minister. These conventions bear date at Shanghai on the 8th November, 1858. Having been considered in the light of binding agreements subsidiary to the principal treaty, and to be carried into execution without delay, they do not provide for any formal ratification or exchange of ratifications by the contracting parties. This was not deemed necessary by the Chinese, who are already proceeding in good faith to satisfy the claims of our citizens and, it is hoped, to carry out the other provisions of the conventions. Still, I thought it was proper to submit them to the Senate by which they were ratified on the 3d of March, 1859. The ratified copies, however, did not reach Shanghai until after the departure of our minister to Peking, and these conventions could not, therefore, be exchanged at the same time with the principal treaty. No doubt is entertained that they will be ratified and exchanged by the Chinese Government should this be thought advisable; but under the circumstances presented I shall consider them binding engagements from their date on both parties, and cause them to be published as such for the information and guidance of our merchants trading with the Chinese Empire.

Page 969

It affords me much satisfaction to inform you that all our difficulties with the Republic of Paraguay have been satisfactorily adjusted. It happily did not become necessary to employ the force for this purpose which Congress had placed at my command under the joint resolution of 2d June, 1858. On the contrary, the President of that Republic, in a friendly spirit, acceded promptly to the just and reasonable demands of the Government of the United States. Our commissioner arrived at Assumption, the capital of the Republic, on the 25th of January, 1859, and left it on the 17th of February, having in three weeks ably and successfully accomplished all the objects of his mission. The treaties which he has concluded will be immediately submitted to the Senate.

In the view that the employment of other than peaceful means might become necessary to obtain “just satisfaction” from Paraguay, a strong naval force was concentrated in the waters of the La Plata to await contingencies whilst our commissioner ascended the rivers to Assumption. The Navy Department is entitled to great credit for the promptness, efficiency, and economy with which this expedition was fitted out and conducted. It consisted of 19 armed vessels, great and small, carrying 200 guns and 2,500 men, all under the command of the veteran and gallant Shubrick. The entire expenses of the expedition have been defrayed out of the ordinary appropriations for the naval service, except the sum of $289,000, applied to the purchase of seven of the steamers constituting a part of it, under the authority of the naval appropriation act of the 3d March last. It is believed that these steamers are worth more than their cost, and they are all now usefully and actively employed in the naval service.

The appearance of so large a force, fitted out in such a prompt manner, in the far-distant waters of the La Plata, and the admirable conduct of the officers and men employed in it, have had a happy effect in favor of our country throughout all that remote portion of the world. Our relations with the great Empires of France and Russia, as well as with all other governments on the continent of Europe, unless we may except that of Spain, happily continue to be of the most friendly character. In my last annual message I presented a statement of the unsatisfactory condition of our relations with Spain, and I regret to say that this has not materially improved.

Without special reference to other claims, even the “Cuban claims,” the payment of which has been ably urged by our ministers, and in which more than a hundred of our citizens are directly interested, remain unsatisfied, notwithstanding both their justice and their amount ($128,635.54) had been recognized and ascertained by the Spanish Government itself.

I again recommend that an appropriation be made “to be paid to the Spanish Government for the purpose of distribution among the claimants in the Amistad case.” In common with two of my predecessors, I entertain no doubt that this is required by our treaty with Spain of the 27th October, 1795. The failure to discharge this obligation has been employed by the cabinet of Madrid as a reason against the settlement of our claims.

Page 970

I need not repeat the arguments which I urged in my last annual message in favor of the acquisition of Cuba by fair purchase. My opinions on that measure remain unchanged. I therefore again invite the serious attention of Congress to this important subject. Without a recognition of this policy on their part it will be almost impossible to institute negotiations with any reasonable prospect of success. Until a recent period there was good reason to believe that I should be able to announce to you on the present occasion that our difficulties with Great Britain arising out of the Clayton and Bulwer treaty had been finally adjusted in a manner alike honorable and satisfactory to both parties. From causes, however, which the British Government had not anticipated, they have not yet completed treaty arrangements with the Republics of Honduras and Nicaragua, in pursuance of the understanding between the two Governments. It is, nevertheless, confidently expected that this good work will ere long be accomplished.

Whilst indulging the hope that no other subject remained which could disturb the good understanding between the two countries, the question arising out of the adverse claims of the parties to the island of San Juan, under the Oregon treaty of the 15th June, 1846, suddenly assumed a threatening prominence. In order to prevent unfortunate collisions on that remote frontier, the late Secretary of State, on the 17th July, 1855, addressed a note to Mr. Crampton, then British minister at Washington, communicating to him a copy of the instructions which he (Mr. Marcy) had given on the 14th July to Governor Stevens, of Washington Territory, having a special reference to an “apprehended conflict between our citizens and the British subjects on the island of San Juan.” To prevent this the governor was instructed “that the officers of the Territory should abstain from all acts on the disputed grounds which are calculated to provoke any conflicts, so far as it can be done without implying the concession to the authorities of Great Britain of an exclusive right over the premises. The title ought to be settled before either party should attempt to exclude the other by force or exercise complete and exclusive sovereign rights within the fairly disputed limits.” In acknowledging the receipt on the next day of Mr. Marcy’s note the British minister expressed his entire concurrence “in the propriety of the course recommended to the governor of Washington Territory by your [Mr. Marcy’s] instructions to that officer,” and stating that he had “lost no time in transmitting a copy of that document to the Governor-General of British North America” and had “earnestly recommended to His Excellency to take such measures as to him may appear best calculated to secure on the part of the British local authorities and the inhabitants of the neighborhood of the line in question the exercise of the same spirit of forbearance which is inculcated by you [Mr. Marcy] on the authorities and citizens of the United States.”

Page 971

Thus matters remained upon the faith of this arrangement until the 9th July last, when General Harney paid a visit to the island. He found upon it twenty-five American residents with their families, and also an establishment of the Hudsons Bay Company for the purpose of raising sheep. A short time before his arrival one of these residents had shot an animal belonging to the company whilst trespassing upon his premises, for which, however, he offered to pay twice its value, but that was refused. Soon after "the chief factor of the company at Victoria, Mr. Dalles, son-in-law of Governor Douglas, came to the island in the British sloop of war Satellite and threatened to take this American [Mr. Cutler] by force to Victoria to answer for the trespass he had committed. The American seized his rifle and told Mr. Dalles if any such attempt was made he would kill him upon the spot. The affair then ended."

Under these circumstances the American settlers presented a petition to the General "through the United States inspector of customs, Mr. Hubbs, to place a force upon the island to protect them from the Indians as well as the oppressive interference of the authorities of the Hudsons Bay Company at Victoria with their rights as American citizens." The General immediately responded to this petition, and ordered Captain George E. Pickett, Ninth Infantry, "to establish his company on Bellevue, or San Juan Island, on some suitable position near the harbor at the southeastern extremity." This order was promptly obeyed and a military post was established at the place designated. The force was afterwards increased, so that by the last return the whole number of troops then on the island amounted in the aggregate to 691 men.

Whilst I do not deem it proper on the present occasion to go further into the subject and discuss the weight which ought to be attached to the statements of the British colonial authorities contesting the accuracy of the information on which the gallant General acted, it was due to him that I should thus present his own reasons for issuing the order to Captain Pickett. From these it is quite clear his object was to prevent the British authorities on Vancouvers Island from exercising jurisdiction over American residents on the island of San Juan, as well as to protect them against the incursions of the Indians. Much excitement prevailed for some time throughout that region, and serious danger of collision between the parties was apprehended. The British had a large naval force in the vicinity, and it is but an act of simple justice to the admiral on that station to state that he wisely and discreetly forbore to commit any hostile act, but determined to refer the whole affair to his Government and await their instructions.

Page 972

This aspect of the matter, in my opinion, demanded serious attention. It would have been a great calamity for both nations had they been precipitated into acts of hostility, not on the question of title to the island, but merely concerning what should be its condition during the intervening period whilst the two Governments might be employed in settling the question to which of them it belongs. For this reason Lieutenant-General Scott was dispatched, on the 17th of September last, to Washington Territory to take immediate command of the United States forces on the Pacific Coast, should he deem this necessary. The main object of his mission was to carry out the spirit of the precautionary arrangement between the late Secretary of State and the British minister, and thus to preserve the peace and prevent collision between the British and American authorities pending the negotiations between the two Governments. Entertaining no doubt of the validity of our title, I need scarcely add that in any event American citizens were to be placed on a footing at least as favorable as that of British subjects, it being understood that Captain Pickett's company should remain on the island. It is proper to observe that, considering the distance from the scene of action and in ignorance of what might have transpired on the spot before the General's arrival, it was necessary to leave much to his discretion; and I am happy to state the event has proven that this discretion could not have been intrusted to more competent hands. General Scott has recently returned from his mission, having successfully accomplished its objects, and there is no longer any good reason to apprehend a collision between the forces of the two countries during the pendency of the existing negotiations. I regret to inform you that there has been no improvement in the affairs of Mexico since my last annual message, and I am again obliged to ask the earnest attention of Congress to the unhappy condition of that Republic.

The constituent Congress of Mexico, which adjourned on the 17th February, 1857, adopted a constitution and provided for a popular election. This took place in the following July (1857), and General Comonfort was chosen President almost without opposition. At the same election a new Congress was chosen, whose first session commenced on the 16th of September (1857). By the constitution of 1857 the Presidential term was to begin on the 1st of December (1857) and continue for four years. On that day General Comonfort appeared before the assembled Congress in the City of Mexico, took the oath to support the new constitution, and was duly inaugurated as President. Within a month afterwards he had been driven from the capital and a military rebellion had assigned the supreme power of the Republic to General Zuloaga. The constitution provided that in the absence of the President his office should devolve upon the chief justice of the supreme court; and General Comonfort having left the

Page 973

country, this functionary, General Juarez, proceeded to form at Guanajuato a constitutional Government. Before this was officially known, however, at the capital the Government of Zuloaga had been recognized by the entire diplomatic corps, including the minister of the United States, as the de facto Government of Mexico. The constitutional President, nevertheless, maintained his position with firmness, and was soon established, with his cabinet, at Vera Cruz. Meanwhile the Government of Zuloaga was earnestly resisted in many parts of the Republic, and even in the capital, a portion of the army having pronounced against it, its functions were declared terminated, and an assembly of citizens was invited for the choice of a new President. This assembly elected General Miramort, but that officer repudiated the plan under which he was chosen, and Zuloaga was thus restored to his previous position. He assumed it, however, only to withdraw from it; and Miramon, having become by his appointment “President substitute,” continues with that title at the head of the insurgent party.

In my last annual message I communicated to Congress the circumstances under which the late minister of the United States suspended his official relations with the central Government and withdrew from the country. It was impossible to maintain friendly intercourse with a government like that at the capital, under whose usurped authority wrongs were constantly committed, but never redressed. Had this been an established government, with its power extending by the consent of the people over the whole of Mexico, a resort to hostilities against it would have been quite justifiable, and, indeed, necessary. But the country was a prey to civil war, and it was hoped that the success of the constitutional President might lead to a condition of things less injurious to the United States. This success became so probable that in January last I employed a reliable agent to visit Mexico and report to me the actual condition and prospects of the contending parties. In consequence of his report and from information which reached me from other sources favorable to the prospects of the constitutional cause, I felt justified in appointing a new minister to Mexico, who might embrace the earliest suitable opportunity of restoring our diplomatic relations with that Republic. For this purpose a distinguished citizen of Maryland was selected, who proceeded on his mission on the 8th of March last, with discretionary authority to recognize the Government of President Juarez if on his arrival in Mexico he should find it entitled to such recognition according to the established practice of the United States.

On the 7th of April following Mr. McLane presented his credentials to President Juarez, having no hesitation “in pronouncing the Government of Juarez to be the only existing government of the Republic.” He was cordially received by the authorities at Vera Cruz, and they have ever since manifested the most friendly disposition toward the United States.

Page 974

Unhappily, however, the constitutional Government has not been able to establish its power over the whole Republic. It is supported by a large majority of the people and the States, but there are important parts of the country where it can enforce no obedience.

General Miramon maintains himself at the capital, and in some of the distant Provinces there are military governors who pay little respect to the decrees of either Government. In the meantime the excesses which always attend upon civil war, especially in Mexico, are constantly recurring. Outrages of the worst description are committed both upon persons and property. There is scarcely any form of injury which has not been suffered by our citizens in Mexico during the last few years. We have been nominally at peace with that Republic, but “so far as the interests of our commerce, or of our citizens who have visited the country as merchants, shipmasters, or in other capacities, are concerned, we might as well have been at war.” Life has been insecure, property unprotected, and trade impossible except at a risk of loss which prudent men can not be expected to incur. Important contracts, involving large expenditures, entered into by the central Government, have been set at defiance by the local governments. Peaceful American residents, occupying their rightful possessions, have been suddenly expelled the country, in defiance of treaties and by the mere force of arbitrary power. Even the course of justice has not been safe from control, and a recent decree of Miramort permits the intervention of Government in all suits where either party is a foreigner. Vessels of the United States have been seized without law, and a consular officer who protested against such seizure has been fined and imprisoned for disrespect to the authorities. Military contributions have been levied in violation of every principle of right, and the American who resisted the lawless demand has had his property forcibly taken away and has been himself banished. From a conflict of authority in different parts of the country tariff duties which have been paid in one place have been exacted over again in another place. Large numbers of our citizens have been arrested and imprisoned without any form of examination or any opportunity for a hearing, and even when released have only obtained their liberty after much suffering and injury, and without any hope of redress. The wholesale massacre of Crabbe and his associates without trial in Sonora, as well as the seizure and murder of four sick Americans who had taken shelter in the house of an American upon the soil of the United States, was communicated to Congress at its last session. Murders of a still more atrocious character have been committed in the very heart of Mexico, under the authority of Miramon’s Government, during the present year. Some of these were only worthy of a barbarous age, and if they had not been dearly proven would have seemed impossible in a country which claims to be civilized.

Page 975

Of this description was the brutal massacre in April last, by order of General Marquez, of three American physicians who were seized in the hospital at Tacubaya while attending upon the sick and the dying of both parties, and without trial, as without crime, were hurried away to speedy execution. Little less shocking was the recent fate of Ormond Chase, who was shot in Tepic on the 7th of August by order of the same Mexican general, not only without a trial, but without any conjecture by his friends of the cause of his arrest. He is represented as a young man of good character and intelligence, who had made numerous friends in Tepic by the courage and humanity which he had displayed on several trying occasions; and his death was as unexpected as it was shocking to the whole community. Other outrages might be enumerated, but these are sufficient to illustrate the wretched state of the country and the unprotected condition of the persons and property of our citizens in Mexico.

In all these cases our ministers have been constant and faithful in their demands for redress, but both they and this Government, which they have successively represented, have been wholly powerless to make their demands effective. Their testimony in this respect and in reference to the only remedy which in their judgments would meet the exigency has been both uniform and emphatic. “Nothing but a manifestation of the power of the Government of the United States,” wrote our late minister in 1856, “and of its purpose to punish these wrongs will avail. I assure you that the universal belief here is that there is nothing to be apprehended from the Government of the United States, and that local Mexican officials can commit these outrages upon American citizens with absolute impunity.” “I hope the President,” wrote our present minister in August last, “will feel authorized to ask from Congress the power to enter Mexico with the military forces of the United States at the call of the constitutional authorities, in order to protect the citizens and the treaty rights of the United States. Unless such a power is conferred upon him, neither the one nor the other will be respected in the existing state of anarchy and disorder, and the outrages already perpetrated will never be chastised; and, as I assured you in my No. 23, all these evils must increase until every vestige of order and government disappears from the country.” I have been reluctantly led to the same opinion, and in justice to my countrymen who have suffered wrongs from Mexico and who may still suffer them I feel bound to announce this conclusion to Congress.

Page 976

The case presented, however, is not merely a case of individual claims, although our just claims against Mexico have reached a very large amount; nor is it merely the case of protection to the lives and property of the few Americans who may still remain in Mexico, although the life and property of every American citizen ought to be sacredly protected in every quarter of the world; but it is a question which relates to the future as well as to the present and the past, and which involves, indirectly at least, the whole subject of our duty to Mexico as a neighboring State. The exercise of the power of the United States in that country to redress the wrongs and protect the rights of our own citizens is none the less to be desired because efficient and necessary aid may thus be rendered at the same time to restore peace and order to Mexico itself. In the accomplishment of this result the people of the United States must necessarily feel a deep and earnest interest. Mexico ought to be a rich and prosperous and powerful Republic. She possesses an extensive territory, a fertile soil, and an incalculable store of mineral wealth. She occupies an important position between the Gulf and the ocean for transit routes and for commerce. Is it possible that such a country as this can be given up to anarchy and ruin without an effort from any quarter for its rescue and its safety? Will the commercial nations of the world, which have so many interests connected with it, remain wholly indifferent to such a result? Can the United States especially, which ought to share most largely in its commercial intercourse, allow their immediate neighbor thus to destroy itself and injure them? Yet without support from some quarter it is impossible to perceive how Mexico can resume her position among nations and enter upon a career which promises any good results. The aid which she requires, and which the interests of all commercial countries require that she should have, it belongs to this Government to render, not only by virtue of our neighborhood to Mexico, along whose territory we have a continuous frontier of nearly a thousand miles, but by virtue also of our established policy, which is inconsistent with the intervention of any European power in the domestic concerns of that Republic.

The wrongs which we have suffered from Mexico are before the world and must deeply impress every American citizen. A government which is either unable or unwilling to redress such wrongs is derelict to its highest duties. The difficulty consists in selecting and enforcing the remedy. We may in vain apply to the constitutional Government at Vera Cruz, although it is well disposed to do us justice, for adequate redress. Whilst its authority is acknowledged in all the important ports and throughout the seacoasts of the Republic, its power does not extend to the City of Mexico and the States in its vicinity, where nearly all the recent outrages have been committed on American citizens. We must

Page 977

penetrate into the interior before we can reach the offenders, and this can only be done by passing through the territory in the occupation of the constitutional Government. The most acceptable and least difficult mode of accomplishing the object will be to act in concert with that Government. Their consent and their aid might, I believe, be obtained; but if not, our obligation to protect our own citizens in their just rights secured by treaty would not be the less imperative. For these reasons I recommend to Congress to pass a law authorizing the President under such conditions as they may deem expedient, to employ a sufficient military force to enter Mexico for the purpose of obtaining indemnity for the past and security for the future. I purposely refrain from any suggestion as to whether this force shall consist of regular troops or volunteers, or both. This question may be most appropriately left to the decision of Congress. I would merely observe that should volunteers be selected such a force could be easily raised in this country among those who sympathize with the sufferings of our unfortunate fellow-citizens in Mexico and with the unhappy condition of that Republic. Such an accession to the forces of the constitutional Government would enable it soon to reach the City of Mexico and extend its power over the whole Republic. In that event there is no reason to doubt that the just claims of our citizens would be satisfied and adequate redress obtained for the injuries inflicted upon them. The constitutional Government have ever evinced a strong desire to do justice, and this might be secured in advance by a preliminary treaty.

It may be said that these measures will, at least indirectly, be inconsistent with our wise and settled policy not to interfere in the domestic concerns of foreign nations. But does not the present case fairly constitute an exception? An adjoining Republic is in a state of anarchy and confusion from which she has proved wholly unable to extricate herself. She is entirely destitute of the power to maintain peace upon her borders or to prevent the incursions of banditti into our territory. In her fate and in her fortune, in her power to establish and maintain a settled government, we have a far deeper interest, socially, commercially, and politically, than any other nation. She is now a wreck upon the ocean, drifting about as she is impelled by different factions. As a good neighbor, shall we not extend to her a helping hand to save her? If we do not, it would not be surprising should some other nation undertake the task, and thus force us to interfere at last, under circumstances of increased difficulty, for the maintenance of our established policy.

Page 978

I repeat the recommendation contained in my last annual message that authority may be given to the President to establish one or more temporary military posts across the Mexican line in Sonora and Chihuahua, where these may be necessary to protect the lives and property of American and Mexican citizens against the incursions and depredations of the Indians, as well as of lawless rovers, on that remote region. The establishment of one such post at a point called Arispe, in Sonora, in a country now almost depopulated by the hostile inroads of the Indians from our side of the line, would, it is believed, have prevented much injury and many cruelties during the past season. A state of lawlessness and violence prevails on that distant frontier. Life and property are there wholly insecure. The population of Arizona, now numbering more than 10,000 souls, are practically destitute of government, of laws, or of any regular administration of justice. Murder, rapine, and other crimes are committed with impunity. I therefore again call the attention of Congress to the necessity for establishing a Territorial government over Arizona.

The treaty with Nicaragua of the 16th of February, 1857, to which I referred in my last annual message, failed to receive the ratification of the Government of that Republic, for reasons which I need not enumerate. A similar treaty has been since concluded between the parties, bearing date on the 16th March, 1859, which has already been ratified by the Nicaraguan Congress. This will be immediately submitted to the Senate for their ratification. Its provisions can not, I think, fail to be acceptable to the people of both countries.

Our claims against the Governments of Costa Rica and Nicaragua remain unredressed, though they are pressed in an earnest manner and not without hope of success.

I deem it to be my duty once more earnestly to recommend to Congress the passage of a law authorizing the President to employ the naval force at his command for the purpose of protecting the lives and property of American citizens passing in transit across the Panama, Nicaragua, and Tehuantepec routes against sudden and lawless outbreaks and depredations. I shall not repeat the arguments employed in former messages in support of this measure. Suffice it to say that the lives of many of our people and the security of vast amounts of treasure passing and repassing over one or more of these routes between the Atlantic and Pacific may be deeply involved in the action of Congress on this subject.

I would also again recommend to Congress that authority be given to the President to employ the naval force to protect American merchant vessels, their crews and cargoes, against violent and lawless seizure and confiscation in the ports of Mexico and the Spanish American States when these countries may be in a disturbed and revolutionary condition. The mere knowledge that such an authority had been conferred, as I have already stated, would of itself in a great degree prevent the evil. Neither would this require any additional appropriation for the naval service.

Page 979

The chief objection urged against the grant of this authority is that Congress by conferring it would violate the Constitution; that it would be a transfer of the war-making, or, strictly speaking, the war-declaring, power to the Executive. If this were well rounded, it would, of course, be conclusive. A very brief examination, however, will place this objection at rest.

Congress possess the sole and exclusive power under the Constitution “to declare war.” They alone can “raise and support armies” and “provide and maintain a navy.” But after Congress shall have declared war and provided the force necessary to carry it on the President, as Commander in Chief of the Army and Navy, can alone employ this force in making war against the enemy. This is the plain language, and history proves that it was the well-known intention of the framers, of the Constitution.

It will not be denied that the general “power to declare war” is without limitation and embraces within itself not only what writers on the law of nations term a public or perfect war, but also an imperfect war, and, in short, every species of hostility, however confined or limited. Without the authority of Congress the President can not fire a hostile gun in any case except to repel the attacks of an enemy. It will not be doubted that under this power Congress could, if they thought proper, authorize the President to employ the force at his command to seize a vessel belonging to an American citizen which had been illegally and unjustly captured in a foreign port and restore it to its owner. But can Congress only act after the fact, after the mischief has been done? Have they no power to confer upon the President the authority in advance to furnish instant redress should such a case afterwards occur? Must they wait until the mischief has been done, and can they apply the remedy only when it is too late? To confer this authority to meet future cases under circumstances strictly specified is as clearly within the war-declaring power as such an authority conferred upon the President by act of Congress after the deed had been done. In the progress of a great nation many exigencies must arise imperatively requiring that Congress should authorize the President to act promptly on certain conditions which may or may not afterwards arise. Our history has already presented a number of such cases. I shall refer only to the latest. Under the resolution of June 2, 1858, “for the adjustment of difficulties with the Republic of Paraguay,” the President is “authorized to adopt such measures and use such force as in his judgment may be necessary and advisable in the event of a refusal of just satisfaction by the Government of Paraguay.” “Just satisfaction” for what? For “the attack on the United States steamer Water Witch” and “other matters referred to in the annual message of the President.” Here the power is expressly granted upon the condition that the Government of Paraguay shall refuse to render this “just satisfaction.” In this and other similar cases Congress have conferred upon the President power in advance to employ the Army and Navy upon the happening of contingent future events; and this most certainly is embraced within the power to declare war.

Page 980

Now, if this conditional and contingent power could be constitutionally conferred upon the President in the case of Paraguay, why may it not be conferred for the purpose of protecting the lives and property of American citizens in the event that they may be violently and unlawfully attacked in passing over the transit routes to and from California or assailed by the seizure of their vessels in a foreign port? To deny this power is to render the Navy in a great degree useless for the protection of the lives and property of American citizens in countries where neither protection nor redress can be otherwise obtained.

The Thirty-fifth Congress terminated on the 3d of March, 1859, without having passed the “act making appropriations for the service of the Post-Office Department during the fiscal year ending the 30th of June, 1860,” This act also contained an appropriation “to supply deficiencies in the revenue of the Post-Office Department for the year ending 30th June, 1859.” I believe this is the first instance since the origin of the Federal Government, now more than seventy years ago, when any Congress went out of existence without having passed all the general appropriation bills necessary to carry on the Government until the regular period for the meeting of a new Congress. This event imposed on the Executive a grave responsibility. It presented a choice of evils.

Had this omission of duty occurred at the first session of the last Congress, the remedy would have been plain. I might then have instantly recalled them to complete their work, and this without expense to the Government. But on the 4th of March last there were fifteen of the thirty-three States which had not elected any Representatives to the present Congress. Had Congress been called together immediately, these States would have been virtually disfranchised. If an intermediate period had been selected, several of the States would have been compelled to hold extra sessions of their legislatures, at great inconvenience and expense, to provide for elections at an earlier day than that previously fixed by law. In the regular course ten of these States would not elect until after the beginning of August, and five of these ten not until October and November.

On the other hand, when I came to examine carefully the condition of the Post-Office Department, I did not meet as many or as great difficulties as I had apprehended. Had the bill which failed been confined to appropriations for the fiscal year ending on the 30th June next, there would have been no reason of pressing importance for the call of an extra session. Nothing would become due on contracts (those with railroad companies only excepted) for carrying the mail for the first quarter of the present fiscal year, commencing on the 1st of July, until the 1st of December—less than one week before the meeting of the present Congress. The reason is that the mail contractors for this and the current year did not complete their first quarter’s service until the 30th September last, and by the terms of their contracts sixty days more are allowed for the settlement of their accounts before the Department could be called upon for payment.

Page 981

The great difficulty and the great hardship consisted in the failure to provide for the payment of the deficiency in the fiscal year ending the 30th June, 1859. The Department had entered into contracts, in obedience to existing laws, for the service of that fiscal year, and the contractors were fairly entitled to their compensation as it became due. The deficiency as stated in the bill amounted to $3,838,728, but after a careful settlement of all these accounts it has been ascertained that it amounts to $4,296,009. With the scanty means at his command the Postmaster-General has managed to pay that portion of this deficiency which occurred in the first two quarters of the past fiscal year, ending on the 31st December last. In the meantime the contractors themselves, under these trying circumstances, have behaved in a manner worthy of all commendation. They had one resource in the midst of their embarrassments. After the amount due to each of them had been ascertained and finally settled according to law, this became a specific debt of record against the United States, which enabled them to borrow money on this unquestionable security. Still, they were obliged to pay interest in consequence of the default of Congress, and on every principle of justice ought to receive interest from the Government. This interest should commence from the date when a warrant would have issued for the payment of the principal had an appropriation been made for this purpose. Calculated up to the 1st December, it will not exceed $96,660—a sum not to be taken into account when contrasted with the great difficulties and embarrassments of a public and private character, both to the people and the States, which would have resulted from convening and holding a special session of Congress. For these reasons I recommend the passage of a bill at as early a day as may be practicable to provide for the payment of the amount, with interest, due to these last-mentioned contractors, as well as to make the necessary appropriations for the service of the Post-Office Department for the current fiscal year.

The failure to pass the Post-Office bill necessarily gives birth to serious reflections. Congress, by refusing to pass the general appropriation bills necessary to carry on the Government, may not only arrest its action, but might even destroy its existence. The Army, the Navy, the judiciary, in short, every department of the Government, can no longer perform their functions if Congress refuse the money necessary for their support. If this failure should teach the country the necessity of electing a full Congress in sufficient time to enable the President to convene them in any emergency, even immediately after the old Congress has expired, it will have been productive of great good. In a time of sudden and alarming danger, foreign or domestic, which all nations must expect to encounter in their progress, the very salvation of our institutions may be staked upon the assembling

Page 982

of Congress without delay. If under such circumstances the President should find himself in the condition in which he was placed at the close of the last Congress, with nearly half the States of the Union destitute of representatives, the consequences might he disastrous. I therefore recommend to Congress to carry into effect the provisions of the Constitution on this subject, and to pass a law appointing some day previous to the 4th March in each year of odd number for the election of Representatives throughout all the States. They have already appointed a day for the election of electors for President and Vice-President, and this measure has been approved by the country.

I would again express a most decided opinion in favor of the construction of a Pacific railroad, for the reasons stated in my two last annual messages. When I reflect upon what would be the defenseless condition of our States and Territories west of the Rocky Mountains in case of a war with a naval power sufficiently strong to interrupt all intercourse with them by the routes across the Isthmus, I am still more convinced than ever of the vast importance of this railroad. I have never doubted the constitutional competency of Congress to provide for its construction, but this exclusively under the war-making power. Besides, the Constitution expressly requires as an imperative duty that “the United States shall protect each of them [the States] against invasion.” I am at a loss to conceive how this protection can be afforded to California and Oregon against such a naval power by any other means. I repeat the opinion contained in my last annual message that it would be inexpedient for the Government to undertake this great work by agents of its own appointment and under its direct and exclusive control. This would increase the patronage of the Executive to a dangerous extent and would foster a system of jobbing and corruption which no vigilance on the part of Federal officials could prevent. The construction of this road ought, therefore, to be intrusted to incorporated companies or other agencies who would exercise that active and vigilant supervision over it which can be inspired alone by a sense of corporate and individual interest. I venture to assert that the additional cost of transporting troops, munitions of war, and necessary supplies for the Army across the vast intervening plains to our possessions on the Pacific Coast would be greater in such a war than the whole amount required to construct the road. And yet this resort would after all be inadequate for their defense and protection.

Page 983

We have yet scarcely recovered from the habits of extravagant expenditure produced by our overflowing Treasury during several years prior to the commencement of my Administration. The financial reverses which we have since experienced ought to teach us all to scrutinize our expenditures with the greatest vigilance and to reduce them to the lowest possible point. The Executive Departments of the Government have devoted themselves to the accomplishment of this object with considerable success, as will appear from their different reports and estimates. To these I invite the scrutiny of Congress, for the purpose of reducing them still lower, if this be practicable consistent with the great public interests of the country. In aid of the policy of retrenchment, I pledge myself to examine closely the bills appropriating lands or money, so that if any of these should inadvertently pass both Houses, as must sometimes be the case, I may afford them an opportunity for reconsideration. At the same time, we ought never to forget that true public economy consists not in withholding the means necessary to accomplish important national objects confided to us by the Constitution, but in taking care that the money appropriated for these purposes shall be faithfully and frugally expended.

It will appear from the report of the Secretary of the Treasury that it is extremely doubtful, to say the least, whether we shall be able to pass through the present and the next fiscal year without providing additional revenue. This can only be accomplished by strictly confining the appropriations within the estimates of the different Departments, without making an allowance for any additional expenditures which Congress may think proper, in their discretion, to authorize, and without providing for the redemption of any portion of the $20,000,000 of Treasury notes which have been already issued. In the event of a deficiency, which I consider probable, this ought never to be supplied by a resort to additional loans. It would be a ruinous practice in the days of peace and prosperity to go on increasing the national debt to meet the ordinary expenses of the Government. This policy would cripple our resources and impair our credit in case the existence of war should render it necessary to borrow money. Should such a deficiency occur as I apprehend, I would recommend that the necessary revenue be raised by an increase of our present duties on imports. I need not repeat the opinions expressed in my last annual message as to the best mode and manner of accomplishing this object, and shall now merely observe that these have since undergone no change. The report of the Secretary of the Treasury will explain in detail the operations of that Department of the Government. The receipts into the Treasury from all sources during the fiscal year ending June 30, 1859, including the loan authorized by the act of June 14, 1858, and the issues of Treasury notes authorized by existing laws, were $81,692,471.01, which sum, with the balance of $6,398,316.10 remaining in the Treasury at the commencement of that fiscal year, made an aggregate for the service of the year of $88,090,787.11.

Page 984

The public expenditures during the fiscal year ending June 30, 1859, amounted to $83,751,511.57. Of this sum $17,405,285.44 were applied to the payment of interest on the public debt and the redemption of the issues of Treasury notes. The expenditures for all other branches of the public service during that fiscal year were therefore $66,346,226.13. The balance remaining in the Treasury on the 1st July, 1859, being the commencement of the present fiscal year, was $4,339,275.54. The receipts into the Treasury during the first quarter of the present fiscal year, commencing July 1, 1859, were $20,618,865.85. Of this amount $3,821,300 was received on account of the loan and the issue of Treasury notes, the amount of $16,797,565.85 having been received during the quarter from the ordinary sources of public revenue. The estimated receipts for the remaining three quarters of the present fiscal year, to June 30, 1860, are $50,426,400. Of this amount it is estimated that $5,756,400 will be received for Treasury notes which may be reissued under the fifth section of the act of 3d March last, and $1,170,000 on account of the loan authorized by the act of June 14, 1858, making $6,926,400 from these extraordinary sources, and $43,500,000 from the ordinary sources of the public revenue, making an aggregate, with the balance in the Treasury on the 1st July, 1859, of $75,384,541.89 for the estimated means of the present fiscal year, ending June 30, 1860.

The expenditures during the first quarter of the present fiscal year were $20,007,174.76. Four million six hundred and sixty-four thousand three hundred and sixty-six dollars and seventy-six cents of this sum were applied to the payment of interest on the public debt and the redemption of the issues of Treasury notes, and the remainder, being $15,342,808, were applied to ordinary expenditures during the quarter. The estimated expenditures during the remaining three quarters, to June 30, 1860, are $40,995,558.23, of which sum $2,886,621.34 are estimated for the interest on the public debt. The ascertained and estimated expenditures for the fiscal year ending June 30, 1860, on account of the public debt are accordingly $7,550,988.10, and for the ordinary expenditures of the Government $53,451,744.89, making an aggregate of $61,002,732.99, leaving an estimated balance in the Treasury on June 30, 1860, of $14,381,808.40.

The estimated receipts during the next fiscal year, ending June 30, 1861, are $66,225,000, which, with the balance estimated, as before stated, as remaining in the Treasury on the 30th June, 1860, will make an aggregate for the service of the next fiscal year of $80,606,808.40.

Page 985

The estimated expenditures during the next fiscal year, ending 30th June, 1861, are $66,714,928.79. Of this amount $3,386,621.34 will be required to pay the interest on the public debt, leaving the sum of $63,328,307.45 for the estimated ordinary expenditures during the fiscal year ending 30th June, 1861. Upon these estimates a balance will be left in the Treasury on the 30th June, 1861, of $13,891,879.61. But this balance, as well as that estimated to remain in the Treasury on the 1st July, 1860, will be reduced by such appropriations as shall be made by law to carry into effect certain Indian treaties during the present fiscal year, asked for by the Secretary of the Interior, to the amount of $539,350; and upon the estimates of the postmaster-General for the service of his Department the last fiscal year, ending 30th June, 1859, amounting to $4,296,009, together with the further estimate of that officer for the service of the present fiscal year, ending 30th June, 1860, being $5,526,324, making an aggregate of $10,361,683.

Should these appropriations be made as requested by the proper Departments, the balance in the Treasury on the 30th June, 1861, will not, it is estimated, exceed $3,530,196.61.

I transmit herewith the reports of the Secretaries of War, of the Navy, of the Interior, and of the postmaster-General. They each contain valuable information and important recommendations well worthy of the serious consideration of Congress. It will appear from the report of the Secretary of War that the Army expenditures have been materially reduced by a system of rigid economy, which in his opinion offers every guaranty that the reduction will be permanent. The estimates of the Department for the next have been reduced nearly $2,000,000 below the estimates for the present fiscal year and $500,000 below the amount granted for this year at the last session of Congress.

The expenditures of the Post-Office Department during the past fiscal year, ending on the 30th June, 1859, exclusive of payments for mail service specially provided for by Congress out of the general Treasury, amounted to $14,964,493.33 and its receipts to $7,968,484.07, showing a deficiency to be supplied from the Treasury of $6,996,009.26, against $5,235,677.15 for the year ending 30th June, 1858. The increased cost of transportation, growing out of the expansion of the service required by Congress, explains this rapid augmentation of the expenditures. It is gratifying, however, to observe an increase of receipts for the year ending on the 30th of June, 1859, equal to $481,691.21 compared with those in the year ending on the 30th June, 1858.

Page 986

It is estimated that the deficiency for the current fiscal year will be $5,988,424.04, but that for the year ending 30th June, 1861, it will not exceed $1,342,473.90 should Congress adopt the measures of reform proposed and urged by the Postmaster-General. Since the month of March retrenchments have been made in the expenditures amounting to $1,826,471 annually, which, however, did not take effect until after the commencement of the present fiscal year. The period seems to have arrived for determining the question whether this Department shall become a permanent and ever-increasing charge upon the Treasury, or shall be permitted to resume the self-sustaining policy which had so long controlled its administration. The course of legislation recommended by the Postmaster-General for the relief of the Department from its present embarrassments and for restoring it to its original independence is deserving of your early and earnest consideration.

In conclusion I would again commend to the just liberality of Congress the local interests of the District of Columbia. Surely the city bearing the name of Washington, and destined, I trust, for ages to be the capital of our united, free, and prosperous Confederacy, has strong claims on our favorable regard.

***

State of the Union Address
James Buchanan
December 3, 1860

Fellow-Citizens of the Senate and House of Representatives:

Throughout the year since our last meeting the country has been eminently prosperous in all its material interests. The general health has been excellent, our harvests have been abundant, and plenty smiles throughout the laud. Our commerce and manufactures have been prosecuted with energy and industry, and have yielded fair and ample returns. In short, no nation in the tide of time has ever presented a spectacle of greater material prosperity than we have done until within a very recent period.

Why is it, then, that discontent now so extensively prevails, and the Union of the States, which is the source of all these blessings, is threatened with destruction?

The long-continued and intemperate interference of the Northern people with the question of slavery in the Southern States has at length produced its natural effects. The different sections of the Union are now arrayed against each other, and the time has arrived, so much dreaded by the Father of his Country, when hostile geographical parties have been formed.

I have long foreseen and often forewarned my countrymen of the now impending danger. This does not proceed solely from the claim on the part of Congress or the

Territorial legislatures to exclude slavery from the Territories, nor from the efforts of different States to defeat the execution of the fugitive-slave law. All or any of these evils might have been endured by the South without danger to the Union (as others have been) in the hope that time and reflection might

Page 987

apply the remedy. The immediate peril arises not so much from these causes as from the fact that the incessant and violent agitation of the slavery question throughout the North for the last quarter of a century has at length produced its malign influence on the slaves and inspired them with vague notions of freedom. Hence a sense of security no longer exists around the family altar. This feeling of peace at home has given place to apprehensions of servile insurrections. Many a matron throughout the South retires at night in dread of what may befall herself and children before the morning. Should this apprehension of domestic danger, whether real or imaginary, extend and intensify itself until it shall pervade the masses of the Southern people, then disunion will become inevitable. Self-preservation is the first law of nature, and has been implanted in the heart of man by his Creator for the wisest purpose; and no political union, however fraught with blessings and benefits in all other respects, can long continue if the necessary consequence be to render the homes and the firesides of nearly half the parties to it habitually and hopelessly insecure. Sooner or later the bonds of such a union must be severed. It is my conviction that this fatal period has not yet arrived, and my prayer to God is that He would preserve the Constitution and the Union throughout all generations.

But let us take warning in time and remove the cause of danger. It can not be denied that for five and twenty years the agitation at the North against slavery has been incessant. In 1835 pictorial handbills and inflammatory appeals were circulated extensively throughout the South of a character to excite the passions of the slaves, and, in the language of General Jackson, “to stimulate them to insurrection and produce all the horrors of a servile war.” This agitation has ever since been continued by the public press, by the proceedings of State and county conventions and by abolition sermons and lectures. The time of Congress has been occupied in violent speeches on this never-ending subject, and appeals, in pamphlet and other forms, indorsed by distinguished names, have been sent forth from this central point and spread broadcast over the Union.

How easy would it be for the American people to settle the slavery question forever and to restore peace and harmony to this distracted country! They, and they alone, can do it. All that is necessary to accomplish the object, and all for which the slave States have ever contended, is to be let alone and permitted to manage their domestic institutions in their own way. As sovereign States, they, and they alone, are responsible before God and the world for the slavery existing among them. For this the people of the North are not more responsible and have no more fight to interfere than with similar institutions in Russia or in Brazil.

Upon their good sense and patriotic forbearance I confess I still greatly rely. Without their aid it is beyond the power of any President, no matter what may be his own political proclivities, to restore peace and harmony among the States. Wisely limited

and restrained as is his power under our Constitution and laws, he alone can accomplish but little for good or for evil on such a momentous question.

Page 988

And this brings me to observe that the election of any one of our fellow-citizens to the office of President does not of itself afford just cause for dissolving the Union. This is more especially true if his election has been effected by a mere plurality, and not a majority of the people, and has resulted from transient and temporary causes, which may probably never again occur. In order to justify a resort to revolutionary resistance, the Federal Government must be guilty of “a deliberate, palpable, and dangerous exercise” of powers not granted by the Constitution.

The late Presidential election, however, has been held in strict conformity with its express provisions. How, then, can the result justify a revolution to destroy this very Constitution? Reason, justice, a regard for the Constitution, all require that we shall wait for some overt and dangerous act on the part of the President elect before resorting to such a remedy. It is said, however, that the antecedents of the President-elect have been sufficient to justify the fears of the South that he will attempt to invade their constitutional rights. But are such apprehensions of contingent danger in the future sufficient to justify the immediate destruction of the noblest system of government ever devised by mortals? From the very nature of his office and its high responsibilities he must necessarily be conservative. The stern duty of administering the vast and complicated concerns of this Government affords in itself a guaranty that he will not attempt any violation of a clear constitutional right.

After all, he is no more than the chief executive officer of the Government. His province is not to make but to execute the laws. And it is a remarkable fact in our history that, notwithstanding the repeated efforts of the antislavery party, no single act has ever passed Congress, unless we may possibly except the Missouri compromise, impairing in the slightest degree the rights of the South to their property in slaves; and it may also be observed, judging from present indications, that no probability exists of the passage of such an act by a majority of both Houses, either in the present or the next Congress. Surely under these circumstances we ought to be restrained from present action by the precept of Him who spake as man never spoke, that “sufficient unto the day is the evil thereof.” The day of evil may never come unless we shall rashly bring it upon ourselves.

It is alleged as one cause for immediate secession that the Southern States are denied equal rights with the other States in the common Territories. But by what authority are these denied? Not by Congress, which has never passed, and I believe never will pass, any act to exclude slavery from these Territories; and certainly not by the Supreme Court, which has solemnly decided that slaves are property, and, like all other property, their owners have a right to take them into the common Territories and hold them there under the protection of the Constitution.

Page 989

So far then, as Congress is concerned, the objection is not to anything they have already done, but to what they may do hereafter. It will surely be admitted that this apprehension of future danger is no good reason for an immediate dissolution of the Union. It is true that the Territorial legislature of Kansas, on the 23d February, 1860, passed in great haste an act over the veto of the governor declaring that slavery "is and shall be forever prohibited in this Territory." Such an act, however, plainly violating the rights of property secured by the Constitution, will surely be declared void by the judiciary whenever it shall be presented in a legal form.

Only three days after my inauguration the Supreme Court of the United States solemnly adjudged that this power did not exist in a Territorial legislature. Yet such has been the factious temper of the times that the correctness of this decision has been extensively impugned before the people, and the question has given rise to angry political conflicts throughout the country. Those who have appealed from this judgment of our highest constitutional tribunal to popular assemblies would, if they could, invest a Territorial legislature with power to annul the sacred rights of property. This power Congress is expressly forbidden by the Federal Constitution to exercise. Every State legislature in the Union is forbidden by its own constitution to exercise it. It can not be exercised in any State except by the people in their highest sovereign capacity, when framing or amending their State constitution. In like manner it can only be exercised by the people of a Territory represented in a convention of delegates for the purpose of framing a constitution preparatory to admission as a State into the Union. Then, and not until then, are they invested with power to decide the question whether slavery shall or shall not exist within their limits. This is an act of sovereign authority, and not of subordinate Territorial legislation. Were it otherwise, then indeed would the equality of the States in the Territories be destroyed, and the rights of property in slaves would depend not upon the guaranties of the Constitution, but upon the shifting majorities of an irresponsible Territorial legislature. Such a doctrine, from its intrinsic unsoundness, can not long influence any considerable portion of our people, much less can it afford a good reason for a dissolution of the Union.

The most palpable violations of constitutional duty which have yet been committed consist in the acts of different State legislatures to defeat the execution of the fugitive-slave law. It ought to be remembered, however, that for these acts neither Congress nor any President can justly be held responsible. Having been passed in violation of the Federal Constitution, they are therefore null and void. All the courts, both State and national, before whom the question has arisen have from the beginning declared the fugitive-slave

Page 990

law to be constitutional. The single exception is that of a State court in Wisconsin, and this has not only been reversed by the proper appellate tribunal, but has met with such universal reprobation that there can be no danger from it as a precedent. The validity of this law has been established over and over again by the Supreme Court of the United States with perfect unanimity. It is rounded upon an express provision of the Constitution, requiring that fugitive slaves who escape from service in one State to another shall be “delivered up” to their masters. Without this provision it is a well-known historical fact that the Constitution itself could never have been adopted by the Convention. In one form or other, under the acts of 1793 and 1850, both being substantially the same, the fugitive-slave law has been the law of the land from the days of Washington until the present moment. Here, then, a clear case is presented in which it will be the duty of the next President, as it has been my own, to act with vigor in executing this supreme law against the conflicting enactments of State legislatures. Should he fail in the performance of this high duty, he will then have manifested a disregard of the Constitution and laws, to the great injury of the people of nearly one-half of the States of the Union. But are we to presume in advance that he will thus violate his duty? This would be at war with every principle of justice and of Christian charity. Let us wait for the overt act. The fugitive-slave law has been carried into execution in every contested case since the commencement of the present Administration, though Often, it is to be regretted, with great loss and inconvenience to the master and with considerable expense to the Government. Let us trust that the State legislatures will repeal their unconstitutional and obnoxious enactments. Unless this shall be done without unnecessary delay, it is impossible for any human power to save the Union.

The Southern States, standing on the basis of the Constitution, have right to demand this act of justice from the States of the North. Should it be refused, then the Constitution, to which all the States are parties, will have been willfully violated by one portion of them in a provision essential to the domestic security and happiness of the remainder. In that event the injured States, after having first used all peaceful and constitutional means to obtain redress, would be justified in revolutionary resistance to the Government of the Union.

I have purposely confined my remarks to revolutionary resistance, because it has been claimed within the last few years that any State, whenever this shall be its sovereign will and pleasure, may secede from the Union in accordance with the Constitution and without any violation of the constitutional rights of the other members of the Confederacy; that as each became parties to the Union by the vote of its own people assembled in convention, so any one of them may retire from the Union in a similar manner by the vote of such a convention.

Page 991

In order to justify secession as a constitutional remedy, it must be on the principle that the Federal Government is a mere voluntary association of States, to be dissolved at pleasure by any one of the contracting parties. If this be so, the Confederacy is a rope of sand, to be penetrated and dissolved by the first adverse wave of public opinion in any of the States. In this manner our thirty-three States may resolve themselves into as many petty, jarring, and hostile republics, each one retiring from the Union without responsibility whenever any sudden excitement might impel them to such a course. By this process a Union might be entirely broken into fragments in a few weeks which cost our forefathers many years of toil, privation, and blood to establish.

Such a principle is wholly inconsistent with the history as well as the character of the Federal Constitution. After it was framed with the greatest deliberation and care it was submitted to conventions of the people of the several States for ratification. Its provisions were discussed at length in these bodies, composed of the first men of the country. Its opponents contended that it conferred powers upon the Federal Government dangerous to the rights of the States, whilst its advocates maintained that under a fair construction of the instrument there was no foundation for such apprehensions. In that mighty struggle between the first intellects of this or any other country it never occurred to any individual, either among its opponents or advocates, to assert or even to intimate that their efforts were all vain labor, because the moment that any State felt herself aggrieved she might secede from the Union. What a crushing argument would this have proved against those who dreaded that the rights of the States would be endangered by the Constitution! The truth is that it was not until many years after the origin of the Federal Government that such a proposition was first advanced. It was then met and refuted by the conclusive arguments of General Jackson, who in his message of the 16th of January, 1833, transmitting the nullifying ordinance of South Carolina to Congress, employs the following language:

The right of the people of a single State to absolve themselves at will and without the consent of the other States from their most solemn obligations, and hazard the liberties and happiness of the millions composing this Union, can not be acknowledged. Such authority is believed to be utterly repugnant both to the principles upon which the General Government is constituted and to the objects which it is expressly formed to attain.

It is not pretended that any clause in the Constitution gives countenance to such a theory. It is altogether rounded upon inference; not from any language contained in the instrument itself, but from the sovereign character of the several States by which it was ratified. But is it beyond the power of a State, like an individual, to yield a portion of its sovereign rights to secure the remainder? In the language of Mr. Madison, who has been called the father of the Constitution—

Page 992

It was formed by the States; that is, by the people in each of the States acting in their highest sovereign capacity, and formed, consequently, by the same authority which formed the State constitutions. Nor is the Government of the United States, created by the Constitution, less a government, in the strict sense of the term, within the sphere of its powers than the governments created by the constitutions of the States are within their several spheres. It is, like them, organized into legislative, executive, and judiciary departments. It operates, like them directly on persons and things, and, like them, it has at command a physical force for executing the powers committed to it.

It was intended to be perpetual, and not to be annulled at the pleasure of any one of the contracting parties. The old Articles of Confederation were entitled "Articles of Confederation and Perpetual Union between the States," and by the thirteenth article it is expressly declared that "the articles of this Confederation shall be inviolably observed by every State, and the Union shall be perpetual." The preamble to the Constitution of the United States, having express reference to the Articles of Confederation, recites that it was established "in order to form a more perfect union." And yet it is contended that this "more perfect union" does not include the essential attribute of perpetuity.

But that the Union was designed to be perpetual appears conclusively from the nature and extent of the powers conferred by the Constitution on the Federal Government. These powers embrace the very highest attributes of national sovereignty. They place both the sword and the purse under its control. Congress has power to make war and to make peace, to raise and support armies and navies, and to conclude treaties with foreign governments. It is invested with the power to coin money and to regulate the value thereof, and to regulate commerce with foreign nations and among the several States. It is not necessary to enumerate the other high powers which have been conferred upon the Federal Government. In order to carry the enumerated powers into effect, Congress possesses the exclusive right to lay and collect duties on imports, and, in common with the States, to lay and collect all other taxes.

But the Constitution has not only conferred these high powers upon Congress, but it has adopted effectual means to restrain the States from interfering with their exercise. For that purpose it has in strong prohibitory language expressly declared that—

No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts. Moreover—

No State shall without the consent of the Congress lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws.

Page 993

And if they exceed this amount the excess shall belong, to the United States. And—

No State shall without the consent of Congress lay any duty of tonnage, keep troops or ships of war in time of peace, enter into any agreement or compact with another State or with a foreign power, or engage in war, unless actually invaded or in such imminent danger as will not admit of delay.

In order still further to secure the uninterrupted exercise of these high powers against State interposition, it is provided that—

This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States, shall be the supreme law of the land, and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

The solemn sanction of religion has been superadded to the obligations of official duty, and all Senators and Representatives of the United States, all members of State legislatures, and all executive and judicial officers, “both of the United States and of the several States, shall be bound by oath or affirmation to support this Constitution.”

In order to carry into effect these powers, the Constitution has established a perfect Government in all its forms—legislative, executive, and judicial; and this Government to the extent of its powers acts directly upon the individual citizens of every State, and executes its own decrees by the agency of its own officers. In this respect it differs entirely from the Government under the old Confederation, which was confined to making requisitions on the States in their sovereign character. This left it in the discretion of each whether to obey or to refuse, and they often declined to comply with such requisitions. It thus became necessary for the purpose of removing this barrier and “in order to form a more perfect union” to establish a Government which could act directly upon the people and execute its own laws without the intermediate agency of the States. This has been accomplished by the Constitution of the United States. In short, the Government created by the Constitution, and deriving its authority from the sovereign people of each of the several States, has precisely the same right to exercise its power over the people of all these States in the enumerated cases that each one of them possesses over subjects not delegated to the United States, but “reserved to the States respectively or to the people.”

To the extent of the delegated powers the Constitution of the United States is as much a part of the constitution of each State and is as binding upon its people as though it had been textually inserted therein.

Page 994

This Government, therefore, is a great and powerful Government, invested with all the attributes of sovereignty over the special subjects to which its authority extends. Its framers never intended to implant in its bosom the seeds of its own destruction, nor were they at its creation guilty of the absurdity of providing for its own dissolution. It was not intended by its framers to be the baseless fabric of a vision, which at the touch of the enchanter would vanish into thin air, but a substantial and mighty fabric, capable of resisting the slow decay of time and of defying the storms of ages. Indeed, well may the jealous patriots of that day have indulged fears that a Government of such high powers might violate the reserved rights of the States, and wisely did they adopt the rule of a strict construction of these powers to prevent the danger. But they did not fear, nor had they any reason to imagine, that the Constitution would ever be so interpreted as to enable any State by her own act, and without the consent of her sister States, to discharge her people from all or any of their federal obligations.

It may be asked, then, Are the people of the States without redress against the tyranny and oppression of the Federal Government? By no means. The right of resistance on the part of the governed against the oppression of their governments can not be denied. It exists independently of all constitutions, and has been exercised at all periods of the world's history. Under it old governments have been destroyed and new ones have taken their place. It is embodied in strong and express language in our own Declaration of Independence. But the distinction must ever be observed that this is revolution against an established government, and not a voluntary secession from it by virtue of an inherent constitutional right. In short, let us look the danger fairly in the face. Secession is neither more nor less than revolution. It may or it may not be a justifiable revolution, but still it is revolution.

What, in the meantime, is the responsibility and true position of the Executive? He is bound by solemn oath, before God and the country, "to take care that the laws be faithfully executed," and from this obligation he can not be absolved by any human power. But what if the performance of this duty, in whole or in part, has been rendered impracticable by events over which he could have exercised no control? Such at the present moment is the case throughout the State of South Carolina so far as the laws of the United States to secure the administration of justice by means of the Federal judiciary are concerned. All the Federal officers within its limits through whose agency alone these laws can be carried into execution have already resigned. We no longer have a district judge, a district attorney, or a marshal in South Carolina. In fact, the whole machinery of the Federal Government necessary for the distribution of remedial justice among the people has been demolished, and it would be difficult, if not impossible, to replace it.

Page 995

The only acts of Congress on the statute book bearing upon this subject are those of February 28, 1795, and March 3, 1807. These authorize the President, after he shall have ascertained that the marshal, with his posse comitatus, is unable to execute civil or criminal process in any particular case, to call forth the militia and employ the Army and Navy to aid him in performing this service, having first by proclamation commanded the insurgents "to disperse and retire peaceably to their respective abodes within a limited time" This duty can not by possibility be performed in a State where no judicial authority exists to issue process, and where there is no marshal to execute it, and where, even if there were such an officer, the entire population would constitute one solid combination to resist him.

The bare enumeration of these provisions proves how inadequate they are without further legislation to overcome a united opposition in a single State, not to speak of other States who may place themselves in a similar attitude. Congress alone has power to decide whether the present laws can or can not be amended so as to carry out more effectually the objects of the Constitution.

The same insuperable obstacles do not lie in the way of executing the laws for the collection of the customs. The revenue still continues to be collected as heretofore at the custom-house in Charleston, and should the collector unfortunately resign a successor may be appointed to perform this duty.

Then, in regard to the property of the United States in South Carolina. This has been purchased for a fair equivalent, "by the consent of the legislature of the State," "for the erection of forts, magazines, arsenals," *etc*., and over these the authority "to exercise exclusive legislation" has been expressly granted by the Constitution to Congress. It is not believed that any attempt will be made to expel the United States from this property by force; but if in this I should prove to be mistaken, the officer in command of the forts has received orders to act strictly on the defensive. In such a contingency the responsibility for consequences would rightfully rest upon the heads of the assailants.

Apart from the execution of the laws, so far as this may be practicable, the Executive has no authority to decide what shall be the relations between the Federal Government and South Carolina. He has been invested with no such discretion. He possesses no power to change the relations heretofore existing between them, much less to acknowledge the independence of that State. This would be to invest a mere executive officer with the power of recognizing the dissolution of the confederacy among our thirty-three sovereign States. It bears no resemblance to the recognition of a foreign de facto government, involving no such responsibility. Any attempt to do this would, on his part, be a naked act of usurpation. It is therefore my duty to submit to Congress the whole question in all its beatings. The course of events is so rapidly hastening forward that the emergency may soon arise when you may be called upon to decide the momentous question whether you possess the power by force of arms to compel a State to remain

in the Union. I should feel myself recreant to my duty were I not to express an opinion on this important subject.

Page 996

The question fairly stated is, Has the Constitution delegated to Congress the power to coerce a State into submission which is attempting to withdraw or has actually withdrawn from the Confederacy? If answered in the affirmative, it must be on the principle that the power has been conferred upon Congress to declare and to make war against a State. After much serious reflection I have arrived at the conclusion that no such power has been delegated to Congress or to any other department of the Federal Government. It is manifest upon an inspection of the Constitution that this is not among the specific and enumerated powers granted to Congress, and it is equally apparent that its exercise is not "necessary and proper for carrying into execution" any one of these powers. So far from this power having been delegated to Congress, it was expressly refused by the Convention which framed the Constitution.

It appears from the proceedings of that body that on the 31st May, 1787, the clause "authorizing an exertion of the force of the whole against a delinquent State" came up for consideration. Mr. Madison opposed it in a brief but powerful speech, from which I shall extract but a single sentence. He observed:

The use of force against a State would look more like a declaration of war than an infliction of punishment, and would probably be considered by the party attacked as a dissolution of all previous compacts by which it might be bound.

Upon his motion the clause was unanimously postponed, and was never, I believe, again presented. Soon afterwards, on the 8th June, 1787, when incidentally adverting to the subject, he said: "Any government for the United States formed on the supposed practicability of using force against the unconstitutional proceedings of the States would prove as visionary and fallacious as the government of Congress," evidently meaning the then existing Congress of the old Confederation.

Without descending to particulars, it may be safely asserted that the power to make war against a State is at variance with the whole spirit and intent of the Constitution. Suppose such a war should result in the conquest of a State; how are we to govern it afterwards? Shall we hold it as a province and govern it by despotic power? In the nature of things, we could not by physical force control the will of the people and compel them to elect Senators and Representatives to Congress and to perform all the other duties depending upon their own volition and required from the free citizens of a free State as a constituent member of the Confederacy.

But if we possessed this power, would it be wise to exercise it under existing circumstances? The object would doubtless be to preserve the Union. War would not only present the most effectual means of destroying it, but would vanish all hope of its peaceable reconstruction. Besides, in the fraternal conflict a vast amount of blood and treasure would be expended, rendering future reconciliation between the States impossible. In the meantime, who can foretell what would be the sufferings and privations of the people during its existence?

Page 997

The fact is that our Union rests upon public opinion, and can never be cemented by the blood of its citizens shed in civil war. If it can not live in the affections of the people, it must one day perish. Congress possesses many means of preserving it by conciliation, but the sword was not placed in their hand to preserve it by force.

But may I be permitted solemnly to invoke my countrymen to pause and deliberate before they determine to destroy this the grandest temple which has ever been dedicated to human freedom since the world began? It has been consecrated by the blood of our fathers, by the glories of the past, and by the hopes of the future. The Union has already made us the most prosperous, and ere long will, if preserved, render us the most powerful, nation on the face of the earth. In every foreign region of the globe the title of American citizen is held in the highest respect, and when pronounced in a foreign land it causes the hearts of our countrymen to swell with honest pride. Surely when we reach the brink of the yawning abyss we shall recoil with horror from the last fatal plunge.

By such a dread catastrophe the hopes of the friends of freedom throughout the world would be destroyed, and a long night of leaden despotism would enshroud the nations. Our example for more than eighty years would not only be lost, but it would be quoted as a conclusive proof that man is unfit for self-government.

It is not every wrong—nay, it is not every grievous wrong—which can justify a resort to such a fearful alternative. This ought to be the last desperate remedy of a despairing people, after every other constitutional means of conciliation had been exhausted. We should reflect that under this free Government there is an incessant ebb and flow in public opinion. The slavery question, like everything human, will have its day. I firmly believe that it has reached and passed the culminating point. But if in the midst of the existing excitement the Union shall perish, the evil may then become irreparable.

Congress can contribute much to avert it by proposing and recommending to the legislatures of the several States the remedy for existing evils which the Constitution has itself provided for its own preservation. This has been tried at different critical periods of our history, and always with eminent success. It is to be found in the fifth article, providing for its own amendment. Under this article amendments have been proposed by two-thirds of both Houses of Congress, and have been “ratified by the legislatures of three-fourths of the several States,” and have consequently become parts of the Constitution. To this process the country is indebted for the clause prohibiting Congress from passing any law respecting an establishment of religion or abridging the freedom of speech or of the press or of the right of petition. To this we are also indebted for the bill of rights which secures the people against any abuse of power by the Federal Government. Such were the apprehensions justly entertained by the friends of State rights at that period as to have rendered it extremely doubtful whether the Constitution could have long survived without those amendments.

Page 998

Again the Constitution was amended by the same process, after the election of President Jefferson by the House of Representatives, in February, 1803. This amendment was rendered necessary to prevent a recurrence of the dangers which had seriously threatened the existence of the Government during the pendency of that election. The article for its own amendment was intended to secure the amicable adjustment of conflicting constitutional questions like the present which might arise between the governments of the States and that of the United States. This appears from contemporaneous history. In this connection I shall merely call attention to a few sentences in Mr. Madison's justly celebrated report, in 1799, to the legislature of Virginia. In this he ably and conclusively defended the resolutions of the preceding legislature against the strictures of several other State legislatures. These were mainly rounded upon the protest of the Virginia legislature against the "alien and sedition acts," as "palpable and alarming infractions of the Constitution." In pointing out the peaceful and constitutional remedies—and he referred to none other—to which the States were authorized to resort on such occasions, he concludes by saying that—

The legislatures of the States might have made a direct representation to Congress with a view to obtain a rescinding of the two offensive acts, or they might have represented to their respective Senators in Congress their wish that two-thirds thereof would propose an explanatory amendment to the Constitution; or two-thirds of themselves, if such had been their option, might by an application to Congress have obtained a convention for the same object.

This is the very course which I earnestly recommend in order to obtain an "explanatory amendment" of the Constitution on the subject of slavery. This might originate with Congress or the State legislatures, as may be deemed most advisable to attain the object. The explanatory amendment might be confined to the final settlement of the true construction of the Constitution on three special points:

1. An express recognition of the right of property in slaves in the States where it now exists or may hereafter exist.

2. The duty of protecting this right in all the common Territories throughout their Territorial existence, and until they shall be admitted as States into the Union, with or without slavery, as their constitutions may prescribe.

3. A like recognition of the right of the master to have his slave who has escaped from one State to another restored and "delivered up" to him, and of the validity of the fugitive-slave law enacted for this purpose, together with a declaration that all State laws impairing or defeating this right are violations of the Constitution, and are consequently null and void. It may be objected that this construction of the Constitution has already been settled by the Supreme Court of the United States, and what more

Page 999

ought to be required? The answer is that a very large proportion of the people of the United States still contest the correctness of this decision, and never will cease from agitation and admit its binding force until clearly established by the people of the several States in their sovereign character. Such an explanatory amendment would, it is believed, forever terminate the existing dissensions, and restore peace and harmony among the States.

It ought not to be doubted that such an appeal to the arbitrament established by the Constitution itself would be received with favor by all the States of the Confederacy. In any event, it ought to be tried in a spirit of conciliation before any of these States shall separate themselves from the Union.

When I entered upon the duties of the Presidential office, the aspect neither of our foreign nor domestic affairs was at all satisfactory. We were involved in dangerous complications with several nations, and two of our Territories were in a state of revolution against the Government. A restoration of the African slave trade had numerous and powerful advocates. Unlawful military expeditions were countenanced by many of our citizens, and were suffered, in defiance of the efforts of the Government, to escape from our shores for the purpose of making war upon the offending people of neighboring republics with whom we were at peace. In addition to these and other difficulties, we experienced a revulsion in monetary affairs soon after my advent to power of unexampled severity and of ruinous consequences to all the great interests of the country. When we take a retrospect of what was then our condition and contrast this with its material prosperity at the time of the late Presidential election, we have abundant reason to return our grateful thanks to that merciful Providence which has never forsaken us as a nation in all our past trials.

Our relations with Great Britain are of the most friendly character. Since the commencement of my Administration the two dangerous questions arising from the Clayton and Bulwer treaty and from the right of search claimed by the British Government have been amicably and honorably adjusted.

The discordant constructions of the Clayton and Bulwer treaty between the two Governments, which at different periods of the discussion bore a threatening aspect, have resulted in a final settlement entirely satisfactory to this Government. In my last annual message I informed Congress that the British Government had not then “completed treaty arrangements with the Republics of Honduras and Nicaragua in pursuance of the understanding between the two Governments. It is, nevertheless, confidently expected that this good work will ere long be accomplished.” This confident expectation has since been fulfilled. Her Britannic Majesty concluded a treaty with Honduras on the 28th November, 1859, and with Nicaragua on the 28th August, 1860, relinquishing the Mosquito

Page 1000

protectorate. Besides, by the former the Bay Islands are recognized as a part of the Republic of Honduras. It may be observed that the stipulations of these treaties conform in every important particular to the amendments adopted by the Senate of the United States to the treaty concluded at London on the 17th October, 1856, between the two Governments. It will be recollected that this treaty was rejected by the British Government because of its objection to the just and important amendment of the Senate to the article relating to Ruatan and the other islands in the Bay of Honduras.

It must be a source of sincere satisfaction to all classes of our fellow-citizens, and especially to those engaged in foreign commerce, that the claim on the part of Great Britain forcibly to visit and search American merchant vessels on the high seas in time of peace has been abandoned. This was by far the most dangerous question to the peace of the two countries which has existed since the War of 1812. Whilst it remained open they might at any moment have been precipitated into a war. This was rendered manifest by the exasperated state of public feeling throughout our entire country produced by the forcible search of American merchant vessels by British cruisers on the coast of Cuba in the spring of 1858. The American people hailed with general acclaim the orders of the Secretary of the Navy to our naval force in the Gulf of Mexico “to protect all vessels of the United States on the high seas from search or detention by the vessels of war of any other nation.” These orders might have produced an immediate collision between the naval forces of the two countries. This was most fortunately prevented by an appeal to the justice of Great Britain and to the law of nations as expounded by her own most eminent jurists.

The only question of any importance which still remains open is the disputed title between the two Governments to the island of San Juan, in the vicinity of Washington Territory. As this question is still under negotiation, it is not deemed advisable at the present moment to make any other allusion to the subject.

The recent visit of the Prince of Wales, in a private character, to the people of this country has proved to be a most auspicious event. In its consequences it can not fail to increase the kindred and kindly feelings which I trust may ever actuate the Government and people of both countries in their political and social intercourse with each other.

With France, our ancient and powerful ally, our relations continue to be of the most friendly character. A decision has recently been made by a French judicial tribunal, with the approbation of the Imperial Government, which can not fail to foster the sentiments of mutual regard that have so long existed between the two countries. Under the French law no person can serve in the armies of France unless he be a French citizen. The law of France recognizing the natural right of expatriation,

Page 1001

it follows as a necessary consequence that a Frenchman by the fact of having become a citizen of the United States has changed his allegiance and has lost his native character. He can not therefore be compelled to serve in the French armies in case he should return to his native country. These principles were announced in 1852 by the French minister of war and in two late cases have been confirmed by the French judiciary. In these, two natives of France have been discharged from the French army because they had become American citizens. To employ the language of our present minister to France, who has rendered good service on this occasion. "I do not think our French naturalized fellow-citizens will hereafter experience much annoyance on this subject."

I venture to predict that the time is not far distant when the other continental powers will adopt the same wise and just policy which has done so much honor to the enlightened Government of the Emperor. In any event, our Government is bound to protect the rights of our naturalized citizens everywhere to the same extent as though they had drawn their first breath in this country. We can recognize no distinction between our native and naturalized citizens.

Between the great Empire of Russia and the United States the mutual friendship and regard which has so long existed still continues to prevail, and if possible to increase. Indeed, our relations with that Empire are all that we could desire. Our relations with Spain are now of a more complicated, though less dangerous, character than they have been for many years. Our citizens have long held and continue to hold numerous claims against the Spanish Government. These had been ably urged for a series of years by our successive diplomatic representatives at Madrid, but without obtaining redress. The Spanish Government finally agreed to institute a joint commission for the adjustment of these claims, and on the 5th day of March, 1860, concluded a convention for this purpose with our present minister at Madrid.

Under this convention what have been denominated the "Cuban claims," amounting to $128,635.54, in which more than 100 of our fellow-citizens are interested, were recognized, and the Spanish Government agreed to pay $100,000 of this amount "within three months following the exchange of ratifications." The payment of the remaining $28,635.54 was to await the decision of the commissioners for or against the Amistad claim; but in any event the balance was to be paid to the claimants either by Spain or the United States. These terms, I have every reason to know, are highly satisfactory to the holders of the Cuban claims. Indeed, they have made a formal offer authorizing the State Department to settle these claims and to deduct the amount of the Amistad claim from the sums which they are entitled to receive from Spain. This offer, of course, can not be accepted. All other claims of citizens of the United States against

Page 1002

Spain, or the subjects of the Queen of Spain against the United States, including the Amistad claim, were by this convention referred to a board of commissioners in the usual form. Neither the validity of the Amistad claim nor of any other claim against either party, with the single exception of the Cuban claims, was recognized by the convention. Indeed, the Spanish Government did not insist that the validity of the Amistad claim should be thus recognized, notwithstanding its payment had been recommended to Congress by two of my predecessors, as well as by myself, and an appropriation for that purpose had passed the Senate of the United States.

They were content that it should be submitted to the board for examination and decision like the other claims. Both Governments were bound respectively to pay the amounts awarded to the several claimants “at such times and places as may be fixed by and according to the tenor of said awards.”

I transmitted this convention to the Senate for their constitutional action on the 3d of May, 1860, and on the 27th of the succeeding June they determined that they would “not advise and consent” to its ratification.

These proceedings place our relations with Spain in an awkward and embarrassing position. It is more than probable that the final adjustment of these claims will devolve upon my successor.

I reiterate the recommendation contained in my annual message of December, 1858, and repeated in that of December, 1859, in favor of the acquisition of Cuba from Spain by fair purchase. I firmly believe that such an acquisition would contribute essentially to the well-being and prosperity of both countries in all future time, as well as prove the certain means of immediately abolishing the African slave trade throughout the world. I would not repeat this recommendation upon the present occasion if I believed that the transfer of Cuba to the United States upon conditions highly favorable to Spain could justly tarnish the national honor of the proud and ancient Spanish monarchy. Surely no person ever attributed to the first Napoleon a disregard of the national honor of France for transferring Louisiana to the United States for a fair equivalent, both in money and commercial advantages.

With the Emperor of Austria and the remaining continental powers of Europe, including that of the Sultan, our relations continue to be of the most friendly character.

The friendly and peaceful policy pursued by the Government of the United States toward the Empire of China has produced the most satisfactory results. The treaty of Tien-tsin of the 18th June, 1858, has been faithfully observed by the Chinese authorities. The convention of the 8th November, 1858, supplementary to this treaty, for the adjustment and satisfaction of the claims of our citizens on China referred to in my

last annual message, has been already carried into effect so far as this was practicable. Under this convention

Page 1003

the sum of 500,000 taels, equal to about $700,000, was stipulated to be paid in satisfaction of the claims of American citizens out of the one-fifth of the receipts for tonnage, import, and export duties on American vessels at the ports of Canton, Shanghai, and Fuchau, and it was “agreed that this amount shall be in full liquidation of all claims of American citizens at the various ports to this date.” Debentures for this amount, to wit, 300,000 taels for Canton, 100,000 for Shanghai, and 100,000 for Fuchau, were delivered, according to the terms of the convention, by the respective Chinese collectors of the customs of these ports to the agent selected by our minister to receive the same. Since that time the claims of our citizens have been adjusted by the board of commissioners appointed for that purpose under the act of March 3, 1859, and their awards, which proved satisfactory to the claimants, have been approved by our minister. In the aggregate they amount to the sum of $498,694.78. The claimants have already received a large proportion of the sums awarded to them out of the fund provided, and it is confidently expected that the remainder will ere long be entirely paid. After the awards shall have been satisfied there will remain a surplus of more than $200,000 at the disposition of Congress. As this will, in equity, belong to the Chinese Government, would not justice require its appropriation to some benevolent object in which the Chinese may be specially interested?

Our minister to China, in obedience to his instructions, has remained perfectly neutral in the war between Great Britain and France and the Chinese Empire, although, in conjunction with the Russian minister, he was ever ready and willing, had the opportunity offered, to employ his good offices in restoring peace between the parties. It is but an act of simple justice, both to our present minister and his predecessor, to state that they have proved fully equal to the delicate, trying, and responsible positions in which they have on different occasions been placed.

The ratifications of the treaty with Japan concluded at Yeddo on the 29th July, 1858, were exchanged at Washington on the 22d May last, and the treaty itself was proclaimed on the succeeding day. There is good reason to expect that under its protection and influence our trade and intercourse with that distant and interesting people will rapidly increase.

The ratifications of the treaty were exchanged with unusual solemnity. For this purpose the Tycoon had accredited three of his most distinguished subjects as envoys extraordinary and ministers plenipotentiary, who were received and treated with marked distinction and kindness, both by the Government and people of the United States. There is every reason to believe that they have returned to their native land entirely satisfied with their visit and inspired by the most friendly feelings for our country. Let us ardently hope, in the language of the treaty itself, that “there shall henceforward be perpetual peace and friendship between the United States of America and His Majesty the Tycoon of Japan and his successors.”

Page 1004

With the wise, conservative, and liberal Government of the Empire of Brazil our relations continue to be of the most amicable character.

The exchange of the ratifications of the convention with the Republic of New Granada signed at Washington on the 10th of September, 1857, has been long delayed from accidental causes for which neither party is censurable. These ratifications were duly exchanged in this city on the 5th of November last. Thus has a controversy been amicably terminated which had become so serious at the period of my inauguration as to require me, on the 17th of April, 1857, to direct our minister to demand his passports and return to the United States.

Under this convention the Government of New Granada has specially acknowledged itself to be responsible to our citizens “for damages which were caused by the riot at Panama on the 15th April, 1856.” These claims, together with other claims of our citizens which had been long urged in vain, are referred for adjustment to a board of commissioners. I submit a copy of the convention to Congress, and recommend the legislation necessary to carry it into effect.

Persevering efforts have been made for the adjustment of the claims of American citizens against the Government of Costa Rica, and I am happy to inform you that these have finally prevailed. A convention was signed at the city of San Jose on the 2d July last, between the minister resident of the United States in Costa Rica and the plenipotentiaries of that Republic, referring these claims to a board of commissioners and providing for the payment of their awards. This convention will be submitted immediately to the Senate for their constitutional action.

The claims of our citizens upon the Republic of Nicaragua have not yet been provided for by treaty, although diligent efforts for this purpose have been made by our minister resident to that Republic. These are still continued, with a fair prospect of success.

Our relations with Mexico remain in a most unsatisfactory condition. In my last two annual messages I discussed extensively the subject of these relations, and do not now propose to repeat at length the facts and arguments then presented. They proved conclusively that our citizens residing in Mexico and our merchants trading thereto had suffered a series of wrongs and outrages such as we have never patiently borne from any other nation. For these our successive ministers, invoking the faith of treaties, had in the name of their country persistently demanded redress and indemnification, but without the slightest effect. Indeed, so confident had the Mexican authorities become of our patient endurance that they universally believed they might commit these outrages upon American citizens with absolute impunity. Thus wrote our minister in 1856, and expressed the opinion that “nothing but a manifestation of the power of the Government and of its purpose to punish these wrongs will avail.”

Page 1005

Afterwards, in 1857, came the adoption of a new constitution for Mexico, the election of a President and Congress under its provisions, and the inauguration of the President. Within one short month, however, this President was expelled from the capital by a rebellion in the army, and the supreme power of the Republic was assigned to General Zuloaga. This usurper was in his turn soon compelled to retire and give place to General Miramon.

Under the constitution which had thus been adopted Senor Juarez, as chief justice of the supreme court, became the lawful President of the Republic, and it was for the maintenance of the constitution and his authority derived from it that the civil war commenced and still continues to be prosecuted.

Throughout the year 1858 the constitutional party grew stronger and stronger. In the previous history of Mexico a successful military revolution at the capital had almost universally been the signal for submission throughout the Republic. Not so on the present occasion. A majority of the citizens persistently sustained the constitutional Government. When this was recognized, in April, 1859, by the Government of the United States, its authority extended over a large majority of the Mexican States and people, including Vera Cruz and all the other important seaports of the Republic. From that period our commerce with Mexico began to revive, and the constitutional Government has afforded it all the protection in its power.

Meanwhile the Government of Miramon still held sway at the capital and over the surrounding country, and continued its outrages against the few American citizens who still had the courage to remain within its power. To cap the climax, after the battle of Tacubaya, in April, 1859, General Marquez ordered three citizens of the United States, two of them physicians, to be seized in the hospital at that place, taken out and shot, without crime and without trial. This was done, notwithstanding our unfortunate countrymen were at the moment engaged in the holy cause of affording relief to the soldiers of both parties who had been wounded in the battle, without making any distinction between them.

The time had arrived, in my opinion, when this Government was bound to exert its power to avenge and redress the wrongs of our citizens and to afford them protection in Mexico. The interposing obstacle was that the portion of the country under the sway of Miramon could not be reached without passing over territory under the jurisdiction of the constitutional Government. Under these circumstances I deemed it my duty to recommend to Congress in my last annual message the employment of a sufficient military force to penetrate into the interior, where the Government of Miramon was to be found, with or, if need be, without the consent of the Juarez Government, though it was not doubted that this consent could be obtained. Never have I had a clearer conviction on any subject than of the

Page 1006

justice as well as wisdom of such a policy. No other alternative was left except the entire abandonment of our fellow-citizens who had gone to Mexico under the faith of treaties to the systematic injustice, cruelty, and oppression of Miramon's Government. Besides, it is almost certain that the simple authority to employ this force would of itself have accomplished all our objects without striking a single blow. The constitutional Government would then ere this have been established at the City of Mexico, and would have been ready and willing to the extent of its ability to do us justice.

In addition—and I deem this a most important consideration—European Governments would have been deprived of all pretext to interfere in the territorial and domestic concerns of Mexico. We should thus have been relieved from the obligation of resisting, even by force should this become necessary, any attempt by these Governments to deprive our neighboring Republic of portions of her territory—a duty from which we could not shrink without abandoning the traditional and established policy of the American people. I am happy to observe that, firmly relying upon the justice and good faith of these Governments, there is no present danger that such a contingency will happen.

Having discovered that my recommendations would not be sustained by Congress, the next alternative was to accomplish in some degree, if possible, the same objects by treaty stipulations with the constitutional Government. Such treaties were accordingly concluded by our late able and excellent minister to Mexico, and on the 4th of January last were submitted to the Senate for ratification. As these have not yet received the final action of that body, it would be improper for me to present a detailed statement of their provisions. Still, I may be permitted to express the opinion in advance that they are calculated to promote the agricultural, manufacturing, and commercial interests of the country and to secure our just influence with an adjoining Republic as to whose fortunes and fate we can never feel indifferent, whilst at the same time they provide for the payment of a considerable amount toward the satisfaction of the claims of our injured fellow-citizens.

At the period of my inauguration I was confronted in Kansas by a revolutionary government existing under what is called the "Topeka constitution." Its avowed object was to subdue the Territorial government by force and to inaugurate what was called the "Topeka government" in its stead. To accomplish this object an extensive military organization was formed, and its command intrusted to the most violent revolutionary leaders. Under these circumstances it became my imperative duty to exert the whole constitutional power of the Executive to prevent the flames of civil war from again raging in Kansas, which in the excited state of the public mind, both North and South, might have extended into the neighboring States. The

Page 1007

hostile parties in Kansas had been inflamed against each other by emissaries both from the North and the South to a degree of malignity without parallel in our history. To prevent actual collision and to assist the civil magistrates in enforcing the laws, a strong detachment of the Army was stationed in the Territory, ready to aid the marshal and his deputies when lawfully called upon as a posse comitatus in the execution of civil and criminal process. Still, the troubles in Kansas could not have been permanently settled without an election by the people.

The ballot box is the surest arbiter of disputes among freemen. Under this conviction every proper effort was employed to induce the hostile parties to vote at the election of delegates to frame a State constitution, and afterwards at the election to decide whether Kansas should be a slave or free State.

The insurgent party refused to vote at either, lest this might be considered a recognition on their part of the Territorial government established by Congress. A better spirit, however, seemed soon after to prevail, and the two parties met face to face at the third election, held on the first Monday of January, 1858, for members of the legislature and State officers under the Lecompton constitution. The result was the triumph of the antislavery party at the polls. This decision of the ballot box proved clearly that this party were in the majority, and removed the danger of civil war. From that time we have heard little or nothing of the Topeka government, and all serious danger of revolutionary troubles in Kansas was then at an end.

The Lecompton constitution, which had been thus recognized at this State election by the votes of both political parties in Kansas, was transmitted to me with the request that I should present it to Congress. This I could not have refused to do without violating my clearest and strongest convictions of duty. The constitution and all the proceedings which preceded and followed its formation were fair and regular on their face. I then believed, and experience has proved, that the interests of the people of Kansas would have been best consulted by its admission as a State into the Union, especially as the majority within a brief period could have amended the constitution according to their will and pleasure. If fraud existed in all or any of these proceedings, it was not for the President but for Congress to investigate and determine the question of fraud and what ought to be its consequences. If at the first two elections the majority refused to vote, it can not be pretended that this refusal to exercise the elective franchise could invalidate an election fairly held under lawful authority, even if they had not subsequently voted at the third election. It is true that the whole constitution had not been submitted to the people, as I always desired; but the precedents are numerous of the admission of States into the Union without such

Page 1008

submission. It would not comport with my present purpose to review the proceedings of Congress upon the Lecompton constitution. It is sufficient to observe that their final action has removed the last vestige of serious revolutionary troubles. The desperate hand recently assembled under a notorious outlaw in the southern portion of the Territory to resist the execution of the laws and to plunder peaceful citizens will, I doubt not be speedily subdued and brought to justice.

Had I treated the Lecompton constitution as a nullity and refused to transmit it to Congress, it is not difficult to imagine, whilst recalling the position of the country at that moment, what would have been the disastrous consequences, both in and out of the Territory, from such a dereliction of duty on the part of the Executive.

Peace has also been restored within the Territory of Utah, which at the commencement of my Administration was in a state of open rebellion. This was the more dangerous, as the people, animated by a fanatical spirit and intrenched within their distant mountain fastnesses, might have made a long and formidable resistance. Cost what it might, it was necessary to bring them into subjection to the Constitution and the laws. Sound policy, therefore, as well as humanity, required that this object should if possible be accomplished without the effusion of blood. This could only be effected by sending a military force into the Territory sufficiently strong to convince the people that resistance would be hopeless, and at the same time to offer them a pardon for past offenses on condition of immediate submission to the Government. This policy was pursued with eminent success, and the only cause for regret is the heavy expenditure required to march a large detachment of the Army to that remote region and to furnish it subsistence.

Utah is now comparatively peaceful and quiet, and the military force has been withdrawn, except that portion of it necessary to keep the Indians in check and to protect the emigrant trains on their way to our Pacific possessions.

In my first annual message I promised to employ my best exertions in cooperation with Congress to reduce the expenditures of the Government within the limits of a wise and judicious economy. An overflowing Treasury had produced habits of prodigality and extravagance which could only be gradually corrected. The work required both time and patience. I applied myself diligently to this task from the beginning and was aided by the able and energetic efforts of the heads of the different Executive Departments. The result of our labors in this good cause did not appear in the sum total of our expenditures for the first two years, mainly in consequence of the extraordinary expenditure necessarily incurred in the Utah expedition and the very large amount of the contingent expenses of Congress during this period. These greatly exceeded the pay and mileage of the members. For

Page 1009

the year ending June 30, 1858, whilst the pay and mileage amounted to $1,490,214, the contingent expenses rose to $2,093,309.79; and for the year ending June 30, 1859, whilst the pay and mileage amounted to $859,093.66, the contingent expenses amounted to $1,431,565.78. I am happy, however, to be able to inform you that during the last fiscal year, ending June 30, 1860, the total expenditures of the Government in all its branches—legislative, executive, and judicial—exclusive of the public debt, were reduced to the sum of $55,402,465.46. This conclusively appears from the books of the Treasury. In the year ending June 30, 1858, the total expenditure, exclusive of the public debt, amounted to $71,901,129.77, and that for the year ending June 30, 1859, to $66,346,226.13. Whilst the books of the Treasury show an actual expenditure of $59,848,474.72 for the year ending June 30, 1860, including $1,040,667.71 for the contingent expenses of Congress, there must be deducted from this amount the sum of $4,296,009.26, with the interest upon it of $150,000, appropriated by the act of February 15, 1860, “for the purpose of supplying the deficiency in the revenues and defraying the expenses of the Post-Office Department for the year ending June 30, 1859.” This sum therefore justly chargeable to the year 1859, must be deducted from the sum of $59,848,474.72 in order to ascertain the expenditure for the year ending June 30, 1860, which leaves a balance for the expenditures of that year of $55,402,465.46. The interest on the public debt, including Treasury notes, for the same fiscal year, ending June 30, 1860, amounted to $3,177,314.62, which, added to the above sum of $55,402,465.46, makes the aggregate of $58,579,780.08.

It ought in justice to be observed that several of the estimates from the Departments for the year ending June 30, 1860, were reduced by Congress below what was and still is deemed compatible with the public interest. Allowing a liberal margin of $2,500,000 for this reduction and for other causes, it may be safely asserted that the sum of $61,000,000, or, at the most, $62,000,000, is amply sufficient to administer the Government and to pay the interest on the public debt, unless contingent events should hereafter render extraordinary expenditures necessary.

This result has been attained in a considerable degree by the care exercised by the appropriate Departments in entering into public contracts. I have myself never interfered with the award of any such contract, except in a single case, with the Colonization Society, deeming it advisable to cast the whole responsibility in each case on the proper head of the Department, with the general instruction that these contracts should always be given to the lowest and best bidder. It has ever been my opinion that public contracts are not a legitimate source of patronage to be conferred upon personal or political favorites, but that in all such cases a public officer is bound to act for the Government as a prudent individual would act for himself.

Page 1010

It is with great satisfaction I communicate the fact that since the date of my last annual message not a single slave has been imported into the United States in violation of the laws prohibiting the African slave trade. This statement is rounded upon a thorough examination and investigation of the subject. Indeed, the spirit which prevailed some time since among a portion of our fellow-citizens in favor of this trade seems to have entirely subsided.

I also congratulate you upon the public sentiment which now exists against the crime of setting on foot military expeditions within the limits of the United States to proceed from thence and make war upon the people of unoffending States with whom we are at peace. In this respect a happy change has been effected since the commencement of my Administration. It surely ought to be the prayer of every Christian and patriot that such expeditions may never again receive countenance in our country or depart from our shores.

It would be a useless repetition to do more than refer with earnest commendation to my former recommendations in favor of the Pacific railroad; of the grant of power to the President to employ the naval force in the vicinity for the protection of the lives and property of our fellow-citizens passing in transit over the different Central American routes against sudden and lawless outbreaks and depredations, and also to protect American merchant vessels, their crews and cargoes, against violent and unlawful seizure and confiscation in the ports of Mexico and the South American Republics when these may be in a disturbed and revolutionary condition. It is my settled conviction that without such a power we do not afford that protection to those engaged in the commerce of the country which they have a right to demand.

I again recommend to Congress the passage of a law, in pursuance of the provisions of the Constitution, appointing a day certain previous to the 4th March in each year of an odd number for the election of Representatives throughout all the States. A similar power has already been exercised, with general approbation, in the appointment of the same day throughout the Union for holding the election of electors for President and Vice-President of the United States. My attention was earnestly directed to this subject from the fact that the Thirty-fifth Congress terminated on the 3d March, 1859, without making the necessary appropriation for the service of the Post-Office Department. I was then forced to consider the best remedy for this omission, and an immediate call of the present Congress was the natural resort. Upon inquiry, however, I ascertained that fifteen out of the thirty-three States composing the Confederacy were without Representatives, and that consequently these fifteen States would be disfranchised by such a call. These fifteen States will be in the same condition on the 4th March next. Ten of them can not elect Representatives, according to existing State laws, until different periods, extending from the beginning of August next until the months of October and November. In my last message I gave warning that in a time of sudden and alarming danger the salvation of our institutions might depend upon the power of the President immediately to assemble a full Congress to meet the emergency.

Page 1011

It is now quite evident that the financial necessities of the Government will require a modification of the tariff during your present session for the purpose of increasing the revenue. In this aspect, I desire to reiterate the recommendation contained in my last two annual messages in favor of imposing specific instead of ad valorem duties on all imported articles to which these can be properly applied. From long observation and experience I am convinced that specific duties are necessary, both to protect the revenue and to secure to our manufacturing interests that amount of incidental encouragement which unavoidably results from a revenue tariff.

As an abstract proposition it may be admitted that ad valorem duties would in theory be the most just and equal. But if the experience of this and of all other commercial nations has demonstrated that such duties can not be assessed and collected without great frauds upon the revenue, then it is the part of wisdom to resort to specific duties. Indeed, from the very nature of an ad valorem duty this must be the result. Under it the inevitable consequence is that foreign goods will be entered at less than their true value. The Treasury will therefore lose the duty on the difference between their real and fictitious value, and to this extent we are defrauded.

The temptations which ad valorem duties present to a dishonest importer are irresistible. His object is to pass his goods through the custom-house at the very lowest valuation necessary to save them from confiscation. In this he too often succeeds in spite of the vigilance of the revenue officers. Hence the resort to false invoices, one for the purchaser and another for the custom-house, and to other expedients to defraud the Government. The honest importer produces his invoice to the collector, stating the actual price at which he purchased the articles abroad. Not so the dishonest importer and the agent of the foreign manufacturer. And here it may be observed that a very large proportion of the manufactures imported from abroad are consigned for sale to commission merchants, who are mere agents employed by the manufacturers. In such cases no actual sale has been made to fix their value. The foreign manufacturer, if he be dishonest, prepares an invoice of the goods, not at their actual value, but at the very lowest rate necessary to escape detection. In this manner the dishonest importer and the foreign manufacturer enjoy a decided advantage over the honest merchant. They are thus enabled to undersell the fair trader and drive him from the market. In fact the operation of this system has already driven from the pursuits of honorable commerce many of that class of regular and conscientious merchants whose character throughout the world is the pride of our country.

The remedy for these evils is to be found in specific duties, so far as this may be practicable. They dispense with any inquiry at the custom-house into the actual cost or value of the article, and it pays the precise amount of duty previously fixed by law. They present no temptations to the appraisers of foreign goods, who receive but small salaries, and might by undervaluation in a few cases render themselves independent.

Page 1012

Besides, specific duties best conform to the requisition in the Constitution that “no preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another.” Under our ad valorem system such preferences are to some extent inevitable, and complaints have often been made that the spirit of this provision has been violated by a lower appraisement of the same articles at one port than at another.

An impression strangely enough prevails to some extent that specific duties are necessarily protective duties. Nothing can be more fallacious. Great Britain glories in free trade, and yet her whole revenue from imports is at the present moment collected under a system of specific duties. It is a striking fact in this connection that in the commercial treaty of January 23, 1860, between France and England one of the articles provides that the ad valorem duties which it imposes shall be converted into specific duties within six months from its date, and these are to be ascertained by making an average of the prices for six months previous to that time. The reverse of the propositions would be nearer to the truth, because a much larger amount of revenue would be collected by merely converting the ad valorem duties of a tariff into equivalent specific duties. To this extent the revenue would be increased, and in the same proportion the specific duty might be diminished.

Specific duties would secure to the American manufacturer the incidental protection to which he is fairly entitled under a revenue tariff, and to this surely no person would object. The framers of the existing tariff have gone further, and in a liberal spirit have discriminated in favor of large and useful branches of our manufactures, not by raising the rate of duty upon the importation of similar articles from abroad, but, what is the same in effect, by admitting articles free of duty which enter into the composition of their fabrics.

Under the present system it has been often truly remarked that this incidental protection decreases when the manufacturer needs it most and increases when he needs it least, and constitutes a sliding scale which always operates against him. The revenues of the country are subject to similar fluctuations. Instead of approaching a steady standard, as would be the case under a system of specific duties, they sink and rise with the sinking and rising prices of articles in foreign countries. It would not be difficult for Congress to arrange a system of specific duties which would afford additional stability both to our revenue and our manufactures and without injury or injustice to any interest of the country. This might be accomplished by ascertaining the average value of any given article for a series of years at the place of exportation and by simply converting the rate of ad valorem duty upon it which might be deemed necessary for revenue purposes into the form of a specific duty. Such an arrangement could not injure the consumer. If he should pay a greater amount of duty one year, this would be counterbalanced by a lesser amount the next, and in the end the aggregate would be the same.

Page 1013

I desire to call your immediate attention to the present condition of the Treasury, so ably and clearly presented by the Secretary in his report to Congress, and to recommend that measures be promptly adopted to enable it to discharge its pressing obligations. The other recommendations of the report are well worthy of your favorable consideration.

I herewith transmit to Congress the reports of the Secretaries of War, of the Navy, of the Interior, and of the Postmaster-General. The recommendations and suggestions which they contain are highly valuable and deserve your careful attention.

The report of the Postmaster-General details the circumstances under which Cornelius Vanderbilt, on my request, agreed in the month of July last to carry the ocean mails between our Atlantic and Pacific coasts. Had he not thus acted this important intercommunication must have been suspended, at least for a season. The Postmaster-General had no power to make him any other compensation than the postages on the mail matter which he might carry. It was known at the time that these postages would fall far short of an adequate compensation, as well as of the sum which the same service had previously cost the Government. Mr. Vanderbilt, in a commendable spirit, was willing to rely upon the justice of Congress to make up the deficiency, and I therefore recommend that an appropriation may be granted for this purpose.

I should do great injustice to the Attorney-General were I to omit the mention of his distinguished services in the measures adopted and prosecuted by him for the defense of the Government against numerous and unfounded claims to land in California purporting to have been made by the Mexican Government previous to the treaty of cession. The successful opposition to these claims has saved the United States public property worth many millions of dollars and to individuals holding title under them to at least an equal amount.

It has been represented to me from sources which I deem reliable that the inhabitants in several portions of Kansas have been reduced nearly to a state of starvation on account of the almost total failure of their crops, whilst the harvests in every other portion of the country have been abundant. The prospect before them for the approaching winter is well calculated to enlist the sympathies of every heart. The destitution appears to be so general that it can not be relieved by private contributions, and they are in such indigent circumstances as to be unable to purchase the necessaries of life for themselves. I refer the subject to Congress. If any constitutional measure for their relief can be devised, I would recommend its adoption.

I cordially commend to your favorable regard the interests of the people of this District. They are eminently entitled to your consideration, especially since, unlike the people of the States, they can appeal to no government except that of the Union.

Page 1014

***

State of the Union Address
Abraham Lincoln
December 3, 1861

Fellow-Citizens of the Senate and House of Representatives:

In the midst of unprecedented political troubles we have cause of great gratitude to God for unusual good health and most abundant harvests.

You will not be surprised to learn that in the peculiar exigencies of the times our intercourse with foreign nations has been attended with profound solicitude, chiefly turning upon our own domestic affairs.

A disloyal portion of the American people have during the whole year been engaged in an attempt to divide and destroy the Union. A nation which endures factious domestic division is exposed to disrespect abroad, and one party, if not both, is sure sooner or later to invoke foreign intervention.

Nations thus tempted to interfere are not always able to resist the counsels of seeming expediency and ungenerous ambition, although measures adopted under such influences seldom fail to be unfortunate and injurious to those adopting them.

The disloyal citizens of the United States who have offered the ruin of our country in return for the aid and comfort which they have invoked abroad have received less patronage and encouragement than they probably expected. If it were just to suppose, as the insurgents have seemed to assume, that foreign nations in this case, discarding all moral, social, and treaty obligations, would act solely and selfishly for the most speedy restoration of commerce, including especially the acquisition of cotton, those nations appear as yet not to have seen their way to their object more directly or clearly through the destruction than through the preservation of the Union. If we could dare to believe that foreign nations are actuated by no higher principle than this, I am quite sure a sound argument could be made to show them that they can reach their aim more readily and easily by aiding to crush this rebellion than by giving encouragement to it.

The principal lever relied on by the insurgents for exciting foreign nations to hostility against us, as already intimated, is the embarrassment of commerce. Those nations, however, not improbably saw from the first that it was the Union which made as well our foreign as our domestic commerce. They can scarcely have failed to perceive that the effort for disunion produces the existing difficulty, and that one strong nation promises more durable peace and a more extensive, valuable, and reliable commerce than can the same nation broken into hostile fragments.

It is not my purpose to review our discussions with foreign states, because, whatever might be their wishes or dispositions, the integrity of our country and the stability of our Government mainly depend not upon them, but on the loyalty, virtue, patriotism, and intelligence of the American people. The correspondence itself, with the usual reservations, is herewith submitted.

Page 1015

I venture to hope it will appear that we have practiced prudence and liberality toward foreign powers, averting causes of irritation and with firmness maintaining our own rights and honor.

Since, however, it is apparent that here, as in every other state, foreign dangers necessarily attend domestic difficulties, I recommend that adequate and ample measures be adopted for maintaining the public defenses on every side. While under this general recommendation provision for defending our seacoast line readily occurs to the mind, I also in the same connection ask the attention of Congress to our great lakes and rivers. It is believed that some fortifications and depots of arms and munitions, with harbor and navigation improvements, all at well-selected points upon these, would be of great importance to the national defense and preservation. I ask attention to the views of the Secretary of War, expressed in his report, upon the same general subject. I deem it of importance that the loyal regions of east Tennessee and western North Carolina should be connected with Kentucky and other faithful parts of the Union by railroad. I therefore recommend, as a military measure, that Congress provide for the construction of such road as speedily as possible. Kentucky no doubt will cooperate, and through her legislature make the most judicious selection of a line. The northern terminus must connect with some existing railroad, and whether the route shall be from Lexington or Nicholasville to the Cumberland Gap, or from Lebanon to the Tennessee line, in the direction of Knoxville, or on some still different line, can easily be determined. Kentucky and the General Government cooperating, the work can be completed in a very short time, and when done it will be not only of vast present usefulness, but also a valuable permanent improvement, worth its cost in all the future.

Some treaties, designed chiefly for the interests of commerce, and having no grave political importance, have been negotiated, and will be submitted to the Senate for their consideration.

Although we have failed to induce some of the commercial powers to adopt a desirable melioration of the rigor of maritime war, we have removed all obstructions from the way of this humane reform except such as are merely of temporary and accidental occurrence.

I invite your attention to the correspondence between Her Britannic Majesty's minister accredited to this Government and the Secretary of State relative to the detention of the British ship Perthshire in June last by the United States steamer Massachusetts for a supposed breach of the blockade. As this detention was occasioned by an obvious misapprehension of the facts, and as justice requires that we should commit no belligerent act not rounded in strict right as sanctioned by public law, I recommend that an appropriation be made to satisfy the reasonable demand of the owners of the vessel for her detention.

Page 1016

I repeat the recommendation of my predecessor in his annual message to Congress in December last in regard to the disposition of the surplus which will probably remain after satisfying the claims of American citizens against China, pursuant to the awards of the commissioners under the act of the 3d of March, 1859. If, however, it should not be deemed advisable to carry that recommendation into effect, I would suggest that authority be given for investing the principal, over the proceeds of the surplus referred to, in good securities, with a view to the satisfaction of such other just claims of our citizens against China as are not unlikely to arise hereafter in the course of our extensive trade with that Empire.

By the act of the 5th of August last Congress authorized the President to instruct the commanders of suitable vessels to defend themselves against and to capture pirates. This authority has been exercised in a single instance only. For the more effectual protection of our extensive and valuable commerce in the Eastern seas especially, it seems to me that it would also be advisable to authorize the commanders of sailing vessels to recapture any prizes which pirates may make of United States vessels and their cargoes, and the consular courts now established by law in Eastern countries to adjudicate the cases in the event that this should not be objected to by the local authorities.

If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Hayti and Liberia, I am unable to discern it. Unwilling, however, to inaugurate a novel policy in regard to them without the approbation of Congress, I submit for your consideration the expediency of an appropriation for maintaining a charge d'affaires near each of those new States. It does not admit of doubt that important commercial advantages might be secured by favorable treaties with them.

The operations of the Treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the Government the large means demanded by the public exigencies. Much of the national loan has been taken by citizens of the industrial classes, whose confidence in their country's faith and zeal for their country's deliverance from present peril have induced them to contribute to the support of the Government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement and energy in action.

The revenue from all sources, including loans, for the financial year ending on the 30th of June, 1861, was $86,835,900.27, and the expenditures for the same period, including payments on account of the public debt, were $84,578,834.47, leaving a balance in the Treasury on the 1st of July of 52,257,065.80. For the first quarter of the financial year ending on the 30th of September, 1861, the receipts from all sources, including the balance of the 1st of July, were $102,532,509.27, and the expenses $98,239,733.09, leaving a balance on the 1st of October, 1861, of $4,292,776.18.

Page 1017

Estimates for the remaining three quarters of the year and for the financial year 1863, together with his views of ways and means for meeting the demands contemplated by them, will be submitted to Congress by the Secretary of the Treasury. It is gratifying to know that the expenditures made necessary by the rebellion are not beyond the resources of the loyal people, and to believe that the same patriotism which has thus far sustained the Government will continue to sustain it till peace and union shall again bless the land.

I respectfully refer to the report of the Secretary of War for information respecting the numerical strength of the Army and for recommendations having in view an increase of its efficiency and the well-being of the various branches of the service intrusted to his care. It is gratifying to know that the patriotism of the people has proved equal to the occasion, and that the number of troops tendered greatly exceeds the force which Congress authorized me to call into the field.

I refer with pleasure to those portions of his report which make allusion to the creditable degree of discipline already attained by our troops and to the excellent sanitary condition of the entire Army.

The recommendation of the Secretary for an organization of the militia upon a uniform basis is a subject of vital importance to the future safety of the country, and is commended to the serious attention of Congress.

The large addition to the Regular Army, in connection with the defection that has so considerably diminished the number of its officers, gives peculiar importance to his recommendation for increasing the corps of cadets to the greatest capacity of the Military Academy.

By mere omission, I presume, Congress has failed to provide chaplains for hospitals occupied by volunteers. This subject was brought to my notice, and I was induced to draw up the form of a letter, one copy of which, properly addressed, has been delivered to each of the persons, and at the dates respectively named and stated in a schedule, containing also the form of the letter marked A, and herewith transmitted.

These gentlemen, I understand, entered upon the duties designated at the times respectively stated in the schedule, and have labored faithfully therein ever since. I therefore recommend that they be compensated at the same rate as chaplains in the Army. I further suggest that general provision be made for chaplains to serve at hospitals, as well as with regiments.

The report of the Secretary of the Navy presents in detail the operations of that branch of the service, the activity and energy which have characterized its administration, and the results of measures to increase its efficiency and power. Such have been the

additions, by construction and purchase, that it may almost be said a navy has been created and brought into service since our difficulties commenced.

Besides blockading our extensive coast, squadrons larger than ever before assembled under our flag have been put afloat and performed deeds which have increased our naval renown.

Page 1018

I would invite special attention to the recommendation of the Secretary for a more perfect organization of the Navy by introducing additional grades in the service.

The present organization is defective and unsatisfactory, and the suggestions submitted by the Department will, it is believed, if adopted, obviate the difficulties alluded to, promote harmony, and increase the efficiency of the Navy.

There are three vacancies on the bench of the Supreme Court—two by the decease of Justices Daniel and McLean and one by the resignation of Justice Campbell. I have so far forborne making nominations to fill these vacancies for reasons which I will now state. Two of the outgoing judges resided within the States now overrun by revolt, so that if successors were appointed in the same localities they could not now serve upon their circuits; and many of the most competent men there probably would not take the personal hazard of accepting to serve, even here, upon the Supreme bench. I have been unwilling to throw all the appointments northward, thus disabling myself from doing justice to the South on the return of peace; although I may remark that to transfer to the North one which has heretofore been in the South would not, with reference to territory and population, be unjust.

During the long and brilliant judicial career of Judge McLean his circuit grew into an empire altogether too large for any one judge to give the courts therein more than a nominal attendance—rising in population from 1,470,018 in 1830 to 6,151,405 in 1860.

Besides this, the country generally has outgrown our present judicial system. If uniformity was at all intended, the system requires that all the States shall be accommodated with circuit courts, attended by Supreme judges, while, in fact, Wisconsin, Minnesota, Iowa, Kansas, Florida, Texas, California, and Oregon have never had any such courts. Nor can this well be remedied without a change in the system, because the adding of judges to the Supreme Court, enough for the accommodation of all parts of the country with circuit courts, would create a court altogether too numerous for a judicial body of any sort. And the evil, if it be one, will increase as new States come into the Union. Circuit courts are useful or they are not useful. If useful, no State should be denied them; if not useful, no State should have them. Let them be provided for all or abolished as to all.

Three modifications occur to me, either of which, I think, would be an improvement upon our present system. Let the Supreme Court be of convenient number in every event; then, first, let the whole country be divided into circuits of convenient size, the Supreme judges to serve in a number of them corresponding to their own number, and independent circuit judges be provided for all the rest; or, secondly, let the Supreme judges be relieved from circuit duties and circuit judges provided for all the circuits; or, thirdly, dispense with circuit courts altogether, leaving the judicial functions wholly to the district courts and an independent Supreme Court.

Page 1019

I respectfully recommend to the consideration of Congress the present condition of the statute laws, with the hope that Congress will be able to find an easy remedy for many of the inconveniences and evils which constantly embarrass those engaged in the practical administration of them. Since the organization of the Government Congress has enacted some 5,000 acts and joint resolutions, which fill more than 6,000 closely printed pages and are scattered through many volumes. Many of these acts have been drawn in haste and without sufficient caution, so that their provisions are often obscure in themselves or in conflict with each other, or at least so doubtful as to render it very difficult for even the best-informed persons to ascertain precisely what the statute law really is.

It seems to me very important that the statute laws should be made as plain and intelligible as possible, and be reduced to as small a compass as may consist with the fullness and precision of the will of the Legislature and the perspicuity of its language. This well done would, I think, greatly facilitate the labors of those whose duty it is to assist in the administration of the laws, and would be a lasting benefit to the people, by placing before them in a more accessible and intelligible form the laws which so deeply concern their interests and their duties.

I am informed by some whose opinions I respect that all the acts of Congress now in force and of a permanent and general nature might be revised and rewritten so as to be embraced in one volume (or at most two volumes) of ordinary and convenient size; and I respectfully recommend to Congress to consider of the subject, and if my suggestion be approved to devise such plan as to their wisdom shall seem most proper for the attainment of the end proposed.

One of the unavoidable consequences of the present insurrection is the entire suppression in many places of all the ordinary means of administering civil justice by the officers and in the forms of existing law. This is the case, in whole or in part, in all the insurgent States; and as our armies advance upon and take possession of parts of those States the practical evil becomes more apparent. There are no courts nor officers to whom the citizens of other States may apply for the enforcement of their lawful claims against citizens of the insurgent States, and there is a vast amount of debt constituting such claims. Some have estimated it as high as $200,000,000, due in large part from insurgents in open rebellion to loyal citizens who are even now making great sacrifices in the discharge of their patriotic duty to support the Government.

Page 1020

Under these circumstances I have been urgently solicited to establish by military power courts to administer summary justice in such cases I have thus far declined to do it, not because I had any doubt that the end proposed—the collection of the debts—was just and right in itself, but because I have been unwilling to go beyond the pressure of necessity in the unusual exercise of power. But the powers of Congress, I suppose, are equal to the anomalous occasion, and therefore I refer the whole matter to Congress, with the hope that a plan may be devised for the administration of justice in all such parts of the insurgent States and Territories as may be under the control of this Government, whether by a voluntary return to allegiance and order or by the power of our arms; this, however, not to be a permanent institution, but a temporary substitute, and to cease as soon as the ordinary courts can be reestablished in peace.

It is important that some more convenient means should be provided, if possible, for the adjustment of claims against the Government, especially in view of their increased number by reason of the war. It is as much the duty of Government to render prompt justice against itself in favor of citizens as it is to administer the same between private individuals. The investigation and adjudication of claims in their nature belong to the judicial department. Besides, it is apparent that the attention of Congress will be more than usually engaged for some time to come with great national questions. It was intended by the organization of the Court of Claims mainly to remove this branch of business from the halls of Congress: but while the court has proved to be an effective and valuable means of investigation, it in great degree fails to effect the object of its creation for want of power to make its judgments final.

Fully aware of the delicacy, not to say the danger, of the subject, I commend to your careful consideration whether this power of making judgments final may not properly be given to the court, reserving the right of appeal on questions of law to the Supreme Court, with such other provisions as experience may have shown to be necessary.

I ask attention to the report of the Postmaster-General, the following being a summary statement of the condition of the Department:

The revenue from all sources during the fiscal year ending June 30, 1861, including the annual permanent appropriation of $700,000 for the transportation of “free mail matter,” was $9,049,296.40, being about 2 per cent less than the revenue for 1860.

The expenditures were $13,606,759.11, showing a decrease of more than 8 per cent as compared with those of the previous year and leaving an excess of expenditure over the revenue for the last fiscal year of $4,557,462.71.

The gross revenue for the year ending June 30, 1863, is estimated at an increase of 4 per cent on that of 1861, making $8,683,000, to which should be added the earnings of the Department in carrying free matter, viz, $700,000, making $9,383,000.

Page 1021

The total expenditures for 1863 are estimated at $12,528,000, leaving an estimated deficiency of $3,145,000 to be supplied from the Treasury in addition to the permanent appropriation.

The present insurrection shows, I think, that the extension of this District across the Potomac River at the time of establishing the capital here was eminently wise, and consequently that the relinquishment of that portion of it which lies within the State of Virginia was unwise and dangerous. I submit for your consideration the expediency of regaining that part of the District and the restoration of the original boundaries thereof through negotiations with the State of Virginia.

The report of the Secretary of the Interior, with the accompanying documents, exhibits the condition of the several branches of the public business pertaining to that Department. The depressing influences of the insurrection have been specially felt in the operations of the Patent and General Land Offices. The cash receipts from the sales of public lands during the past year have exceeded the expenses of our land system only about $200,000. The sales have been entirely suspended in the Southern States, while the interruptions to the business of the country and the diversion of large numbers of men from labor to military service have obstructed settlements in the new States and Territories of the Northwest.

The receipts of the Patent Office have declined in nine months about $100,000, rendering a large reduction of the force employed necessary to make it self-sustaining.

The demands upon the Pension Office will be largely increased by the insurrection. Numerous applications for pensions, based upon the casualties of the existing war, have already been made. There is reason to believe that many who are now upon the pension rolls and in receipt of the bounty of the Government are in the ranks of the insurgent army or giving them aid and comfort. The Secretary of the Interior has directed a suspension of the payment of the pensions of such persons upon proof of their disloyalty. I recommend that Congress authorize that officer to cause the names of such persons to be stricken from the pension rolls.

The relations of the Government with the Indian tribes have been greatly disturbed by the insurrection, especially in the southern superintendency and in that of New Mexico. The Indian country south of Kansas is in the possession of insurgents from Texas and Arkansas. The agents of the United States appointed since the 4th of March for this superintendency have been unable to reach their posts, while the most of those who were in office before that time have espoused the insurrectionary cause, and assume to exercise the powers of agents by virtue of commissions from the insurrectionists. It has been stated in the public press that a portion of those Indians have been organized as a military force and are attached to the army of the insurgents.

Page 1022

Although the Government has no official information upon this subject, letters have been written to the Commissioner of Indian Affairs by several prominent chiefs giving assurance of their loyalty to the United States and expressing a wish for the presence of Federal troops to protect them. It is believed that upon the repossession of the country by the Federal forces the Indians will readily cease all hostile demonstrations and resume their former relations to the Government.

Agriculture, confessedly the largest interest of the nation, has not a department nor a bureau, but a clerkship only, assigned to it in the Government. While it is fortunate that this great interest is so independent in its nature as to not have demanded and extorted more from the Government, I respectfully ask Congress to consider whether something more can not be given voluntarily with general advantage.

Annual reports exhibiting the condition of our agriculture, commerce, and manufactures would present a fund of information of great practical value to the country. While I make no suggestion as to details, I venture the opinion that an agricultural and statistical bureau might profitably be organized.

The execution of the laws for the suppression of the African slave trade has been confided to the Department of the Interior. It is a subject of gratulation that the efforts which have been made for the suppression of this inhuman traffic have been recently attended with unusual success. Five vessels being fitted out for the slave trade have been seized and condemned. Two mates of vessels engaged in the trade and one person in equipping a vessel as a slaver have been convicted and subjected to the penalty of fine and imprisonment, and one captain, taken with a cargo of Africans on board his vessel, has been convicted of the highest grade of offense under our laws, the punishment of which is death.

The Territories of Colorado, Dakota, and Nevada, created by the last Congress, have been organized, and civil administration has been inaugurated therein under auspices especially gratifying when it is considered that the leaven of treason was found existing in some of these new countries when the Federal officers arrived there.

The abundant natural resources of these Territories, with the security and protection afforded by organized government, will doubtless invite to them a large immigration when peace shall restore the business of the country to its accustomed channels. I submit the resolutions of the legislature of Colorado, which evidence the patriotic spirit of the people of the Territory. So far the authority of the United States has been upheld in all the Territories, as it is hoped it will be in the future. I commend their interests and defense to the enlightened and generous care of Congress.

I recommend to the favorable consideration of Congress the interests of the District of Columbia. The insurrection has been the cause of much suffering and sacrifice to its inhabitants, and as they have no representative in Congress that body should not overlook their just claims upon the Government.

Page 1023

At your late session a joint resolution was adopted authorizing the President to take measures for facilitating a proper representation of the industrial interests of the United States at the exhibition of the industry of all nations to be holden at London in the year 1862. I regret to say I have been unable to give personal attention to this subject—a subject at once so interesting in itself and so extensively and intimately connected with the material prosperity of the world. Through the Secretaries of State and of the Interior a plan or system has been devised and partly matured, and which will be laid before you.

Under and by virtue of the act of Congress entitled “An act to confiscate property used for insurrectionary purposes,” approved August 6, 1861, the legal claims of certain persons to the labor and service of certain other persons have become forfeited, and numbers of the latter thus liberated are already dependent on the United States and must be provided for in some way. Besides this, it is not impossible that some of the States will pass similar enactments for their own benefit respectively, and by operation of which persons of the same class will be thrown upon them for disposal. In such case I recommend that Congress provide for accepting such persons from such States, according to some mode of valuation, in lieu, pro tanto, of direct taxes, or upon some other plan to be agreed on with such States respectively; that such persons, on such acceptance by the General Government, be at once deemed free, and that in any event steps be taken for colonizing both classes (or the one first mentioned if the other shall not be brought into existence) at some place or places in a climate congenial to them. It might be well to consider, too, whether the free colored people already in the United States could not, so far as individuals may desire, be included in such colonization.

To carry out the plan of colonization may involve the acquiring of territory, and also the appropriation of money beyond that to be expended in the territorial acquisition. Having practiced the acquisition of territory for nearly sixty years, the question of constitutional power to do so is no longer an open one with us. The power was questioned at first by Mr. Jefferson, who, however, in the purchase of Louisiana, yielded his scruples on the plea of great expediency. If it be said that the only legitimate object of acquiring territory is to furnish homes for white men, this measure effects that object, for the emigration of colored men leaves additional room for white men remaining or coming here. Mr. Jefferson, however, placed the importance of procuring Louisiana more on political and commercial grounds than on providing room for population.

On this whole proposition, including the appropriation of money with the acquisition of territory, does not the expediency amount to absolute necessity—that without which the Government itself can not be perpetuated?

Page 1024

The war continues. In considering the policy to be adopted for suppressing the insurrection I have been anxious and careful that the inevitable conflict for this purpose shall not degenerate into a violent and remorseless revolutionary struggle. I have therefore in every case thought it proper to keep the integrity of the Union prominent as the primary object of the contest on our pan, leaving all questions which are not of vital military importance to the more deliberate action of the Legislature.

In the exercise of my best discretion I have adhered to the blockade of the ports held by the insurgents, instead of putting in force by proclamation the law of Congress enacted .at the late session for closing those ports.

So also, obeying the dictates of prudence, as well as the obligations of law, instead of transcending I have adhered to the act of Congress to confiscate property used for insurrectionary purposes. If a new law upon the same subject shall be proposed, its propriety will be duly considered. The Union must be preserved, and hence all indispensable means must be employed. We should not be in haste to determine that radical and extreme measures, which may reach the loyal as well as the disloyal, are indispensable.

The inaugural address at the beginning of the Administration and the message to Congress at the late special session were both mainly devoted to the domestic controversy out of which the insurrection and consequent war have sprung. Nothing now occurs to add or subtract to or from the principles or general purposes stated and expressed in those documents.

The last ray of hope for preserving the Union peaceably expired at the assault upon Fort Sumter, and a general review of what has occurred since may not be unprofitable. What was painfully uncertain then is much better defined and more distinct now, and the progress of events is plainly in the right direction. The insurgents confidently claimed a strong support from north of Mason and Dixon's line, and the friends of the Union were not free from apprehension on the point. This, however, was soon settled definitely, and on the right side. South of the line noble little Delaware led off right from the first. Maryland was made to seem against the Union. Our soldiers were assaulted, bridges were burned, and railroads torn up within her limits, and we were many days at one time without the ability to bring a single regiment over her soil to the capital. Now her bridges and railroads are repaired and open to the Government; she already gives seven regiments to the cause of the Union, and none to the enemy; and her people, at a regular election, have sustained the Union by a larger majority and a larger aggregate vote than they ever before gave to any candidate or any question. Kentucky, too, for some time in doubt, is now decidedly and, I think, unchangeably ranged on the side of the Union. Missouri is comparatively quiet, and,

Page 1025

I believe, can not again be overrun by the insurrectionists. These three States of Maryland, Kentucky, and Missouri, neither of which would promise a single soldier at first, have now an aggregate of not less than 40,000 in the field for the Union, while of their citizens certainly not more than a third of that number, and they of doubtful whereabouts and doubtful existence, are in arms against us. After a somewhat bloody struggle of months, winter closes on the Union people of western Virginia, leaving them masters of their own country.

An insurgent force of about 1,500, for months dominating the narrow peninsular region constituting the counties of Accomac and Northampton, and known as Eastern Shore of Virginia, together with some contiguous parts of Maryland, have laid down their arms, and the people there have renewed their allegiance to and accepted the protection of the old flag. This leaves no armed insurrectionist north of the Potomac or east of the Chesapeake.

Also we have obtained a footing at each of the isolated points on the southern coast of Hatteras, Port Royal, Tybee Island (near Savannah), and Ship Island; and we likewise have some general accounts of popular movements in behalf of the Union in North Carolina and Tennessee.

These things demonstrate that the cause of the Union is advancing steadily and certainly southward.

Since your last adjournment Lieutenant-General Scott has retired from the head of the Army. During his long life the nation has not been unmindful of his merit; yet on calling to mind how faithfully, ably, and brilliantly he has served the country, from a time far back in our history, when few of the now living had been born, and thenceforward continually, I can not but think we are still his debtors. I submit, therefore, for your consideration what further mark of recognition is due to him, and to ourselves as a grateful people.

With the retirement of General Scott came the Executive duty of appointing in his stead a General in Chief of the Army. It is a fortunate circumstance that neither in council nor country was there, so far as I know, any difference of opinion as to the proper person to be selected. The retiring chief repeatedly expressed his judgment in favor of General McClellan for the position, and in this the nation seemed to give a unanimous concurrence. The designation of General McClellan is therefore in considerable degree the selection of the country as well as of the Executive, and hence there is better reason to hope there will be given him the confidence and cordial support thus by fair implication promised, and without which he can not with so full efficiency serve the country.

It has been said that one bad general is better than two good ones, and the saying is true if taken to mean no more than that an army is better directed by a single mind, though inferior, than by two superior ones at variance and cross-purposes with each other.

Page 1026

And the same is true in all joint operations wherein those engaged can have none but a common end in view and can differ only as to the choice of means. In a storm at sea no one on board can wish the ship to sink, and yet not unfrequently all go down together because too many will direct and no single mind can be allowed to control.

It continues to develop that the insurrection is largely, if not exclusively, a war upon the first principle of popular government—the rights of the people. Conclusive evidence of this is found in the most grave and maturely considered public documents, as well as in the general tone of the insurgents. In those documents we find the abridgment of the existing right of suffrage and the denial to the people of all right to participate in the selection of public officers except the legislative boldly advocated, with labored arguments to prove that large control of the people in government is the source of all political evil. Monarchy itself is sometimes hinted at as a possible refuge from the power of the people.

In my present position I could scarcely be justified were I to omit raising a warning voice against this approach of returning despotism.

It is not needed nor fitting here that a general argument should be made in favor of popular institutions, but there is one point, with its connections, not so hackneyed as most others, to which I ask a brief attention. It is the effort to place capital on an equal footing with, if not above, labor in the structure of government. It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else, owning capital, somehow by the use of it induces him to labor. This assumed, it is next considered whether it is best that capital shall hire laborers, and thus induce them to work by their own consent, or buy them and drive them to it without their consent. Having proceeded so far, it is naturally concluded that all laborers are either hired laborers or what we call slaves. And further, it is assumed that whoever is once a hired laborer is fixed in that condition for life.

Now there is no such relation between capital and labor as assumed, nor is there any such thing as a free man being fixed for life in the condition of a hired laborer. Both these assumptions are false, and all inferences from them are groundless.

Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labor and capital producing mutual benefits. The error is in assuming that the whole labor of community exists within that relation. A few men own capital, and that few avoid labor themselves,

Page 1027

and with their capital hire or buy another few to labor for them. A large majority belong to neither class—neither work for others nor have others working for them. In most of the Southern States a majority of the whole people of all colors are neither slaves nor masters, while in the Northern a large majority are neither hirers nor hired. Men, with their families—wives, sons, and daughters—work for themselves on their farms, in their houses, and in their shops, taking the whole product to themselves, and asking no favors of capital on the one hand nor of hired laborers or slaves on the other. It is not forgotten that a considerable number of persons mingle their own labor with capital; that is, they labor with their own hands and also buy or hire others to labor for them; but this is only a mixed and not a distinct class. No principle stated is disturbed by the existence of this mixed class.

Again, as has already been said, there is not of necessity any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States a few years back in their lives were hired laborers. The prudent, penniless beginner in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all, gives hope to all, and consequent energy and progress and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which if surrendered will surely be used to close the door of advancement against such as they and to fix new disabilities and burdens upon them till all of liberty shall be lost.

From the first taking of our national census to the last are seventy years, and we find our population at the end of the period eight times as great as it was at the beginning. The increase of those other things which men deem desirable has been even greater. We thus have at one view what the popular principle, applied to Government through the machinery, of the States and the Union, has produced in a given time, and also what if firmly maintained it promises for the future. There are already among us those who if the Union be preserved will live to see it contain 250,000,000. The struggle of to-day is not altogether for to-day; it is for a vast future also. With a reliance on Providence all the more firm and earnest, let us proceed in the great task which events have devolved upon us.

***

State of the Union Address
Abraham Lincoln
December 1, 1862

Fellow-Citizens of the Senate and House of Representatives:

Since your last annual assembling another year of health and bountiful harvests has passed, and while it has not pleased the Almighty to bless us with a return of peace, we can but press on, guided by the best light He gives us, trusting that in His own good time and wise way all will yet be well.

Page 1028

The correspondence touching foreign affairs which has taken place during the last year is herewith submitted, in virtual compliance with a request to that effect made by the House of Representatives near the close of the last session of Congress. If the condition of our relations with other nations is less gratifying than it has usually been at former periods, it is certainly more satisfactory than a nation so unhappily distracted as we are might reasonably have apprehended. In the month of June last there were some grounds to expect that the maritime powers which at the beginning of our domestic difficulties so unwisely and unnecessarily, as we think, recognized the insurgents as a belligerent would soon recede from that position, which has proved only less injurious to themselves than to our own country. But the temporary reverses which afterwards befell the national arms, and which were exaggerated by our own disloyal citizens abroad, have hitherto delayed that act of simple justice.

The civil war, which has so radically changed for the moment the occupations and habits of the American people, has necessarily disturbed the social condition and affected very deeply the prosperity of the nations with which we have carried on a commerce that has been steadily increasing throughout a period of half a century. It has at the same time excited political ambitions and apprehensions which have produced a profound agitation throughout the civilized world. In this unusual agitation we have forborne from taking part in any controversy between foreign states and between parties or factions in such states. We have attempted no propagandism and acknowledged no revolution. But we have left to every nation the exclusive conduct and management of its own affairs. Our struggle has been, of course, contemplated by foreign nations with reference less to its own merits than to its supposed and often exaggerated effects and consequences resulting to those nations themselves. Nevertheless, complaint on the part of this Government, even if it were just, would certainly be unwise. The treaty with Great Britain for the suppression of the slave trade has been put into operation with a good prospect of complete success. It is an occasion of special pleasure to acknowledge that the execution of it on the part of Her Majesty's Government has been marked with a jealous respect for the authority of the United States and the rights of their moral and loyal citizens.

The convention with Hanover for the abolition of the Stade dues has been carried into full effect under the act of Congress for that purpose. A blockade of 3,000 miles of seacoast could not be established and vigorously enforced in a season of great commercial activity like the present without committing occasional mistakes and inflicting unintentional injuries upon foreign nations and their subjects. A civil war occurring in a country, where foreigners reside and carry on trade under treaty stipulations is necessarily

Page 1029

fruitful of complaints of the violation of neutral rights. All such collisions tend to excite misapprehensions, and possibly to produce mutual reclamations between nations which have a common interest in preserving peace and friendship. In clear cases of these kinds I have so far as possible heard and redressed complaints which have been presented by friendly powers. There is still, however, a large and an augmenting number of doubtful cases upon which the Government is unable to agree with the governments whose protection is demanded by the claimants. There are, moreover, many cases in which the United States or their citizens suffer wrongs from the naval or military authorities of foreign nations which the governments of those states are not at once prepared to redress. I have proposed to some of the foreign states thus interested mutual conventions to examine and adjust such complaints. This proposition has been made especially to Great Britain, to France, to Spain, and to Prussia. In each case it has been kindly received, but has not yet been formally adopted.

I deem it my duty to recommend an appropriation in behalf of the owners of the Norwegian bark Admiral P. Tordenskiold, which vessel was in May, 1861, prevented by the commander of the blockading force off Charleston from leaving that port with cargo, notwithstanding a similar privilege had shortly before been granted to an English vessel. I have directed the Secretary of State to cause the papers in the case to be communicated to the proper committees.

Applications have been made to me by many free Americans of African descent to favor their emigration, with a view to such colonization as was contemplated in recent acts of Congress. Other parties, at home and abroad—some from interested motives, others upon patriotic considerations, and still others influenced by philanthropic sentiments—-have suggested similar measures, while, on the other hand, several of the Spanish American Republics have protested against the sending of such colonies to their respective territories. Under these circumstances I have declined to move any such colony to any state without first obtaining the consent of its government, with an agreement on its part to receive and protect such emigrants in all the rights of freemen; and I have at the same time offered to the several States situated within the Tropics, or having colonies there, to negotiate with them, subject to the advice and consent of the Senate, to favor the voluntary emigration of persons of that class to their respective territories, upon conditions which shall be equal, just, and humane. Liberia and Hayti are as yet the only countries to which colonists of African descent from here could go with certainty of being received and adopted as citizens; and I regret to say such persons contemplating colonization do not seem so willing to migrate to those countries as to some others, nor so willing as I think their interest demands. I believe, however, opinion among them in this respect is improving, and that ere long there will be an augmented and considerable migration to both these countries from the United States.

Page 1030

The new commercial treaty between the United States and the Sultan of Turkey has been carried into execution.

A commercial and consular treaty has been negotiated, subject to the Senate's consent, with Liberia, and a similar negotiation is now pending with the Republic of Hayti. A considerable improvement of the national commerce is expected to result from these measures. Our relations with Great Britain, France, Spain, Portugal, Russia, Prussia, Denmark, Sweden, Austria, the Netherlands, Italy, Rome, and the other European States remain undisturbed. Very favorable relations also continue to be maintained with Turkey, Morocco, China, and Japan.

During the last year there has not only been no change of our previous relations with the independent States of our own continent, but more friendly sentiments than have heretofore existed are believed to be entertained by these neighbors, whose safety and progress are so intimately connected with our own. This statement especially applies to Mexico, Nicaragua, Costa Rica, Honduras, Peru, and Chile. The commission under the convention with the Republic of New Granada closed its session without having audited and passed upon all the claims which were submitted to it. A proposition is pending to revive the convention, that it may be able to do more complete justice. The joint commission between the United States and the Republic of Costa Rica has completed its labors and submitted its report. I have favored the project for connecting the United States with Europe by an Atlantic telegraph, and a similar project to extend the telegraph from San Francisco to connect by a Pacific telegraph with the line which is being extended across the Russian Empire. The Territories of the United States, with unimportant exceptions have remained undisturbed by the civil war; and they are exhibiting such evidence of prosperity as justifies an expectation that some of them will soon be in a condition to be organized as States and be constitutionally admitted into the Federal Union.

The immense mineral resources of some of those Territories ought to be developed as rapidly as possible. Every step in that direction would have a tendency to improve the revenues of the Government and diminish the burdens of the people. It is worthy of your serious consideration whether some extraordinary measures to promote that end can not be adopted. The means which suggests itself as most likely to be effective is a scientific exploration of the mineral regions in those Territories with a view to the publication of its results at home and in foreign countries—results which can not fail to be auspicious.

The condition of the finances will claim your most diligent consideration. The vast expenditures incident to the military and naval operations required for the suppression of the rebellion have hitherto been met with a promptitude and certainty unusual in similar circumstances, and the public credit has been fully maintained. The continuance of the war, however, and the increased disbursements made necessary by the augmented forces now in the field demand your best reflections as to the best modes of

providing the necessary revenue without injury to business and with the least possible burdens upon labor.

Page 1031

The suspension of specie payments by the banks soon after the commencement of your last session made large issues of United States notes unavoidable. In no other way could the payment of the troops and the satisfaction of other just demands be so economically or so well provided for. The judicious legislation of Congress, securing the receivability of these notes for loans and internal duties and making them a legal tender for other debts, has made them an universal currency, and has satisfied, partially at least, and for the time, the long-felt want of an uniform circulating medium, saving thereby to the people immense sums in discounts and exchanges.

A return to specie payments, however, at the earliest period compatible with due regard to all interests concerned should ever be kept in view. Fluctuations in the value of currency are always injurious, and to reduce these fluctuations to the lowest possible point will always be a leading purpose in wise legislation. Convertibility, prompt and certain convertibility, into coin is generally acknowledged to be the best and surest safeguard against them; and it is extremely doubtful whether a circulation of United States notes payable in coin and sufficiently large for the wants of the people can be permanently, usefully, and safely maintained.

Is there, then, any other mode in which the necessary provision for the public wants can be made and the great advantages of a safe and uniform currency secured?

I know of none which promises so certain results and is at the same time so unobjectionable as the organization of banking associations, under a general act of Congress, well guarded in its provisions. To such associations the Government might furnish circulating notes, on the security of United States bonds deposited in the Treasury. These notes, prepared under the supervision of proper officers, being uniform in appearance and security and convertible always into coin, would at once protect labor against the evils of a vicious currency and facilitate commerce by cheap and safe exchanges.

A moderate reservation from the interest on the bonds would compensate the United States for the preparation and distribution of the notes and a general supervision of the system, and would lighten the burden of that part of the public debt employed as securities. The public credit, moreover, would be greatly improved and the negotiation of new loans greatly facilitated by the steady market demand for Government bonds which the adoption of the proposed system would create. It is an additional recommendation of the measure, of considerable weight, in my judgment, that it would reconcile as far as possible all existing interests by the opportunity offered to existing institutions to reorganize under the act, substituting only the secured uniform national circulation for the local and various circulation, secured and unsecured, now issued by them.

The receipts into the treasury from all sources, including loans and balance from the preceding year, for the fiscal year ending on the 30th June, 1862, were

$583,885,247.06, of which sum $49,056,397.62 were derived from customs; $1,795,331.73 from the direct tax; from public lands, $152,203.77; from miscellaneous sources, $931,787.64; from loans in all forms, $529,692,460.50. The remainder, : $2,257,065.80, was the balance from last year.

Page 1032

The disbursements during the same period were: For Congressional, executive, and judicial purposes, $5,939.009.29; for foreign intercourse, $1,339,710.35; for miscellaneous expenses, including the mints, loans, Post-Office deficiencies, collection of revenue, and other like charges, $14,129,771.50; for expenses under the Interior Department, 985.52; under the War Department, $394,368,407.36; under the Navy Department, $42,674,569.69; for interest on public debt, $13,190,324.45; and for payment of public debt, including reimbursement of temporary loan and redemptions, $96,096,922.09; making an aggregate of $570,841,700.25, and leaving a balance in the Treasury on the 1st day of July, 1862, of $13,043,546.81.

It should be observed that the sum of $96,096,922.09, expended for reimbursements and redemption of public debt, being included also in the loans made, may be properly deducted both from receipts and expenditures, leaving the actual receipts for the year $487,788,324.97, and the expenditures $474,744,778.16.

Other information on the subject of the finances will be found in the report of the Secretary of the Treasury, to whose statements and views I invite your most candid and considerate attention.

The reports of the Secretaries of War and of the Navy are herewith transmitted. These reports, though lengthy, are scarcely more than brief abstracts of the very numerous and extensive transactions and operations conducted through those Departments. Nor could I give a summary of them here upon any principle which would admit of its being much shorter than the reports themselves. I therefore content myself with laying the reports before you and asking your attention to them.

It gives me pleasure to report a decided improvement in the financial condition of the Post-Office Department as compared with several preceding years. The receipts for the fiscal year 1861 amounted to $8,349,296.40, which embraced the revenue from all the States of the Union for three quarters of that year. Notwithstanding the cessation of revenue from the so-called seceded States during the last fiscal year, the increase of the correspondence of the loyal States has been sufficient to produce a revenue during the same year of $8,299,820.90, being only $50,000 less than was derived from all the States of the Union during the previous year. The expenditures show a still more favorable result. The amount expended in 1861 was $13,606,759.11. For the last year the amount has been reduced to $11,125,364.13, showing a decrease of about $2,481,000 in the expenditures as compared with the preceding year, and about $3,750,000 as compared with the fiscal year 1860. The deficiency in the Department for the previous year was $4,551,966.98. For the last fiscal year it was reduced to $2,112,814.57. These favorable results are in part owing to the cessation of mail service in the insurrectionary States and in part to a careful review of all expenditures in that

Page 1033

Department in the interest of economy. The efficiency of the postal service, it is believed, has also been much improved. The Postmaster-General has also opened a correspondence through the Department of State with foreign governments proposing a convention of postal representatives for the purpose of simplifying the rates of foreign postage and to expedite the foreign mails. This proposition, equally important to our adopted citizens and to the commercial interests of this country, has been favorably entertained and agreed to by all the governments from whom replies have been received.

I ask the attention of Congress to the suggestions of the Postmaster-General in his report respecting the further legislation required, in his opinion, for the benefit of the postal service.

The Secretary of the Interior reports as follows in regard to the public lands: The public lands have ceased to be a source of revenue. From the 1st July, 1861, to the 30th September, 1862, the entire cash receipts from the sale of lands were $137,476.26—a sum much less than the expenses of our land system during the same period. The homestead law, which will take effect on the 1st of January next, offers such inducements to settlers that sales for cash can not be expected to an extent sufficient to meet the expenses of the General Land Office and the cost of surveying and bringing the land into market.

The discrepancy between the sum here stated as arising from the sales of the public lands and the sum derived from the same source as reported from the Treasury Department arises, as I understand, from the fact that the periods of time, though apparently, were not really coincident at the beginning point, the Treasury report including a considerable sum now which had previously been reported from the Interior, sufficiently large to greatly overreach the sum derived from the three months now reported upon by the Interior and not by the Treasury. The Indian tribes upon our frontiers have during the past year manifested a spirit of insubordination, and at several points have engaged in open hostilities against the white settlements in their vicinity. The tribes occupying the Indian country south of Kansas renounced their allegiance to the United States and entered into treaties with the insurgents. Those who remained loyal to the United States were driven from the country. The chief of the Cherokees has visited this city for the purpose of restoring the former relations of the tribe with the United States. He alleges that they were constrained by superior force to enter into treaties with the insurgents, and that the United States neglected to furnish the protection which their treaty stipulations required.

Page 1034

In the month of August last the Sioux Indians in Minnesota attacked the settlements in their vicinity with extreme ferocity, killing indiscriminately men, women, and children. This attack was wholly unexpected, and therefore no means of defense had been prodded. It is estimated that not less than 800 persons were killed by the Indians, and a large amount of property was destroyed. How this outbreak was induced is not definitely known, and suspicions, which may be unjust, need not to be stated. Information was received by the Indian Bureau from different sources about the time hostilities were commenced that a simultaneous attack was to be made upon the white settlements by all the tribes between the Mississippi River and the Rocky Mountains. The State of Minnesota has suffered great injury from this Indian war. A large portion of her territory has been depopulated, and a severe loss has been sustained by the destruction of property. The people of that State manifest much anxiety for the removal of the tribes beyond the limits of the State as a guaranty against future hostilities. The Commissioner of Indian Affairs will furnish full details. I submit for your especial consideration whether our Indian system shall not be remodeled. Many wise and good men have impressed me with the belief that this can be profitably done.

I submit a statement of the proceedings of commissioners, which shows the progress that has been made in the enterprise of constructing the Pacific Railroad. And this suggests the earliest completion of this road, and also the favorable action of Congress upon the projects now pending before them for enlarging the capacities of the great canals in New York and Illinois, as being of vital and rapidly increasing importance to the whole nation, and especially to the vast interior region hereinafter to be noticed at some greater length. I purpose having prepared and laid before you at an early day some interesting and valuable statistical information upon this subject. The military and commercial importance of enlarging the Illinois and Michigan Canal and improving the Illinois River is presented in the report of Colonel Webster to the Secretary of War, and now transmitted to Congress. I respectfully ask attention to it.

To carry out the provisions of the act of Congress of the 15th of May last, I have caused the Department of Agriculture of the United States to be organized.

The Commissioner informs me that within the period of a few months this Department has established an extensive system of correspondence and exchanges, both at home and abroad, which promises to effect highly beneficial results in the development of a correct knowledge of recent improvements in agriculture, in the introduction of new products, and in the collection of the agricultural statistics of the different States.

Also, that it will soon be prepared to distribute largely seeds, cereals, plants, and cuttings, and has already published and liberally diffused much valuable information in anticipation of a more elaborate report, which will in due time be furnished, embracing some valuable tests in chemical science now in progress in the laboratory.

Page 1035

The creation of this Department was for the more immediate benefit of a large class of our most valuable citizens, and I trust that the liberal basis upon which it has been organized will not only meet your approbation, but that it will realize at no distant day all the fondest anticipations of its most sanguine friends and become the fruitful source of advantage to all our people.

On the 22d day of September last a proclamation was issued by the Executive, a copy of which is herewith submitted. In accordance with the purpose expressed in the second paragraph of that paper, I now respectfully recall your attention to what may be called “compensated emancipation.”

A nation may be said to consist of its territory, its people, and its laws. The territory is the only part which is of certain durability. “One generation passeth away and another generation cometh, but the earth abideth forever.” It is of the first importance to duly consider and estimate this ever-enduring part. That portion of the earth’s surface which is owned and inhabited by the people of the United States is well adapted to be the home of one national family, and it is not well adapted for two or more. Its vast extent and its variety of climate and productions are of advantage in this age for one people, whatever they might have been in former ages. Steam, telegraphs, and intelligence have brought these to be an advantageous combination for one united people.

In the inaugural address I briefly pointed out the total inadequacy of disunion as a remedy for the differences between the people of the two sections. I did so in language which I can not improve, and which, therefore, I beg to repeat: One section of our country believes slavery is right and ought to be extended, while the other believes it is wrong and ought not to be extended. This is the only substantial dispute. The fugitive-slave clause of the Constitution and the law for the suppression of the foreign slave trade are each as well enforced, perhaps, as any law can ever be in a community where the moral sense of the people imperfectly supports the law itself. The great body of the people abide by the dry legal obligation in both cases, and a few break over in each. This I think, can not be perfectly cured, and it would be worse in both cases after the separation of the sections than before. The foreign slave trade, now imperfectly suppressed, would be ultimately revived without restriction in one section, while fugitive slaves, now only partially surrendered, would not be surrendered at all by the other. Physically speaking, we can not separate. We can not remove our respective sections from each other nor build an impassable wall between them. A husband and wife may be divorced and go out of the presence and beyond the reach of each other, but the different parts of our country can not do this. They can not but remain face to face, and intercourse, either amicable or hostile,

Page 1036

must continue between them, Is it possible, then, to make that intercourse more advantageous or more satisfactory after separation than before? Can aliens make treaties easier than friends can make laws? Can treaties be more faithfully enforced between aliens than laws can among friends? Suppose you go to war, you can not fight always; and when, after much loss on both sides and no gain on either, you cease fighting, the identical old questions, as to terms of intercourse, are again upon you. There is no line, straight or crooked, suitable for a national boundary upon which to divide. Trace through, from east to west, upon the line between the free and slave country, and we shall find a little more than one-third of its length are rivers, easy to be crossed, and populated, or soon to be populated, thickly upon both sides; while nearly all its remaining length are merely surveyors' lines, over which people may walk back and forth without any consciousness of their presence. No part of this line can be made any more difficult to pass by writing it down on paper or parchment as a national boundary. The fact of separation, if it comes, gives up on the part of the seceding section the fugitive-slave clause, along with all other constitutional obligations upon the section seceded from, while I should expect no treaty stipulation would ever be made to take its place.

But there is another difficulty. The great interior region bounded east by the Alleghanies, north by the British dominions, west by the Rocky Mountains, and south by the line along which the culture of corn and cotton meets, and which includes part of Virginia, part of Tennessee, all of Kentucky, Ohio, Indiana, Michigan, Wisconsin, Illinois, Missouri, Kansas, Iowa, Minnesota, and the Territories of Dakota, Nebraska, and part of Colorado, already has above 10,000,000 people, and will have 50,000,000 within fifty years if not prevented by any political folly or mistake. It contains more than one-third of the country owned by the United States—certainly more than 1,000,000 square miles. Once half as populous as Massachusetts already is, it would have more than 75,000,000 people. A glance at the map shows that, territorially speaking, it is the great body of the Republic. The other parts are but marginal borders to it. The magnificent region sloping west from the Rocky Mountains to the Pacific being the deepest and also the richest in undeveloped resources. In the production of provisions grains, grasses, and all which proceed from them this great interior region is naturally one of the most important in the world. Ascertain from the statistics the small proportion of the region which has as yet been brought into cultivation, and also the large and rapidly increasing amount of its products, and we shall be overwhelmed with the magnitude of the prospect presented. And yet this region has no seacoast—touches no ocean anywhere. As part of one nation, its people now find, and may forever find, their way to Europe by New York, to South America and Africa by New Orleans, and to Asia by San Francisco; but separate our common country into two nations, as designed by the present rebellion, and every man of this great interior region is thereby cut off from some one or more of these outlets, not perhaps by a physical barrier, but by embarrassing and onerous trade regulations.

Page 1037

And this is true, wherever a dividing or boundary line may be fixed. Place it between the now free and slave country, or place it south of Kentucky or north of Ohio, and still the truth remains that none south of it can trade to any port or place north of it, and none north of it can trade to any port or place south of it, except upon terms dictated by a government foreign to them. These outlets, east, west, and south, are indispensable to the well-being of the people inhabiting and to inhabit this vast interior region. Which of the three may be the best is no proper question. All are better than either, and all of right belong to that people and to their successors forever. True to themselves, they will not ask where a line of separation shall be, but will vow rather that there shall be no such line. Nor are the marginal regions less interested in these communications to and through them to the great outside world. They, too, and each of them, must have access to this Egypt of the West without paying toll at the crossing of any national boundary.

Our national strife springs not from our permanent part; not from the land we inhabit: not from our national homestead. There is no possible severing of this but would multiply and not mitigate evils among us. In all its adaptations and aptitudes it demands union and abhors separation. In fact, it would ere long force reunion, however much of blood and treasure the separation might have cost. Our strife pertains to ourselves—to the passing generations of men—and it can without convulsion be hushed forever with the passing of one generation.

In this view I recommend the adoption of the following resolution and articles amendatory to the Constitution of the United States: Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of both Houses concurring), That the following articles be proposed to the legislatures (or conventions) of the several States as amendments to the Constitution of the United States, all or any of which articles, when ratified by three-fourths of the said legislatures (or conventions), to be valid as part or parts of the said Constitution, viz:

Art.—. Every State wherein slavery now exists which shall abolish the same therein at any time or times before the 1st day of January, A. D. 1900, shall receive compensation from the United States as follows, to wit:

The President of the United States shall deliver to every such State bonds of the United States bearing interest at the rate of per cent per annum to an amount equal to the aggregate sum of ____ for each slave shown to have been therein by the Eighth Census of the United States, said bonds to be delivered to such State by installments or in one parcel at the completion of the abolishment, accordingly as the same shall have been gradual or at one time within such State; and interest shall begin to run upon any such bond only from the proper time of its delivery as aforesaid. Any State having received bonds as aforesaid and afterwards reintroducing or tolerating slavery therein shall refund to the United States the bonds so received, or the value thereof, and all interest paid thereon.

Page 1038

Art.—All slaves who shall have enjoyed actual freedom by the chances of the war at any time before the end of the rebellion shall be forever free; but all owners of such who shall not have been disloyal shall be compensated for them at the same rates as is provided for States adopting abolishment of slavery, but in such way that no slave shall be twice accounted for.

Art.—Congress may appropriate money and otherwise provide for colonizing free colored persons with their own consent at any place or places without the United States. I beg indulgence to discuss these proposed articles at some length. Without slavery the rebellion could never have existed; without slavery it could not continue.

Among the friends of the Union there is great diversity of sentiment and of policy in regard to slavery and the African race amongst us. Some would perpetuate slavery; some would abolish it suddenly and without compensation; some would abolish it gradually and with compensation: some would remove the freed people from us, and some would retain them with us; and there are yet other minor diversities. Because of these diversities we waste much strength in struggles among ourselves. By mutual concession we should harmonize and act together. This would be compromise, but it would be compromise among the friends and not with the enemies of the Union. These articles are intended to embody a plan of such mutual concessions. If the plan shall be adopted, it is assumed that emancipation will follow, at least in several of the States.

As to the first article, the main points are, first, the emancipation; secondly, the length of time for consummating it (thirty-seven years); and, thirdly, the compensation.

The emancipation will be unsatisfactory to the advocates of perpetual slavery, but the length of time should greatly mitigate their dissatisfaction. The time spares both races from the evils of sudden derangement—in fact, from the necessity of any derangement—while most of those whose habitual course of thought will be disturbed by the measure will have passed away before its consummation. They will never see it. Another class will hail the prospect of emancipation, but will deprecate the length of time. They will feel that it gives too little to the now living slaves. But it really gives them much. It saves them from the vagrant destitution which must largely attend immediate emancipation in localities where their numbers are very great, and it gives the inspiring assurance that their posterity shall be free forever. The plan leaves to each State choosing to act under it to abolish slavery now or at the end of the century, or at any intermediate time, or by degrees extending over the whole or any part of the period, and it obliges no two States to proceed alike. It also provides for compensation, and generally the mode of making it. This, it would seem, must further mitigate the dissatisfaction of those who favor perpetual slavery,

Page 1039

and especially of those who are to receive the compensation. Doubtless some of those who are to pay and not to receive will object. Yet the measure is both just and economical. In a certain sense the liberation of slaves is the destruction of property—-property acquired by descent or by purchase, the same as any other property. It is no less true for having been often said that the people of the South are not more responsible for the original introduction of this property than are the people of the North; and when it is remembered how unhesitatingly we all use cotton and sugar and share the profits of dealing in them, it may not be quite safe to say that the South has been more responsible than the North for its continuance. If, then, for a common object this property is to be sacrificed, is it not just that it be done at a common charge?

And if with less money, or money more easily paid, we can preserve the benefits of the Union by this means than we can by the war alone, is it not also economical to do it? Let us consider it, then. Let us ascertain the sum we have expended in the war since compensated emancipation was proposed last March, and consider whether if that measure had been promptly accepted by even some of the slave States the same sum would not have done more to close the war than has been otherwise done. If so, the measure would save money, and in that view would be a prudent and economical measure. Certainly it is not so easy to pay something as it is to pay nothing, but it is easier to pay a large sum than it is to pay a larger one. And it is easier to pay any sum when we are able than it is to pay it before we are able. The war requires large sums, and requires them at once. The aggregate sum necessary for compensated emancipation of course would be large. But it would require no ready cash, nor the bonds even any faster than the emancipation progresses. This might not, and probably would not, close before the end of the thirty-seven years. At that time we shall probably have a hundred millions of people to share the burden, instead of thirty-one millions as now. And not only so, but the increase of our population may be expected to continue for a long time after that period as rapidly as before, because our territory will not have become full. I do not state this inconsiderately. At the same ratio of increase which we have maintained, on an average, from our first national census, in 1790, until that of 1860, we should in 1900 have a population of 103,208,415. And why may we not continue that ratio far beyond that period? Our abundant room, our broad national homestead, is our ample resource. Were our territory as limited as are the British Isles, very certainly our population could not expand as stated. Instead of receiving the foreign born as now, we should be compelled to send part of the native born away. But such is not our condition. We have 2,963,000 square miles. Europe has 3,800,000, with a population

Page 1040

averaging 73 1/3 persons to the square mile. Why may not our country at some time average as many? Is it less fertile? Has it more waste surface by mountains, rivers, lakes, deserts, or other causes? Is it inferior to Europe in any natural advantage? If, then, we are at some time to be as populous as Europe, how soon? As to when this may be, we can judge by the past and the present; as to when it will be, if ever, depends much on whether we maintain the Union. Several of our States are already above the average of Europe 73 1/3 to the square mile. Massachusetts has 157; Rhode Island, 133; Connecticut, 99; New York and New Jersey, each 80. Also two other great States, Pennsylvania and Ohio, are not far below, the former having 63 and the latter 59. The States already above the European average, except New York, have increased in as rapid a ratio since passing that point as ever before, while no one of them is equal to some other parts of our country in natural capacity for sustaining a dense population.

Taking the nation in the aggregate, and we find its population and ratio of increase for the several decennial periods to be as follows:

Year — Population — Ratio of increase.

- — Per cent.

1790 - 3,929,827 - .....

1800 — 5,304,937 — 35.02

1810 — 7,239,814 — 36.45

1820 — 9,638,131 — 36.45

1830 — 12,866,020 — 33.49

1840 — 17,069,453 — 32.67

1850 — 23,191,876 — 35.87

1860 — 31,443,790 — 35.58

This shows an average decennial increase of 34.60 per cent in population through the seventy years from our first to our last census yet taken. It is seen that the ratio of increase at no one of these seven periods is either 2 per cent below or 2 per cent above the average, thus showing how inflexible, and consequently how reliable, the law of increase in our case is. Assuming that it will continue, it gives the following results:

Year — Population

1870 — 42,323,341

1880 — 56,967,216

1890 — 76,677,872

1900 — 103,208,415

1910 — 138,918,526

1920 — 186,984,335

1930 — 251,680,914

These figures show that our country may be as populous as Europe now is at some point between 1920 and 1930—say about 1925—our territory, at 73 1/3 persons to the square mile, being of capacity to contain 217,186,000.

And we will reach this, too, if we do not ourselves relinquish the chance by the folly and evils of disunion or by long and exhausting war springing from the only great element of national discord among us. While it can not be foreseen exactly how much one huge example of secession, breeding lesser ones indefinitely, would retard population, civilization, and prosperity, no one can doubt that the extent of it would be very great and injurious.

Page 1041

The proposed emancipation would shorten the war, perpetuate peace, insure this increase of population, and proportionately the wealth of the country. With these we should pay all the emancipation would cost, together with our other debt, easier than we should pay our other debt without it. If we had allowed our old national debt to run at 6 per cent per annum, simple interest, from the end of our revolutionary struggle until to-day, without paying anything on either principal or interest, each man of us would owe less upon that debt now than each man owed upon it then; and this because our increase of men through the whole period has been greater than 6 per cent—has run faster than the interest upon the debt. Thus time alone relieves a debtor nation, so long as its population increases faster than unpaid interest accumulates on its debt.

This fact would be no excuse for delaying payment of what is justly due, but it shows the great importance of time in this connection—the great advantage of a policy by which we shall not have to pay until we number 100,000,000 what by a different policy we would have to pay now, when we number but 31,000,000. In a word, it shows that a dollar will be much harder to pay for the war than will be a dollar for emancipation on the proposed plan. And then the latter will cost no blood, no precious life. It will be a saving of both.

As to the second article, I think it would be impracticable to return to bondage the class of persons therein contemplated. Some of them, doubtless, in the property sense belong to loyal owners, and hence provision is made in this article for compensating such. The third article relates to the future of the freed people. It does not oblige, but merely authorizes Congress to aid in colonizing such as may consent. This ought not to be regarded as objectionable on the one hand or on the other, insomuch as it comes to nothing unless by the mutual consent of the people to be deported and the American voters, through their representatives in Congress.

I can not make it better known than it already is that I strongly favor colonization; and yet I wish to say there is an objection urged against free colored persons remaining in the country which is largely imaginary, if not sometimes malicious.

It is insisted that their presence would injure and displace white labor and white laborers. If there ever could be a proper time for mere catch arguments, that time surely is not now. In times like the present men should utter nothing for which they would not willingly be responsible through time and in eternity. Is it true, then, that colored people can displace any more white labor by being free than by remaining slaves? If they stay in their old places, they jostle no white laborers; if they leave their old places, they leave them open to white laborers. Logically, there is neither more nor less of it. Emancipation, even without deportation, would probably

Page 1042

enhance the wages of white labor, and very surely would not reduce them. Thus the customary amount of labor would still have to be performed—the freed people would surely not do more than their old proportion of it, and very probably for a time would do less, leaving an increased part to white laborers, bringing their labor into greater demand, and consequently enhancing the wages of it. With deportation, even to a limited extent, enhanced wages to white labor is mathematically certain. Labor is like any other commodity in the market—increase the demand for it and you increase the price of it. Reduce the supply of black labor by colonizing the black laborer out of the country, and by precisely so much you increase the demand for and wages of white labor.

But it is dreaded that the freed people will swarm forth and cover the whole land. Are they not already in the land? Will liberation make them any more numerous? Equally distributed among the whites of the whole country, and there would be but one colored to seven whites. Could the one in any way greatly disturb the seven? There are many communities now having more than one free colored person to seven whites and this without any apparent consciousness of evil from it. The District of Columbia and the States of Maryland and Delaware are all in this condition. The District has more than one free colored to six whites, and yet in its frequent petitions to Congress I believe it has never presented the presence of free colored persons as one of its grievances. But why should emancipation South send the free people North? People of any color seldom run unless there be something to run from. Heretofore colored people to some extent have fled North from bondage, and now, perhaps, from both bondage and destitution. But if gradual emancipation and deportation be adopted, they will have neither to flee from. Their old masters will give them wages at least until new laborers can be procured, and the freedmen in turn will gladly give their labor for the wages till new homes can be found for them in congenial climes and with people of their own blood and race. This proposition can be trusted on the mutual interests involved. And in any event, can not the North decide for itself whether to receive them?

Again, as practice proves more than theory in any case, has there been any irruption of colored people northward because of the abolishment of slavery in this District last spring?

What I have said of the proportion of free colored persons to the whites in the District is from the census of 1860, having no reference to persons called contrabands nor to those made free by the act of Congress abolishing slavery here.

The plan consisting of these articles is recommended, not but that a restoration of the national authority would be accepted without its adoption.

Nor will the war nor proceedings under the proclamation of September 22, 1862, be stayed because of the recommendation of this plan. Its timely adoption, I doubt not, would bring restoration, and thereby stay both.

Page 1043

And notwithstanding this plan, the recommendation that Congress provide by law for compensating any State which may adopt emancipation before this plan shall have been acted upon is hereby earnestly renewed. Such would be only an advance part of the plan, and the same arguments apply to both.

This plan is recommended as a means, not in exclusion of, but additional to, all others for restoring and preserving the national authority throughout the Union. The subject is presented exclusively in its economical aspect. The plan would, I am confident, secure peace more speedily and maintain it more permanently than can be done by force alone, while all it would cost, considering amounts and manner of payment and times of payment, would be easier paid than will be the additional cost of the war if we rely solely upon force. It is much, very much, that it would cost no blood at all.

The plan is proposed as permanent constitutional law. It can not become such without the concurrence of, first, two-thirds of Congress, and afterwards three-fourths of the States. The requisite three-fourths of the States will necessarily include seven of the slave States. Their concurrence, if obtained, will give assurance of their severally adopting emancipation at no very distant day upon the new constitutional terms. This assurance would end the struggle now and save the Union forever.

I do not forget the gravity which should characterize a paper addressed to the Congress of the nation by the Chief Magistrate of the nation, nor do I forget that some of you are my seniors, nor that many of you have more experience than I in the conduct of public affairs. Yet I trust that in view of the great responsibility resting upon me you will perceive no want of respect to yourselves in any undue earnestness I may seem to display.

Is it doubted, then, that the plan I propose, if adopted, would shorten the war, and thus lessen its expenditure of money and of blood? Is it doubted that it would restore the national authority and national prosperity and perpetuate both indefinitely? Is it doubted that we here—Congress and Executive can secure its adoption? Will not the good people respond to a united and earnest appeal from us? Can we, can they, by any other means so certainly or so speedily assure these vital objects? We can succeed only by concert. It is not “Can any of us imagine better?” but “Can we all do better?” Object whatsoever is possible, still the question recurs, “Can we do better?” The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country.

Page 1044

Fellow-citizens, we can not escape history. We of this Congress and this Administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation. We say we are for the Union. The world will not forget that we say this. We know how to save the Union. The world knows we do know how to save it. We, even we here, hold the power and bear the responsibility. In giving freedom to the slave we assure freedom to the free—honorable alike in what we give and what we preserve. We shall nobly save or meanly lose the last best hope of earth. Other means may succeed; this could not fail. The way is plain, peaceful, generous, just—a way which if followed the world will forever applaud and God must forever bless.

***

State of the Union Address
Abraham Lincoln
December 8, 1863

Fellow-Citizens of the Senate and House of Representatives:

Another year of health and of sufficiently abundant harvests has passed. For these, and especially for the improved condition of our national affairs, our renewed and profoundest gratitude to God is due.

We remain in peace and friendship with foreign powers.

The efforts of disloyal citizens of the United States to involve us in foreign wars to aid an inexcusable insurrection have been unavailing. Her Britannic Majesty's Government, as was justly expected, have exercised their authority to prevent the departure of new hostile expeditions from British ports. The Emperor of France has by a like proceeding promptly vindicated the neutrality which he proclaimed at the beginning of the contest. Questions of great intricacy and importance have arisen out of the blockade and other belligerent operations between the Government and several of the maritime powers, but they have been discussed and, as far as was possible, accommodated in a spirit of frankness, justice, and mutual good will. It is especially gratifying that our prize courts, by the impartiality of their adjudications, have commanded the respect and confidence of maritime powers.

The supplemental treaty between the United States and Great Britain for the suppression of the African slave trade, made on the 17th day of February last, has been duly ratified and carried into execution. It is believed that so far as American ports and American citizens are concerned that inhuman and odious traffic has been brought to an end.

I shall submit for the consideration of the Senate a convention for the adjustment of possessory claims in Washington Territory arising out of the treaty of the 15th June, 1846, between the United States and Great Britain, and which have been the source of some disquiet among the citizens of that now rapidly improving part of the country.

A novel and important question, involving the extent of the maritime jurisdiction of Spain in the waters which surround the island of Cuba, has been debated without reaching an agreement, and it is proposed in an amicable spirit to refer it to the arbitrament of a friendly power. A convention for that purpose will be submitted to the Senate.

Page 1045

I have thought it proper, subject to the approval of the Senate, to concur with the interested commercial powers in an arrangement for the liquidation of the Scheldt dues, upon the principles which have been heretofore adopted in regard to the imposts upon navigation in the waters of Denmark. The long-pending controversy between this Government and that of Chile touching the seizure at Sitana, in Peru, by Chilean officers, of a large amount in treasure belonging to citizens of the United States has been brought to a close by the award of His Majesty the King of the Belgians, to whose arbitration the question was referred by the parties. The subject was thoroughly and patiently examined by that justly respected magistrate, and although the sum awarded to the claimants may not have been as large as they expected there is no reason to distrust the wisdom of His Majesty's decision. That decision was promptly complied with by Chile when intelligence in regard to it reached that country.

The joint commission under the act of the last session for carrying into effect the convention with Peru on the subject of claims has been organized at Lima, and is engaged in the business intrusted to it.

Difficulties concerning interoceanic transit through Nicaragua are in course of amicable adjustment.

In conformity with principles set forth in my last annual message, I have received a representative from the United States of Colombia, and have accredited a minister to that Republic.

Incidents occurring in the progress of our civil war have forced upon my attention the uncertain state of international questions touching the rights of foreigners in this country and of United States citizens abroad. In regard to some governments these rights are at least partially, defined by treaties. In no instance, however, is it expressly stipulated that in the event of civil war a foreigner residing in this country within the lines of the insurgents is to be exempted from the rule which classes him as a belligerent, in whose behalf the Government or his country can not expect any privileges or immunities distinct from that character. I regret to say, however, that such claims have been put forward, and in some instances in behalf of foreigners who have lived in the United States the greater part of their lives.

There is reason to believe that many persons born in foreign countries who have declared their intention to become citizens, or who have been fully naturalized, have evaded the military duty required of them by denying the fact and thereby throwing upon the Government the burden of proof. It has been found difficult or impracticable to obtain this proof, from the want of guides to the proper sources of information. These might be supplied by requiring clerks of courts where declarations of intention may be made or naturalizations effected to send periodically lists of the names of the persons naturalized or declaring their intention to become citizens to the Secretary of the Interior,

in whose Department those names might be arranged and printed for general information.

Page 1046

There is also reason to believe that foreigners frequently become citizens of the United States for the sole purpose of evading duties imposed by the laws of their native countries, to which on becoming naturalized here they at once repair, and though never returning to the United States they still claim the interposition of this Government as citizens. Many altercations and great prejudices have heretofore arisen out of this abuse. It is therefore submitted to your serious consideration. It might be advisable to fix a limit beyond which no citizen of the United States residing abroad may claim the interposition of his Government.

The right of suffrage has often been assumed and exercised by aliens under pretenses of naturalization, which they have disavowed when drafted into the military service. I submit the expediency of such an amendment of the law as will make the fact of voting an estoppel against any plea of exemption from military service or other civil obligation on the ground of alienage.

In common with other Western powers, our relations with Japan have been brought into serious jeopardy through the perverse opposition of the hereditary aristocracy of the Empire to the enlightened and liberal policy of the Tycoon, designed to bring the country into the society of nations. It is hoped, although not with entire confidence, that these difficulties may be peacefully overcome. I ask your attention to the claim of the minister residing there for the damages he sustained in the destruction by fire of the residence of the legation at Yedo.

Satisfactory arrangements have been made with the Emperor of Russia, which, it is believed, will result in effecting a continuous line of telegraph through that Empire from our Pacific coast.

I recommend to your favorable consideration the subject of an international telegraph across the Atlantic Ocean, and also of a telegraph between this capital and the national forts along the Atlantic seaboard and the Gulf of Mexico. Such communications, established with any reasonable outlay, would be economical as well as effective aids to the diplomatic, military, and naval service.

The consular system of the United States, under the enactments of the last Congress, begins to be self-sustaining, and there is reason to hope that it may become entirely so with the increase of trade which will ensue whenever peace is restored. Our ministers abroad have been faithful in defending American rights. In protecting commercial interests our consuls have necessarily had to encounter increased labors and responsibilities growing out of the war. These they have for the most part met and discharged with zeal and efficiency. This acknowledgment justly includes those consuls who, residing in Morocco, Egypt, Turkey, Japan, China, and other Oriental countries, are charged with complex functions and extraordinary powers.

Page 1047

The condition of the several organized Territories is generally satisfactory, although Indian disturbances in New Mexico have not been entirely suppressed. The mineral resources of Colorado, Nevada, Idaho, New Mexico, and Arizona are proving far richer than has been heretofore understood. I lay before you a communication on this subject from the governor of New Mexico. I again submit to your consideration the expediency of establishing a system for the encouragement of immigration. Although this source of national wealth and strength is again flowing with greater freedom than for several years before the insurrection occurred, there is still a great deficiency of laborers in every field of industry, especially in agriculture and in our mines, as well of iron and coal as of the precious metals. While the demand for labor is much increased here, tens of thousands of persons, destitute of remunerative occupation, are thronging our foreign consulates and offering to emigrate to the United States if essential, but very cheap, assistance can be afforded them. It is easy to see that under the sharp discipline of civil war the nation is beginning a new life. This noble effort demands the aid and ought to receive the attention and support of the Government.

Injuries unforeseen by the Government and unintended may in some cases have been inflicted on the subjects or citizens of foreign countries, both at sea and on land, by persons in the service of the United States. As this Government expects redress from other powers when similar injuries are inflicted by persons in their service upon citizens of the United States, we must be prepared to do justice to foreigners. If the existing judicial tribunals are inadequate to this purpose, a special court may be authorized, with power to hear and decide such claims of the character referred to as may have arisen under treaties and the public law. Conventions for adjusting the claims by joint commission have been proposed to some governments, but no definitive answer to the proposition has yet been received from any.

In the course of the session I shall probably have occasion to request you to provide indemnification to claimants where decrees of restitution have been rendered and damages awarded by admiralty courts, and in other cases where this Government may be acknowledged to be liable in principle and where the amount of that liability has been ascertained by an informal arbitration.

The proper officers of the Treasury have deemed themselves required by the law of the United States upon the subject to demand a tax upon the incomes of foreign consuls in this country. While such a demand may not in strictness be in derogation of public law, or perhaps of any existing treaty between the United States and a foreign country, the expediency of so far modifying the act as to exempt from tax the income of such consuls as are not citizens of the United States, derived from the emoluments of their office or from property not situated in the United States, is submitted to your serious consideration. I make this suggestion upon the ground that a comity which ought to be reciprocated exempts our consuls in all other countries from taxation to the extent thus indicated. The United States, I think, ought not to be exceptionally illiberal to international trade and commerce.

Page 1048

The operations of the Treasury during the last year have been successfully conducted. The enactment by Congress of a national banking law has proved a valuable support of the public credit and the general legislation in relation to loans has fully answered the expectations of its favorers. Some amendments may be required to perfect existing laws, but no change in their principles or general scope is believed to be needed.

Since these measures have been in operation all demands on the Treasury, including the pay of the Army and Navy, have been promptly met and fully satisfied. No considerable body of troops, it is believed, were ever more amply provided and more liberally and punctually paid, and it may be added that by no people were the burdens incident to a great war ever more cheerfully borne.

The receipts during the year from all sources, including loans and balance in the Treasury at its commencement, were $901,125,674.86, and the aggregate disbursements $895,796,630.65, leaving a balance on the 1st of July, 1863, of $5,329,044.21. Of the receipts there were derived from customs $69,059,642.40, from internal revenue $37,640,787.95, from direct tax $1,485,103.61, from lands $167,617.17, from miscellaneous sources $3,046,615.35, and from loans $776,682,361.57, making the aggregate $901,125,674.86. Of the disbursements there were for the civil service $23,253,922.08, for pensions and Indians $4,216,520.79, for interest on public debt $24,729,846.51, for the War Department $599,298,600.83, for the Navy Department $63,211,105.27, for payment of funded and temporary debt $181,086,635.07, making the aggregate $895,796,630.65 and leaving the balance of $5,329,044.21. But the payment of funded and temporary debt, having been made from moneys borrowed during the year, must be regarded as merely nominal payments and the moneys borrowed to make them as merely nominal receipts, and their amount, $181,086,635.07, should therefore be deducted both from receipts and disbursements. This being done there remains as actual receipts $720,039,039.79 and the actual disbursements $714,709,995.58, leaving the balance as already stated.

The actual receipts and disbursements for the first quarter and the estimated receipts and disbursements for the remaining three quarters of the current fiscal year (1864) will be shown in detail by the report of the Secretary of the Treasury, to which I invite your attention. It is sufficient to say here that it is not believed that actual results will exhibit a state of the finances less favorable to the country than the estimates of that officer heretofore submitted, while it is confidently expected that at the close of the year both disbursements and debt will be found very considerably less than has been anticipated.

The report of the Secretary of War is a document of great interest. It consists of—

Page 1049

1. The military operations of the year, detailed in the report of the General in Chief. 2. The organization of colored persons into the war service. 3. The exchange of prisoners, fully set forth in the letter of General Hitchcock. 4. The operations under the act for enrolling and calling out the national forces, detailed in the report of the Provost-Marshal-General. 5. The organization of the invalid corps, and 6. The operation of the several departments of the Quartermaster-General, Commissary-General, Paymaster-General, Chief of Engineers, Chief of Ordnance, and Surgeon-General.

It has appeared impossible to make a valuable summary of this report, except such as would be too extended for this place, and hence I content myself by asking your careful attention to the report itself.

The duties devolving on the naval branch of the service during the year and throughout the whole of this unhappy contest have been discharged with fidelity and eminent success. The extensive blockade has been constantly increasing in efficiency as the Navy has expanded, yet on so long a line it has so far been impossible to entirely suppress illicit trade. From returns received at the Navy Department it appears that more than 1,000 vessels have been captured since the blockade was instituted, and that the value of prizes already sent in for adjudication amounts to over $13,000,000.

The naval force of the United States consists at this time of 588 vessels completed and in the course of completion, and of these 75 are ironclad or armored steamers. The events of the war give an increased interest and importance to the Navy which will probably extend beyond the war itself.

The armored vessels in our Navy completed and in service, or which are under contract and approaching completion, are believed to exceed in number those of any other power; but while these may be relied upon for harbor defense and coast service, others of greater strength and capacity will be necessary for cruising purposes and to maintain our rightful position on the ocean.

The change that has taken place in naval vessels and naval warfare since the introduction of steam as a motive power for ships of war demands either a corresponding change in some of our existing navy-yards or the establishment of new ones for the construction and necessary repair of modern naval vessels. No inconsiderable embarrassment, delay, and public injury have been experienced from the want of such governmental establishments. The necessity of such a navy-yard, so furnished, at some suitable place upon the Atlantic seaboard has on repeated occasions been brought to the attention of Congress by the Navy Department, and is again presented in the report of the Secretary which accompanies this communication. I think it my duty to invite your special attention to this subject, and also to that of establishing a yard and depot for naval purposes upon one of the Western rivers. A naval force

Page 1050

has been created on those interior waters, and under many disadvantages, within little more than two years, exceeding in numbers the whole naval force of the country at the commencement of the present Administration. Satisfactory and important as have been the performances of the heroic men of the Navy at this interesting period, they are scarcely more wonderful than the success of our mechanics and artisans in the production of war vessels, which has created a new form of naval power.

Our country has advantages superior to any other nation in our resources of iron and timber, with inexhaustible quantities of fuel in the immediate vicinity of both, and all available and in close proximity to navigable waters. Without the advantage of public works, the resources of the nation have been developed and its power displayed in the construction of a Navy of such magnitude, which has at the very period of its creation rendered signal service to the Union.

The increase of the number of seamen in the public service from 7,500 men in the spring of 1861 to about 34,000 at the present time has been accomplished without special legislation or extraordinary bounties to promote that increase. It has been found, however, that the operation of the draft, with the high bounties paid for army recruits, is beginning to affect injuriously the naval service, and will, if not corrected, be likely to impair its efficiency by detaching seamen from their proper vocation and inducing them to enter the Army. I therefore respectfully suggest that Congress might aid both the army and naval services by a definite provision on this subject which would at the same time be equitable to the communities more especially interested.

I commend to your consideration the suggestions of the Secretary of the Navy in regard to the policy of fostering and training seamen and also the education of officers and engineers for the naval service. The Naval Academy is rendering signal service in preparing midshipmen for the highly responsible duties which in after life they will be required to perform. In order that the country should not be deprived of the proper quota of educated officers, for which legal provision has been made at the naval school, the vacancies caused by the neglect or omission to make nominations from the States in insurrection have been filled by the Secretary of the Navy. The school is now more full and complete than at any former period, and in every respect entitled to the favorable consideration of Congress.

During the past fiscal year the financial condition of the Post-Office Department has been one of increasing prosperity, and I am gratified in being able to state that the actual postal revenue has nearly equaled the entire expenditures, the latter amounting to $11,314,206.84 and the former to $11,163,789.59, leaving a deficiency of but $150,417.25. In 1860, the year immediately preceding the rebellion, the deficiency amounted to $5,656,705.49, the postal receipts of that year being $2,645,722.19 less than those of 1863. The decrease since 1860 in the annual amount of transportation

has been only about 25 per cent, but the annual expenditure on account of the same has been reduced 35 per cent. It is manifest, therefore, that the Post-Office Department may become self-sustaining in a few years, even with the restoration of the whole service.

Page 1051

The international conference of postal delegates from the principal countries of Europe and America, which was called at the suggestion of the Postmaster-General, met at Paris on the 11th of May last and concluded its deliberations on the 8th of June. The principles established by the conference as best adapted to facilitate postal intercourse between nations and as the basis of future postal conventions inaugurate a general system of uniform international charges at reduced rates of postage, and can not fail to produce beneficial results.

I refer you to the report of the Secretary of the Interior, which is herewith laid before you, for useful and varied information in relation to the public lands, Indian affairs, patents, pensions, and other matters of public concern pertaining to his Department.

The quantity of land disposed of during the last and the first quarter of the present fiscal years was 3,841,549 acres, of which 161,911 acres were sold for cash, 1,456,514 acres were taken up under the homestead law, and the residue disposed of under laws granting lands for military bounties, for railroad and other purposes. It also appears that the sale of the public lands is largely on the increase.

It has long been a cherished opinion of some of our wisest statesmen that the people of the United States had a higher and more enduring interest in the early settlement and substantial cultivation of the public lands than in the amount of direct revenue to be derived from the sale of them. This opinion has had a controlling influence in shaping legislation upon the subject of our national domain. I may cite as evidence of this the liberal measures adopted in reference to actual settlers; the grant to the States of the overflowed lands within their limits, in order to their being reclaimed and rendered fit for cultivation; the grants to railway companies of alternate sections of land upon the contemplated issues of their roads, which when completed will so largely multiply the facilities for reaching our distant possessions. This policy has received its most signal and beneficent illustration in the recent enactment granting homesteads to actual settlers. Since the 1st day of January last the before-mentioned quantity of 1,456,514 acres of land have been taken up under its provisions. This fact and the amount of sales furnish gratifying evidence of increasing settlement upon the public lands, notwithstanding the great struggle in which the energies of the nation have been engaged, and which has required so large a withdrawal of our citizens from their accustomed pursuits. I cordially concur in the recommendation of the Secretary of the Interior suggesting a modification of the act in favor of those engaged in the military and naval service of the United States. I doubt not that Congress will cheerfully adopt such measures as will, without essentially changing the general features of the system, secure to the greatest practicable extent its benefits to those who have left their homes in the defense of the country in this arduous crisis.

Page 1052

I invite your attention to the views of the Secretary as to the propriety of raising by appropriate legislation a revenue from the mineral lands of the United States.

The measures provided at your last session for the removal of certain Indian tribes have been carried into effect. Sundry treaties have been negotiated, which will in due time be submitted for the constitutional action of the Senate. They contain stipulations for extinguishing the possessory rights of the Indians to large and valuable tracts of lands. It is hoped that the effect of these treaties will result in the establishment of permanent friendly relations with such of these tribes as have been brought into frequent and bloody collision with our outlying settlements and emigrants. Sound policy and our imperative duty to these wards of the Government demand our anxious and constant attention to their material well-being, to their progress in the arts of civilization, and, above all, to that moral training which under the blessing of Divine Providence will confer upon them the elevated and sanctifying influences, the hopes and consolations, of the Christian faith. I suggested in my last annual message the propriety of remodeling our Indian system. Subsequent events have satisfied me of its necessity. The details set forth in the report of the Secretary evince the urgent need for immediate legislative action.

I commend the benevolent institutions established or patronized by the Government in this District to your generous and fostering care. The attention of Congress during the last session was engaged to some extent with a proposition for enlarging the water communication between the Mississippi River and the northeastern seaboard, which proposition, however, failed for the time. Since then, upon a call of the greatest respectability, a convention has been held at Chicago upon the same subject, a summary of whose views is contained in a memorial addressed to the President and Congress, and which I now have the honor to lay before you. That this interest is one which ere long will force its own way I do not entertain a doubt, while it is submitted entirely to your wisdom as to what can be done now. Augmented interest is given to this subject by the actual commencement of work upon the Pacific Railroad, under auspices so favorable to rapid progress and completion. The enlarged navigation becomes a palpable need to the great road.

I transmit the second annual report of the Commissioner of the Department of Agriculture, asking your attention to the developments in that vital interest of the nation. When Congress assembled a year ago, the war had already lasted nearly twenty months, and there had been many conflicts on both land and sea, with varying results; the rebellion had been pressed back into reduced limits; yet the tone of public feeling and opinion, at home and abroad was not satisfactory. With other signs, the popular elections then just past

Page 1053

indicated uneasiness among ourselves, while, amid much that was cold and menacing, the kindest words coming from Europe were uttered in accents of pity that we were too blind to surrender a hopeless cause. Our commerce was suffering greatly by a few armed vessels built upon and furnished from foreign shores, and we were threatened with such additions from the same quarter as would sweep our trade from the sea and raise our blockade. We had failed to elicit from European Governments anything hopeful upon this subject. The preliminary emancipation proclamation, issued in September, was running its assigned period to the beginning of the new year. A month later the final proclamation came, including the announcement that colored men of suitable condition would be received into the war service. The policy of emancipation and of employing black soldiers gave to the future a new aspect, about which hope and fear and doubt contended in uncertain conflict. According to our political system, as a matter of civil administration, the General Government had no lawful power to effect emancipation in any State, and for a long time it had been hoped that the rebellion could be suppressed without resorting to it as a military measure. It was all the while deemed possible that the necessity for it might come, and that if it should the crisis of the contest would then be presented. It came, and, as was anticipated, it was followed by dark and doubtful days. Eleven months having now passed, we are permitted to take another review. The rebel borders are pressed still farther back, and by the complete opening of the Mississippi the country dominated by the rebellion is divided into distinct parts, with no practical communication between them. Tennessee and Arkansas have been substantially cleared of insurgent control, and influential citizens in each, owners of slaves and advocates of slavery at the beginning of the rebellion, now declare openly for emancipation in their respective States. Of those States not included in the emancipation proclamation, Maryland and Missouri, neither of which three years ago would tolerate any restraint upon the extension of slavery into new Territories, only dispute now as to the best mode of removing it within their own limits.

Of those who were slaves at the beginning of the rebellion full 100,000 are now in the United States military service, about one-half of which number actually bear arms in the ranks, thus giving the double advantage of taking so much labor from the insurgent cause and supplying the places which otherwise must be filled with so many white men. So far as tested, it is difficult to say they are not as good soldiers as any. No servile insurrection or tendency to violence or cruelty has marked the measures of emancipation and arming the blacks. These measures have been much discussed in foreign countries, and, contemporary with such discussion, the tone of public sentiment there is much improved. At home the same measures have been fully discussed, supported, criticised, and denounced, and the annual elections following are highly encouraging to those whose official duty it is to bear the country through this great trial. Thus we have the new reckoning. The crisis which threatened to divide the friends of the Union is past.

Page 1054

Looking now to the present and future, and with reference to a resumption of the national authority within the States wherein that authority has been suspended, I have thought fit to issue a proclamation, a copy of which is herewith transmitted. On examination of this proclamation it will appear, as is believed, that nothing will be attempted beyond what is amply justified by the Constitution. True, the form of an oath is given, but no man is coerced to take it. The man is only promised a pardon in case he voluntarily takes the oath. The Constitution authorizes the Executive to grant or withhold the pardon at his own absolute discretion, and this includes the power to grant on terms, as is fully established by judicial and other authorities.

It is also proffered that if in any of the States named a State government shall be in the mode prescribed set up, such government shall be recognized and guaranteed by the United States, and that under it the State shall, on the constitutional conditions, be protected against invasion and domestic violence. The constitutional obligation of the United States to guarantee to every State in the Union a republican form of government and to protect the State in the cases stated is explicit and full. But why tender the benefits of this provision only to a State government set up in this particular way? This section of the Constitution contemplates a case wherein the element within a State favorable to republican government in the Union may be too feeble for an opposite and hostile element external to or even within the State, and such are precisely the cases with which we are now dealing.

An attempt to guarantee and protect a revived State government, constructed in whole or in preponderating part from the very element against whose hostility and violence it is to be protected, is simply absurd. There must be a test by which to separate the opposing elements, so as to build only from the sound; and that test is a sufficiently liberal one which accepts as sound whoever will make a sworn recantation of his former unsoundness.

But if it be proper to require as a test of admission to the political body an oath of allegiance to the Constitution of the United States and to the Union under it, why also to the laws and proclamations in regard to slavery? Those laws and proclamations were enacted and put forth for the purpose of aiding in the suppression of the rebellion. To give them their fullest effect there had to be a pledge for their maintenance. In my judgment, they have aided and will further aid the cause for which they were intended. To now abandon them would be not only to relinquish a lever of power, but would also be a cruel and an astounding breach of faith. I may add at this point that while I remain in my present position I shall not attempt to retract or modify the emancipation proclamation, nor shall I return to slavery any person who is free by the terms of that proclamation

Page 1055

or by any of the acts of Congress. For these and other reasons it is thought best that support of these measures shall be included in the oath, and it is believed the Executive may lawfully claim it in return for pardon and restoration of forfeited rights, which he has clear constitutional power to withhold altogether or grant upon the terms which he shall deem wisest for the public interest. It should be observed also that this part of the oath is subject to the modifying and abrogating power of legislation and supreme judicial decision.

The proposed acquiescence of the National Executive in any reasonable temporary State arrangement for the freed people is made with the view of possibly modifying the confusion and destitution which must at best attend all classes by a total revolution of labor throughout whole States. It is hoped that the already deeply afflicted people in those States may be somewhat more ready to give up the cause of their affliction if to this extent this vital matter be left to themselves, while no power of the National Executive to prevent an abuse is abridged by the proposition.

The suggestion in the proclamation as to maintaining the political framework of the States on what is called reconstruction is made in the hope that it may do good without danger of harm. It will save labor and avoid great confusion.

But why any proclamation now upon this subject? This question is beset with the conflicting views that the step might be delayed too long or be taken too soon. In some States the elements for resumption seem ready for action, but remain inactive apparently for want of a rallying point—a plan of action, Why shall A adopt the plan of B rather than B that of A? And if A and B should agree, how can they know but that the General Government here will reject their plan? By the proclamation a plan is presented which may be accepted by them as a rallying point, and which they are assured in advance will not be rejected here. This may bring them to act sooner than they otherwise would. The objections to a premature presentation of a plan by the National Executive consist in the danger of committals on points which could be more safely left to further developments. Care has been taken to so shape the document as to avoid embarrassments from this source. Saying that on certain terms certain classes will be pardoned with rights restored, it is not said that other classes or other terms will never be in included. Saying specified way, it is said that reconstruction will be accepted if presented in a not said it will never be accepted in any other way.

Page 1056

The movements by State action for emancipation in several of the States not included in the emancipation proclamation are matters of profound gratulation. And while I do not repeat in detail what I have heretofore so earnestly urged upon this subject, my general views and feelings remain unchanged; and I trust that Congress will omit no fair opportunity of aiding these important steps to a great consummation. In the midst of other cares, however important, we must not lose sight of the fact that the war power is still our main reliance. To that power alone can we look yet for a time to give confidence to the people in the contested regions that the insurgent power will not again overrun them. Until that confidence shall be established little can be done anywhere for what is called reconstruction. Hence our chiefest care must still be directed to the Army and Navy, who have thus far borne their harder part so nobly and well; and it may be esteemed fortunate that in giving the greatest efficiency to these indispensable arms we do also honorably recognize the gallant men, from commander to sentinel, who compose them, and to whom more than to others the world must stand indebted for the home of freedom disenthralled, regenerated, enlarged, and perpetuated.

***

State of the Union Address
Abraham Lincoln
December 6, 1864

Fellow-Citizens of the Senate and House of Representatives:

Again the blessings of health and abundant harvests claim our profoundest gratitude to Almighty God.

The condition of our foreign affairs is reasonably satisfactory.

Mexico continues to be a theater of civil war. While our political relations with that country have undergone no change, we have at the same time strictly maintained neutrality between the belligerents.

At the request of the States of Costa Rica and Nicaragua, a competent engineer has been authorized to make a survey of the river San Juan and the port of San Juan. It is a source of much satisfaction that the difficulties which for a moment excited some political apprehensions and caused a closing of the interoceanic transit route have been amicably adjusted, and that there is a good prospect that the route will soon be reopened with an increase of capacity and adaptation. We could not exaggerate either the commercial or the political importance of that great improvement.

It would be doing injustice to an important South American State not to acknowledge the directness, frankness, and cordiality with which the United States of Colombia have

entered into intimate relations with this Government. A claims convention has been constituted to complete the unfinished work of the one which closed its session in 1861.

The new liberal constitution of Venezuela having gone into effect with the universal acquiescence of the people, the Government under it has been recognized and diplomatic intercourse with it has opened in a cordial and friendly spirit. The long-deferred Aves Island claim has been satisfactorily paid and discharged.

Page 1057

Mutual payments have been made of the claims awarded by the late joint commission for the settlement of claims between the United States and Peru. An earnest and cordial friendship continues to exist between the two countries, and such efforts as were in my power have been used to remove misunderstanding and avert a threatened war between Peru and Spain.

Our relations are of the most friendly nature with Chile, the Argentine Republic, Bolivia, Costa Rica, Paraguay, San Salvador, and Hayti. During the past year no differences of any kind have arisen with any of those Republics, and, on the other hand, their sympathies with the United States are constantly expressed with cordiality and earnestness.

The claim arising from the seizure of the cargo of the brig Macedonian in 1821 has been paid in full by the Government of Chile. Civil war continues in the Spanish part of San Domingo, apparently without prospect of an early close.

Official correspondence has been freely opened with Liberia, and it gives us a pleasing view of social and political progress in that Republic. It may be expected to derive new vigor from American influence, improved by the rapid disappearance of slavery in the United States.

I solicit your authority to furnish to the Republic a gunboat at moderate cost, to be reimbursed to the United States by installments. Such a vessel is needed for the safety of that State against the native African races, and in Liberian hands it would be more effective in arresting the African slave trade than a squadron in our own hands. The possession of the least organized naval force would stimulate a generous ambition in the Republic, and the confidence which we should manifest by furnishing it would win forbearance and favor toward the colony from all civilized nations.

The proposed overland telegraph between America and Europe, by the way of Behrings Straits and Asiatic Russia, which was sanctioned by Congress at the last session, has been undertaken, under very favorable circumstances, by an association of American citizens, with the cordial good will and support as well of this Government as of those of Great Britain and Russia. Assurances have been received from most of the South American States of their high appreciation of the enterprise and their readiness to cooperate in constructing lines tributary to that world-encircling communication. I learn with much satisfaction that the noble design of a telegraphic communication between the eastern coast of America and Great Britain has been renewed, with full expectation of its early accomplishment.

Thus it is hoped that with the return of domestic peace the country will be able to resume with energy and advantage its former high career of commerce and civilization.

Our very popular and estimable representative in Egypt died in April last. An unpleasant altercation which arose between the temporary incumbent of the office and the Government of the Pasha resulted in a suspension of intercourse. The evil was promptly corrected on the arrival of the successor in the consulate, and our relations with Egypt, as well as our relations with the Barbary Powers, are entirely satisfactory.

Page 1058

The rebellion which has so long been flagrant in China has at last been suppressed, with the cooperating good offices of this Government and of the other Western commercial States. The judicial consular establishment there has become very difficult and onerous, and it will need legislative revision to adapt it to the extension of our commerce and to the more intimate intercourse which has been instituted with the Government and people of that vast Empire. China seems to be accepting with hearty good will the conventional laws which regulate commercial and social intercourse among the Western nations.

Owing to the peculiar situation of Japan and the anomalous form of its Government, the action of that Empire in performing treaty stipulations is inconstant and capricious. Nevertheless, good progress has been effected by the Western powers, moving with enlightened concert. Our own pecuniary claims have been allowed or put in course of settlement, and the inland sea has been reopened to commerce. There is reason also to believe that these proceedings have increased rather than diminished the friendship of Japan toward the United States.

The ports of Norfolk, Fernandina, and Pensacola have been opened by proclamation. It is hoped that foreign merchants will now consider whether it is not safer and more profitable to themselves, as well as just to the United States, to resort to these and other open ports than it is to pursue, through many hazards and at vast cost, a contraband trade with other ports which are closed, if not by actual military occupation, at least by a lawful and effective blockade.

For myself, I have no doubt of the power and duty of the Executive, under the law of nations, to exclude enemies of the human race from an asylum in the United States. If Congress should think that proceedings in such cases lack the authority of law, or ought to be further regulated by it, I recommend that provision be made for effectually preventing foreign slave traders from acquiring domicile and facilities for their criminal occupation in our country.

It is possible that if it were new and open question the maritime powers, with the lights they now enjoy, would not concede the privileges of a naval belligerent to the insurgents of the United States, destitute, as they are, and always have been, equally of ships of war and of ports and harbors. Disloyal emissaries have been neither less assiduous nor more successful during the last year than they were before that time in their efforts under favor of that privilege, to embroil our country in foreign wars. The desire and determination of the governments of the maritime states to defeat that design are believed to be as sincere as and can not be more earnest than our own. Nevertheless, unforeseen political difficulties have arisen, especially in Brazilian and British ports and on the northern boundary of the United States, which have required, and are likely to continue to require, the practice of constant vigilance and a just and conciliatory spirit on the part of the United States, as well as of the nations concerned and their governments.

Page 1059

Commissioners have been appointed under the treaty with Great Britain on the adjustment of the claims of the Hudsons Bay and Pugets Sound Agricultural Companies, in Oregon, and are now proceeding to the execution of the trust assigned to them.

In view of the insecurity of life and property in the region adjacent to the Canadian border, by reason of recent assaults and depredations committed by inimical and desperate persons who are harbored there, it has been thought proper to give notice that after the expiration of six months, the period conditionally stipulated in the existing arrangement with Great Britain, the United States must hold themselves at liberty to increase their naval armament upon the Lakes if they shall find that proceeding necessary. The condition of the border will necessarily come into consideration in connection with the question of continuing or modifying the rights of transit from Canada through the United States, as well as the regulation of imposts, which were temporarily established by the reciprocity treaty of the 5th June, 1854.

I desire, however, to be understood while making this statement that the colonial authorities of Canada are not deemed to be intentionally unjust or unfriendly toward the United States, but, on the contrary, there is every reason to expect that, with the approval of the Imperial Government, they will take the necessary measures to prevent new incursions across the border.

The act passed at the last session for the encouragement of immigration has so far as was possible been put into operation. It seems to need amendment which will enable the officers of the Government to prevent the practice of frauds against the immigrants while on their way and on their arrival in the ports, so as to secure them here a free choice of avocations and places of settlement. A liberal disposition toward this great national policy is manifested by most of the European States, and ought to be reciprocated on our part by giving the immigrants effective national protection. I regard our immigrants as one of the principal replenishing streams which are appointed by Providence to repair the ravages of internal war and its wastes of national strength and health. All that is necessary is to secure the flow of that stream in its present fullness, and to that end the Government must in every way make it manifest that it neither needs nor designs to impose involuntary military service upon those who come from other lands to cast their lot in our country.

The financial affairs of the Government have been successfully administered during the last year. The legislation of the last session of Congress has beneficially affected the revenues, although sufficient time has not yet elapsed to experience the full effect of several of the provisions of the acts of Congress imposing increased taxation.

The receipts during the year from all sources, upon the basis of warrants signed by the Secretary of the Treasury, including loans and the balance in the Treasury on the 1st day of July, 1863, were $1,394,796,007.62, and the aggregate disbursements, upon the

same basis, were $1,298,056,101.89, leaving a balance in the Treasury, as shown by warrants, of $96,739,905.73.

Page 1060

Deduct from these amounts the amount of the principal of the public debt redeemed and the amount of issues in substitution therefor, and the actual cash operations of the Treasury were: Receipts, $884,076,646.57; disbursements, $865,234,087.86; which leaves a cash balance in the Treasury of $18,842,558.71.

Of the receipts there were derived from customs $102,316,152.99, from lands $588,333.29. from direct taxes $475,648.96, from internal revenue $109,741,134.10, from miscellaneous sources $47,511,448.10, and from loans applied to actual expenditures, including former balance, $623,443,929.13.

There were disbursed for the civil service $27,505,599.46, for pensions and Indians $7,517,930.97, for the War Department $690,791,842.97, for the Navy Department $85,733,292.77, for interest on the public debt $53,685,421.69, making an aggregate of $865,234,087.86 and leaving a balance in the Treasury of $18,842,558.71, as before stated.

For the actual receipts and disbursements for the first quarter and the estimated receipts and disbursements for the three remaining quarters of the current fiscal year, and the general operations of the Treasury in detail, I refer you to the report of the Secretary of the Treasury. I concur with him in the opinion that the proportion of moneys required to meet the expenses consequent upon the war derived from taxation should be still further increased; and I earnestly invite your attention to this subject, to the end that there may be such additional legislation as shall be required to meet the just expectations of the Secretary.

The public debt on the 1st day of July last, as appears by the books of the Treasury, amounted to $1,740,690,489.49. Probably, should the war continue for another year, that amount may be increased by not far from five hundred millions. Held, as it is, for the most part by our own people, it has become a substantial branch of national, though private, property. For obvious reasons the more nearly this property can be distributed among all the people the better. To favor such general distribution, greater inducements to become owners might, perhaps, with good effect and without injury be presented to persons of limited means. With this view I suggest whether it might not be both competent and expedient for Congress to provide that a limited amount of some future issue of public securities might be held by any bona fide purchaser exempt from taxation and from seizure for debt, under such restrictions and limitations as might be necessary to guard against abuse of so important a privilege. This would enable every prudent person to set aside a small annuity against a possible day of want.

Privileges like these would render the possession of such securities to the amount limited most desirable to every person of small means who might be able to save enough for the purpose. The great advantage of citizens being creditors as well as debtors with relation to the public debt is obvious. Men readily perceive that they can not be much oppressed by a debt which they owe to themselves.

Page 1061

The public debt on the 1st day of July last, although somewhat exceeding the estimate of the Secretary of the Treasury made to Congress at the commencement of the last session, falls short of the estimate of that officer made in the preceding December as to its probable amount at the beginning of this year by the sum of $3,995,097.31. This fact exhibits a satisfactory condition and conduct of the operations of the Treasury.

The national banking system is proving to be acceptable to capitalists and to the people. On the 25th day of November 584 national banks had been organized, a considerable number of which were conversions from State banks. Changes from State systems to the national system are rapidly taking place, and it is hoped that very soon there will be in the United States no banks of issue not authorized by Congress and no bank-note circulation not secured by the Government. That the Government and the people will derive great benefit from this change in the banking systems of the country can hardly be questioned. The national system will create a reliable and permanent influence in support of the national credit and protect the people against losses in the use of paper money. Whether or not any further legislation is advisable for the suppression of State-bank issues it will be for Congress to determine. It seems quite clear that the Treasury can not be satisfactorily conducted unless the Government can exercise a restraining power over the bank-note circulation of the country. The report of the Secretary of War and the accompanying documents will detail the campaigns of the armies in the field since the date of the last annual message, and also the operations of the several administrative bureaus of the War Department during the last year. It will also specify the measures deemed essential for the national defense and to keep up and supply the requisite military force.

The report of the Secretary of the Navy presents a comprehensive and satisfactory exhibit of the affairs of that Department and of the naval service. It is a subject of congratulation and laudable pride to our countrymen that a Navy of such vast proportions has been organized in so brief a period and conducted with so much efficiency and success.

The general exhibit of the Navy, including vessels under construction on the 1st of December, 1864, shows a total of 671 vessels, carrying 4,610 guns, and of 510,396 tons, being an actual increase during the year, over and above all losses by shipwreck or in battle, of 83 vessels, 167 guns, and 42,427 tons.

The total number of men at this time in the naval service, including officers, is about 51,000.

There have been captured by the Navy during the year 324 vessels, and the whole number of naval captures since hostilities commenced is 1,379, of which 267 are steamers.

The gross proceeds arising from the sale of condemned prize property thus far reported amount to $14,396,250.51. A large amount of such proceeds is still under adjudication and yet to be reported.

Page 1062

The total expenditure of the Navy Department of every description, including the cost of the immense squadrons that have been called into existence from the 4th of March, 1861, to the 1st of November, 1864, is $238,647,262.35.

Your favorable consideration is invited to the various recommendations of the Secretary of the Navy, especially in regard to a navy-yard and suitable establishment for the construction and repair of iron vessels and the machinery and armature for our ships, to which reference was made in my last annual message.

Your attention is also invited to the views expressed in the report in relation to the legislation of Congress at its last session in respect to prize on our inland waters.

I cordially concur in the recommendation of the Secretary as to the propriety of creating the new rank of vice-admiral in our naval service. Your attention is invited to the report of the Postmaster-General for a detailed account of the operations and financial condition of the Post-Office Department.

The postal revenues for the year ending June 30, 1864, amounted to $12,438,253.78 and the expenditures to $12,644,786.20, the excess of expenditures over receipts being $206,652.42.

The views presented by the Postmaster-General on the subject of special grants by the Government in aid of the establishment of new lines of ocean mail steamships and the policy he recommends for the development of increased commercial intercourse with adjacent and neighboring countries should receive the careful consideration of Congress.

It is of noteworthy interest that the steady expansion of population, improvement, and governmental institutions over the new and unoccupied portions of our country have scarcely been checked, much less impeded or destroyed, by our great civil war, which at first glance would seem to have absorbed almost the entire energies of the nation.

The organization and admission of the State of Nevada has been completed in conformity with law, and thus our excellent system is firmly established in the mountains, which once seemed a barren and uninhabitable waste between the Atlantic States and those which have grown up on the coast of the Pacific Ocean.

The Territories of the Union are generally in a condition of prosperity and rapid growth. Idaho and Montana, by reason of their great distance and the interruption of communication with them by Indian hostilities, have been only partially organized; but it is understood that these difficulties are about to disappear, which will permit their governments, like those of the others, to go into speedy and full operation. As intimately connected with and promotive of this material growth of the nation, I ask the attention of Congress to the valuable information and important recommendations relating to the

public lands, Indian affairs, the Pacific Railroad, and mineral discoveries contained in the report of the Secretary of the Interior which is herewith transmitted, and which report also embraces the subjects of patents, pensions, and other topics of public interest pertaining to his Department.

Page 1063

The quantity of public land disposed of during the five quarters ending on the 30th of September last was 4,221,342 acres, of which 1,538,614 acres were entered under the homestead law. The remainder was located with military land warrants, agricultural scrip certified to States for railroads, and sold for cash. The cash received from sales and location fees was $1,019,446.

The income from sales during the fiscal year ending June 30, 1864, was $678,007.21, against $136,077.95 received during the preceding year. The aggregate number of acres surveyed during the year has been equal to the quantity disposed of, and there is open to settlement about 133,000,000 acres of surveyed land.

The great enterprise of connecting the Atlantic with the Pacific States by railways and telegraph lines has been entered upon with a vigor that gives assurance of success, notwithstanding the embarrassments arising from the prevailing high prices of materials and labor. The route of the main line of the road has been definitely located for 100 miles westward from the initial point at Omaha City, Nebr., and a preliminary location of the Pacific Railroad of California has been made from Sacramento eastward to the great bend of the Truckee River in Nevada. Numerous discoveries of gold, silver, and cinnabar mines have been added to the many heretofore known, and the country occupied by the Sierra Nevada and Rocky mountains and the subordinate ranges now teems with enterprising labor, which is richly remunerative. It is believed that the product of the mines of precious metals in that region has during the year reached, if not exceeded, one hundred millions in value.

It was recommended in my last annual message that our Indian system be remodeled. Congress at its last session, acting upon the recommendation, did provide for reorganizing the system in California, and it is believed that under the present organization the management of the Indians there will be attended with reasonable success. Much yet remains to be done to provide for the proper government of the Indians in other parts of the country, to render it secure for the advancing set-tier, and to provide for the welfare of the Indian. The Secretary reiterates his recommendations, and to them the attention of Congress is invited.

The liberal provisions made by Congress for paying pensions to invalid soldiers and sailors of the Republic and to the widows, orphans, and dependent mothers of those who have fallen in battle or died of disease contracted or of wounds received in the service of their country have been diligently administered. There have been added to the pension rolls during the year ending the 30th day of June last the names of 16,770 invalid soldiers and of 271 disabled seamen, making the present number of army invalid pensioners 22,767 and of navy invalid pensioners 712.

Page 1064

Of widows, orphans, and mothers 22,198 have been placed on the army pension rolls and 248 on the navy rolls. The present number of army pensioners of this class is 25,433 and of navy pensioners 793. At the beginning of the year the number of Revolutionary pensioners was 1,430. Only 12 of them were soldiers, of whom 7 have since died. The remainder are those who under the law receive pensions because of relationship to Revolutionary soldiers. During the year ending the 30th of June, 1864, $4,504,616.92 have been paid to pensioners of all classes.

I cheerfully commend to your continued patronage the benevolent institutions of the District of Columbia which have hitherto been established or fostered by Congress, and respectfully refer for information concerning them and in relation to the Washington Aqueduct, the Capitol, and other matters of local interest to the report of the Secretary.

The Agricultural Department, under the supervision of its present energetic and faithful head, is rapidly commending itself to the great and vital interest it was created to advance It is peculiarly the people's Department, in which they feel more directly concerned than in any other. I commend it to the continued attention and fostering care of Congress.

The war continues. Since the last annual message all the important lines and positions then occupied by our forces have been maintained and our arms have steadily advanced, thus liberating the regions left in rear, so that Missouri, Kentucky, Tennessee, and parts of other States have again produced reasonably fair crops.

The most remarkable feature in the military operations of the year is General Sherman's attempted march of 300 miles directly through the insurgent region. It tends to show a great increase of our relative strength that our General in Chief should feel able to confront and hold in check every active force of the enemy, and yet to detach a well-appointed large army to move on such an expedition. The result not yet being known, conjecture in regard to it is not here indulged.

Important movements have also occurred during the year to the effect of molding society for durability in the Union. Although short of complete success, it is much in the fight direction that 12,000 citizens in each of the States of Arkansas and Louisiana have organized loyal State governments, with free constitutions, and are earnestly struggling to maintain and administer them. The movements in the same direction, more extensive though less definite, in Missouri, Kentucky, and Tennessee should not be overlooked. But Maryland presents the example of complete success. Maryland is secure to liberty and union for all the future. The genius of rebellion will no more claim Maryland. Like another foul spirit being driven out, it may seek to tear her, but it will woo her no-more.

Page 1065

At the last session of Congress a proposed amendment of the Constitution abolishing slavery throughout the United States passed the Senate, but failed for lack of the requisite two-thirds vote in the House of Representatives. Although the present is the same Congress and nearly the same members, and without questioning the wisdom or patriotism of those who stood in opposition, I venture to recommend the reconsideration and passage of the measure at the present session. Of course the abstract question is not changed; but in intervening election shows almost certainly that the next Congress will pass the measure if this does not. Hence there is only a question of time as to when the proposed amendment will go to the States for their action. And as it is to so go at all events, may we not agree that the sooner the better? It is not claimed that the election has imposed a duty on members to change their views or their votes any further than, as an additional element to be considered, their judgment may be affected by it. It is the voice of the people now for the first time heard upon the question. In a great national crisis like ours unanimity of action among those seeking a common end is very desirable—almost indispensable. And yet no approach to such unanimity is attainable unless some deference shall be paid to the will of the majority simply because it is the will of the majority. In this case the common end is the maintenance of the Union, and among the means to secure that end such will, through the election, is most dearly declared in favor of such constitutional amendment.

The most reliable indication of public purpose in this country is derived through our popular elections. Judging by the recent canvass and its result, the purpose of the people within the loyal States to maintain the integrity of the Union was never more firm nor more nearly unanimous than now. The extraordinary calmness and good order with which the millions of voters met and mingled at the polls give strong assurance of this. Not only all those who supported the Union ticket, so called, but a great majority of the opposing party also may be fairly claimed to entertain and to be actuated by the same purpose. It is an unanswerable argument to this effect that no candidate for any office whatever, high or low, has ventured to seek votes on the avowal that he was for giving up the Union. There have been much impugning of motives and much heated controversy as to the proper means and best mode of advancing the Union cause, but on the distinct issue of Union or no Union the politicians have shown their instinctive knowledge that there is no diversity among the people. In affording the people the fair opportunity of showing one to another and to the world this firmness and unanimity of purpose, the election has been of vast value to the national cause.

Page 1066

The election has exhibited another tact not less valuable to be known—the fact that we do not approach exhaustion in the most important branch of national resources, that of living men. While it is melancholy to reflect that the war has filled so many graves and carried mourning to so many hearts, it is some relief to know that, compared with the surviving, the fallen have been so few. While corps and divisions and brigades and regiments have formed and fought and dwindled and gone out of existence, a great majority of the men who composed them are still living. The same is true of the naval service. The election returns prove this. So many voters could not else be found. The States regularly holding elections, both now and four years ago, to wit, California, Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin, east 3,982,011 votes now, against 3,870,222 cast then, showing an aggregate now of 3,982,011. To this is to be added 33,762 cast now in the new States of Kansas and Nevada, which States did not vote in 1860, thus swelling the aggregate to 4,015,773 and the net increase during the three years and a half of war to 145,551. A table is appended showing particulars. To this again should be added the number of all soldiers in the field from Massachusetts, Rhode Island, New Jersey, Delaware, Indiana, Illinois, and California, who by the laws of those States could not vote away from their homes, and which number can not be less than 90,000. Nor yet is this all. The number in organized Territories is triple now what it was four years ago, while thousands, white and black, join us as the national arms press back the insurgent lines. So much is shown, affirmatively and negatively, by the election. It is not material to inquire how the increase has been produced or to show that it would have been greater but for the war, which is probably true. The important fact remains demonstrated that we have more men now than we had when the war began; that we are not exhausted nor in process of exhaustion; that we are gaining strength and may if need be maintain the contest indefinitely. This as to men. Material resources are now more complete and abundant than ever.

The national resources, then, are unexhausted, and, as we believe, inexhaustible. The public purpose to reestablish and maintain the national authority is unchanged, and, as we believe, unchangeable. The manner of continuing the effort remains to choose. On careful consideration of all the evidence accessible it seems to me that no attempt at negotiation with the insurgent leader could result in any good. He would accept nothing short of severance of the Union, precisely what we will not and can not give. His declarations to this effect are explicit and oft repeated. He does not attempt to deceive us. He affords

Page 1067

us no excuse to deceive ourselves. He can not voluntarily reaccept the Union; we can not voluntarily yield it. Between him and us the issue is distinct, simple, and inflexible. It is an issue which can only be tried by war and decided by victory. If we yield, we are beaten; if the Southern people fail him, he is beaten. Either way it would be the victory and defeat following war. What is true, however, of him who heads the insurgent cause is not necessarily true of those who follow. Although he can not reaccept the Union, they can. Some of them, we know, already desire peace and reunion. The number of such may increase. They can at any moment have peace simply by laying down their arms and submitting to the national authority under the Constitution. Alter so much the Government could not, if it would, maintain war against them. The loyal people would not sustain or allow it. If questions should remain, we would adjust them by the peaceful means of legislation, conference, courts, and votes, operating only in constitutional and lawful channels. Some certain, and other possible, questions are and would be beyond the Executive power to adjust; as, for instance, the admission of members into Congress and whatever might require the appropriation of money. The Executive power itself would be greatly diminished by the cessation of actual war. Pardons and remissions of forfeitures, however, would still be within Executive control. In what spirit and temper this control would be exercised can be fairly judged of by the past.

A year ago general pardon and amnesty, upon specified terms, were offered to all except certain designated classes, and it was at the same time made known that the excepted classes were still within contemplation of special clemency. During the year many availed themselves of the general provision, and many more would, only that the signs of bad faith in some led to such precautionary measures as rendered the practical process less easy and certain. During the same time also special pardons have been granted to individuals of the excepted classes, and no voluntary application has been denied. Thus practically the door has been for a full year open to all except such as were not in condition to make free choice; that is, such as were in custody or under constraint. It is still so open to all. But the time may come, probably will come, when public duty shall demand that it be closed and that in lieu more rigorous measures than heretofore shall be adopted. In presenting the abandonment of armed resistance to the national authority on the part of the insurgents as the only indispensable condition to ending the war on the part of the Government, I retract nothing heretofore said as to slavery. I repeat the declaration made a year a ago, that “while I remain in my present position I shall not attempt to retract or modify the emancipation proclamation, nor shall I return to slavery any person who is free by the terms of that proclamation or by any of the acts of Congress.” If the people should, by whatever mode or means, make it an Executive duty to re-enslave such persons, another, and not I, must be their instrument to perform it. In stating a single condition of peace I mean simply to say that the war will cease on the part of the Government whenever it shall have ceased on the part of those who began it.

Page 1068

State — 1860 — 1864

California — 118,840 — 110,000

Connecticut — 77,246 — 86,616

Delaware — 16,039 — 16,924

Illinois — 339,693 — 348,235

Indiana — 272,143 — 280,645

Iowa — 128,331 — 143,331

Kentucky — 146,216 — 91,300

Maine — 97,918 — 115,141

Maryland — 92,502 — 72,703

Massachusetts — 169,533 — 175,487

Michigan — 154,747 — 162,413

Minnesota — 34,799 — 42,534

Missouri — 165,538 — 90,000

New Hampshire — 65,953 — 69,111

New Jersey — 121,125 — 128,680

New York — 675,156 — 730,664

Ohio — 42,441 — 470,745

Oregon — 14,410 — 14,410+

Pennsylvania — 476,442 — 572,697

Rhode Island — 19,931 — 22,187

Vermont — 42,844 — 55,811

West Virginia — 46,195 — 33,874

Wisconsin — 152,180 — 148,513 —

***

State of the Union Address
Andrew Johnson
December 4, 1865

Fellow-Citizens of the Senate and House of Representatives:

To express gratitude to God in the name of the people for the preservation of the United States is my first duty in addressing you. Our thoughts next revert to the death of the late President by an act of parricidal treason. The grief of the nation is still fresh. It finds some solace in the consideration that he lived to enjoy the highest proof of its confidence by entering on the renewed term of the Chief Magistracy to which he had been elected; that he brought the civil war substantially to a close; that his loss was deplored in all parts of the Union, and that foreign nations have rendered justice to his memory. His removal cast upon me a heavier weight of cares than ever devolved upon any one of his predecessors. To fulfill my trust I need the support and confidence of all who are associated with me in the various departments of Government and the support and confidence of the people. There is but one way in which I can hope to gain their necessary aid. It is to state with frankness the principles which guide my conduct, and their application to the present state of affairs, well aware that the efficiency of my labors will in a great measure depend on your and their undivided approbation.

The Union of the United States of America was intended by its authors to last as long as the States themselves shall last. “The Union shall be perpetual” are the words of the Confederation. “To form a more perfect Union,” by an ordinance of the people of the United States, is the declared purpose of the Constitution. The hand of Divine Providence was never more plainly visible in the affairs of men than in the framing and the adopting of that instrument. It is beyond comparison the greatest event in American history, and, indeed, is it not of all events in modern times the most pregnant with consequences for every people of the earth? The

Page 1069

members of the Convention which prepared it brought to their work the experience of the Confederation, of their several States, and of other republican governments, old and new; but they needed and they obtained a wisdom superior to experience. And when for its validity it required the approval of a people that occupied a large part of a continent and acted separately in many distinct conventions, what is more wonderful than that, after earnest contention and long discussion, all feelings and all opinions were ultimately drawn in one way to its support? The Constitution to which life was thus imparted contains within itself ample resources for its own preservation. It has power to enforce the laws, punish treason, and insure domestic tranquillity. In case of the usurpation of the government of a State by one man or an oligarchy, it becomes a duty of the United States to make good the guaranty to that State of a republican form of government, and so to maintain the homogeneousness of all. Does the lapse of time reveal defects? A simple mode of amendment is provided in the Constitution itself, so that its conditions can always be made to conform to the requirements of advancing civilization. No room is allowed even for the thought of a possibility of its coming to an end. And these powers of self-preservation have always been asserted in their complete integrity by every patriotic Chief Magistrate by Jefferson and Jackson not less than by Washington and Madison. The parting advice of the Father of his Country, while yet President, to the people of the United States was that the free Constitution, which was the work of their hands, might be sacredly maintained; and the inaugural words of President Jefferson held up “the preservation of the General Government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad.” The Constitution is the work of “the people of the United States,” and it should be as indestructible as the people.

It is not strange that the framers of the Constitution, which had no model in the past, should not have fully comprehended the excellence of their own work. Fresh from a struggle against arbitrary power, many patriots suffered from harassing fears of an absorption of the State governments by the General Government, and many from a dread that the States would break away from their orbits. But the very greatness of our country should allay the apprehension of encroachments by the General Government. The subjects that come unquestionably within its jurisdiction are so numerous that it must ever naturally refuse to be embarrassed by questions that lie beyond it. Were it otherwise the Executive would sink beneath the burden, the channels of justice would be choked, legislation would be obstructed by excess, so that there is a greater temptation to exercise some of the functions of the General Government through the States than to trespass on their rightful sphere. The “absolute acquiescence in the decisions of the majority” was at the beginning of the century enforced by Jefferson as “the vital principle of republics;” and the events of the last four years have established, we will hope forever, that there lies no appeal to force.

Page 1070

The maintenance of the Union brings with it “the support of the State governments in all their rights,” but it is not one of the rights of any State government to renounce its own place in the Union or to nullify the laws of the Union. The largest liberty is to be maintained in the discussion of the acts of the Federal Government, but there is no appeal from its laws except to the various branches of that Government itself, or to the people, who grant to the members of the legislative and of the executive departments no tenure but a limited one, and in that manner always retain the powers of redress.

“The sovereignty of the States” is the language of the Confederacy, and not the language of the Constitution. The latter contains the emphatic words—This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States, shall be the supreme law of the land, and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding. Certainly the Government of the United States is a limited government, and so is every State government a limited government. With us this idea of limitation spreads through every form of administration—general, State, and municipal—and rests on the great distinguishing principle of the recognition of the rights of man. The ancient republics absorbed the individual in the state—prescribed his religion and controlled his activity. The American system rests on the assertion of the equal right of every man to life, liberty, and the pursuit of happiness, to freedom of conscience, to the culture and exercise of all his faculties. As a consequence the State government is limited—as to the General Government in the interest of union, as to the individual citizen in the interest of freedom.

States, with proper limitations of power, are essential to the existence of the Constitution of the United States. At the very commencement, when we assumed a place among the powers of the earth, the Declaration of Independence was adopted by States; so also were the Articles of Confederation: and when “the people of the United States” ordained and established the Constitution it was the assent of the States, one by one, which gave it vitality. In the event, too, of any amendment to the Constitution, the proposition of Congress needs the confirmation of States. Without States one great branch of the legislative government would be wanting. And if we look beyond the letter of the Constitution to the character of our country, its capacity for comprehending within its jurisdiction a vast continental empire is due to the system of States. The best security for the perpetual existence of the States is the “supreme authority” of the Constitution of the United States. The perpetuity of the Constitution brings with it the perpetuity of the States; their mutual relation makes us what we are, and in our political system their connection is indissoluble. The whole can not exist without the parts, nor the parts without the whole. So long as the Constitution of the United States endures, the States will endure. The destruction of the one is the destruction of the other; the preservation of the one is the preservation of the other.

Page 1071

I have thus explained my views of the mutual relations of the Constitution and the States, because they unfold the principles on which I have sought to solve the momentous questions and overcome the appalling difficulties that met me at the very commencement of my Administration. It has been my steadfast object to escape from the sway of momentary passions and to derive a healing policy from the fundamental and unchanging principles of the Constitution.

I found the States suffering from the effects of a civil war. Resistance to the General Government appeared to have exhausted itself. The United States had recovered possession of their forts and arsenals, and their armies were in the occupation of every State which had attempted to secede. Whether the territory within the limits of those States should be held as conquered territory, under military authority emanating from the President as the head of the Army, was the first question that presented itself for decision.

Now military governments, established for an indefinite period, would have offered no security for the early suppression of discontent, would have divided the people into the vanquishers and the vanquished, and would have envenomed hatred rather than have restored affection. Once established, no precise limit to their continuance was conceivable. They would have occasioned an incalculable and exhausting expense. Peaceful emigration to and from that portion of the country is one of the best means that can be thought of for the restoration of harmony, and that emigration would have been prevented; for what emigrant from abroad, what industrious citizen at home, would place himself willingly under military rule? The chief persons who would have followed in the train of the Army would have been dependents on the General Government or men who expected profit from the miseries of their erring fellow-citizens. The powers of patronage and rule which would have been exercised under the President, over a vast and populous and naturally wealthy region are greater than, unless under extreme necessity, I should be willing to intrust to any one man. They are such as, for myself, I could never, unless on occasions of great emergency, consent to exercise. The willful use of such powers, if continued through a period of years, would have endangered the purity of the general administration and the liberties of the States which remained loyal.

Besides, the policy of military rule over a conquered territory would have implied that the States whose inhabitants may have taken part in the rebellion had by the act of those inhabitants ceased to exist. But the true theory is that all pretended acts of secession were from the beginning null and void. The States can not commit treason nor screen the individual citizens who may have committed treason any more than they can make valid treaties or engage in lawful commerce with any foreign power. The States attempting to secede placed themselves in a condition where their vitality was impaired, but not extinguished; their functions suspended, but not destroyed.

Page 1072

But if any State neglects or refuses to perform its offices there is the more need that the General Government should maintain all its authority and as soon as practicable resume the exercise of all its functions. On this principle I have acted, and have gradually and quietly, and by almost imperceptible steps, sought to restore the rightful energy of the General Government and of the States. To that end provisional governors have been appointed for the States, conventions called, governors elected, legislatures assembled, and Senators and Representatives chosen to the Congress of the United States. At the same time the courts of the United States, as far as could be done, have been reopened, so that the laws of the United States may be enforced through their agency. The blockade has been removed and the custom-houses reestablished in ports of entry, so that the revenue of the United States may be collected. The Post-Office Department renews its ceaseless activity, and the General Government is thereby enabled to communicate promptly with its officers and agents. The courts bring security to persons and property; the opening of the ports invites the restoration of industry and commerce; the post-office renews the facilities of social intercourse and of business. And is it not happy for us all that the restoration of each one of these functions of the General Government brings with it a blessing to the States over which they are extended? Is it not a sure promise of harmony and renewed attachment to the Union that after all that has happened the return of the General Government is known only as a beneficence?

I know very well that this policy is attended with some risk; that for its success it requires at least the acquiescence of the States which it concerns; that it implies an invitation to those States, by renewing their allegiance to the United States, to resume their functions as States of the Union. But it is a risk that must be taken. In the choice of difficulties it is the smallest risk; and to diminish and if possible to remove all danger, I have felt it incumbent on me to assert one other power of the General Government—the power of pardon. As no State can throw a defense over the crime of treason, the power of pardon is exclusively vested in the executive government of the United States. In exercising that power I have taken every precaution to connect it with the clearest recognition of the binding force of the laws of the United States and an unqualified acknowledgment of the great social change of condition in regard to slavery which has grown out of the war.

Page 1073

The next step which I have taken to restore the constitutional relations of the States has been an invitation to them to participate in the high office of amending the Constitution. Every patriot must wish for a general amnesty at the earliest epoch consistent with public safety. For this great end there is need of a concurrence of all opinions and the spirit of mutual conciliation. All parties in the late terrible conflict must work together in harmony. It is not too much to ask, in the name of the whole people, that on the one side the plan of restoration shall proceed in conformity with a willingness to cast the disorders of the past into oblivion, and that on the other the evidence of sincerity in the future maintenance of the Union shall be put beyond any doubt by the ratification of the proposed amendment to the Constitution, which provides for the abolition of slavery forever within the limits of our country. So long as the adoption of this amendment is delayed, so long will doubt and jealousy and uncertainty prevail. This is the measure which will efface the sad memory of the past; this is the measure which will most certainly call population and capital and security to those parts of the Union that need them most. Indeed, it is not too much to ask of the States which are now resuming their places in the family of the Union to give this pledge of perpetual loyalty and peace. Until it is done the past, however much we may desire it, will not be forgotten, The adoption of the amendment reunites us beyond all power of disruption; it heals the wound that is still imperfectly closed: it removes slavery, the element which has so long perplexed and divided the country; it makes of us once more a united people, renewed and strengthened, bound more than ever to mutual affection and support.

The amendment to the Constitution being adopted, it would remain for the States whose powers have been so long in abeyance to resume their places in the two branches of the National Legislature, and thereby complete the work of restoration. Here it is for you, fellow-citizens of the Senate, and for you, fellow-citizens of the House of Representatives, to judge, each of you for yourselves, of the elections, returns, and qualifications of your own members.

The full assertion of the powers of the General Government requires the holding of circuit courts of the United States within the districts where their authority has been interrupted. In the present posture of our public affairs strong objections have been urged to holding those courts in any of the States where the rebellion has existed; and it was ascertained by inquiry, that the circuit court of the United States would not be held within the district of Virginia during the autumn or early winter, nor until Congress should have “an opportunity to consider and act on the whole subject.” To your deliberations the restoration of this branch of the civil authority of the United States is therefore necessarily referred,

Page 1074

with the hope that early provision will be made for the resumption of all its functions. It is manifest that treason, most flagrant in character, has been committed. Persons who are charged with its commission should have fair and impartial trials in the highest civil tribunals of the country, in order that the Constitution and the laws may be fully vindicated, the truth dearly established and affirmed that treason is a crime, that traitors should be punished and the offense made infamous, and, at the same time, that the question may be judicially settled, finally and forever, that no State of its own will has the right to renounce its place in the Union.

The relations of the General Government toward the 4,000,000 inhabitants whom the war has called into freedom have engaged my most serious consideration. On the propriety of attempting to make the freedmen electors by the proclamation of the Executive I took for my counsel the Constitution itself, the interpretations of that instrument by its authors and their contemporaries, and recent legislation by Congress. When, at the first movement toward independence, the Congress of the United States instructed the several States to institute governments of their own, they left each State to decide for itself the conditions for the enjoyment of the elective franchise. During the period of the Confederacy there continued to exist a very great diversity in the qualifications of electors in the several States, and even within a State a distinction of qualifications prevailed with regard to the officers who were to be chosen. The Constitution of the United States recognizes these diversities when it enjoins that in the choice of members of the House of Representatives of the United States “the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.” After the formation of the Constitution it remained, as before, the uniform usage for each State to enlarge the body of its electors according to its own judgment, and under this system one State after another has proceeded to increase the number of its electors, until now universal suffrage, or something very near it, is the general rule. So fixed was this reservation of power in the habits of the people and so unquestioned has been the interpretation of the Constitution that during the civil war the late President never harbored the purpose—certainly never avowed the purpose—of disregarding it; and in the acts of Congress during that period nothing can be found which, during the continuance of hostilities much less after their close, would have sanctioned any departure by the Executive from a policy which has so uniformly obtained. Moreover, a concession of the elective franchise to the freedmen by act of the President of the United States must have been extended to all colored men, wherever found, and so must have established a change of suffrage in the Northern, Middle, and Western States, not less than in the Southern and Southwestern. Such an act would have created a new class of voters, and would have been an assumption of power by the President which nothing in the Constitution or laws of the United States would have warranted.

Page 1075

On the other hand, every danger of conflict is avoided when the settlement of the question is referred to the several States. They can, each for itself, decide on the measure, and whether it is to be adopted at once and absolutely or introduced gradually and with conditions. In my judgment the freedmen, if they show patience and manly virtues, will sooner obtain a participation in the elective franchise through the States than through the General Government, even if it had power to intervene. When the tumult of emotions that have been raised by the suddenness of the social change shall have subsided, it may prove that they will receive the kindest usage from some of those on whom they have heretofore most closely depended.

But while I have no doubt that now, after the close of the war, it is not competent for the General Government to extend the elective franchise in the several States, it is equally clear that good faith requires the security of the freedmen in their liberty and their property, their right to labor, and their right to claim the just return of their labor. I can not too strongly urge a dispassionate treatment of this subject, which should be carefully kept aloof from all party strife. We must equally avoid hasty assumptions of any natural impossibility for the two races to live side by side in a state of mutual benefit and good will. The experiment involves us in no inconsistency; let us, then, go on and make that experiment in good faith, and not be too easily disheartened. The country is in need of labor, and the freedmen are in need of employment, culture, and protection. While their right of voluntary migration and expatriation is not to be questioned, I would not advise their forced removal and colonization. Let us rather encourage them to honorable and useful industry, where it may be beneficial to themselves and to the country; and, instead of hasty anticipations of the certainty of failure, let there be nothing wanting to the fair trial of the experiment. The change in their condition is the substitution of labor by contract for the status of slavery. The freedman can not fairly be accused of unwillingness to work so long as a doubt remains about his freedom of choice in his pursuits and the certainty of his recovering his stipulated wages. In this the interests of the employer and the employed coincide. The employer desires in his workmen spirit and alacrity, and these can be permanently secured in no other way. And if the one ought to be able to enforce the contract, so ought the other. The public interest will be best promoted if the several States will provide adequate protection and remedies for the freedmen. Until this is in some way accomplished there is no chance for the advantageous use of their labor, and the blame of ill success will not rest on them.

Page 1076

I know that sincere philanthropy is earnest for the immediate realization of its remotest aims; but time is always an element in reform. It is one of the greatest acts on record to have brought 4,000,000 people into freedom. The career of free industry must be fairly opened to them, and then their future prosperity and condition must, after all, rest mainly on themselves. If they fail, and so perish away, let us be careful that the failure shall not be attributable to any denial of justice. In all that relates to the destiny of the freedmen we need not be too anxious to read the future; many incidents which, from a speculative point of view, might raise alarm will quietly settle themselves. Now that slavery is at an end, or near its end, the greatness of its evil in the point of view of public economy becomes more and more apparent. Slavery was essentially a monopoly of labor, and as such locked the States where it prevailed against the incoming of free industry. Where labor was the property of the capitalist, the white man was excluded from employment, or had but the second best chance of finding it; and the foreign emigrant turned away from the region where his condition would be so precarious. With the destruction of the monopoly free labor will hasten from all pans of the civilized world to assist in developing various and immeasurable resources which have hitherto lain dormant. The eight or nine States nearest the Gulf of Mexico have a soil of exuberant fertility, a climate friendly to long life, and can sustain a denser population than is found as yet in any part of our country. And the future influx of population to them will be mainly from the North or from the most cultivated nations in Europe. From the sufferings that have attended them during our late struggle let us look away to the future, which is sure to be laden for them with greater prosperity than has ever before been known. The removal of the monopoly of slave labor is a pledge that those regions will be peopled by a numerous and enterprising population, which will vie with any in the Union in compactness, inventive genius, wealth, and industry.

Our Government springs from and was made for the people—not the people for the Government. To them it owes allegiance; from them it must derive its courage, strength, and wisdom. But while the Government is thus bound to defer to the people, from whom it derives its existence, it should, from the very consideration of its origin, be strong in its power of resistance to the establishment of inequalities. Monopolies, perpetuities, and class legislation are contrary to the genius of free government, and ought not to be allowed. Here there is no room for favored classes or monopolies; the principle of our Government is that of equal laws and freedom of industry. Wherever monopoly attains a foothold, it is sure to be a source of danger, discord, and trouble. We shall but fulfill our duties as legislators by according “equal and exact justice to all men,” special privileges to none. The Government is subordinate to the people; but, as the agent and representative of the people, it must be held superior to monopolies, which in themselves ought never to be granted, and which, where they exist, must be subordinate and yield to the Government.

Page 1077

The Constitution confers on Congress the right to regulate commerce among the several States. It is of the first necessity, for the maintenance of the Union, that that commerce should be free and unobstructed. No State can be justified in any device to tax the transit of travel and commerce between States. The position of many States is such that if they were allowed to take advantage of it for purposes of local revenue the commerce between States might be injuriously burdened, or even virtually prohibited. It is best, while the country is still young and while the tendency to dangerous monopolies of this kind is still feeble, to use the power of Congress so as to prevent any selfish impediment to the free circulation of men and merchandise. A tax on travel and merchandise in their transit constitutes one of the worst forms of monopoly, and the evil is increased if coupled with a denial of the choice of route. When the vast extent of our country is considered, it is plain that every obstacle to the free circulation of commerce between the States ought to be sternly guarded against by appropriate legislation within the limits of the Constitution.

The report of the Secretary of the Interior explains the condition of the public lands, the transactions of the Patent Office and the Pension Bureau, the management of our Indian affairs, the progress made in the construction of the Pacific Railroad, and furnishes information in reference to matters of local interest in the District of Columbia. It also presents evidence of the successful operation of the homestead act, under the provisions of which 1,160,533 acres of the public lands were entered during the last fiscal year—more than one-fourth of the whole number of acres sold or otherwise disposed of during that period. It is estimated that the receipts derived from this source are sufficient to cover the expenses incident to the survey and disposal of the lands entered under this act, and that payments in cash to the extent of from 40 to 50 per cent will be made by settlers who may thus at any time acquire title before the expiration of the period at which it would otherwise vest. The homestead policy was established only after long and earnest resistance; experience proves its wisdom. The lands in the hands of industrious settlers, whose labor creates wealth and contributes to the public resources, are worth more to the United States than if they had been reserved as a solitude for future purchasers.

The lamentable events of the last four years and the sacrifices made by the gallant men of our Army and Navy have swelled the records of the Pension Bureau to an unprecedented extent. On the 30th day of June last the total number of pensioners was 85,986, requiring for their annual pay, exclusive of expenses, the sum of $8,023,445. The number of applications that have been allowed since that date will require a large increase of this amount for the next fiscal year. The means for the payment of the stipends due under existing laws to our disabled soldiers and sailors and to the families of such as have perished in the service of the country will no doubt be cheerfully and promptly granted. A grateful people will not hesitate to sanction any measures having for their object the relief of soldiers mutilated and families made fatherless in the efforts to preserve our national existence.

Page 1078

The report of the Postmaster-General presents an encouraging exhibit of the operations of the Post-Office Department during the year. The revenues of the past year, from the loyal States alone, exceeded the maximum annual receipts from all the States previous to the rebellion in the sum of $6,038,091; and the annual average increase of revenue during the last four years, compared with the revenues of the four years immediately preceding the rebellion, was $3,533,845. The revenues of the last fiscal year amounted to $14,556,158 and the expenditures to $13,694,728, leaving a surplus of receipts over expenditures of $861,430. Progress has been made in restoring the postal service in the Southern States. The views presented by the Postmaster-General against the policy of granting subsidies to the ocean mail steamship lines upon established routes and in favor of continuing the present system, which limits the compensation for ocean service to the postage earnings, are recommended to the careful consideration of Congress.

It appears from the report of the Secretary of the Navy that while at the commencement of the present year there were in commission 530 vessels of all classes and descriptions, armed with 3,000 guns and manned by 51,000 men, the number of vessels at present in commission is 117, with 830 guns and 12,128 men. By this prompt reduction of the naval forces the expenses of the Government have been largely diminished, and a number of vessels purchased for naval purposes from the merchant marine have been returned to the peaceful pursuits of commerce. Since the suppression of active hostilities our foreign squadrons have been reestablished, and consist of vessels much more efficient than those employed on similar service previous to the rebellion. The suggestion for the enlargement of the navy-yards, and especially for the establishment of one in fresh water for ironclad vessels, is deserving of consideration, as is also the recommendation for a different location and more ample grounds for the Naval Academy.

In the report of the Secretary of War a general summary is given of the military campaigns of 1864 and 1865, ending in the suppression of armed resistance to the national authority in the insurgent States. The operations of the general administrative bureaus of the War Department during the past year are detailed and an estimate made of the appropriations that will be required for military purposes in the fiscal year commencing the 1st day of July, 1866. The national military force on the 1st of May, 1865, numbered 1,000,516 men. It is proposed to reduce the military establishment to a peace footing, comprehending 50,000 troops of all arms, organized so as to admit of an enlargement by filling up the ranks to 82,600 if the circumstances of the country should require an augmentation of the Army. The volunteer force has already been reduced by the discharge from service of over 800,000 troops, and the Department is proceeding rapidly in the work

Page 1079

of further reduction. The war estimates are reduced from $516,240,131 to $33,814,461, which amount, in the opinion of the Department, is adequate for a peace establishment. The measures of retrenchment in each bureau and branch of the service exhibit a diligent economy worthy of commendation. Reference is also made in the report to the necessity of providing for a uniform militia system and to the propriety of making suitable provision for wounded and disabled officers and soldiers.

The revenue system of the country is a subject of vital interest to its honor and prosperity, and should command the earnest consideration of Congress. The Secretary of the Treasury will lay before you a full and detailed report of the receipts and disbursements of the last fiscal year, of the first quarter of the present fiscal year, of the probable receipts and expenditures for the other three quarters, and the estimates for the year following the 30th of June, 1866. I might content myself with a reference to that report, in which you will find all the information required for your deliberations and decision, but the paramount importance of the subject so presses itself on my own mind that I can not but lay before you my views of the measures which are required for the good character, and I might almost say for the existence, of this people. The life of a republic lies certainly in the energy, virtue, and intelligence of its citizens; but it is equally true that a good revenue system is the life of an organized government. I meet you at a time when the nation has voluntarily burdened itself with a debt unprecedented in our annals. Vast as is its amount, it fades away into nothing when compared with the countless blessings that will be conferred upon our country and upon man by the preservation of the nation's life. Now, on the first occasion of the meeting of Congress since the return of peace, it is of the utmost importance to inaugurate a just policy, which shall at once be put in motion, and which shall commend itself to those who come after us for its continuance. We must aim at nothing less than the complete effacement of the financial evils that necessarily followed a state of civil war. We must endeavor to apply the earliest remedy to the deranged state of the currency, and not shrink from devising a policy which, with-out being oppressive to the people, shall immediately begin to effect a reduction of the debt, and, if persisted in, discharge it fully within a definitely fixed number of years.

It is our first duty to prepare in earnest for our recovery from the ever-increasing evils of an irredeemable currency without a sudden revulsion, and yet without untimely procrastination. For that end we must each, in our respective positions, prepare the way. I hold it the duty of the Executive to insist upon frugality in the expenditures, and a sparing economy is itself a great national resource. Of the banks to which authority has been given to issue notes secured

Page 1080

by bonds of the United States we may require the greatest moderation and prudence, and the law must be rigidly enforced when its limits are exceeded. We may each one of us counsel our active and enterprising countrymen to be constantly on their guard, to liquidate debts contracted in a paper currency, and by conducting business as nearly as possible on a system of cash payments or short credits to hold themselves prepared to return to the standard of gold and silver. To aid our fellow-citizens in the prudent management of their monetary affairs, the duty devolves on us to diminish by law the amount of paper money now in circulation. Five years ago the bank-note circulation of the country amounted to not much more than two hundred millions; now the circulation, bank and national, exceeds seven hundred millions. The simple statement of the fact recommends more strongly than any words of mine could do the necessity of our restraining this expansion. The gradual reduction of the currency is the only measure that can save the business of the country from disastrous calamities, and this can be almost imperceptibly accomplished by gradually funding the national circulation in securities that may be made redeemable at the pleasure of the Government.

Our debt is doubly secure—first in the actual wealth and still greater undeveloped resources of the country, and next in the character of our institutions. The most intelligent observers among political economists have not failed to remark that the public debt of a country is safe in proportion as its people are free; that the debt of a republic is the safest of all. Our history confirms and establishes the theory, and is, I firmly believe, destined to give it a still more signal illustration. The secret of this superiority springs not merely from the fact that in a republic the national obligations are distributed more widely through countless numbers in all classes of society; it has its root in the character of our laws. Here all men contribute to the public welfare and bear their fair share of the public burdens. During the war, under the impulses of patriotism, the men of the great body of the people, without regard to their own comparative want of wealth, thronged to our armies and filled our fleets of war, and held themselves ready to offer their lives for the public good. Now, in their turn, the property and income of the country should bear their just proportion of the burden of taxation, while in our impost system, through means of which increased vitality is incidentally imparted to all the industrial interests of the nation, the duties should be so adjusted as to fall most heavily on articles of luxury leaving the necessaries of life as free from taxation as the absolute wants of the Government economically administered will justify. No favored class should demand freedom from assessment, and the taxes should be so distributed as not to fall unduly on the poor, but rather on the accumulated wealth of the country. We should look at the national debt just as it is—not as a national blessing, but as a heavy burden on the industry of the country, to be discharged without unnecessary delay.

Page 1081

It is estimated by the Secretary of the Treasury that the expenditures for the fiscal year ending the 30th of June, 1866, will exceed the receipts $112,194,947. It is gratifying, however, to state that it is also estimated that the revenue for the year ending the 30th of June, 1867, will exceed the expenditures in the sum of $111,682,818. This amount, or so much as may be deemed sufficient for the purpose, may be applied to the reduction of the public debt, which on the 31st day of October, 1865, was $2,740,854,750. Every reduction will diminish the total amount of interest to be paid, and so enlarge the means of still further reductions, until the whole shall be liquidated; and this, as will be seen from the estimates of the Secretary of the Treasury, may be accomplished by annual payments even within a period not exceeding thirty years. I have faith that we shall do all this within a reasonable time; that as we have amazed the world by the suppression of a civil war which was thought to be beyond the control of any government, so we shall equally show the superiority of our institutions by the prompt and faithful discharge of our national obligations.

The Department of Agriculture under its present direction is accomplishing much in developing and utilizing the vast agricultural capabilities of the country, and for information respecting the details of its management reference is made to the annual report of the Commissioner.

I have dwelt thus fully on our domestic affairs because of their transcendent importance. Under any circumstances our great extent of territory and variety of climate, producing almost everything that is necessary for the wants and even the comforts of man, make us singularly independent of the varying policy of foreign powers and protect us against every temptation to “entangling alliances,” while at the present moment the reestablishment of harmony and the strength that comes from harmony will be our best security against “nations who feel power and forget right.” For myself, it has been and it will be my constant aim to promote peace and amity with all foreign nations and powers, and I have every reason to believe that they all, without exception, are animated by the same disposition. Our relations with the Emperor of China, so recent in their origin, are most friendly. Our commerce with his dominions is receiving new developments, and it is very pleasing to find that the Government of that great Empire manifests satisfaction with our policy and reposes just confidence in the fairness which marks our intercourse. The unbroken harmony between the United States and the Emperor of Russia is receiving a new support from an enterprise designed to carry telegraphic lines across the continent of Asia, through his dominions, and so to connect us with all Europe by a new channel of intercourse. Our commerce with South America is about to receive encouragement by a direct line of mail steamships to the rising

Page 1082

Empire of Brazil. The distinguished party of men of science who have recently left our country to make a scientific exploration of the natural history and rivers and mountain ranges of that region have received from the Emperor that generous welcome which was to have been expected from his constant friendship for the United States and his well-known zeal in promoting the advancement of knowledge. A hope is entertained that our commerce with the rich and populous countries that border the Mediterranean Sea may be largely increased. Nothing will be wanting on the part of this Government to extend the protection of our flag over the enterprise of our fellow-citizens. We receive from the powers in that region assurances of good will; and it is worthy of note that a special envoy has brought us messages of condolence on the death of our late Chief Magistrate from the Bey of Tunis, whose rule includes the old dominions of Carthage, on the African coast.

Our domestic contest, now happily ended, has left some traces in our relations with one at least of the great maritime powers. The formal accordance of belligerent rights to the insurgent States was unprecedented, and has not been justified by the issue. But in the systems of neutrality pursued by the powers which made that concession there was a marked difference. The materials of war for the insurgent States were furnished, in a great measure, from the workshops of Great Britain, and British ships, manned by British subjects and prepared for receiving British armaments, sallied from the ports of Great Britain to make war on American commerce under the shelter of a commission from the insurgent States. These ships, having once escaped from British ports, ever afterwards entered them in every part of the world to refit, and so to renew their depredations. The consequences of this conduct were most disastrous to the States then in rebellion, increasing their desolation and misery by the prolongation of our civil contest. It had, moreover, the effect, to a great extent, to drive the American flag from the sea, and to transfer much of our shipping and our commerce to the very power whose subjects had created the necessity for such a change. These events took place before I was called to the administration of the Government. The sincere desire for peace by which I am animated led me to approve the proposal, already made, to submit the question which had thus arisen between the countries to arbitration. These questions are of such moment that they must have commanded the attention of the great powers, and are so interwoven with the peace and interests of every one of them as to have insured an impartial decision. I regret to inform you that Great Britain declined the arbitrament, but, on the other hand, invited us to the formation of a joint commission to settle mutual claims between the two countries, from which those for the depredations before mentioned should be excluded. The proposition, in that very unsatisfactory form, has been declined.

Page 1083

The United States did not present the subject as an impeachment of the good faith of a power which was professing the most friendly dispositions, but as involving questions of public law of which the settlement is essential to the peace of nations; and though pecuniary reparation to their injured citizens would have followed incidentally on a decision against Great Britain, such compensation was not their primary object. They had a higher motive, and it was in the interests of peace and justice to establish important principles of international law. The correspondence will be placed before you. The ground on which the British minister rests his justification is, substantially, that the municipal law of a nation and the domestic interpretations of that law are the measure of its duty as a neutral, and I feel bound to declare my opinion before you and before the world that that justification can not be sustained before the tribunal of nations. At the same time; I do not advise to any present attempt at redress by acts of legislation. For the future, friendship between the two countries must rest on the basis of mutual justice.

From the moment of the establishment of our free Constitution the civilized world has been convulsed by revolutions in the interests of democracy or of monarchy, but through all those revolutions the United States have wisely and firmly refused to become propagandists of republicanism. It is the only government suited to our condition; but we have never sought to impose it on others, and we have consistently followed the advice of Washington to recommend it only by the careful preservation and prudent use of the blessing. During all the intervening period the policy of European powers and of the United States has, on the whole, been harmonious. Twice, indeed, rumors of the invasion of some parts of America in the interest of monarchy have prevailed; twice my predecessors have had occasion to announce the views of this nation in respect to such interference. On both occasions the remonstrance of the United States was respected from a deep conviction on the part of European Governments that the system of noninterference and mutual abstinence from propagandism was the true rule for the two hemispheres. Since those times we have advanced in wealth and power, but we retain the same purpose to leave the nations of Europe to choose their own dynasties and form their own systems of government. This consistent moderation may justly demand a corresponding moderation. We should regard it as a great calamity to ourselves, to the cause of good government, and to the peace of the world should any European power challenge the American people, as it were, to the defense of republicanism against foreign interference. We can not foresee and are unwilling to consider what opportunities might present themselves, what combinations might offer to protect ourselves against designs inimical to our form of government. The United States desire to act in the future as they have ever acted heretofore; they never will be driven from that course but by the aggression of European powers, and we rely on the wisdom and justice of those powers to respect the system of noninterference which has so long been sanctioned by time, and which by its good results has approved itself to both continents.

Page 1084

The correspondence between the United States and France in reference to questions which have become subjects of discussion between the two Governments will at a proper time be laid before Congress.

When, on the organization of our Government under the Constitution, the President of the United States delivered his inaugural address to the two Houses of Congress, he said to them, and through them to the country and to mankind, that—The preservation of the sacred fire of liberty and the destiny of the republican model of government are justly considered, perhaps, as deeply, as finally, staked on the experiment intrusted to the hands of the American people. And the House of Representatives answered Washington by the voice of Madison: We adore the Invisible Hand which has led the American people, through so many difficulties, to cherish a conscious responsibility for the destiny of republican liberty. More than seventy-six years have glided away since these words were spoken; the United States have passed through severer trials than were foreseen; and now, at this new epoch in our existence as one nation, with our Union purified by sorrows and strengthened by conflict and established by the virtue of the people, the greatness of the occasion invites us once more to repeat with solemnity the pledges of our fathers to hold ourselves answerable before our fellow-men for the success of the republican form of government. Experience has proved its sufficiency in peace and in war; it has vindicated its authority through dangers and afflictions, and sudden and terrible emergencies, which would have crushed any system that had been less firmly fixed in the hearts of the people. At the inauguration of Washington the foreign relations of the country were few and its trade was repressed by hostile regulations; now all the civilized nations of the globe welcome our commerce, and their governments profess toward us amity. Then our country felt its way hesitatingly along an untried path, with States so little bound together by rapid means of communication as to be hardly known to one another, and with historic traditions extending over very few years; now intercourse between the States is swift and intimate; the experience of centuries has been crowded into a few generations, and has created an intense, indestructible nationality. Then our jurisdiction did not reach beyond the inconvenient boundaries of the territory which had achieved independence; now, through cessions of lands, first colonized by Spain and France, the country has acquired a more complex character, and has for its natural limits the chain of lakes, the Gulf of Mexico, and on the east and the west the two great oceans. Other nations were wasted by civil wars for ages before they could establish for themselves the necessary degree of unity; the latent conviction that our form of government is the best ever known to the world has enabled us to emerge from civil war within four years with a complete vindication of the constitutional authority of the General Government and with our local liberties and State institutions unimpaired.

Page 1085

The throngs of emigrants that crowd to our shores are witnesses of the confidence of all peoples in our permanence. Here is the great land of free labor, where industry is blessed with unexampled rewards and the bread of the workingman is sweetened by the consciousness that the cause of the country "is his own cause, his own safety, his own dignity." Here everyone enjoys the free use of his faculties and the choice of activity as a natural right. Here, under the combined influence of a fruitful soil, genial climes, and happy institutions, population has increased fifteen-fold within a century. Here, through the easy development of boundless resources, wealth has increased with twofold greater rapidity than numbers, so that we have become secure against the financial vicissitudes of other countries and, alike in business and in opinion, are self-centered and truly independent. Here more and more care is given to provide education for everyone born on our soil. Here religion, released from political connection with the civil government, refuses to subserve the craft of statesmen, and becomes in its independence the spiritual life of the people. Here toleration is extended to every opinion, in the quiet certainty that truth needs only a fair field to secure the victory. Here the human mind goes forth unshackled in the pursuit of science, to collect stores of knowledge and acquire an ever-increasing mastery over the forces of nature. Here the national domain is offered and held in millions of separate freeholds, so that our fellow-citizens, beyond the occupants of any other part of the earth, constitute in reality a people. Here exists the democratic form of government; and that form of government, by the confession of European statesmen, "gives a power of which no other form is capable, because it incorporates every man with the state and arouses everything that belongs to the soul."

Where in past history does a parallel exist to the public happiness which is within the reach of the people of the United States? Where in any part of the globe can institutions be found so suited to their habits or so entitled to their love as their own free Constitution? Every one of them, then, in whatever part of the land he has his home, must wish its perpetuity. Who of them will not now acknowledge, in the words of Washington, that "every step by which the people of the United States have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency"? Who will not join with me in the prayer that the Invisible Hand which has led us through the clouds that gloomed around our path will so guide us onward to a perfect restoration of fraternal affection that we of this day may be able to transmit our great inheritance of State governments in all their rights, of the General Government in its whole constitutional vigor, to our posterity, and they to theirs through countless generations?

Page 1086

***

State of the Union Address
Andrew Johnson
December 3, 1866

Fellow-Citizens of the Senate and House of Representatives:

After a brief interval the Congress of the United States resumes its annual legislative labors. An all-wise and merciful Providence has abated the pestilence which visited our shores, leaving its calamitous traces upon some portions of our country. Peace, order, tranquillity, and civil authority have been formally declared to exist throughout the whole of the United States. In all of the States civil authority has superseded the coercion of arms, and the people, by their voluntary action, are maintaining their governments in full activity and complete operation. The enforcement of the laws is no longer “obstructed in any State by combinations too powerful to be suppressed by the ordinary course of judicial proceedings,” and the animosities engendered by the war are rapidly yielding to the beneficent influences of our free institutions and to the kindly effects of unrestricted social and commercial intercourse. An entire restoration of fraternal feeling must be the earnest wish of every patriotic heart; and we will have accomplished our grandest national achievement when, forgetting the sad events of the past and remembering only their instructive lessons, we resume our onward career as a free, prosperous, and united people.

In my message of the 4th of December, 1865, Congress was informed of the measures which had been instituted by the Executive with a view to the gradual restoration of the States in which the insurrection occurred to their relations with the General Government. Provisional governors had been appointed, conventions called, governors elected, legislatures assembled, and Senators and Representatives chosen to the Congress of the United States. Courts had been opened for the enforcement of laws long in abeyance. The blockade had been removed, custom-houses reestablished, and the internal-revenue laws put in force, in order that the people might contribute to the national income. Postal operations had been renewed, and efforts were being made to restore them to their former condition of efficiency. The States themselves had been asked to take Dart in the high function of amending the Constitution, and of thus sanctioning the extinction of African slavery as one of the legitimate results of our internecine struggle.

Having progressed thus far, the executive department found that it had accomplished nearly all that was within the scope of its constitutional authority. One thing, however, yet remained to be done before the work of restoration could be completed, and that was the admission to Congress of loyal Senators and Representatives from the States whose people had rebelled against the lawful authority of the General Government. This question devolved upon the respective Houses, which by the Constitution are

made the judges of the elections, returns, and qualifications of their own members, and its consideration at once engaged the attention of Congress.

Page 1087

In the meantime the executive department—no other plan having been proposed by Congress—continued its efforts to perfect, as far as was practicable, the restoration of the proper relations between the citizens of the respective States, the States, and the Federal Government, extending from time to time, as the public interests seemed to require, the judicial, revenue, and postal systems of the country. With the advice and consent of the Senate, the necessary officers were appointed and appropriations made by Congress for the payment of their salaries. The proposition to amend the Federal Constitution, so as to prevent the existence of slavery within the United States or any place subject to their jurisdiction, was ratified by the requisite number of States, and on the 18th day of December, 1865, it was officially declared to have become valid as a part of the Constitution of the United States. All of the States in which the insurrection had existed promptly amended their constitutions so as to make them conform to the great change thus effected in the organic law of the land; declared null and void all ordinances and laws of secession; repudiated all pretended debts and obligations created for the revolutionary purposes of the insurrection, and proceeded in good faith to the enactment of measures for the protection and amelioration of the condition of the colored race. Congress, however, yet hesitated to admit any of these States to representation, and it was not until toward the close of the eighth month of the session that an exception was made in favor of Tennessee by the admission of her Senators and Representatives.

I deem it a subject of profound regret that Congress has thus far failed to admit to seats loyal Senators and Representatives from the other States whose inhabitants, with those of Tennessee, had engaged in the rebellion. Ten States—more than one-fourth of the whole number—remain without representation; the seats of fifty members in the House of Representatives and of twenty members in the Senate are yet vacant, not by their own consent, not by a failure of election, but by the refusal of Congress to accept their credentials. Their admission, it is believed, would have accomplished much toward the renewal and strengthening of our relations as one people and removed serious cause for discontent on the part of the inhabitants of those States. It would have accorded with the great principle enunciated in the Declaration of American Independence that no people ought to bear the burden of taxation and yet be denied the right of representation. It would have been in consonance with the express provisions of the Constitution that “each State shall have at least one Representative” and “that no State, without its consent, shall be deprived of its equal suffrage in the Senate.” These provisions were intended to secure to every State and to the people of every State the right of representation in each House of Congress; and so important was it deemed by the framers of the Constitution that the equality of the States in the Senate should be preserved that not even by an amendment of the Constitution can any State, without its consent, be denied a voice in that branch of the National Legislature.

Page 1088

It is true it has been assumed that the existence of the States was terminated by the rebellious acts of their inhabitants, and that, the insurrection having been suppressed, they were thenceforward to be considered merely as conquered territories. The legislative, executive, and judicial departments of the Government have, however, with Heat distinctness and uniform consistency, refused to sanction an assumption so incompatible with the nature of our republican system and with the professed objects of the war. Throughout the recent legislation of Congress the undeniable fact makes itself apparent that these ten political communities are nothing less than States of this Union. At the very commencement of the rebellion each House declared, with a unanimity as remarkable as it was significant, that the war was not “waged upon our part in any spirit of oppression, nor for any purpose of conquest or subjugation, nor purpose of overthrowing or interfering with the rights or established institutions of those States, but to defend and maintain the supremacy of the Constitution and all laws made in pursuance thereof, and to preserve the Union, with all the dignity, equality, and rights of the several States unimpaired; and that as soon as these objects” were “accomplished the war ought to cease.” In some instances Senators were permitted to continue their legislative functions, while in other instances Representatives were elected and admitted to seats after their States had formally declared their right to withdraw from the Union and were endeavoring to maintain that right by force of arms. All of the States whose people were in insurrection, as States, were included in the apportionment of the direct tax of $20,000,000 annually laid upon the United States by the act approved 5th August, 1861. Congress, by the act of March 4, 1862, and by the apportionment of representation thereunder also recognized their presence as States in the Union; and they have, for judicial purposes, been divided into districts, as States alone can be divided. The same recognition appears in the recent legislation in reference to Tennessee, which evidently rests upon the fact that the functions of the State were not destroyed by the rebellion, but merely suspended; and that principle is of course applicable to those States which, like Tennessee, attempted to renounce their places in the Union.

The action of the executive department of the Government upon this subject has been equally definite and uniform, and the purpose of the war was specifically stated in the proclamation issued by my predecessor on the 22d day of September, 1862. It was then solemnly proclaimed and declared “that hereafter, as heretofore, the war will be prosecuted for the object of practically restoring the constitutional relation between the United States and each of the States and the people thereof in which States that relation is or may be suspended or disturbed.”

Page 1089

The recognition of the States by the judicial department of the Government has also been dear and conclusive in all proceedings affecting them as States had in the Supreme, circuit, and district courts. In the admission of Senators and Representatives from any and all of the States there can be no just ground of apprehension that persons who are disloyal will be clothed with the powers of legislation, for this could not happen when the Constitution and the laws are enforced by a vigilant and faithful Congress. Each House is made the "judge of the elections, returns, and qualifications of its own members," and may, "with the concurrence of two-thirds, expel a member." When a Senator or Representative presents his certificate of election, he may at once be admitted or rejected; or, should there be any question as to his eligibility, his credentials may be referred for investigation to the appropriate committee. If admitted to a seat, it must be upon evidence satisfactory to the House of which he thus becomes a member that he possesses the requisite constitutional and legal qualifications. If refused admission as a member for want of due allegiance to the Government and returned to his constituents, they are admonished that none but persons loyal to the United States will be allowed a voice in the legislative councils of the nation, and the political power and moral influence of Congress are thus effectively exerted in the interests of loyalty to the Government and fidelity to the Union. Upon this question, so vitally affecting the restoration of the Union and the permanency of our present form of government, my convictions, heretofore expressed, have undergone no change, but, on the contrary, their correctness has been confirmed by reflection and time. If the admission of loyal members to seats in the respective Houses of Congress was wise and expedient a year ago, it is no less wise and expedient now. If this anomalous condition is right now—if in the exact condition of these States at the present time it is lawful to exclude them from representation—I do not see that the question will be changed by the efflux of time. Ten years hence, if these States remain as they are, the right of representation will be no stronger, the right of exclusion will be no weaker.

The Constitution of the United States makes it the duty of the President to recommend to the consideration of Congress "such measures as he shall judge necessary and expedient." I know of no measure more imperatively demanded by every consideration of national interest, sound policy, and equal justice than the admission of loyal members from the now unrepresented States. This would consummate the work of restoration and exert a most salutary influence in the reestablishment of peace, harmony, and fraternal feeling. It would tend greatly to renew the confidence of the American people in the vigor and stability of their institutions. It would bind us more closely together as a nation

Page 1090

and enable us to show to the world the inherent and recuperative power of a government founded upon the will of the people and established upon the principles of liberty, justice, and intelligence. Our increased strength and enhanced prosperity would irrefragably demonstrate the fallacy of the arguments against free institutions drawn from our recent national disorders by the enemies of republican government. The admission of loyal members from the States now excluded from Congress, by allaying doubt and apprehension, would turn capital now awaiting an opportunity for investment into the channels of trade and industry. It would alleviate the present troubled condition of those States, and by inducing emigration aid in the settlement of fertile regions now uncultivated and lead to an increased production of those staples which have added so greatly to the wealth of the nation and commerce of the world. New fields of enterprise would be opened to our progressive people and soon the devastations of war would be repaired and all traces of our domestic differences effaced from the minds of our countrymen.

In our efforts to preserve “the unity of government which constitutes as one people” by restoring the States to the condition which they held prior to the rebellion, we should be cautious, lest, having rescued our nation from perils of threatened disintegration, we resort to consolidation, and in the end absolute despotism, as a remedy for the recurrence of similar troubles. The war having terminated, and with it all occasion for the exercise of powers of doubtful constitutionality, we should hasten to bring legislation within the boundaries prescribed by the Constitution and to return to the ancient landmarks established by our fathers for the guidance of succeeding generations. The constitution which at any time exists till changed by an explicit and authentic act of the whole people is sacredly obligatory upon all. If in the opinion of the people the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates; but let there be no change by usurpation, for it is the customary weapon by which free governments are destroyed. Washington spoke these words to his countrymen when, followed by their love and gratitude, he voluntarily retired from the cares of public life. “To keep in all things within the pale of our constitutional powers and cherish the Federal Union as the only rock of safety” were prescribed by Jefferson as rules of action to endear to his “countrymen the true principles of their Constitution and promote a union of sentiment and action, equally auspicious to their happiness and safety.” Jackson held that the action of the General Government should always be strictly confined to the sphere of its appropriate duties, and justly and forcibly urged that our Government is not to be maintained nor our Union preserved “by

Page 1091

invasions of the rights and powers of the several States. In thus attempting to make our General Government strong we make it weak. Its true strength consists in leaving individuals and States as much as possible to themselves; in making itself felt, not in its power, but in its beneficence; not in its control, but in its protection; not in binding the States more closely to the center, but leaving each to move unobstructed in its proper constitutional orbit." These are the teachings of men whose deeds and services have made them illustrious, and who, long since withdrawn from the scenes of life, have left to their country the rich legacy of their example, their wisdom, and their patriotism. Drawing fresh inspiration from their lessons, let us emulate them in love of country and respect for the Constitution and the laws.

The report of the Secretary of the Treasury affords much information respecting the revenue and commerce of the country. His views upon the currency and with reference to a proper adjustment of our revenue system, internal as well as impost, are commended to the careful consideration of Congress. In my last annual message I expressed my general views upon these subjects. I need now only call attention to the necessity of carrying into every department of the Government a system of rigid accountability, thorough retrenchment, and wise economy. With no exceptional nor unusual expenditures, the oppressive burdens of taxation can be lessened by such a modification of our revenue laws as will be consistent with the public faith and the legitimate and necessary wants of the Government.

The report presents a much more satisfactory condition of our finances than one year ago the most sanguine could have anticipated. During the fiscal year ending the 30th June, 1865 (the last year of the war), the public debt was increased $941,902,537, and on the 31st of October, 1865, it amounted to $2,740,854,750. On the 31st day of October, 1866, it had been reduced to $2,552,310,006, the diminution during a period of fourteen months, commencing September 1, 1865, and ending October 31, 1866, having been $206,379,565. In the last annual report on the state of the finances it was estimated that during the three quarters of the fiscal year ending the 30th of June last the debt would be increased $112,194,947. During that period, however, it was reduced $31,196,387, the receipts of the year having been $89,905,905 more and the expenditures $200,529,235 less than the estimates. Nothing could more clearly indicate than these statements the extent and availability of the national resources and the rapidity and safety with which under our form of government, great military and naval establishments can be disbanded and expenses reduced from a war to a peace footing.

Page 1092

During the fiscal year ending June 30, 1866, the receipts were $558,032,620 and the expenditures $520,750,940, leaving an available surplus of $37,281,680. It is estimated that the receipts for the fiscal year ending the 30th June, 1867, will be $475,061.386, and that the expenditures will reach the sum of $316,428,078, leaving in the Treasury a surplus of $158,633,308. For the fiscal year ending June 30, 1886, it is estimated that the receipts will amount to $436,000,000 and that the expenditures will be $350,247,641, showing an excess of $85,752,359 in favor of the Government. These estimated receipts may be diminished by a reduction of excise and import duties, but after all necessary reductions shall have been made the revenue of the present and of following years will doubtless be sufficient to cover all legitimate charges upon the Treasury and leave a large annual surplus to be applied to the payment of the principal of the debt. There seems now to be no good reason why taxes may not be reduced as the country advances in population and wealth, and yet the debt be extinguished within the next quarter of a century.

The report of the Secretary of War furnishes valuable and important information in reference to the operations of his Department during the past year. Few volunteers now remain in the service, and they are being discharged as rapidly as they can be replaced by regular troops. The Army has been promptly paid, carefully provided with medical treatment, well sheltered and subsisted, and is to be furnished with breech-loading small arms. The military strength of the nation has been unimpaired by the discharge of volunteers, the disposition of unserviceable or perishable stores, and the retrenchment of expenditure. Sufficient war material to meet any emergency has been retained, and from the disbanded volunteers standing ready to respond to the national call large armies can be rapidly organized, equipped, and concentrated. Fortifications on the coast and frontier have received or are being prepared for more powerful armaments; lake surveys and harbor and river improvements are in course of energetic prosecution. Preparations have been made for the payment of the additional bounties authorized during the recent session of Congress, under such regulations as will protect the Government from fraud and secure to the honorably discharged soldier the well-earned reward of his faithfulness and gallantry. More than 6,000 maimed soldiers have received artificial limbs or other surgical apparatus, and 41 national cemeteries, containing the remains of 104,526 Union soldiers, have already been established. The total estimate of military appropriations is $25,205,669.

Page 1093

It is stated in the report of the Secretary of the Navy that the naval force at this time consists of 278 vessels, armed with 2,351 guns. Of these, 115 vessels, carrying 1,029 guns, are in commission, distributed chiefly among seven squadrons. The number of men in the service is 13,600. Great activity and vigilance have been displayed by all the squadrons, and their movements have been judiciously and efficiently arranged in such manner as would best promote American commerce and protect the rights and interests of our countrymen abroad. The vessels unemployed are undergoing repairs or are laid up until their services may be required. Most of the ironclad fleet is at League Island, in the vicinity of Philadelphia, a place which, until decisive action should be taken by Congress, was selected by the Secretary of the Navy as the most eligible location for that class of vessels. It is important that a suitable public station should be provided for the ironclad fleet. It is intended that these vessels shall be in proper condition for any emergency, and it is desirable that the bill accepting League Island for naval purposes, which passed the House of Representatives at its last session, should receive final action at an early period, in order that there may be a suitable public station for this class of vessels, as well as a navy-yard of area sufficient for the wants of the service on the Delaware River. The naval pension fund amounts to $11,750,000, having been increased $2,750,000 during the year. The expenditures of the Department for the fiscal year ending 30th June last were $43,324,526, and the estimates for the coming year amount to $23,568,436. Attention is invited to the condition of our seamen and the importance of legislative measures for their relief and improvement. The suggestions in behalf of this deserving class of our fellow-citizens are earnestly recommended to the favorable attention of Congress.

The report of the Postmaster-General presents a most satisfactory condition of the postal service and submits recommendations which deserve the consideration of Congress. The revenues of the Department for the year ending June 30, 1866, were $14,386,986 and the expenditures $15,352,079, showing an excess of the latter of $965,093. In anticipation of this deficiency, however, a special appropriation was made by Congress in the act approved July 28, 1866. Including the standing appropriation of $700,000 for free mail matter as a legitimate portion of the revenues, yet remaining unexpended, the actual deficiency for the past year is only $265,093—a sum within $51,141 of the amount estimated in the annual report of 1864. The decrease of revenue compared with the previous year was 1 1/5 per cent, and the increase of expenditures, owing principally to the enlargement of the mail service in the South, was 12 per cent. On the 30th of June last there were in operation 6,930 mail routes, with an aggregate length of 180,921 miles,

Page 1094

an aggregate annual transportation of 71,837,914 miles, and an aggregate annual cost, including all expenditures, of $8,410,184. The length of railroad routes is 32,092 miles and the annual transportation 30,609,467 miles. The length of steamboat routes is 14,346 miles and the annual transportation 3,411,962 miles. The mail service is rapidly increasing throughout the whole country, and its steady extension in the Southern States indicates their constantly improving condition. The growing importance of the foreign service also merits attention. The post-office department of Great Britain and our own have agreed upon a preliminary basis for a new postal convention, which it is believed will prove eminently beneficial to the commercial interests of the United States, inasmuch as it contemplates a reduction of the international letter postage to one-half the existing rates: a reduction of postage with all other countries to and from which correspondence is transmitted in the British mail, or in closed mails through the United Kingdom; the establishment of uniform and reasonable charges for the sea and territorial transit of correspondence in closed mails; and an allowance to each post-office department of the right to use all mail communications established under the authority of the other for the dispatch of correspondence, either in open or closed mails, on the same terms as those applicable to the inhabitants of the country providing the means of transmission.

The report of the Secretary of the Interior exhibits the condition of those branches of the public service which are committed to his supervision. During the last fiscal year 4,629,312 acres of public land were disposed of, 1,892,516 acres of which were entered under the homestead act. The policy originally adopted relative to the public lands has undergone essential modifications. Immediate revenue, and not their rapid settlement, was the cardinal feature of our land system. Long experience and earnest discussion have resulted in the conviction that the early development of our agricultural resources and the diffusion of an energetic population over our vast territory are objects of far greater importance to the national growth and prosperity than the proceeds of the sale of the land to the highest bidder in open market. The preemption laws confer upon the pioneer who complies with the terms they impose the privilege of purchasing a limited portion of “unoffered lands” at the minimum price. The homestead enactments relieve the settler from the payment of purchase money, and secure him a permanent home upon the condition of residence for a term of years. This liberal policy invites emigration from the Old and from the more crowded portions of the New World. Its propitious results are undoubted, and will be more signally manifested when time shall have given to it a wider development.

Page 1095

Congress has made liberal grants of public land to corporations in aid of the construction of railroads and other internal improvements. Should this policy hereafter prevail, more stringent provisions will be required to secure a faithful application of the fund. The title to the lands should not pass, by patent or otherwise, but remain in the Government and subject to its control until some portion of the road has been actually built. Portions of them might then from time to time be conveyed to the corporation, but never in a greater ratio to the whole quantity embraced by the grant than the completed parts bear to the entire length of the projected improvement. This restriction would not operate to the prejudice of any undertaking conceived in good faith and executed with reasonable energy, as it is the settled practice to withdraw from market the lands falling within the operation of such grants, and thus to exclude the inception of a subsequent adverse right. A breach of the conditions which Congress may deem proper to impose should work a forfeiture of claim to the lands so withdrawn but unconveyed, and of title to the lands conveyed which remain unsold.

Operations on the several lines of the Pacific Railroad have been prosecuted with unexampled vigor and success. Should no unforeseen causes of delay occur, it is confidently anticipated that this great thoroughfare will be completed before the expiration of the period designated by Congress.

During the last fiscal year the amount paid to pensioners, including the expenses of disbursement, was $13,459,996, and 50,177 names were added to the pension rolls. The entire number of pensioners June 30, 1866, was 126,722. This fact furnishes melancholy and striking proof of the sacrifices made to vindicate the constitutional authority of the Federal Government and to maintain inviolate the integrity of the Union They impose upon us corresponding obligations. It is estimated that $33,000,000 will be required to meet the exigencies of this branch of the service during the next fiscal year.

Treaties have been concluded with the Indians, who, enticed into armed opposition to our Government at the outbreak of the rebellion, have unconditionally submitted to our authority and manifested an earnest desire for a renewal of friendly relations.

During the year ending September 30, 1866, 8,716 patents for useful inventions and designs were issued, and at that date the balance in the Treasury to the credit of the patent fund was $228,297.

As a subject upon which depends an immense amount of the production and commerce of the country, I recommend to Congress such legislation as may be necessary for the preservation of the levees of the Mississippi River. It is a matter of national importance that early steps should be taken, not only to add to the efficiency of these barriers against destructive inundations, but for the removal of all obstructions to the free and safe navigation of that great channel of trade and commerce.

Page 1096

The District of Columbia under existing laws is not entitled to that representation in the national councils which from our earliest history has been uniformly accorded to each Territory established from time to time within our limits. It maintains peculiar relations to Congress, to whom the Constitution has granted the power of exercising exclusive legislation over the seat of Government. Our fellow-citizens residing in the District, whose interests are thus confided to the special guardianship of Congress, exceed in number the population of several of our Territories, and no just reason is perceived why a Delegate of their choice should not be admitted to a seat in the House of Representatives. No mode seems so appropriate and effectual of enabling them to make known their peculiar condition and wants and of securing the local legislation adapted to them. I therefore recommend the passage of a law authorizing the electors of the District of Columbia to choose a Delegate, to be allowed the same rights and privileges as a Delegate representing a Territory. The increasing enterprise and rapid progress of improvement in the District are highly gratifying, and I trust that the efforts of the municipal authorities to promote the prosperity of the national metropolis will receive the efficient and generous cooperation of Congress.

The report of the Commissioner of Agriculture reviews the operations of his Department during the past year, and asks the aid of Congress in its efforts to encourage those States which, scourged by war, are now earnestly engaged in the reorganization of domestic industry.

It is a subject of congratulation that no foreign combinations against our domestic peace and safety or our legitimate influence among the nations have been formed or attempted. While sentiments of reconciliation, loyalty, and patriotism have increased at home, a more just consideration of our national character and rights has been manifested by foreign nations.

The entire success of the Atlantic telegraph between the coast of Ireland and the Province of Newfoundland is an achievement which has been justly celebrated in both hemispheres as the opening of an era in the progress of civilization. There is reason to expect that equal success will attend and even greater results follow the enterprise for connecting the two continents through the Pacific Ocean by the projected line of telegraph between Kamchatka and the Russian possessions in America.

The resolution of Congress protesting against pardons by foreign governments of persons convicted of infamous offenses on condition of emigration to our country has been communicated to the states with which we maintain intercourse, and the practice, so justly the subject of complaint on our part, has not been renewed.

The congratulations of Congress to the Emperor of Russia upon his escape from attempted assassination have been presented to that humane and enlightened ruler and received by him with expressions of grateful appreciation.

Page 1097

The Executive, warned of an attempt by Spanish American adventurers to induce the emigration of freedmen of the United States to a foreign country, protested against the project as one which, if consummated, would reduce them to a bondage even more oppressive than that from which they have just been relieved. Assurance has been received from the Government of the State in which the plan was matured that the proceeding will meet neither its encouragement nor approval. It is a question worthy of your consideration whether our laws upon this subject are adequate to the prevention or punishment of the crime thus meditated.

In the month of April last, as Congress is aware, a friendly arrangement was made between the Emperor of France and the President of the United States for the withdrawal from Mexico of the French expeditionary military forces. This withdrawal was to be effected in three detachments, the first of which, it was understood, would leave Mexico in November, now past, the second in March next, and the third and last in November, 1867. Immediately upon the completion of the evacuation the French Government was to assume the same attitude of nonintervention in regard to Mexico as is held by the Government of the United States. Repeated assurances have been given by the Emperor since that agreement that he would complete the promised evacuation within the period mentioned, or sooner.

It was reasonably expected that the proceedings thus contemplated would produce a crisis of great political interest in the Republic of Mexico. The newly appointed minister of the United States, Mr. Campbell, was therefore sent forward on the 9th day of November last to assume his proper functions as minister plenipotentiary of the United States to that Republic. It was also thought expedient that he should be attended in the vicinity of Mexico by the Lieutenant-General of the Army of the United States, with the view of obtaining such information as might be important to determine the course to be pursued by the United States in reestablishing and maintaining necessary and proper intercourse with the Republic of Mexico. Deeply interested in the cause of liberty and humanity, it seemed an obvious duty on our part to exercise whatever influence we possessed for the restoration and permanent establishment in that country of a domestic and republican form of government.

Such was the condition of our affairs in regard to Mexico when, on the 22d of November last, official information was received from Paris that the Emperor of France had some time before decided not to withdraw a detachment of his forces in the month of November past, according to engagement, but that this decision was made with the purpose of withdrawing the whole of those forces in the ensuing spring. Of this determination, however, the United States had not received any notice or intimation, and so soon as the information was received by the Government care was taken to make known its dissent to the Emperor of France.

Page 1098

I can not forego the hope that France will reconsider the subject and adopt some resolution in regard to the evacuation of Mexico which will conform as nearly as practicable with the existing engagement, and thus meet the just expectations of the United States. The papers relating to the subject will be laid before you. It is believed that with the evacuation of Mexico by the expeditionary forces no subject for serious differences between France and the United States would remain. The expressions of the Emperor and people of France warrant a hope that the traditionary friendship between the two countries might in that case be renewed and permanently restored.

A claim of a citizen of the United States for indemnity for spoliations committed on the high seas by the French authorities in the exercise of a belligerent power against Mexico has been met by the Government of France with a proposition to defer settlement until a mutual convention for the adjustment of all claims of citizens and subjects of both countries arising out of the recent wars on this continent shall be agreed upon by the two countries. The suggestion is not deemed unreasonable, but it belongs to Congress to direct the manner in which claims for indemnity by foreigners as well as by citizens of the United States arising out of the late civil war shall be adjudicated and determined. I have no doubt that the subject of all such claims will engage your attention at a convenient and proper time.

It is a matter of regret that no considerable advance has been made toward an adjustment of the differences between the United States and Great Britain arising out of the depredations upon our national commerce and other trespasses committed during our civil war by British subjects, in violation of international law and treaty obligations. The delay, however, may be believed to have resulted in no small degree from the domestic situation of Great Britain. An entire change of ministry occurred in that country during the last session of Parliament. The attention of the new ministry was called to the subject at an early day, and there is some reason to expect that it will now be considered in a becoming and friendly spirit. The importance of an early disposition of the question can not be exaggerated. Whatever might be the wishes of the two Governments, it is manifest that good will and friendship between the two countries can not be established until a reciprocity in the practice of good faith and neutrality shall be restored between the respective nations.

On the 6th of June last, in violation of our neutrality laws, a military expedition and enterprise against the British North American colonies was projected and attempted to be carried on within the territory and jurisdiction of the United States. In obedience to the obligation imposed upon the Executive by the Constitution to see that the laws are faithfully executed, all citizens were warned by proclamation against taking

Page 1099

part in or aiding such unlawful proceedings, and the proper civil, military, and naval officers were directed to take all necessary measures for the enforcement of the laws. The expedition failed, but it has not been without its painful consequences. Some of our citizens who, it was alleged, were engaged in the expedition were captured, and have been brought to trial as for a capital offense in the Province of Canada. Judgment and sentence of death have been pronounced against some, while others have been acquitted. Fully believing in the maxim of government that severity of civil punishment for misguided persons who have engaged in revolutionary attempts which have disastrously failed is unsound and unwise, such representations have been made to the British Government in behalf of the convicted persons as, being sustained by an enlightened and humane judgment, will, it is hoped, induce in their cases an exercise of clemency and a judicious amnesty to all who were engaged in the movement. Counsel has been employed by the Government to defend citizens of the United States on trial for capital offenses in Canada, and a discontinuance of the prosecutions which were instituted in the courts of the United States against those who took part in the expedition has been directed.

I have regarded the expedition as not only political in its nature, but as also in a great measure foreign from the United States in its causes, character, and objects. The attempt was understood to be made in sympathy with an insurgent party in Ireland, and by striking at a British Province on this continent was designed to aid in obtaining redress for political grievances which, it was assumed, the people of Ireland had suffered at the hands of the British Government during a period of several centuries. The persons engaged in it were chiefly natives of that country, some of whom had, while others had not, become citizens of the United States under our general laws of naturalization. Complaints of misgovernment in Ireland continually engage the attention of the British nation, and so great an agitation is now prevailing in Ireland that the British Government have deemed it necessary to suspend the writ of habeas corpus in that country. These circumstances must necessarily modify the opinion which we might otherwise have entertained in regard to an expedition expressly prohibited by our neutrality laws. So long as those laws remain upon our statute books they should be faithfully executed, and if they operate harshly, unjustly, or oppressively Congress alone can apply the remedy by their modification or repeal.

Political and commercial interests of the United States are not unlikely to be affected in some degree by events which are transpiring in the eastern regions of Europe, and the time seems to have come when our Government ought to have a proper diplomatic representation in Greece.

Page 1100

This Government has claimed for all persons not convicted or accused or suspected of crime an absolute political right of self-expatriation and a choice of new national allegiance. Most of the European States have dissented from this principle, and have claimed a right to hold such of their subjects as have emigrated to and been naturalized in the United States and afterwards returned on transient visits to their native countries to the performance of military service in like manner as resident subjects. Complaints arising from the claim in this respect made by foreign states have heretofore been matters of controversy between the United States and some of the European powers, and the irritation consequent upon the failure to settle this question increased during the war in which Prussia, Italy, and Austria were recently engaged. While Great Britain has never acknowledged the right of expatriation, she has not for some years past practically insisted upon the opposite doctrine. France has been equally forbearing, and Prussia has proposed a compromise, which, although evincing increased liberality, has not been accepted by the United States. Peace is now prevailing everywhere in Europe, and the present seems to be a favorable time for an assertion by Congress of the principle so long maintained by the executive department that naturalization by one state fully exempts the native-born subject of any other state from the performance of military service under any foreign government, so long as he does not voluntarily renounce its rights and benefits.

In the performance of a duty imposed upon me by the Constitution I have thus submitted to the representatives of the States and of the people such information of our domestic and foreign affairs as the public interests seem to require. Our Government is now undergoing its most trying ordeal, and my earnest prayer is that the peril may be successfully and finally passed without impairing its original strength and symmetry. The interests of the nation are best to be promoted by the revival of fraternal relations, the complete obliteration of our past differences, and the reinauguration of all the pursuits of peace. Directing our efforts to the early accomplishment of these great ends, let us endeavor to preserve harmony between the coordinate departments of the Government, that each in its proper sphere may cordially cooperate with the other in securing the maintenance of the Constitution, the preservation of the Union, and the perpetuity of our free institutions.

***

State of the Union Address
Andrew Johnson
December 3, 1867

Fellow-Citizens of the Senate and House of Representatives:

Page 1101

The continued disorganization of the Union, to which the President has so often called the attention of Congress, is yet a subject of profound and patriotic concern. We may, however, find some relief from that anxiety in the reflection that the painful political situation, although before untried by ourselves, is not new in the experience of nations. Political science, perhaps as highly perfected in our own time and country as in any other, has not yet disclosed any means by which civil wars can be absolutely prevented. An enlightened nation, however, with a wise and beneficent constitution of free government, may diminish their frequency and mitigate their severity by directing all its proceedings in accordance with its fundamental law.

When a civil war has been brought to a close, it is manifestly the first interest and duty of the state to repair the injuries which the war has inflicted, and to secure the benefit of the lessons it teaches as fully and as speedily as possible. This duty was, upon the termination of the rebellion, promptly accepted not only by the executive department, but by the insurrectionary States themselves, and restoration in the first moment of peace was believed to be as easy and certain as it was indispensable. The expectations, however, then so reasonably and confidently entertained were disappointed by legislation from which I felt constrained by my obligations to the Constitution to withhold my assent.

It is therefore a source of profound regret that in complying with the obligation imposed upon the President by the Constitution to give to Congress from time to time information of the state of the Union I am unable to communicate any definitive adjustment satisfactory to the American people, of the questions which since the close of the rebellion have agitated the public mind. On the contrary, candor compels me to declare that at this time there is no Union as our fathers understood the term, and as they meant it to be understood by us. The Union which they established can exist only where all the States are represented in both Houses of Congress; where one State is as free as another to regulate its internal concerns according to its own will, and where the laws of the central Government, strictly confined to matters of national jurisdiction, apply with equal force to all the people of every section. That such is not the present “state of the Union” is a melancholy fact, and we must all acknowledge that the restoration of the States to their proper legal relations with the Federal Government and with one another, according to the terms of the original compact, would be the greatest temporal blessing which God, in His kindest providence, could bestow upon this nation. It becomes our imperative duty to consider whether or not it is impossible to effect this most desirable consummation. The Union and the Constitution are inseparable. As long as one is obeyed by all parties, the other will be preserved; and if one

Page 1102

is destroyed, both must perish together. The destruction of the Constitution will be followed by other and still greater calamities. It was ordained not only to form a more perfect union between the States, but to “establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.” Nothing but implicit obedience to its requirements in all parts of the country will accomplish these great ends. Without that obedience we can look forward only to continual outrages upon individual rights, incessant breaches of the public peace, national weakness, financial dishonor, the total loss of our prosperity, the general corruption of morals, and the final extinction of popular freedom. To save our country from evils so appalling as these, we should renew our efforts again and again.

To me the process of restoration seems perfectly plain and simple. It consists merely in a faithful application of the Constitution and laws. The execution of the laws is not now obstructed or opposed by physical force. There is no military or other necessity, real or pretended, which can prevent obedience to the Constitution, either North or South. All the rights and all the obligations of States and individuals can be protected and enforced by means perfectly consistent with the fundamental law. The courts may be everywhere open, and if open their process would be unimpeded. Crimes against the United States can be prevented or punished by the proper judicial authorities in a manner entirely practicable and legal. There is therefore no reason why the Constitution should not be obeyed, unless those who exercise its powers have determined that it shall be disregarded and violated. The mere naked will of this Government, or of some one or more of its branches, is the only obstacle that can exist to a perfect union of all the States.

On this momentous question and some of the measures growing out of it I have had the misfortune to differ from Congress, and have expressed my convictions without reserve, though with becoming deference to the opinion of the legislative department. Those convictions are not only unchanged, but strengthened by subsequent events and further reflection The transcendent importance of the subject will be a sufficient excuse for calling your attention to some of the reasons which have so strongly influenced my own judgment. The hope that we may all finally concur in a mode of settlement consistent at once with our true interests and with our sworn duties to the Constitution is too natural and too just to be easily relinquished.

Page 1103

It is clear to my apprehension that the States lately in rebellion are still members of the National Union. When did they cease to be so? The “ordinances of secession” adopted by a portion (in most of them a very small portion) of their citizens were mere nullities. If we admit now that they were valid and effectual for the purpose intended by their authors, we sweep from under our feet the whole ground upon which we justified the war. Were those States afterwards expelled from the Union by the war? The direct contrary was averred by this Government to be its purpose, and was so understood by all those who gave their blood and treasure to aid in its prosecution. It can not be that a successful war, waged for the preservation of the Union, had the legal effect of dissolving it. The victory of the nation’s arms was not the disgrace of her policy; the defeat of secession on the battlefield was not the triumph of its lawless principle. Nor could Congress, with or without the consent of the Executive, do anything which would have the effect, directly or indirectly, of separating the States from each other. To dissolve the Union is to repeal the Constitution which holds it together, and that is a power which does not belong to any department of this Government, or to all of them united.

This is so plain that it has been acknowledged by all branches of the Federal Government. The Executive (my predecessor as well as myself) and the heads of all the Departments have uniformly acted upon the principle that the Union is not only undissolved, but indissoluble. Congress submitted an amendment of the Constitution to be ratified by the Southern States, and accepted their acts of ratification as a necessary and lawful exercise of their highest function. If they were not States, or were States out of the Union, their consent to a change in the fundamental law of the Union would have been nugatory, and Congress in asking it committed a political absurdity. The judiciary has also given the solemn sanction of its authority to the same view of the case. The judges of the Supreme Court have included the Southern States in their circuits, and they are constantly, in banc and elsewhere, exercising jurisdiction which does not belong to them unless those States are States of the Union.

If the Southern States are component parts of the Union, the Constitution is the supreme law for them, as it is for all the other States. They are bound to obey it, and so are we. The right of the Federal Government, which is clear and unquestionable, to enforce the Constitution upon them implies the correlative obligation on our part to observe its limitations and execute its guaranties. Without the Constitution we are nothing; by, through, and under the Constitution we are what it makes us. We may doubt the wisdom of the law, we may not approve of its provisions, but we can not violate it merely because it seems to confine our powers within limits narrower than we

Page 1104

could wish. It is not a question of individual or class or sectional interest, much less of party predominance, but of duty—of high and sacred duty—which we are all sworn to perform. If we can not support the Constitution with the cheerful alacrity of those who love and believe in it, we must give to it at least the fidelity of public servants who act under solemn obligations and commands which they dare not disregard.

The constitutional duty is not the only one which requires the States to be restored. There is another consideration which, though of minor importance, is yet of great weight. On the 22d day of July, 1861, Congress declared by an almost unanimous vote of both Houses that the war should be conducted solely for the purpose of preserving the Union and maintaining the supremacy of the Federal Constitution and laws, without impairing the dignity, equality, and rights of the States or of individuals, and that when this was done the war should cease. I do not say that this declaration is personally binding on those who joined in making it, any more than individual members of Congress are personally bound to pay a public debt created under a law for which they voted. But it was a solemn public, official pledge of the national honor, and I can not imagine upon what grounds the repudiation of it is to be justified. If it be said that we are not bound to keep faith with rebels, let it be remembered that this promise was not made to rebels only. Thousands of true men in the South were drawn to our standard by it, and hundreds of thousands in the North gave their lives in the belief that it would be carried out. It was made on the day after the first great battle of the war had been fought and lost. All patriotic and intelligent men then saw the necessity of giving such an assurance, and believed that without it the war would end in disaster to our cause. Having given that assurance in the extremity of our peril, the violation of it now, in the day of our power, would be a rude rending of that good faith which holds the moral world together; our country would cease to have any claim upon the confidence of men; it would make the war not only a failure, but a fraud.

Being sincerely convinced that these views are correct, I would be unfaithful to my duty if I did not recommend the repeal of the acts of Congress which place ten of the Southern States under the domination of military masters. If calm reflection shall satisfy a majority of your honorable bodies that the acts referred to are not only a violation of the national faith, but in direct conflict with the Constitution, I dare not permit myself to doubt that you will immediately strike them from the statute book.

Page 1105

To demonstrate the unconstitutional character of those acts I need do no more than refer to their general provisions. It must be seen at once that they are not authorized. To dictate what alterations shall be made in the constitutions of the several States; to control the elections of State legislators and State officers, members of Congress and electors of President and Vice-President, by arbitrarily declaring who shall vote and who shall be excluded from that privilege; to dissolve State legislatures or prevent them from assembling; to dismiss judges and other civil functionaries of the State and appoint others without regard to State law; to organize and operate all the political machinery of the States; to regulate the whole administration of their domestic and local affairs according to the mere will of strange and irresponsible agents, sent among them for that purpose—these are powers not granted to the Federal Government or to any one of its branches. Not being granted, we violate our trust by assuming them as palpably as we would by acting in the face of a positive interdict; for the Constitution forbids us to do whatever it does not affirmatively authorize, either by express words or by clear implication. If the authority we desire to use does not come to us through the Constitution, we can exercise it only by usurpation, and usurpation is the most dangerous of political crimes. By that crime the enemies of free government in all ages have worked out their designs against public liberty and private right. It leads directly and immediately to the establishment of absolute rule, for undelegated power is always unlimited and unrestrained.

The acts of Congress in question are not only objectionable for their assumption of ungranted power, but many of their provisions are in conflict with the direct prohibitions of the Constitution. The Constitution commands that a republican form of government shall be guaranteed to all the States; that no person shall be deprived of life, liberty, or property without due process of law, arrested without a judicial warrant, or punished without a fair trial before an impartial jury; that the privilege of habeas corpus shall not be denied in time of peace, and that no bill of attainder shall be passed even against a single individual. Yet the system of measures established by these acts of Congress does totally subvert and destroy the form as well as the substance of republican government in the ten States to which they apply. It binds them hand and foot in absolute slavery, and subjects them to a strange and hostile power, more unlimited and more likely to be abused than any other now known among civilized men. It tramples down all those rights in which the essence of liberty consists, and which a free government is always most careful to protect. It denies the habeas corpus and the trial by jury. Personal freedom, property, and life, if assailed by the passion, the prejudice, or the rapacity of

Page 1106

the ruler, have no security whatever. It has the effect of a bill of attainder or bill of pains and penalties, not upon a few individuals, but upon whole masses, including the millions who inhabit the subject States, and even their unborn children. These wrongs, being expressly forbidden, can not be constitutionally inflicted upon any portion of our people, no matter how they may have come within our jurisdiction, and no matter whether they live in States, Territories, or districts.

I have no desire to save from the proper and just consequences of their great crime those who engaged in rebellion against the Government, but as a mode of punishment the measures under consideration are the most unreasonable that could be invented. Many of those people are perfectly innocent; many kept their fidelity to the Union untainted to the last; many were incapable of any legal offense; a large proportion even of the persons able to bear arms were forced into rebellion against their will, and of those who are guilty with their own consent the degrees of guilt are as various as the shades of their character and temper. But these acts of Congress confound them all together in one common doom. Indiscriminate vengeance upon classes, sects, and parties, or upon whole communities, for offenses committed by a portion of them against the governments to which they owed obedience was common in the barbarous ages of the world; but Christianity and civilization have made such progress that recourse to a punishment so cruel and unjust would meet with the condemnation of all unprejudiced and right-minded men. The punitive justice of this age, and especially of this country, does not consist in stripping whole States of their liberties and reducing all their people, without distinction, to the condition of slavery. It deals separately with each individual, confines itself to the forms of law, and vindicates its own purity by an impartial examination of every case before a competent judicial tribunal. If this does not satisfy all our desires with regard to Southern rebels, let us console ourselves by reflecting that a free Constitution, triumphant in war and unbroken in peace, is worth far more to us and our children than the gratification of any present feeling.

I am aware it is assumed that this system of government for the Southern States is not to be perpetual. It is true this military government is to be only provisional, but it is through this temporary evil that a greater evil is to be made perpetual. If the guaranties of the Constitution can be broken provisionally to serve a temporary purpose, and in a part only of the country, we can destroy them everywhere and for all time. Arbitrary measures often change, but they generally change for the worse. It is the curse of despotism that it has no halting place. The intermitted exercise of its power brings no sense of security to its subjects, for they can never know what more they will be called to endure when its red right hand is armed to plague them again. Nor is it possible to conjecture how or where power, unrestrained by law, may seek its next victims. The States that are still free may be enslaved at any moment; for if the Constitution does not protect all, it protects none.

Page 1107

It is manifestly and avowedly the object of these laws to confer upon Negroes the privilege of voting and to disfranchise such a number of white citizens as will give the former a clear majority at all elections in the Southern States. This, to the minds of some persons, is so important that a violation of the Constitution is justified as a means of bringing it about. The morality is always false which excuses a wrong because it proposes to accomplish a desirable end. We are not permitted to do evil that good may come. But in this case the end itself is evil, as well as the means. The subjugation of the States to Negro domination would be worse than the military despotism under which they are now suffering. It was believed beforehand that the people would endure any amount of military oppression for any length of time rather than degrade themselves by subjection to the Negro race. Therefore they have been left without a choice. Negro suffrage was established by act of Congress, and the military officers were commanded to superintend the process of clothing the Negro race with the political privileges torn from white men.

The blacks in the South are entitled to be well and humanely governed, and to have the protection of just laws for all their rights of person and property. If it were practicable at this time to give them a Government exclusively their own, under which they might manage their own affairs in their own way, it would become a grave question whether we ought to do so, or whether common humanity would not require us to save them from themselves. But under the circumstances this is only a speculative point. It is not proposed merely that they shall govern themselves, but that they shall rule the white race, make and administer State laws, elect Presidents and members of Congress, and shape to a greater or less extent the future destiny of the whole country. Would such a trust and power be safe in such hands?

The peculiar qualities which should characterize any people who are fit to decide upon the management of public affairs for a great state have seldom been combined. It is the glory of white men to know that they have had these qualities in sufficient measure to build upon this continent a great political fabric and to preserve its stability for more than ninety years, while in every other part of the world all similar experiments have failed. But if anything can be proved by known facts, if all reasoning upon evidence is not abandoned, it must be acknowledged that in the progress of nations Negroes have shown less capacity for government than any other race of people. No independent government of any form has ever been successful in their hands. On the contrary, wherever they have been left to their own devices they have shown a constant tendency to relapse into barbarism. In the Southern States, however, Congress has undertaken to confer upon them the privilege of the ballot. Just released from slavery, it

Page 1108

may be doubted whether as a class they know more than their ancestors how to organize and regulate civil society. Indeed, it is admitted that the blacks of the South are not only regardless of the rights of property, but so utterly ignorant of public affairs that their voting can consist in nothing more than carrying a ballot to the place where they are directed to deposit it. I need not remind you that the exercise of the elective franchise is the highest attribute of an American citizen, and that when guided by virtue, intelligence, patriotism, and a proper appreciation of our free institutions it constitutes the true basis of a democratic form of government, in which the sovereign power is lodged in the body of the people. A trust artificially created, not for its own sake, but solely as a means of promoting the general welfare, its influence for good must necessarily depend upon the elevated character and true allegiance of the elector. It ought, therefore, to be reposed in none except those who are fitted morally and mentally to administer it well; for if conferred upon persons who do not justly estimate its value and who are indifferent as to its results, it will only serve as a means of placing power in the hands of the unprincipled and ambitious, and must eventuate in the complete destruction of that liberty of which it should be the most powerful conservator. I have therefore heretofore urged upon your attention the great danger—to be apprehended from an untimely extension of the elective franchise to any new class in our country, especially when the large majority of that class, in wielding the power thus placed in their hands, can not be expected correctly to comprehend the duties and responsibilities which pertain to suffrage. Yesterday, as it were, 4,000,000 persons were held in a condition of slavery that had existed for generations; to-day they are freemen and are assumed by law to be citizens. It can not be presumed, from their previous condition of servitude, that as a class they are as well informed as to the nature of our Government as the intelligent foreigner who makes our land the home of his choice. In the case of the latter neither a residence of five years and the knowledge of our institutions which it gives nor attachment to the principles of the Constitution are the only conditions upon which he can be admitted to citizenship; he must prove in addition a good moral character, and thus give reasonable ground for the belief that he will be faithful to the obligations which he assumes as a citizen of the Republic. Where a people—the source of all political power—speak by their suffrages through the instrumentality of the ballot box, it must be carefully guarded against the control of those who are corrupt in principle and enemies of free institutions, for it can only become to our political and social system a safe conductor of healthy popular sentiment when kept free from demoralizing influences. Controlled through fraud and usurpation by the designing, anarchy and despotism must inevitably follow. In the hands of the patriotic and worthy our Government will be preserved upon the principles of the Constitution inherited from our fathers. It follows, therefore, that in admitting to the ballot box a new class of voters not qualified for the exercise of the elective franchise we weaken our system of government instead of adding to its strength and durability.

Page 1109

I yield to no one in attachment to that rule of general suffrage which distinguishes our policy as a nation. But there is a limit, wisely observed hitherto, which makes the ballot a privilege and a trust, and which requires of some classes a time suitable for probation and preparation. To give it indiscriminately to a new class, wholly unprepared by previous habits and opportunities to perform the trust which it demands, is to degrade it, and finally to destroy its power, for it may be safely assumed that no political truth is better established than that such indiscriminate and all-embracing extension of popular suffrage must end at last in its destruction. I repeat the expression of my willingness to join in any plan within the scope of our constitutional authority which promises to better the condition of the Negroes in the South, by encouraging them in industry, enlightening their minds, improving their morals, and giving protection to all their just rights as freedmen. But the transfer of our political inheritance to them would, in my opinion, be an abandonment of a duty which we owe alike to the memory of our fathers and the rights of our children.

The plan of putting the Southern States wholly and the General Government partially into the hands of Negroes is proposed at a time peculiarly unpropitious. The foundations of society have been broken up by civil war. Industry must be reorganized, justice reestablished, public credit maintained, and order brought out of confusion. To accomplish these ends would require all the wisdom and virtue of the great men who formed our institutions originally. I confidently believe that their descendants will be equal to the arduous task before them, but it is worse than madness to expect that Negroes will perform it for us. Certainly we ought not to ask their assistance till we despair of our own competency.

The great difference between the two races in physical, mental, and moral characteristics will prevent an amalgamation or fusion of them together in one homogeneous mass. If the inferior obtains the ascendency over the other, it will govern with reference only to its own interests for it will recognize no common interest—and create such a tyranny as this continent has never yet witnessed. Already the Negroes are influenced by promises of confiscation and plunder. They are taught to regard as an enemy every white man who has any respect for the rights of his own race. If this continues it must become worse and worse, until all order will be subverted, all industry cease, and the fertile fields of the South grow up into a wilderness. Of all the dangers which our nation has yet encountered, none are equal to those which must result from the success of the effort now making to Africanize the half of our country.

Page 1110

I would not put considerations of money in competition with justice and right; but the expenses incident to “reconstruction” under the system adopted by Congress aggravate what I regard as the intrinsic wrong of the measure itself. It has cost uncounted millions already, and if persisted in will add largely to the weight of taxation, already too oppressive to be borne without just complaint, and may finally reduce the Treasury of the nation to a condition of bankruptcy. We must not delude ourselves. It will require a strong standing army and probably more than $200,000,000 per annum to maintain the supremacy of Negro governments after they are established. The sum thus thrown away would, if properly used, form a sinking fund large enough to pay the whole national debt in less than fifteen years. It is vain to hope that Negroes will maintain their ascendency themselves. Without military power they are wholly incapable of holding in subjection the white people of the South.

I submit to the judgment of Congress whether the public credit may not be injuriously affected by a system of measures like this. With our debt and the vast private interests which are complicated with it, we can not be too cautious of a policy which might by possibility impair the confidence of the world in our Government. That confidence can only be retained by carefully inculcating the principles of justice and honor on the popular mind and by the most scrupulous fidelity to all our engagements of every sort. Any serious breach of the organic law, persisted in for a considerable time, can not but create fears for the stability of our institutions. Habitual violation of prescribed rules, which we bind ourselves to observe, must demoralize the people. Our only standard of civil duty being set at naught, the sheet anchor of our political morality is lost, the public conscience swings from its moorings and yields to every impulse of passion and interest. If we repudiate the Constitution, we will not be expected to care much for mere pecuniary obligations. The violation of such a pledge as we made on the 22d day of July, 1861, will assuredly diminish the market value of our other promises. Besides, if we acknowledge that the national debt was created, not to hold the States in the Union, as the taxpayers were led to suppose, but to expel them from it and hand them over to be governed by Negroes, the moral duty to pay it may seem much less clear. I say it may seem so, for I do not admit that this or any other argument in favor of repudiation can be entertained as sound; but its influence on some classes of minds may well be apprehended. The financial honor of a great commercial nation, largely indebted and with a republican form of government administered by agents of the popular choice, is a thing of such delicate texture and the destruction of it would be followed by such unspeakable calamity that every true patriot must desire to avoid whatever might expose it to the slightest danger.

Page 1111

The great interests of the country require immediate relief from these enactments. Business in the South is paralyzed by a sense of general insecurity, by the terror of confiscation, and the dread of Negro supremacy. The Southern trade, from which the North would have derived so great a profit under a government of law, still languishes, and can never be revived until it ceases to be fettered by the arbitrary power which makes all its operations unsafe. That rich country—the richest in natural resources the world ever saw—is worse than lost if it be not soon placed under the protection of a free constitution. Instead of being, as it ought to be, a source of wealth and power, it will become an intolerable burden upon the rest of the nation.

Another reason for retracing our steps will doubtless be seen by Congress in the late manifestations of public opinion upon this subject. We live in a country where the popular will always enforces obedience to itself, sooner or later. It is vain to think of opposing it with anything short of legal authority backed by overwhelming force. It can not have escaped your attention that from the day on which Congress fairly and formally presented the proposition to govern the Southern States by military force, with a view to the ultimate establishment of Negro supremacy, every expression of the general sentiment has been more or less adverse to it. The affections of this generation can not be detached from the institutions of their ancestors. Their determination to preserve the inheritance of free government in their own hands and transmit it undivided and unimpaired to their own posterity is too strong to be successfully opposed. Every weaker passion will disappear before that love of liberty and law for which the American people are distinguished above all others in the world.

How far the duty of the President “to preserve, protect, and defend the Constitution” requires him to go in opposing an unconstitutional act of Congress is a very serious and important question, on which I have deliberated much and felt extremely anxious to reach a proper conclusion. Where an act has been passed according to the forms of the Constitution by the supreme legislative authority, and is regularly enrolled among the public statutes of the country, Executive resistance to it, especially in times of high party excitement, would be likely to produce violent collision between the respective adherents of the two branches of the Government. This would be simply civil war, and civil war must be resorted to only as the last remedy for the worst of evils. Whatever might tend to provoke it should be most carefully avoided. A faithful and conscientious magistrate will concede very much to honest error, and something even to perverse malice, before he will endanger the public peace; and he will not adopt forcible measures, or such as might lead to force, as long as those which are peaceable remain open to him or to his constituents.

Page 1112

It is true that cases may occur in which the Executive would be compelled to stand on its rights, and maintain them regardless of all consequences. If Congress should pass an act which is not only in palpable conflict with the Constitution, but will certainly, if carried out, produce immediate and irreparable injury to the organic structure of the Government, and if there be neither judicial remedy for the wrongs it inflicts nor power in the people to protect themselves without the official aid of their elected defender—if, for instance, the legislative department should pass an act even through all the forms of law to abolish a coordinate department of the Government—in such a case the President must take the high responsibilities of his office and save the life of the nation at all hazards. The so-called reconstruction acts, though as plainly unconstitutional as any that can be imagined, were not believed to be within the class last mentioned. The people were not wholly disarmed of the power of self-defense. In all the Northern States they still held in their hands the sacred right of the ballot, and it was safe to believe that in due time they would come to the rescue of their own institutions. It gives me pleasure to add that the appeal to our common constituents was not taken in vain, and that my confidence in their wisdom and virtue seems not to have been misplaced.

It is well and publicly known that enormous frauds have been perpetrated on the Treasury and that colossal fortunes have been made at the public expense. This species of corruption has increased, is increasing, and if not diminished will soon bring us into total ruin and disgrace. The public creditors and the taxpayers are alike interested in an honest administration of the finances, and neither class will long endure the large-handed robberies of the recent past. For this discreditable state of things there are several causes. Some of the taxes are so laid as to present an irresistible temptation to evade payment. The great sums which officers may win by connivance at fraud create a pressure which is more than the virtue of many can withstand, and there can be no doubt that the open disregard of constitutional obligations avowed by some of the highest and most influential men in the country has greatly weakened the moral sense of those who serve in subordinate places. The expenses of the United States, including interest on the public debt, are more than six times as much as they were seven years ago. To collect and disburse this vast amount requires careful supervision as well as systematic vigilance. The system, never perfected, was much disorganized by the “tenure-of-office bill,” which has almost destroyed official accountability. The President may be thoroughly convinced that an officer is incapable, dishonest, or unfaithful to the Constitution, but under the law which I have named the utmost he can do is to complain to the Senate and ask the privilege of supplying his place with a

Page 1113

better man. If the Senate be regarded as personally or politically hostile to the President, it is natural, and not altogether unreasonable, for the officer to expect that it will take his part as far as possible, restore him to his place, and give him a triumph over his Executive superior. The officer has other chances of impunity arising from accidental defects of evidence, the mode of investigating it, and the secrecy of the hearing. It is not wonderful that official malfeasance should become bold in proportion as the delinquents learn to think themselves safe. I am entirely persuaded that under such a rule the President can not perform the great duty assigned to him of seeing the laws faithfully executed, and that it disables him most especially from enforcing that rigid accountability which is necessary to the due execution of the revenue laws.

The Constitution invests the President with authority to decide whether a removal should be made in any given case; the act of Congress declares in substance that he shall only accuse such as he supposes to be unworthy of their trust. The Constitution makes him sole judge in the premises, but the statute takes away his jurisdiction, transfers it to the Senate, and leaves him nothing but the odious and sometimes impracticable duty of becoming a prosecutor. The prosecution is to be conducted before a tribunal whose members are not, like him, responsible to the whole people, but to separate constituent bodies, and who may hear his accusation with great disfavor. The Senate is absolutely without any known standard of decision applicable to such a case. Its judgment can not be anticipated, for it is not governed by any rule. The law does not define what shall be deemed good cause for removal. It is impossible even to conjecture what may or may not be so considered by the Senate. The nature of the subject forbids clear proof. If the charge be incapacity, what evidence will support it? Fidelity to the Constitution may be understood or misunderstood in a thousand different ways, and by violent party men, in violent party times, unfaithfulness to the Constitution may even come to be considered meritorious. If the officer be accused of dishonesty, how shall it be made out? Will it be inferred from acts unconnected with public duty, from private history, or from general reputation, or must the President await the commission of an actual misdemeanor in office? Shall he in the meantime risk the character and interest of the nation in the hands of men to whom he can not give his confidence? Must he forbear his complaint until the mischief is done and can not be prevented? If his zeal in the public service should impel him to anticipate the overt act, must he move at the peril of being tried himself for the offense of slandering his subordinate? In the present circumstances of the country someone must be held responsible for official delinquency of every kind. It is extremely difficult to say where that responsibility should be thrown if it be not left where it has been placed by the Constitution. But all just men will admit that the President ought to be entirely relieved from such responsibility if he can not meet it by reason of restrictions placed by law upon his action.

Page 1114

The unrestricted power of removal from office is a very great one to be trusted even to a magistrate chosen by the general suffrage of the whole people and accountable directly to them for his acts. It is undoubtedly liable to abuse, and at some periods of our history perhaps has been abused. If it be thought desirable and constitutional that it should be so limited as to make the President merely a common informer against other public agents, he should at least be permitted to act in that capacity before some open tribunal, independent of party politics, ready to investigate the merits of every case, furnished with the means of taking evidence, and bound to decide according to established rules. This would guarantee the safety of the accuser when he acts in good faith, and at the same time secure the rights of the other party. I speak, of course, with all proper respect for the present Senate, but it does not seem to me that any legislative body can be so constituted as to insure its fitness for these functions.

It is not the theory of this Government that public offices are the property of those who hold them. They are given merely as a trust for the public benefit, sometimes for a fixed period, sometimes during good behavior, but generally they are liable to be terminated at the pleasure of the appointing power, which represents the collective majesty and speaks the will of the people. The forced retention in office of a single dishonest person may work great injury to the public interests. The danger to the public service comes not from the power to remove, but from the power to appoint. Therefore it was that the framers of the Constitution left the power of removal unrestricted, while they gave the Senate a fight to reject all appointments which in its opinion were not fit to be made. A little reflection on this subject will probably satisfy all who have the good of the country at heart that our best course is to take the Constitution for our guide, walk in the path marked out by the founders of the Republic, and obey the rules made sacred by the observance of our great predecessors.

The present condition of our finances and circulating medium is one to which your early consideration is invited.

The proportion which the currency of any country should bear to the whole value of the annual produce circulated by its means is a question upon which political economists have not agreed. Nor can it be controlled by legislation, but must be left to the irrevocable laws which everywhere regulate commerce and trade. The circulating medium will ever irresistibly flow to those points where it is in greatest demand. The law of demand and supply is as unerring as that which regulates the tides of the ocean; and, indeed, currency, like the tides, has its ebbs and flows throughout the commercial world.

Page 1115

At the beginning of the rebellion the bank-note circulation of the country amounted to not much more than $200,000,000; now the circulation of national-bank notes and those known as “legal-tenders” is nearly seven hundred millions. While it is urged by some that this amount should be increased, others contend that a decided reduction is absolutely essential to the best interests of the country. In view of these diverse opinions, it may be well to ascertain the real value of our paper issues when compared with a metallic or convertible currency. For this purpose let us inquire how much gold and silver could be purchased by the seven hundred millions of paper money now in circulation. Probably not more than half the amount of the latter, showing that when our paper currency is compared with gold and silver its commercial value is compressed into three hundred and fifty millions. This striking fact makes it the obvious duty of the Government, as early as may be consistent with the principles of sound political economy, to take such measures as will enable the holder of its notes and those of the national banks to convert them without loss into specie or its equivalent. A reduction of our paper circulating medium need not necessarily follow. This, however, would depend upon the law of demand and supply, though it should be borne in mind that by making legal-tender and bank notes convertible into coin or its equivalent their present specie value in the hands of their holders would be enhanced 100 per cent.

Legislation for the accomplishment of a result so desirable is demanded by the highest public considerations. The Constitution contemplates that the circulating medium of the country shall be uniform in quality and value. At the time of the formation of that instrument the country had just emerged from the War of the Revolution, and was suffering from the effects of a redundant and worthless paper currency. The sages of that period were anxious to protect their posterity from the evils that they themselves had experienced. Hence in providing a circulating medium they conferred upon Congress the power to coin money and regulate the value thereof, at the same time prohibiting the States from making anything but gold and silver a tender in payment of debts.

The anomalous condition of our currency is in striking contrast with that which was originally designed. Our circulation now embraces, first, notes of the national banks, which are made receivable for all dues to the Government, excluding imposts, and by all its creditors, excepting in payment of interest upon its bonds and the securities themselves; second, legal-tender notes, issued by the United States, and which the law requires shall be received as well in payment of all debts between citizens as of all Government dues, excepting imposts; and, third, gold and silver coin. By the operation of our present system of finance, however, the metallic currency, when collected, is

Page 1116

reserved only for one class of Government creditors, who, holding its bonds, semiannually receive their interest in coin from the National Treasury. They are thus made to occupy an invidious position, which may be used to strengthen the arguments of those who would bring into disrepute the obligations of the nation. In the payment of all its debts the plighted faith of the Government should be inviolably maintained. But while it acts with fidelity toward the bondholder who loaned his money that the integrity of the Union might be preserved, it should at the same time observe good faith with the great masses of the people, who, having rescued the Union from the perils of rebellion, now bear the burdens of taxation, that the Government may be able to fulfill its engagements. There is no reason which will be accepted as satisfactory by the people why those who defend us on the land and protect us on the sea; the pensioner upon the gratitude of the nation, bearing the scars and wounds received while in its service; the public servants in the various Departments of the Government; the farmer who supplies the soldiers of the Army and the sailors of the Navy; the artisan who toils in the nation's workshops, or the mechanics and laborers who build its edifices and construct its forts and vessels of war, should, in payment of their just and hard-earned dues, receive depreciated paper, while another class of their countrymen, no more deserving, are paid in coin of gold and silver. Equal and exact justice requires that all the creditors of the Government should be paid in a currency possessing a uniform value. This can only be accomplished by the restoration of the currency to the standard established by the Constitution; and by this means we would remove a discrimination which may, if it has not already done so, create a prejudice that may become deep rooted and widespread and imperil the national credit.

The feasibility of making our currency correspond with the constitutional standard may be seen by reference to a few facts derived from our commercial statistics.

The production of precious metals in the United States from 1849 to 1857, inclusive, amounted to $579,000,000; from 1858 to 1860, inclusive, to $137,500,000, and from 1861 to 1867, inclusive, to $457,500,000—making the grand aggregate of products since 1849 $1,174,000,000. The amount of specie coined from 1849 to 1857 inclusive, was $439,000,000; from 1858 to 1860, inclusive, $125,000,000, and from 1861 to 1867, inclusive, $310,000,000—making the total coinage since 1849 $874,000,000. From 1849 to 1857, inclusive, the net exports of specie amounted to $271,000,000; from 1858 to 1860, inclusive, to $148,000,000, and from 1861 to 1867, inclusive, $322,000,000—-making the aggregate of net exports since 1849 $741,000,000. These figures show an excess of product over net exports of $433,000,000. There are in the Treasury $111,000,000 in coin, something more than $40,000,000 in circulation on the Pacific Coast, and a few millions in the national and other banks—in all about $160,000,000. This, however, taking into account the specie in the country prior to 1849 leaves more than $300,000,000 which have not been accounted for by exportation, and therefore may yet remain in the country.

Page 1117

These are important facts and show how completely the inferior currency will supersede the better, forcing it from circulation among the masses and causing it to be exported as a mere article of trade, to add to the money capital of foreign lands. They show the necessity of retiring our paper money, that the return of gold and silver to the avenues of trade may be invited and a demand created which will cause the retention at home of at least so much of the productions of our rich and inexhaustible gold-bearing fields as may be sufficient for purposes of circulation. It is unreasonable to expect a return to a sound currency so long as the Government by continuing to issue irredeemable notes fills the channels of circulation with depreciated paper. Notwithstanding a coinage by our mints, since 1849, of $874,000,000, the people are now strangers to the currency which was designed for their use and benefit, and specimens of the precious metals bearing the national device are seldom seen, except when produced to gratify the interest excited by their novelty. If depreciated paper is to be continued as the permanent currency of the country, and all our coin is to become a mere article of traffic and speculation, to the enhancement in price of all that is indispensable to the comfort of the people, it would be wise economy to abolish our mints thus saving the nation the care and expense incident to such establishments, and let all our precious metals be exported in bullion. The time has come, however, when the Government and national banks should be required to take the most efficient steps and make all necessary arrangements for a resumption of specie payments at the earliest practicable period. Specie payments having been once resumed by the Government and banks, all notes or bills of paper issued by either of a less denomination than $20 should by law be excluded from circulation, so that the people may have the benefit and convenience of a gold and silver currency which in all their business transactions will be uniform in value at home and abroad. Every man of property or industry, every man who desires to preserve what he honestly possesses or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium—such a medium as shall be real and substantial, not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, but to be made stable and secure. A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system and encourages propensities destructive of its happiness; it wars against industry, frugality, and economy, and it fosters the evil spirits of extravagance and speculation. It has been asserted by one of our profound and most gifted statesmen that—Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper

Page 1118

money. This is the most effectual of inventions to fertilize the rich man's fields by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation—these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed of a degraded paper currency authorized by law or in any way countenanced by government. It is one of the most successful devices, in times of peace or war, expansions or revulsions, to accomplish the transfer of all the precious metals from the great mass of the people into the hands of the few, where they are hoarded in secret places or deposited in strong boxes under bolts and bars, while the people are left to endure all the inconvenience, sacrifice, and demoralization resulting from the use of a depreciated and worthless paper money.

The condition of our finances and the operations of our revenue system are set forth and fully explained in the able and instructive report of the Secretary of the Treasury. On the 30th of June, 1866, the public debt amounted to $2,783,425,879; on the 30th of June last it was $2,692,199,215, showing a reduction during the fiscal year of $91,226,664. During the fiscal year ending June 30, 1867, the receipts were $490,634,010 and the expenditures $346,729,129, leaving an available surplus of $143,904,880. It is estimated that the receipts for the fiscal year ending June 30, 1868, will be $417,161,928 and that the expenditures will reach the sum of $393,269,226, leaving in the Treasury a surplus of $23,892,702. For the fiscal year ending June 30, 1869, it is estimated that the receipts will amount to $381,000,000 and that the expenditures will be $372,000,000, showing an excess of $9,000,000 in favor of the Government.

The attention of Congress is earnestly invited to the necessity of a thorough revision of our revenue system. Our internal-revenue laws and impost system should be so adjusted as to bear most heavily on articles of luxury, leaving the necessaries of life as free from taxation as may be consistent with the real wants of the Government, economically administered. Taxation would not then fall unduly on the man of moderate means; and while none would be entirely exempt from assessment, all, in proportion to their pecuniary abilities, would contribute toward the support of the State. A modification of the internal-revenue system, by a large reduction in the number of articles now subject to tax, would be followed by results equally advantageous to the citizen and the Government. It would render the execution of the law less expensive and more certain, remove obstructions to industry, lessen the temptations to evade the law, diminish the violations and frauds perpetrated upon its provisions,

Page 1119

make its operations less inquisitorial, and greatly reduce in numbers the army of taxgatherers created by the system, who “take from the mouth of honest labor the bread it has earned.” Retrenchment, reform, and economy should be carried into every branch of the public service, that the expenditures of the Government may be reduced and the people relieved from oppressive taxation; a sound currency should be restored, and the public faith in regard to the national debt sacredly observed. The accomplishment of these important results, together with the restoration of the Union of the States upon the principles of the Constitution, would inspire confidence at home and abroad in the stability of our institutions and bring to the nation prosperity, peace, and good will.

The report of the Secretary of War ad interim exhibits the operations of the Army and of the several bureaus of the War Department. The aggregate strength of our military force on the 30th of September last was 56,315. The total estimate for military appropriations is $77,124,707, including a deficiency in last year’s appropriation of $13,600,000. The payments at the Treasury on account of the service of the War Department from January 1 to October 29, 1867—a period of ten months—amounted to $109,807,000. The expenses of the military establishment, as well as the numbers of the Army, are now three times as great as they have ever been in time of peace, while the discretionary, power is vested in the Executive to add millions to this expenditure by an increase of the Army to the maximum strength allowed by the law.

The comprehensive report of the Secretary of the Interior furnishes interesting information in reference to the important branches of the public service connected with his Department. The menacing attitude of some of the warlike bands of Indians inhabiting the district of country between the Arkansas and Platte rivers and portions of Dakota Territory required the presence of a large military force in that region. Instigated by real or imaginary grievances, the Indians occasionally committed acts of barbarous violence upon emigrants and our frontier settlements; but a general Indian war has been providentially averted. The commissioners under the act of 20th July, 1867, were invested with full power to adjust existing difficulties, negotiate treaties with the disaffected bands, and select for them reservations remote from the traveled routes between the Mississippi and the Pacific. They entered without delay upon the execution of their trust, but have not yet made any official report of their proceedings. It is of vital importance that our distant Territories should be exempt from Indian outbreaks, and that the construction of the Pacific Railroad, an object of national importance, should not be interrupted by hostile tribes. These objects, as well as the material interests and the moral and intellectual improvement of the Indians, can be most effectually secured by concentrating them upon portions of country set apart for their exclusive use and located at points remote from our highways and encroaching white settlements.

Page 1120

Since the commencement of the second session of the Thirty-ninth Congress 510 miles of road have been constructed on the main line and branches of the Pacific Railway. The line from Omaha is rapidly approaching the eastern base of the Rocky Mountains, while the terminus of the last section of constructed road in California, accepted by the Government on the 24th day of October last, was but 11 miles distant from the summit of the Sierra Nevada. The remarkable energy evinced by the companies offers the strongest assurance that the completion of the road from Sacramento to Omaha will not be long deferred.

During the last fiscal year 7,041,114 acres of public land were disposed of, and the cash receipts from sales and fees exceeded by one-half million dollars the sum realized from those sources during the preceding year. The amount paid to pensioners, including expenses of disbursements, was $18,619,956, and 36,482 names were added to the rolls. The entire number of pensioners on the 30th of June last was 155,474. Eleven thousand six hundred and fifty-five patents and designs were issued during the year ending September 30, 1867, and at that date the balance in the Treasury to the credit of the patent fund was $286,607.

The report of the Secretary of the Navy states that we have seven squadrons actively and judiciously employed, under efficient and able commanders, in protecting the persons and property of American citizens, maintaining the dignity and power of the Government, and promoting the commerce and business interests of our countrymen in every part of the world. Of the 238 vessels composing the present Navy of the United States, 56, carrying 507 guns, are in squadron service. During the year the number of vessels in commission has been reduced 12, and there are 13 less on squadron duty than there were at the date of the last report. A large number of vessels were commenced and in the course of construction when the war terminated, and although Congress had made the necessary appropriations for their completion, the Department has either suspended work upon them or limited the slow completion of the steam vessels, so as to meet the contracts for machinery made with private establishments. The total expenditures of the Navy Department for the fiscal year ending June 30, 1867, were $31,034,011. No appropriations have been made or required since the close of the war for the construction and repair of vessels, for steam machinery, ordnance, provisions and clothing, fuel, hemp, *etc*., the balances under these several heads having been more than sufficient for current expenditures. It should also be stated to the credit of the Department that, besides asking no appropriations for the above objects for the last two years, the Secretary of the Navy, on the 30th of September last, in accordance with the act of May 1, 1820, requested the Secretary of the Treasury to carry to the surplus fund the sum of $65,000.000, being the amount received from the sales of vessels and other war property and the remnants of former appropriations.

Page 1121

The report of the Postmaster-General shows the business of the Post-Office Department and the condition of the postal service in a very favorable light, and the attention of Congress is called to its practical recommendations. The receipts of the Department for the year ending June 30, 1867, including all special appropriations for sea and land service and for free mail matter, were $19,978,693. The expenditures for all purposes were $19,235,483, leaving an unexpended balance in favor of the Department of $743,210, which can be applied toward the expenses of the Department for the current year. The increase of postal revenue, independent of specific appropriations, for the year 1867 over that of 1866 was $850,040. The increase of revenue from the sale of stamps and stamped envelopes was $783,404. The increase of expenditures for 1867 over those of the previous year was owing chiefly to the extension of the land and ocean mail service. During the past year new postal conventions have been ratified and exchanged with the United Kingdom of Great Britain and Ireland, Belgium, the Netherlands, Switzerland, the North German Union, Italy, and the colonial government at Hong Kong, reducing very largely the rates of ocean and land postages to and from and within those countries.

The report of the Acting Commissioner of Agriculture concisely presents the condition, wants, and progress of an interest eminently worthy the fostering care of Congress, and exhibits a large measure of useful results achieved during the year to which it refers.

The reestablishment of peace at home and the resumption of extended trade, travel, and commerce abroad have served to increase the number and variety of questions in the Department for Foreign Affairs. None of these questions, however, have seriously disturbed our relations with other states.

The Republic of Mexico, having been relieved from foreign intervention, is earnestly engaged in efforts to reestablish her constitutional system of government. A good understanding continues to exist between our Government and the Republics of Hayti and San Domingo, and our cordial relations with the Central and South American States remain unchanged. The tender, made in conformity with a resolution of Congress, of the good offices of the Government with a view to an amicable adjustment of peace between Brazil and her allies on one side and Paraguay on the other, and between Chile and her allies on the one side and Spain on the other, though kindly received, has in neither case been fully accepted by the belligerents. The war in the valley of the Parana is still vigorously maintained. On the other hand, actual hostilities between the Pacific States and Spain have been more than a year suspended. I shall, on any proper occasion that may occur, renew the conciliatory recommendations which have been already made. Brazil, with enlightened sagacity and comprehensive statesmanship, has opened the great channels of the Amazon and its tributaries to universal commerce. One thing more seems needful to assure a rapid and cheering progress in South America. I refer to those peaceful habits without which states and nations can not in this age well expect material prosperity or social advancement.

Page 1122

The Exposition of Universal Industry at Paris has passed, and seems to have fully realized the high expectations of the French Government. If due allowance be made for the recent political derangement of industry here, the part which the United States has borne in this exhibition of invention and art may be regarded with very high satisfaction. During the exposition a conference was held of delegates from several nations, the United States being one, in which the inconveniences of commerce and social intercourse resulting from the diverse standards of money value were very fully discussed, and plans were developed for establishing by universal consent a common principle for the coinage of gold. These conferences are expected to be renewed, with the attendance of many foreign states not hitherto represented. A report of these interesting proceedings will be submitted to Congress, which will, no doubt, justly appreciate the great object and be ready to adopt any measure which may tend to facilitate its ultimate accomplishment.

On the 25th of February, 1862, Congress declared by law that Treasury notes, without interest, authorized by that act should be legal tender in payment of all debts, public and private, within the United States. An annual remittance of $30,000, less stipulated expenses, accrues to claimants under the convention made with Spain in 1834. These remittances, since the passage of that act, have been paid in such notes. The claimants insist that the Government ought to require payment in coin. The subject may be deemed worthy of your attention.

No arrangement has yet been reached for the settlement of our claims for British depredations upon the commerce of the United States. I have felt it my duty to decline the proposition of arbitration made by Her Majesty's Government, because it has hitherto been accompanied by reservations and limitations incompatible with the rights, interest, and honor of our country. It is not to be apprehended that Great Britain will persist in her refusal to satisfy these just and reasonable claims, which involve the sacred principle of nonintervention—a principle henceforth not more important to the United States than to all other commercial nations.

The West India islands were settled and colonized by European States simultaneously with the settlement and colonization of the American continent. Most of the colonies planted here became independent nations in the close of the last and the beginning of the present century. Our own country embraces communities which at one period were colonies of Great Britain, France, Spain, Holland, Sweden, and Russia. The people in the West Indies, with the exception of those of the island of Hayti, have neither attained nor aspired to independence, nor have they become prepared for self-defense. Although possessing considerable commercial value, they have been held by the several European States which colonized or at some time conquered

Page 1123

them, chiefly for purposes of military and naval strategy in carrying out European policy and designs in regard to this continent. In our Revolutionary War ports and harbors in the West India islands were used by our enemy, to the great injury and embarrassment of the United States. We had the same experience in our second war with Great Britain. The same European policy for a long time excluded us even from trade with the West Indies, while we were at peace with all nations. In our recent civil war the rebels and their piratical and blockade-breaking allies found facilities in the same ports for the work, which they too successfully accomplished, of injuring and devastating the commerce which we are now engaged in rebuilding. We labored especially under this disadvantage, that European steam vessels employed by our enemies found friendly shelter, protection, and supplies in West Indian ports, while our naval operations were necessarily carried on from our own distant shores. There was then a universal feeling of the want of an advanced naval outpost between the Atlantic coast and Europe. The duty of obtaining such an outpost peacefully and lawfully, while neither doing nor menacing injury to other states, earnestly engaged the attention of the executive department before the close of the war, and it has not been lost sight of since that time. A not entirely dissimilar naval want revealed itself during the same period on the Pacific coast. The required foothold there was fortunately secured by our late treaty with the Emperor of Russia, and it now seems imperative that the more obvious necessities of the Atlantic coast should not be less carefully provided for. A good and convenient port and harbor, capable of easy defense, will supply that want. With the possession of such a station by the United States, neither we nor any other American nation need longer apprehend injury or offense from any transatlantic enemy. I agree with our early statesmen that the West Indies naturally gravitate to, and may be expected ultimately to be absorbed by, the continental States, including our own. I agree with them also that it is wise to leave the question of such absorption to this process of natural political gravitation. The islands of St. Thomas and St. John, which constitute a part of the group called the Virgin Islands, seemed to offer us advantages immediately desirable, while their acquisition could be secured in harmony with the principles to which I have alluded. A treaty has therefore been concluded with the King of Denmark for the cession of those islands, and will be submitted to the Senate for consideration.

It will hardly be necessary to call the attention of Congress to the subject of providing for the payment to Russia of the sum stipulated in the treaty for the cession of Alaska. Possession having been formally delivered to our commissioner, the territory remains for the present in care of a military force, awaiting such civil organization as shall be directed by Congress.

Page 1124

The annexation of many small German States to Prussia and the reorganization of that country under a new and liberal constitution have induced me to renew the effort to obtain a just and prompt settlement of the long-vexed question concerning the claims of foreign states for military service from their subjects naturalized in the United States.

In connection with this subject the attention of Congress is respectfully called to a singular and embarrassing conflict of laws. The executive department of this Government has hitherto uniformly held, as it now holds, that naturalization in conformity with the Constitution and laws of the United States absolves the recipient from his native allegiance. The courts of Great Britain hold that allegiance to the British Crown is indefensible, and is not absolved by our laws of naturalization. British judges cite courts and law authorities of the United States in support of that theory against the position held by the executive authority of the United States. This conflict perplexes the public mind concerning the rights of naturalized citizens and impairs the national authority abroad. I called attention to this subject in my last annual message, and now again respectfully appeal to Congress to declare the national will unmistakably upon this important question.

The abuse of our laws by the clandestine prosecution of the African slave trade from American ports or by American citizens has altogether ceased, and under existing circumstances no apprehensions of its renewal in this part of the world are entertained. Under these circumstances it becomes a question whether we shall not propose to Her Majesty's Government a suspension or discontinuance of the stipulations for maintaining a naval force for the suppression of that trade.

***

State of the Union Address
Andrew Johnson
December 9, 1868

Fellow-Citizens of the Senate and House of Representatives:

Upon the reassembling of Congress it again becomes my duty to call your attention to the state of the Union and to its continued disorganized condition under the various laws which have been passed upon the subject of reconstruction.

It may be safely assumed as an axiom in the government of states that the greatest wrongs inflicted upon a people are caused by unjust and arbitrary legislation, or by the unrelenting decrees of despotic rulers, and that the timely revocation of injurious and oppressive measures is the greatest good that can be conferred upon a nation. The legislator or ruler who has the wisdom and magnanimity to retrace his steps when convinced of error will sooner or later be rewarded with the respect and gratitude of an intelligent and patriotic people.

Page 1125

Our own history, although embracing a period less than a century, affords abundant proof that most, if not all, of our domestic troubles are directly traceable to violations of the organic law and excessive legislation. The most striking illustrations of this fact are furnished by the enactments of the past three years upon the question of reconstruction. After a fair trial they have substantially failed and proved pernicious in their results, and there seems to be no good reason why they should longer remain upon the statute book. States to which the Constitution guarantees a republican form of government have been reduced to military dependencies in each of which the people have been made subject to the arbitrary will of the commanding general. Although the Constitution requires that each State shall be represented in Congress, Virginia, Mississippi, and Texas are yet excluded from the two Houses, and, contrary to the express provisions of that instrument were denied participation in the recent election for a President and Vice-President of the United States. The attempt to place the white population under the domination of persons of color in the South has impaired, if not destroyed, the kindly relations that had previously existed between them: and mutual distrust has engendered a feeling of animosity which leading in some instances to collision and bloodshed, has prevented that cooperation between the two races so essential to the success of industrial enterprise in the Southern States. Nor have the inhabitants of those States alone suffered from the disturbed condition of affairs growing out of these Congressional enactments. The entire Union has been agitated by grave apprehensions of troubles which might again involve the peace of the nation; its interests have been injuriously affected by the derangement of business and labor, and the consequent want of prosperity throughout that portion of the country.

The Federal Constitution—the magna charta of American rights, under whose wise and salutary provisions we have successfully conducted all our domestic and foreign affairs, sustained ourselves in peace and in war, and become a great nation among the powers of the earth—must assuredly be now adequate to the settlement of questions growing out of the civil war, waged alone for its vindication. This great fact is made most manifest by the condition of the country when Congress assembled in the month of December, 1865. Civil strife had ceased, the spirit of rebellion had spent its entire force, in the Southern States the people had warmed into national life, and throughout the whole country a healthy reaction in public sentiment had taken place. By the application of the simple yet effective provisions of the Constitution the executive department, with the voluntary aid of the States, had brought the work of restoration as near completion as was within the scope of its authority, and the nation was encouraged by the prospect of an

Page 1126

early and satisfactory adjustment of all its difficulties. Congress, however, intervened, and, refusing to perfect the work so nearly consummated, declined to admit members from the unrepresented States, adopted a series of measures which arrested the progress of restoration, frustrated all that had been so successfully accomplished, and, after three years of agitation and strife, has left the country further from the attainment of union and fraternal feeling than at the inception of the Congressional plan of reconstruction. It needs no argument to show that legislation which has produced such baneful consequences should be abrogated, or else made to conform to the genuine principles of republican government.

Under the influence of party passion and sectional prejudice, other acts have been passed not warranted by the Constitution. Congress has already been made familiar with my views respecting the "tenure-of-office bill." Experience has proved that its repeal is demanded by the best interests of the country, and that while it remains in force the President can not enjoin that rigid accountability of public officers so essential to an honest and efficient execution of the laws. Its revocation would enable the executive department to exercise the power of appointment and removal in accordance with the original design of the Federal Constitution.

The act of March 2, 1867, making appropriations for the support of the Army for the year ending June 30, 1868, and for other purposes, contains provisions which interfere with the President's constitutional functions as Commander in Chief of the Army and deny to States of the Union the right to protect themselves by means of their own militia. These provisions should be at once annulled; for while the first might, in times of great emergency, seriously embarrass the Executive in efforts to employ and direct the common strength of the nation for its protection and preservation, the other is contrary to the express declaration of the Constitution that "a well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed."

It is believed that the repeal of all such laws would be accepted by the American people as at least a partial return to the fundamental principles of the Government, and an indication that hereafter the Constitution is to be made the nation's safe and unerring guide. They can be productive of no permanent benefit to the country, and should not be permitted to stand as so many monuments of the deficient wisdom which has characterized our recent legislation.

The condition of our finances demands the early and earnest consideration of Congress. Compared with the growth of our population, the public expenditures have reached an amount unprecedented in our history.

The population of the United States in 1790 was nearly 4,000,000 people. Increasing each decade about 33 per cent, it reached in 1860 31,000,000, an increase of 700 per cent on the population in 1790. In 1869 it is estimated that it will reach 38,000,000, or an increase of 868 per cent in seventy-nine years.

Page 1127

The annual expenditures of the Federal Government in 1791 were $4,200,000; in 1820, $18.200,000; in 1850, forty-one millions; in 1860, sixty-three millions; in 1865, nearly thirteen hundred millions; and in 1869 it is estimated by the Secretary of the Treasury, in his last annual report, that they will be three hundred and seventy-two millions.

By comparing the public disbursements of 1869, as estimated, with those of 1791, it will be seen that the increase of expenditure since the beginning of the Government has been 8,618 per cent, while the increase of the population for the same period was only 868 per cent. Again, the expenses of the Government in 1860, the year of peace immediately preceding the war, were only sixty—three millions, while in 1869, the year of peace three years after the war it is estimated they will be three hundred and seventy-two millions, an increase of 489 per cent, while the increase of population was only 21 per cent for the same period.

These statistics further show that in 1791 the annual national expenses, compared with the population, were little more than $1 per capita, and in 1860 but $2 per capita; while in 1869 they will reach the extravagant sum of $9.78 per capita.

It will be observed that all these statements refer to and exhibit the disbursements of peace periods. It may, therefore, be of interest to compare the expenditures of the three war periods—the war with Great Britain, the Mexican War, and the War of the Rebellion.

In 1814 the annual expenses incident to the War of 1812 reached their highest amount —about thirty-one millions—while our population slightly exceeded 8,000,000, showing an expenditure of only $3.80 per capita. In 1847 the expenditures growing out of the war with Mexico reached fifty-five millions, and the population about 21,000,000, giving only $2.60 per capita for the war expenses of that year. In 1865 the expenditures called for by the rebellion reached the vast amount of twelve hundred and ninety millions, which, compared with a population of 34,000,000, gives $38.20 per capita.

From the 4th day of March, 1789, to the 30th of June, 1861, the entire expenditures of the Government were $1,700,000,000. During that period we were engaged in wars with Great Britain and Mexico, and were involved in hostilities with powerful Indian tribes; Louisiana was purchased from France at a cost of $15,000,000; Florida was ceded to us by Spain for five millions; California was acquired from Mexico for fifteen millions, and the territory of New Mexico was obtained from Texas for the sum of ten millions. Early in 1861 the War of the Rebellion commenced; and from the 1st of July of that year to the 30th of June, 1865, the public expenditures reached the enormous aggregate of thirty-three hundred millions. Three years of peace have intervened, and during that time the disbursements of the Government have successively been five hundred and twenty millions, three hundred

Page 1128

and forty-six millions, and three hundred and ninety-three millions. Adding to these amounts three hundred and seventy-two millions, estimated as necessary for the fiscal year ending the 30th of June, 1869, we obtain a total expenditure of $1,600,000,000 during the four years immediately succeeding the war, or nearly as much as was expended during the seventy-two years that preceded the rebellion and embraced the extraordinary expenditures already named.

These startling facts clearly illustrate the necessity of retrenchment in all branches of the public service. Abuses which were tolerated during the war for the preservation of the nation will not be endured by the people, now that profound peace prevails. The receipts from internal revenues and customs have during the past three years gradually diminished, and the continuance of useless and extravagant expenditures will involve us in national bankruptcy, or else make inevitable an increase of taxes already too onerous and in many respects obnoxious on account of their inquisitorial character. One hundred millions annually are expended for the military force, a large portion of which is employed in the execution of laws both unnecessary and unconstitutional; one hundred and fifty millions are required each year to pay the interest on the public debt: an army of taxgatherers impoverishes the nation, and public agents, placed by Congress beyond the control of the Executive, divert from their legitimate purposes large sums of money which they collect from the people in the name of the Government. Judicious legislation and prudent economy can alone remedy defects and avert evils which, if suffered to exist, can not fail to diminish confidence in the public councils and weaken the attachment and respect of the people toward their political institutions. Without proper care the small balance which it is estimated will remain in the Treasury at the close of the present fiscal year will not be realized, and additional millions be added to a debt which is now enumerated by billions.

It is shown by the able and comprehensive report of the Secretary of the Treasury that the receipts for the fiscal year ending June 30, 1868, were $405,638,083, and that the expenditures for the same period were $377,340,284, leaving in the Treasury a surplus of $28,297,798. It is estimated that the receipts during the present fiscal year, ending June 30, 1869, will be $341,392,868 and the expenditures $336,152,470, showing a small balance of $5,240,398 in favor of the Government. For the fiscal year ending June 30, 1870, it is estimated that the receipts will amount to $327,000,000 and the expenditures to $303,000,000, leaving an estimated surplus of $24,000,000.

It becomes proper in this connection to make a brief reference to our public indebtedness, which has accumulated with such alarming rapidity and assumed such colossal proportions.

Page 1129

In 1789, when the Government commenced operations under the Federal Constitution, it was burdened with an indebtedness of $75,000,000, created during the War of the Revolution. This amount had been reduced to $45,000,000 when, in 1812, war was declared against Great Britain. The three years' struggle that followed largely increased the national obligations, and in 1816 they had attained the sum of $127,000,000. Wise and economical legislation, however, enabled the Government to pay the entire amount within a period of twenty years, and the extinguishment of the national debt filled the land with rejoicing and was one of the great events of President Jackson's Administration. After its redemption a large fund remained in the Treasury, which was deposited for safe-keeping with the several States. on condition that it should be returned when required by the public wants. In 1849—the year after the termination of an expensive war with Mexico—we found ourselves involved in a debt of $64,000,000; and this was the amount owed by the Government in 1860, just prior to the outbreak of the rebellion. In the spring of 1861 our civil war commenced. Each year of its continuance made an enormous addition to the debt: and when in the spring of 1865, the nation successfully emerged from the conflict, the obligations of the Government had reached the immense sum of $2.873,992,909. The Secretary of the Treasury shows that on the 1st day of November, 1867, this amount had been reduced to $2,491,504,450; but at the same time his report exhibits an increase during the past year of $35,625,102, for the debt on the 1st day of November last is stated to have been $2,527,129,552. It is estimated by the Secretary that the returns for the past month will add to our liabilities the further sum of $11,000,000, making a total increase during thirteen months of $46,500,000.

In my message to Congress December 4, 1865, it was suggested that a policy should be devised which, without being oppressive to the people, would at once begin to effect a reduction of the debt, and, if persisted in, discharge it fully within a definite number of years. The Secretary of the Treasury forcibly recommends legislation of this character, and justly urges that the longer it is deferred the more difficult must become its accomplishment. We should follow the wise precedents established in 1789 and 1816, and without further delay make provision for the payment of our obligations at as early a period as may be practicable. The fruits of their labors should be enjoyed by our citizens rather than used to build up and sustain moneyed monopolies in our own and other lands. Our foreign debt is already computed by the Secretary of the Treasury at $850,000,000; citizens of foreign countries receive interest upon a large portion of our securities, and American taxpayers are made to contribute large sums for their support. The idea that such a debt is to become permanent should

Page 1130

be at all times discarded as involving taxation too heavy to be borne, and payment once in every sixteen years, at the present rate of interest, of an amount equal to the original sum. This vast debt, if permitted to become permanent and increasing, must eventually be gathered into the hands of a few, and enable them to exert a dangerous and controlling power in the affairs of the Government. The borrowers would become servants to the lenders, the lenders the masters of the people. We now pride ourselves upon having given freedom to 4,000,000 of the colored race; it will then be our shame that 40,000,000 of people, by their own toleration of usurpation and profligacy, have suffered themselves to become enslaved, and merely exchanged slave owners for new taskmasters in the shape of bondholders and taxgatherers. Besides, permanent debts pertain to monarchical governments, and, tending to monopolies, perpetuities, and class legislation, are totally irreconcilable with free institutions introduced into our republican system, they would gradually but surely sap its foundations, eventually subvert our governmental fabric, and erect upon its ruins a moneyed aristocracy. It is our sacred duty to transmit unimpaired to our posterity the blessings of liberty which were bequeathed to us by the founders of the Republic. and by our example teach those who are to follow us carefully to avoid the dangers which threaten a free and independent people.

Various plans have been proposed for the payment of the public debt. However they may have varied as to the time and mode in which it should be redeemed, there seems to be a general concurrence as to the propriety and justness of a reduction in the present rate of interest. The Secretary of the Treasury in his report recommends 5 per cent; Congress, in a bill passed prior to adjournment on the 27th of July last, agreed upon 4 and 4 1/2 per cent; while by many 3 per cent has been held to be an amply sufficient return for the investment. The general impression as to the exorbitancy of the existing rate of interest has led to an inquiry in the public mind respecting the consideration which the Government has actually received for its bonds, and the conclusion is becoming prevalent that the amount which it obtained was in real money three or four hundred per cent less than the obligations which it issued in return. It can not be denied that we are paying an extravagant percentage for the use of the money borrowed, which was paper currency, greatly depreciated below the value of coin. This fact is made apparent when we consider that bondholders receive from the Treasury upon each dollar they own in Government securities 6 per cent in gold, which is nearly or quite equal to 9 per cent in currency; that the bonds are then converted into capital for the national banks, upon which those institutions issue their circulation, bearing 6 per cent interest; and that they are exempt from taxation by the Government

Page 1131

and the States, and thereby enhanced 2 per cent in the hands of the holders. We thus have an aggregate of 17 per cent which may be received upon each dollar by the owners of Government securities. A system that produces such results is justly regarded as favoring a few at the expense of the many, and has led to the further inquiry whether our bondholders, in view of the large profits which they have enjoyed, would themselves be averse to a settlement of our indebtedness upon a plan which would yield them a fair remuneration and at the same time be just to the taxpayers of the nation. Our national credit should be sacredly observed, but in making provision for our creditors we should not forget what is due to the masses of the people. It may be assumed that the holders of our securities have already received upon their bonds a larger amount than their original investment, measured by a gold standard. Upon this statement of facts it would seem but just and equitable that the 6 per cent interest now paid by the Government should be applied to the reduction of the principal in semiannual installments, which in sixteen years and eight months would liquidate the entire national debt. Six per cent in gold would at present rates be equal to 9 per cent in currency, and equivalent to the payment of the debt one and a half times in a fraction less than seventeen years. This, in connection with all the other advantages derived from their investment, would afford to the public creditors a fair and liberal compensation for the use of their capital, and with this they should be satisfied. The lessons of the past admonish the lender that it is not well to be over-anxious in exacting from the borrower rigid compliance with the letter of the bond.

If provision be made for the payment of the indebtedness of the Government in the manner suggested, our nation will rapidly recover its wonted prosperity. Its interests require that some measure should be taken to release the large amount of capital invested in the securities of the Government. It is not now merely unproductive, but in taxation annually consumes $150,000,000, which would otherwise be used by our enterprising people in adding to the wealth of the nation. Our commerce, which at one time successfully rivaled that of the great maritime powers, has rapidly diminished, and our industrial interests are in a depressed and languishing condition. The development of our inexhaustible resources is checked, and the fertile fields of the South are becoming waste for want of means to till them. With the release of capital, new life would be infused into the paralyzed energies of our people and activity and vigor imparted to every branch of industry. Our people need encouragement in their efforts to recover from the effects of the rebellion and of injudicious legislation, and it should be the aim of the Government to stimulate them by the prospect of an early release from the burdens which impede their prosperity. If we can not take the burdens from their shoulders, we should at least manifest a willingness to help to bear them.

Page 1132

In referring to the condition of the circulating medium, I shall merely reiterate substantially that portion of my last annual message which relates to that subject.

The proportion which the currency of any country should bear to the whole value of the annual produce circulated by its means is a question upon which political economists have not agreed. Nor can it be controlled by legislation, but must be left to the irrevocable laws which everywhere regulate commerce and trade. The circulating medium will ever irresistibly flow to those points where it is in greatest demand. The law of demand and supply is as unerring as that which regulates the tides of the ocean; and, indeed, currency, like the tides, has its ebbs and flows throughout the commercial world.

At the beginning of the rebellion the bank-note circulation of the country amounted to not much more than $200,000,000; now the circulation of national-bank notes and those known as “legal-tenders” is nearly seven hundred millions. While it is urged by some that this amount should be increased, others contend that a decided reduction is absolutely essential to the best interests of the country. In view of these diverse opinions, it may be well to ascertain the real value of our paper issues when compared with a metallic or convertible currency. For this purpose let us inquire how much gold and silver could be purchased by the seven hundred millions of paper money now in circulation. Probably not more than half the amount of the latter; showing that when our paper currency is compared with gold and silver its commercial value is compressed into three hundred and fifty millions. This striking fact makes it the obvious duty of the Government, as early as may be consistent with the principles of sound political economy, to take such measures as will enable the holders of its notes and those of the national banks to convert them, without loss, into specie or its equivalent. A reduction of our paper circulating medium need not necessarily follow. This, however, would depend upon the law of demand and supply, though it should be borne in mind that by making legal-tender and bank notes convertible into coin or its equivalent their present specie value in the hands of their holders would be enhanced 100 per cent.

Legislation for the accomplishment of a result so desirable is demanded by the highest public considerations. The Constitution contemplates that the circulating medium of the country shall be uniform in quality and value. At the time of the formation of that instrument the country had just emerged from the War of the Revolution, and was suffering from the effects of a redundant and worthless paper currency. The sages of that period were anxious to protect their posterity from the evils which they themselves had experienced. Hence in providing a circulating medium they conferred upon Congress the power to coin money and regulate the value thereof, at the same time prohibiting the States from making anything but gold and silver a tender in payment of debts.

Page 1133

The anomalous condition of our currency is in striking contrast with that which was originally designed. Our circulation now embraces, first, notes of the national banks, which are made receivable for all dues to the Government, excluding imposts, and by all its creditors, excepting in payment of interest upon its bonds and the securities themselves; second, legal tender, issued by the United States, and which the law requires shall be received as well in payment of all debts between citizens as of all Government dues, excepting imposts; and, third, gold and silver coin. By the operation of our present system of finance however, the metallic currency, when collected, is reserved only for one class of Government creditors, who, holding its bonds, semiannually receive their interest in coin from the National Treasury. There is no reason which will be accepted as satisfactory by the people why those who defend us on the land and protect us on the sea; the pensioner upon the gratitude of the nation, bearing the scars and wounds received while in its service; the public servants in the various departments of the Government; the farmer who supplies the soldiers of the Army and the sailors of the Navy; the artisan who toils in the nation's workshops, or the mechanics and laborers who build its edifices and construct its forts and vessels of war, should, in payment of their just and hard-earned dues, receive depreciated paper, while another class of their countrymen, no more deserving are paid in coin of gold and silver. Equal and exact justice requires that all the creditors of the Government should be paid in a currency possessing a uniform value. This can only be accomplished by the restoration of the currency to the standard established by the Constitution, and by this means we would remove a discrimination which may, if it has not already done so, create a prejudice that may become deep-rooted and widespread and imperil the national credit.

The feasibility of making our currency correspond with the constitutional standard may be seen by reference to a few facts derived from our commercial statistics.

The aggregate product of precious metals in the United States from 1849 to 1867 amounted to $1,174,000,000, while for the same period the net exports of specie were $741,000,000. This shows an excess of product over net exports of $433,000,000. There are in the Treasury $103,407,985 in coin; in circulation in the States on the Pacific Coast about $40,000,000, and a few millions in the national and other banks—in all less than $160,000,000. Taking into consideration the specie in the country prior to 1849 and that produced since 1867, and we have more than $300,000,000 not accounted for by exportation or by returns of the Treasury, and therefore most probably remaining in the country.

Page 1134

These are important facts, and show how completely the inferior currency will supersede the better, forcing it from circulation among the masses and causing it to be exported as a mere article of trade, to add to the money capital of foreign lands. They show the necessity of retiring our paper money, that the return of gold and silver to the avenues of trade may be invited and a demand created which will cause the retention at home of at least so much of the productions of our rich and inexhaustible gold-bearing fields as may be sufficient for purposes of circulation. It is unreasonable to expect a return to a sound currency so long as the Government and banks, by continuing to issue irredeemable notes, fill the channels of circulation with depreciated paper. Notwithstanding a coinage by our mints since 1849 of $874,000,000, the people are now strangers to the currency which was designed for their use and benefit, and specimens of the precious metals bearing the national device are seldom seen, except when produced to gratify the interest excited by their novelty. If depreciated paper is to be continued as the permanent currency of the country, and all our coin is to become a mere article of traffic and speculation to the enhancement in price of all that is indispensable to the comfort of the people, it would be wise economy to abolish our mints, thus saving the nation the care and expense incident to such establishments, and let our precious metals be exported in bullion. The time has come, however, when the Government and national banks should be required to take the most efficient steps and make all necessary arrangements for a resumption of specie payments. Let specie payments once be earnestly inaugurated by the Government and banks, and the value of the paper circulation would directly approximate a specie standard.

Specie payments having been resumed by the Government and banks, all notes or bills of paper issued by either of a less denomination than $20 should by law be excluded from circulation, so that the people may have the benefit and convenience of a gold and silver currency which in all their business transactions will be uniform in value at home and abroad. Every man of property or industry, every man who desires to preserve what he honestly possesses or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium—such a medium as shall be real and substantial, not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, but to be made stable and secure. A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system and encourages propensities destructive of its happiness; it wars against industry, frugality, and economy, and it fosters the evil spirits of extravagance and speculation. It has been asserted by one of our profound and most gifted statesmen

Page 1135

that—Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's fields by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation—these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well-disposed of a degraded paper currency authorized by law or in any way countenanced by government. It is one of the most successful devices, in times of peace or war, of expansions or revulsions, to accomplish the transfer of all the precious metals from the great mass of the people into the hands of the few, where they are hoarded in secret places or deposited under bolts and bars, while the people are left to endure all the inconvenience, sacrifice, and demoralization resulting from the use of depreciated and worthless paper.

The Secretary of the Interior in his report gives valuable information in reference to the interests confided to the supervision of his Department, and reviews the operations of the Land Office, Pension Office, Patent Office, and Indian Bureau.

During the fiscal year ending June 30. 1868, 6,655,700 acres of public land were disposed of. The entire cash receipts of the General Land Office for the same period were $1,632,745, being greater by $284,883 than the amount realized from the same sources during the previous year. The entries under the homestead law cover 2,328,923 acres, nearly one-fourth of which was taken under the act of June 21, 1866, which applies only to the States of Alabama, Mississippi, Louisiana, Arkansas, and Florida.

On the 30th of June, 1868, 169,643 names were borne on the pension rolls, and during the year ending on that day the total amount paid for pensions, including the expenses of disbursement, was $24,010,982, being $5,391,025 greater than that expended for like purposes during the preceding year.

During the year ending the 30th of September last the expenses of the Patent Office exceeded the receipts by $171, and, including reissues and designs, 14,153 patents were issued.

Treaties with various Indian tribes have been concluded, and will be submitted to the Senate for its constitutional action. I cordially sanction the stipulations which provide for reserving lands for the various tribes, where they may be encouraged to abandon their nomadic habits and engage in agricultural and industrial pursuits. This policy, inaugurated many years since, has met with signal success whenever it has been

pursued in good faith and with becoming liberality by the United States. The necessity for extending it as far as practicable in our relations with the

Page 1136

aboriginal population is greater now than at any preceding period. Whilst we furnish subsistence and instruction to the Indians and guarantee the undisturbed enjoyment of their treaty rights, we should habitually insist upon the faithful observance of their agreement to remain within their respective reservations. This is the only mode by which collisions with other tribes and with the whites can be avoided and the safety of our frontier settlements secured.

The companies constructing the railway from Omaha to Sacramento have been most energetically engaged in prosecuting the work, and it is believed that the line will be completed before the expiration of the next fiscal year. The 6 per cent bonds issued to these companies amounted on the 5th instant to $44,337,000, and additional work had been performed to the extent of $3,200,000.

The Secretary of the Interior in August last invited my attention to the report of a Government director of the Union Pacific Railroad Company who had been specially instructed to examine the location, construction, and equipment of their road. I submitted for the opinion of the Attorney-General certain questions in regard to the authority of the Executive which arose upon this report and those which had from time to time been presented by the commissioners appointed to inspect each successive section of the work. After carefully considering the law of the case, he affirmed the right of the Executive to order, if necessary, a thorough revision of the entire road. Commissioners were thereupon appointed to examine this and other lines, and have recently submitted a statement of their investigations, of which the report of the Secretary of the Interior furnishes specific information.

The report of the Secretary of War contains information of interest and importance respecting the several bureaus of the War Department and the operations of the Army. The strength of our military force on the 30th of September last was 48,000 men, and it is computed that by the 1st of January next this number will be decreased to 43,000. It is the opinion of the Secretary of War that within the next year a considerable diminution of the infantry force may be made without detriment to the interests of the country; and in view of the great expense attending the military peace establishment and the absolute necessity of retrenchment wherever it can be applied, it is hoped that Congress will sanction the reduction which his report recommends. While in 1860 sixteen thousand three hundred men cost the nation $16,472,000, the sum of $65,682,000 is estimated as necessary for the support of the Army during the fiscal year ending June 30, 1870. The estimates of the War Department for the last two fiscal years were, for 1867, $33,814,461, and for 1868 $25,205,669. The actual expenditures during the same periods were, respectively, $95,224,415 and $123,246,648. The estimate submitted in December last for the fiscal year ending June 30, 1869, was

Page 1137

$77,124,707; the expenditures for the first quarter, ending the 30th of September last, were $27,219,117, and the Secretary of the Treasury gives $66,000,000 as the amount which will probably be required during the remaining three quarters, if there should be no reduction of the Army—making its aggregate cost for the year considerably in excess of ninety-three millions. The difference between the estimates and expenditures for the three fiscal years which have been named is thus shown to be $175,545,343 for this single branch of the public service.

The report of the Secretary of the Navy exhibits the operations of that Department and of the Navy during the year. A considerable reduction of the force has been effected. There are 42 vessels, carrying 411 guns, in the six squadrons which are established in different parts of the world. Three of these vessels are returning to the United States and 4 are used as storeships, leaving the actual cruising force 35 vessels, carrying 356 guns. The total number of vessels in the Navy is 206, mounting 1,743 guns. Eighty-one vessels of every description are in use, armed with 696 guns. The number of enlisted men in the service, including apprentices, has been reduced to 8,500. An increase of navy-yard facilities is recommended as a measure which will in the event of war be promotive of economy and security. A more thorough and systematic survey of the North Pacific Ocean is advised in view of our recent acquisitions, our expanding commerce, and the increasing intercourse between the Pacific States and Asia. The naval pension fund, which consists of a moiety of the avails of prizes captured during the war, amounts to $14,000,000. Exception is taken to the act of 23d July last, which reduces the interest on the fund loaned to the Government by the Secretary, as trustee, to 3 per cent instead of 6 per cent, which was originally stipulated when the investment was made. An amendment of the pension laws is suggested to remedy omissions and defects in existing enactments. The expenditures of the Department during the last fiscal year were $20,120,394, and the estimates for the coming year amount to $20,993,414.

The Postmaster-General's report furnishes a full and clear exhibit of the operations and condition of the postal service. The ordinary postal revenue for the fiscal year ending June 30, 1868. was $16,292,600, and the total expenditures, embracing all the service for which special appropriations have been made by Congress, amounted to $22,730,592, showing an excess of expenditures of $6,437,991. Deducting from the expenditures the sum of $1,896,525, the amount of appropriations for ocean-steamship and other special service, the excess of expenditures was $4,541,466. By using an unexpended balance in the Treasury of $3,800,000 the actual sum for which a special appropriation is required to meet the deficiency is $741,466. The causes which produced this large excess of expenditure

Page 1138

over revenue were the restoration of service in the late insurgent States and the putting into operation of new service established by acts of Congress, which amounted within the last two years and a half to about 48,700 miles—equal to more than one-third of the whole amount of the service at the close of the war. New postal conventions with Great Britain, North Germany, Belgium, the Netherlands, Switzerland, and Italy, respectively, have been carried into effect. Under their provisions important improvements have resulted in reduced rates of international postage and enlarged mail facilities with European countries. The cost of the United States transatlantic ocean mail service since January 1, 1868, has been largely lessened under the operation of these new conventions, a reduction of over one-half having been effected under the new arrangements for ocean mail steamship service which went into effect on that date. The attention of Congress is invited to the practical suggestions and recommendations made in his report by the Postmaster-General.

No important question has occurred during the last year in our accustomed cordial and friendly intercourse with Costa Rica, Guatemala, Honduras, San Salvador, France, Austria, Belgium, Switzerland, Portugal, the Netherlands, Denmark, Sweden and Norway, Rome, Greece, Turkey, Persia, Egypt, Liberia, Morocco, Tripoli, Tunis, Muscat, Siam, Borneo, and Madagascar.

Cordial relations have also been maintained with the Argentine and the Oriental Republics. The expressed wish of Congress that our national good offices might be tendered to those Republics, and also to Brazil and Paraguay, for bringing to an end the calamitous war which has so long been raging in the valley of the La Plata, has been assiduously complied with and kindly acknowledged by all the belligerents. That important negotiation, however, has thus far been without result.

Charles A. Washburn, late United States minister to Paraguay, having resigned, and being desirous to return to the United States, the rear-admiral commanding the South Atlantic Squadron was early directed to send a ship of war to Asuncion, the capital of Paraguay, to receive Mr. Washburn and his family and remove them from a situation which was represented to be endangered by faction and foreign war. The Brazilian commander of the allied invading forces refused permission to the Wasp to pass through the blockading forces, and that vessel returned to its accustomed anchorage. Remonstrance having been made against this refusal, it was promptly overruled, and the Wasp therefore resumed her errand, received Mr. Washburn and his family, and conveyed them to a safe and convenient seaport. In the meantime an excited controversy had arisen between the President of Paraguay and the late United States minister, which, it is understood, grew out of his proceedings in giving asylum in the United States legation to alleged enemies of that Republic.

Page 1139

The question of the right to give asylum is one always difficult and often productive of great embarrassment. In states well organized and established, foreign powers refuse either to concede or exercise that right, except as to persons actually belonging to the diplomatic service. On the other hand, all such powers insist upon exercising the right of asylum in states where the law of nations is not fully acknowledged, respected, and obeyed.

The President of Paraguay is understood to have opposed to Mr. Washburn's proceedings the injurious and very improbable charge of personal complicity in insurrection and treason. The correspondence, however, has not yet reached the United States.

Mr. Washburn, in connection with this controversy, represents that two United States citizens attached to the legation were arbitrarily seized at his side, when leaving the capital of Paraguay, committed to prison, and there subjected to torture for the purpose of procuring confessions of their own criminality and testimony to support the President's allegation against the United States minister. Mr. McMahon, the newly appointed minister to Paraguay, having reached the La Plata, has been instructed to proceed without delay to Asuncion, there to investigate the whole subject. The rear-admiral commanding the United States South Atlantic Squadron has been directed to attend the new minister with a proper naval force to sustain such just demands as the occasion may require, and to vindicate the rights of the United States citizens referred to and of any others who may be exposed to danger in the theater of war. With these exceptions, friendly relations have been maintained between the United States and Brazil and Paraguay.

Our relations during the past year with Bolivia, Ecuador, Peru, and Chile have become especially friendly and cordial. Spain and the Republics of Peru, Bolivia, and Ecuador have expressed their willingness to accept the mediation of the United States for terminating the war upon the South Pacific coast. Chile has not finally declared upon the question. In the meantime the conflict has practically exhausted itself, since no belligerent or hostile movement has been made by either party during the last two years, and there are no indications of a present purpose to resume hostilities on either side. Great Britain and France have cordially seconded our proposition of mediation, and I do not forego the hope that it may soon be accepted by all the belligerents and lead to a secure establishment of peace and friendly relations between the Spanish American Republics of the Pacific and Spain—a result which would be attended with common benefits to the belligerents and much advantage to all commercial nations. I communicate, for the consideration of Congress, a correspondence which shows that the Bolivian Republic has established the extremely liberal principle of receiving into its citizenship any citizen of the United States, or of any other of the American Republics, upon the simple condition of voluntary registry.

Page 1140

The correspondence herewith submitted will be found painfully replete with accounts of the ruin and wretchedness produced by recent earthquakes, of unparalleled severity, in the Republics of Peru, Ecuador, and Bolivia. The diplomatic agents and naval officers of the United States who were present in those countries at the time of those disasters furnished all the relief in their power to the sufferers, and were promptly rewarded with grateful and touching acknowledgments by the Congress of Peru. An appeal to the charity of our fellow-citizens has been answered by much liberality. In this connection I submit an appeal which has been made by the Swiss Republic, whose Government and institutions are kindred to our own, in behalf of its inhabitants, who are suffering extreme destitution, produced by recent devastating inundations.

Our relations with Mexico during the year have been marked by an increasing growth of mutual confidence. The Mexican Government has not yet acted upon the three treaties celebrated here last summer for establishing the rights of naturalized citizens upon a liberal and just basis, for regulating consular powers, and for the adjustment of mutual claims.

All commercial nations, as well as all friends of republican institutions, have occasion to regret the frequent local disturbances which occur in some of the constituent States of Colombia. Nothing has occurred, however, to affect the harmony and cordial friendship which have for several years existed between that youthful and vigorous Republic and our own.

Negotiations are pending with a view to the survey and construction of a ship canal across the Isthmus of Darien, under the auspices of the United States. I hope to be able to submit the results of that negotiation to the Senate during its present session.

The very liberal treaty which was entered into last year by the United States and Nicaragua has been ratified by the latter Republic.

Costa Rica, with the earnestness of a sincerely friendly neighbor, solicits a reciprocity of trade, which I commend to the consideration of Congress.

The convention created by treaty between the United States and Venezuela in July, 1865, for the mutual adjustment of claims, has been held, and its decisions have been received at the Department of State. The heretofore-recognized Government of the United States of Venezuela has been subverted. A provisional government having been instituted under circumstances which promise durability, it has been formally recognized.

I have been reluctantly obliged to ask explanation and satisfaction for national injuries committed by the President of Hayti. The political and social condition of the Republics of Hayti and St. Domingo is very unsatisfactory and painful. The abolition of slavery,

which has been carried into effect throughout the island of St. Domingo and the entire West Indies, except the Spanish islands of Cuba and Porto Rico,

Page 1141

has been followed by a profound popular conviction of the rightfulness of republican institutions and an intense desire to secure them. The attempt, however, to establish republics there encounters many obstacles, most of which may be supposed to result from long-indulged habits of colonial supineness and dependence upon European monarchical powers. While the United States have on all occasions professed a decided unwillingness that any part of this continent or of its adjacent islands shall be made a theater for a new establishment of monarchical power, too little has been done by us, on the other hand, to attach the communities by which we are surrounded to our own country, or to lend even a moral support to the efforts they are so resolutely and so constantly making to secure republican institutions for themselves. It is indeed a question of grave consideration whether our recent and present example is not calculated to check the growth and expansion of free principles, and make those communities distrust, if not dread, a government which at will consigns to military domination States that are integral parts of our Federal Union, and, while ready to resist any attempts by other nations to extend to this hemisphere the monarchical institutions of Europe, assumes to establish over a large portion of its people a rule more absolute, harsh, and tyrannical than any known to civilized powers.

The acquisition of Alaska was made with the view of extending national jurisdiction and republican principles in the American hemisphere. Believing that a further step could be taken in the same direction, I last year entered into a treaty with the King of Denmark for the purchase of the islands of St. Thomas and St. John, on the best terms then attainable, and with the express consent of the people of those islands. This treaty still remains under consideration in the Senate. A new convention has been entered into with Denmark, enlarging the time fixed for final ratification of the original treaty.

Comprehensive national policy would seem to sanction the acquisition and incorporation into our Federal Union of the several adjacent continental and insular communities as speedily as it can be done peacefully, lawfully, and without any violation of national justice, faith, or honor. Foreign possession or control of those communities has hitherto hindered the growth and impaired the influence of the United States. Chronic revolution and anarchy there would be equally injurious. Each one of them, when firmly established as an independent republic, or when incorporated into the United States, would be a new source of strength and power. Conforming my Administration to these principles, I have or no occasion lent support or toleration to unlawful expeditions set on foot upon the plea of republican propagandism or of national extension or aggrandizement. The necessity, however, of repressing such unlawful movements clearly indicates the duty which rests upon us of adapting our legislative action to the new circumstances of a decline of European monarchical power and influence and the increase of American republican ideas, interests, and sympathies.

Page 1142

It can not be long before it will become necessary for this Government to lend some effective aid to the solution of the political and social problems which are continually kept before the world by the two Republics of the island of St. Domingo, and which are now disclosing themselves more distinctly than heretofore in the island of Cuba. The subject is commended to your consideration with all the more earnestness because I am satisfied that the time has arrived when even so direct a proceeding as a proposition for an annexation of the two Republics of the island of St. Domingo would not only receive the consent of the people interested, but would also give satisfaction to all other foreign nations.

I am aware that upon the question of further extending our possessions it is apprehended by some that our political system can not successfully be applied to an area more extended than our continent; but the conviction is rapidly gaining ground in the American mind that with the increased facilities for intercommunication between all portions of the earth the principles of free government, as embraced in our Constitution, if faithfully maintained and carried out, would prove of sufficient strength and breadth to comprehend within their sphere and influence the civilized nations of the world.

The attention of the Senate and of Congress is again respectfully invited to the treaty for the establishment of commercial reciprocity with the Hawaiian Kingdom entered into last year, and already ratified by that Government. The attitude of the United States toward these islands is not very different from that in which they stand toward the West Indies. It is known and felt by the Hawaiian Government and people that their Government and institutions are feeble and precarious; that the United States, being so near a neighbor, would be unwilling to see the islands pass under foreign control. Their prosperity is continually disturbed by expectations and alarms of unfriendly political proceedings, as well from the United States as from other foreign powers. A reciprocity treaty, while it could not materially diminish the revenues of the United States, would be a guaranty of the good will and forbearance of all nations until the people of the islands shall of themselves, at no distant day, voluntarily apply for admission into the Union.

The Emperor of Russia has acceded to the treaty negotiated here in January last for the security of trade-marks in the interest of manufacturers and commerce. I have invited his attention to the importance of establishing, now while it seems easy and practicable, a fair and equal regulation of the vast fisheries belonging to the two nations in the waters of the North Pacific Ocean.

Page 1143

The two treaties between the United States and Italy for the regulation of consular powers and the extradition of criminals, negotiated and ratified here during the last session of Congress, have been accepted and confirmed by the Italian Government. A liberal consular convention which has been negotiated with Belgium will be submitted to the Senate. The very important treaties which were negotiated between the United States and North Germany and Bavaria for the regulation of the rights of naturalized citizens have been duly ratified and exchanged, and similar treaties have been entered into with the Kingdoms of Belgium and Wurtemberg and with the Grand Duchies of Baden and Hesse-Darmstadt. I hope soon to be able to submit equally satisfactory conventions of the same character now in the course of negotiation with the respective Governments of Spain, Italy, and the Ottoman Empire.

Examination of claims against the United States by the Hudsons Bay Company and the Puget Sound Agricultural Company, on account of certain possessory rights in the State of Oregon and Territory of Washington, alleged by those companies in virtue of provisions of the treaty between the United States and Great Britain of June 15, 1846, has been diligently prosecuted, under the direction of the joint international commission to which they were submitted for adjudication by treaty between the two Governments of July 1, 1863, and will, it is expected, be concluded at an early day.

No practical regulation concerning colonial trade and the fisheries can be accomplished by treaty between the United States and Great Britain until Congress shall have expressed their judgment concerning the principles involved. Three other questions, however, between the United States and Great Britain remain open for adjustment. These are the mutual rights of naturalized citizens, the boundary question involving the title to the island of San Juan, on the Pacific coast, and mutual claims arising since the year 1853 of the citizens and subjects of the two countries for injuries and depredations committed under the authority of their respective Governments. Negotiations upon these subjects are pending, and I am not without hope of being able to lay before the Senate, for its consideration during the present session, protocols calculated to bring to an end these justly exciting and long-existing controversies.

We are not advised of the action of the Chinese Government upon the liberal and auspicious treaty which was recently celebrated with its plenipotentiaries at this capital.

Japan remains a theater of civil war, marked by religious incidents and political severities peculiar to that long-isolated Empire. The Executive has hitherto maintained strict neutrality among the belligerents, and acknowledges with pleasure that it has been frankly and fully sustained in that course by the enlightened concurrence and cooperation of the other treaty powers, namely Great Britain, France, the Netherlands, North Germany, and Italy.

Page 1144

Spain having recently undergone a revolution marked by extraordinary unanimity and preservation of order, the provisional government established at Madrid has been recognized, and the friendly intercourse which has so long happily existed between the two countries remains unchanged.

I renew the recommendation contained in my communication to Congress dated the 18th July last—a copy of which accompanies this message that the judgment of the people should be taken on the propriety of so amending the Federal Constitution that it shall provide—

First. For an election of President and Vice-President by a direct vote of the people, instead of through the agency of electors, and making them ineligible for reelection to a second term.

Second. For a distinct designation of the person who shall discharge the duties of President in the event of a vacancy in that office by the death, resignation, or removal of both the President and Vice-President.

Third. For the election of Senators of the United States directly by the people of the several States, instead of by the legislatures; and

Fourth. For the limitation to a period of years of the terms of Federal judges.

Profoundly impressed with the propriety of making these important modifications in the Constitution, I respectfully submit them for the early and mature consideration of Congress. We should, as far as possible, remove all pretext for violations of the organic law, by remedying such imperfections as time and experience may develop, ever remembering that “the constitution which at any time exists until changed by an explicit and authentic act of the whole people is sacredly obligatory upon all.”

In the performance of a duty imposed upon me by the Constitution, I have thus communicated to Congress information of the state of the Union and recommended for their consideration such measures as have seemed to me necessary and expedient. If carried into effect, they will hasten the accomplishment of the great and beneficent purposes for which the Constitution was ordained, and which it comprehensively states were “to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.” In Congress are vested all legislative powers, and upon them devolves the responsibility as well for framing unwise and excessive laws as for neglecting to devise and adopt measures absolutely demanded by the wants of the country. Let us earnestly hope that before the expiration of our respective terms of service, now rapidly drawing to a close, an all-wise Providence will so guide our counsels as to strengthen and preserve the Federal Unions, inspire reverence for the

Constitution, restore prosperity and happiness to our whole people, and promote “on earth peace, good will toward men.”

***

Page 1145

State of the Union Address
Ulysses S. Grant
December 6, 1869

To the Senate and House of Representatives:

In coming before you for the first time as Chief Magistrate of this great nation, it is with gratitude to the Giver of All Good for the many benefits we enjoy. We are blessed with peace at home, and are without entangling alliances abroad to forebode trouble; with a territory unsurpassed in fertility, of an area equal to the abundant support of 500,000,000 people, and abounding in every variety of useful mineral in quantity sufficient to supply the world for generations; with exuberant crops; with a variety of climate adapted to the production of every species of earth's riches and suited to the habits, tastes, and requirements of every living thing; with a population of 40,000,000 free people, all speaking one language; with facilities for every mortal to acquire an education; with institutions closing to none the avenues to fame or any blessing of fortune that may be coveted; with freedom of the pulpit, the press, and the school; with a revenue flowing into the National Treasury beyond the requirements of the Government. Happily, harmony is being rapidly restored within our own borders. Manufactures hitherto unknown in our country are springing up in all sections, producing a degree of national independence unequaled by that of any other power.

These blessings and countless others are intrusted to your care and mine for safe-keeping for the brief period of our tenure of office. In a short time we must, each of us, return to the ranks of the people, who have conferred upon us our honors, and account to them for our stewardship. I earnestly desire that neither you nor I may be condemned by a free and enlightened constituency nor by our own consciences.

Emerging from a rebellion of gigantic magnitude, aided, as it was, by the sympathies and assistance of nations with which we were at peace, eleven States of the Union were, four years ago, left without legal State governments. A national debt had been contracted; American commerce was almost driven from the seas; the industry of one-half of the country had been taken from the control of the capitalist and placed where all labor rightfully belongs—in the keeping of the laborer. The work of restoring State governments loyal to the Union, of protecting and fostering free labor, and providing means for paying the interest on the public debt has received ample attention from Congress. Although your efforts have not met with the success in all particulars that might have been desired, yet on the whole they have been more successful than could have been reasonably anticipated.

Page 1146

Seven States which passed ordinances of secession have been fully restored to their places in the Union. The eighth (Georgia) held an election at which she ratified her constitution, republican in form, elected a governor, Members of Congress, a State legislature, and all other officers required. The governor was duly installed, and the legislature met and performed all the acts then required of them by the reconstruction acts of Congress. Subsequently, however, in violation of the constitution which they had just ratified (as since decided by the supreme court of the State), they unseated the colored members of the legislature and admitted to seats some members who are disqualified by the third clause of the fourteenth amendment to the Constitution—an article which they themselves had contributed to ratify. Under these circumstances I would submit to you whether it would not be wise, without delay, to enact a law authorizing the governor of Georgia to convene the members originally elected to the legislature, requiring each member to take the oath prescribed by the reconstruction acts, and none to be admitted who are ineligible under the third clause of the fourteenth amendment.

The freedmen, under the protection which they have received, are making rapid progress in learning, and no complaints are heard of lack of industry on their part where they receive fair remuneration for their labor. The means provided for paying the interest on the public debt, with all other expenses of Government, are more than ample. The loss of our commerce is the only result of the late rebellion which has not received sufficient attention from you. To this subject I call your earnest attention. I will not now suggest plans by which this object may be effected, but will, if necessary, make it the subject of a special message during the session of Congress.

At the March term Congress by joint resolution authorized the Executive to order elections in the States of Virginia, Mississippi, and Texas, to submit to them the constitutions which each had previously, in convention, framed, and submit the constitutions, either entire or in separate parts, to be voted upon, at the discretion of the Executive. Under this authority elections were called. In Virginia the election took place on the 6th of July, 1869. The governor and lieutenant-governor elected have been installed. The legislature met and did all required by this resolution and by all the reconstruction acts of Congress, and abstained from all doubtful authority. I recommend that her Senators and Representatives be promptly admitted to their seats, and that the State be fully restored to its place in the family of States. Elections were called in Mississippi and Texas, to commence on the 30th of November, 1869, and to last two days in Mississippi and four days in Texas. The elections have taken place, but the result is not known. It is to be hoped that the acts of the legislatures of these States, when they meet, will be such as to receive your approval, and thus close the work of reconstruction.

Page 1147

Among the evils growing out of the rebellion, and not yet referred to, is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is a duty, and one of the highest duties, of Government to secure to the citizen a medium of exchange of fixed, unvarying value. This implies a return to a specie basis, and no substitute for it can be devised. It should be commenced now and reached at the earliest practicable moment consistent with a fair regard to the interests of the debtor class. Immediate resumption, if practicable, would not be desirable. It would compel the debtor class to pay, beyond their contracts, the premium on gold at the date of their purchase and would bring bankruptcy and ruin to thousands. Fluctuation, however, in the paper value of the measure of all values (gold) is detrimental to the interests of trade. It makes the man of business an involuntary gambler, for in all sales where future payment is to be made both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then, such legislation as will insure a gradual return to specie payments and put an immediate stop to fluctuations in the value of currency.

The methods to secure the former of these results are as numerous as are the speculators on political economy. To secure the latter I see but one way, and that is to authorize the Treasury to redeem its own paper, at a fixed price, whenever presented, and to withhold from circulation all currency so redeemed until sold again for gold.

The vast resources of the nation, both developed and undeveloped, ought to make our credit the best on earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years. But it is not desirable that the people should be taxed to pay it in that time. Year by year the ability to pay increases in a rapid ratio. But the burden of interest ought to be reduced as rapidly as can be done without the violation of contract. The public debt is represented in great part by bonds having from five to twenty and from ten to forty years to run, bearing interest at the rate of 6 per cent and 5 per cent, respectively. It is optional with the Government to pay these bonds at any period after the expiration of the least time mentioned upon their face. The time has already expired when a great part of them may be taken up, and is rapidly approaching when all may be. It is believed that all which are now due may be replaced by bonds bearing a rate of interest not exceeding 4 1/2 per cent, and as rapidly as the remainder become due that they may be replaced in the same way. To accomplish this it may be necessary to authorize the interest to be paid at either of three or four of the money centers of Europe, or by any assistant treasurer of the United States, at the option of the holder of the bond. I suggest this subject for the consideration of Congress, and also, simultaneously with this, the propriety of redeeming our currency, as before suggested, at its market value at the time the law goes into effect, increasing the rate at which currency shall be bought and sold from day to day or week to week, at the same rate of interest as Government pays upon its bonds.

Page 1148

The subjects of tariff and internal taxation will necessarily receive your attention. The revenues of the country are greater than the requirements, and may with safety be reduced. But as the funding of the debt in a 4 or a 4 1/2 per cent loan would reduce annual current expenses largely, thus, after funding, justifying a greater reduction of taxation than would be now expedient, I suggest postponement of this question until the next meeting of Congress.

It may be advisable to modify taxation and tariff in instances where unjust or burdensome discriminations are made by the present laws, but a general revision of the laws regulating this subject I recommend the postponement of for the present. I also suggest the renewal of the tax on incomes, but at a reduced rate, say of 3 per cent, and this tax to expire in three years.

With the funding of the national debt, as here suggested, I feel safe in saying that taxes and the revenue from imports may be reduced safely from sixty to eighty millions per annum at once, and may be still further reduced from year to year, as the resources of the country are developed.

The report of the Secretary of the Treasury shows the receipts of the Government for the fiscal year ending June 30, 1869, to be $370,943,747, and the expenditures, including interest, bounties, *etc*., to be $321,490,597. The estimates for the ensuing year are more favorable to the Government, and will no doubt show a much larger decrease of the public debt.

The receipts in the Treasury beyond expenditures have exceeded the amount necessary to place to the credit of the sinking fund, as provided by law. To lock up the surplus in the Treasury and withhold it from circulation would lead to such a contraction of the currency as to cripple trade and seriously affect the prosperity of the country. Under these circumstances the Secretary of the Treasury and myself heartily concurred in the propriety of using all the surplus currency in the Treasury in the purchase of Government bonds, thus reducing the interest-bearing indebtedness of the country, and of submitting to Congress the question of the disposition to be made of the bonds so purchased. The bonds now held by the Treasury amount to about seventy-five millions, including those belonging to the sinking fund. I recommend that the whole be placed to the credit of the sinking fund.

Your attention is respectfully invited to the recommendations of the Secretary of the Treasury for the creation of the office of commissioner of customs revenue; for the increase of salaries to certain classes of officials; the substitution of increased national-bank circulation to replace the outstanding 3 per cent certificates; and most especially to his recommendation for the repeal of laws allowing shares of fines, penalties, forfeitures, *etc*., to officers of the Government or to informers.

The office of Commissioner of Internal Revenue is one of the most arduous and responsible under the Government. It falls but little, if any, short of a Cabinet position in its importance and responsibilities. I would ask for it, therefore, such legislation as in your judgment will place the office upon a footing of dignity commensurate with its importance and with the character and qualifications of the class of men required to fill it properly.

Page 1149

As the United States is the freest of all nations, so, too, its people sympathize with all people struggling for liberty and self-government; but while so sympathizing it is due to our honor that we should abstain from enforcing our views upon unwilling nations and from taking an interested part, without invitation, in the quarrels between different nations or between governments and their subjects. Our course should always be in conformity with strict justice and law, international and local. Such has been the policy of the Administration in dealing with these questions. For more than a year a valuable province of Spain, and a near neighbor of ours, in whom all our people can not but feel a deep interest, has been struggling for independence and freedom. The people and Government of the United States entertain the same warm feelings and sympathies for the people of Cuba in their pending struggle that they manifested throughout the previous struggles between Spain and her former colonies in behalf of the latter. But the contest has at no time assumed the conditions which amount to a war in the sense of international law, or which would show the existence of a de facto political organization of the insurgents sufficient to justify a recognition of belligerency.

The principle is maintained, however, that this nation is its own judge when to accord the rights of belligerency, either to a people struggling to free themselves from a government they believe to be oppressive or to independent nations at war with each other.

The United States have no disposition to interfere with the existing relations of Spain to her colonial possessions on this continent. They believe that in due time Spain and other European powers will find their interest in terminating those relations and establishing their present dependencies as independent powers—members of the family of nations. These dependencies are no longer regarded as subject to transfer from one European power to another. When the present relation of colonies ceases, they are to become independent powers, exercising the right of choice and of self-control in the determination of their future condition and relations with other powers.

The United States, in order to put a stop to bloodshed in Cuba, and in the interest of a neighboring people, proposed their good offices to bring the existing contest to a termination. The offer, not being accepted by Spain on a basis which we believed could be received by Cuba, was withdrawn. It is hoped that the good offices of the United States may yet prove advantageous for the settlement of this unhappy strife. Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the Administration to execute the neutrality laws in good faith, no matter how unpleasant the task, made so by the sufferings we have endured from lack of like good faith toward us by other nations.

Page 1150

On the 26th of March last the United States schooner Lizzie Major was arrested on the high seas by a Spanish frigate, and two passengers taken from it and carried as prisoners to Cuba. Representations of these facts were made to the Spanish Government as soon as official information of them reached Washington. The two passengers were set at liberty, and the Spanish Government assured the United States that the captain of the frigate in making the capture had acted without law, that he had been reprimanded for the irregularity of his conduct, and that the Spanish authorities in Cuba would not sanction any act that could violate the rights or treat with disrespect the sovereignty of this nation.

The question of the seizure of the brig Mary Lowell at one of the Bahama Islands by Spanish authorities is now the subject of correspondence between this Government and those of Spain and Great Britain.

The Captain-General of Cuba about May last issued a proclamation authorizing search to be made of vessels on the high seas. Immediate remonstrance was made against this, whereupon the Captain-General issued a new proclamation limiting the right of search to vessels of the United States so far as authorized under the treaty of 1795. This proclamation, however, was immediately withdrawn.

I have always felt that the most intimate relations should be cultivated between the Republic of the United States and all independent nations on this continent. It may be well worth considering whether new treaties between us and them may not be profitably entered into, to secure more intimate relations—friendly, commercial, and otherwise.

The subject of an interoceanic canal to connect the Atlantic and Pacific oceans through the Isthmus of Darien is one in which commerce is greatly interested. Instructions have been given to our minister to the Republic of the United States of Colombia to endeavor to obtain authority for a survey by this Government, in order to determine the practicability of such an undertaking, and a charter for the right of way to build, by private enterprise, such a work, if the survey proves it to be practicable.

In order to comply with the agreement of the United States as to a mixed commission at Lima for the adjustment of claims, it became necessary to send a commissioner and secretary to Lima in August last. No appropriation having been made by Congress for this purpose, it is now asked that one be made covering the past and future expenses of the commission.

The good offices of the United States to bring about a peace between Spain and the South American Republics with which she is at war having been accepted by Spain, Peru, and Chile, a congress has been invited to be held in Washington during the present winter.

A grant has been given to Europeans of an exclusive right of transit over the territory of Nicaragua, to which Costa Rico has given its assent, which, it is alleged, conflicts with vested rights of citizens of the United States. The Department of State has now this subject under consideration.

Page 1151

The minister of Peru having made representations that there was a state of war between Peru and Spain, and that Spain was constructing, in and near New York, thirty gunboats, which might be used by Spain in such a way as to relieve the naval force at Cuba, so as to operate against Peru, orders were given to prevent their departure. No further steps having been taken by the representative of the Peruvian Government to prevent the departure of these vessels, and I not feeling authorized to detain the property of a nation with which we are at peace on a mere Executive order, the matter has been referred to the courts to decide.

The conduct of the war between the allies and the Republic of Paraguay has made the intercourse with that country so difficult that it has been deemed advisable to withdraw our representative from there.

Toward the close of the last Administration a convention was signed at London for the settlement of all outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate to its ratification. The time and the circumstances attending the negotiation of that treaty were unfavorable to its acceptance by the people of the United States, and its provisions were wholly inadequate for the settlement of the grave wrongs that had been sustained by this Government, as well as by its citizens. The injuries resulting to the United States by reason of the course adopted by Great Britain during our late civil war—in the increased rates of insurance; in the diminution of exports and imports, and other obstructions to domestic industry and production; in its effect upon the foreign commerce of the country; in the decrease and transfer to Great Britain of our commercial marine; in the prolongation of the war and the increased cost (both in treasure and in lives) of its suppression could not be adjusted and satisfied as ordinary commercial claims, which continually arise between commercial nations; and yet the convention treated them simply as such ordinary claims, from which they differ more widely in the gravity of their character than in the magnitude of their amount, great even as is that difference. Not a word was found in the treaty, and not an inference could be drawn from it, to remove the sense of the unfriendliness of the course of Great Britain in our struggle for existence, which had so deeply and universally impressed itself upon the people of this country.

Believing that a convention thus misconceived in its scope and inadequate in its provisions would not have produced the hearty, cordial settlement of pending questions, which alone is consistent with the relations which I desire to have firmly established between the United States and Great Britain, I regarded the action of the Senate in rejecting the treaty to have been wisely taken in the interest of peace and as a necessary step in the direction of a perfect and cordial friendship between the two countries. A sensitive

Page 1152

people, conscious of their power, are more at ease under a great wrong wholly unatoned than under the restraint of a settlement which satisfies neither their ideas of justice nor their grave sense of the grievance they have sustained. The rejection of the treaty was followed by a state of public feeling on both sides which I thought not favorable to an immediate attempt at renewed negotiations. I accordingly so instructed the minister of the United States to Great Britain, and found that my views in this regard were shared by Her Majesty's ministers. I hope that the time may soon arrive when the two Governments can approach the solution of this momentous question with an appreciation of what is due to the rights, dignity, and honor of each, and with the determination not only to remove the causes of complaint in the past, but to lay the foundation of a broad principle of public law which will prevent future differences and tend to firm and continued peace and friendship.

This is now the only grave question which the United States has with any foreign nation.

The question of renewing a treaty for reciprocal trade between the United States and the British Provinces on this continent has not been favorably considered by the Administration. The advantages of such a treaty would be wholly in favor of the British producer. Except, possibly, a few engaged in the trade between the two sections, no citizen of the United States would be benefited by reciprocity. Our internal taxation would prove a protection to the British producer almost equal to the protection which our manufacturers now receive from the tariff. Some arrangement, however, for the regulation of commercial intercourse between the United States and the Dominion of Canada may be desirable.

The commission for adjusting the claims of the "Hudsons Bay and Puget Sound Agricultural Company" upon the United States has terminated its labors. The award of $650,000 has been made and all rights and titles of the company on the territory of the United States have been extinguished. Deeds for the property of the company have been delivered. An appropriation by Congress to meet this sum is asked.

The commissioners for determining the northwestern land boundary between the United States and the British possessions under the treaty of 1856 have completed their labors, and the commission has been dissolved.

In conformity with the recommendation of Congress, a proposition was early made to the British Government to abolish the mixed courts created under the treaty of April 7, 1862, for the suppression of the slave trade. The subject is still under negotiation.

Page 1153

It having come to my knowledge that a corporate company, organized under British laws, proposed to land upon the shores of the United States and to operate there a submarine cable, under a concession from His Majesty the Emperor of the French of an exclusive right for twenty years of telegraphic communication between the shores of France and the United States, with the very objectionable feature of subjecting all messages conveyed thereby to the scrutiny and control of the French Government, I caused the French and British legations at Washington to be made acquainted with the probable policy of Congress on this subject, as foreshadowed by the bill which passed the Senate in March last. This drew from the representatives of the company an agreement to accept as the basis of their operations the provisions of that bill, or of such other enactment on the subject as might be passed during the approaching session of Congress; also, to use their influence to secure from the French Government a modification of their concession, so as to permit the landing upon French soil of any cable belonging to any company incorporated by the authority of the United States or of any State in the Union, and, on their part, not to oppose the establishment of any such cable. In consideration of this agreement I directed the withdrawal of all opposition by the United States authorities to the landing of the cable and to the working of it until the meeting of Congress. I regret to say that there has been no modification made in the company's concession, nor, so far as I can learn, have they attempted to secure one. Their concession excludes the capital and the citizens of the United States from competition upon the shores of France. I recommend legislation to protect the rights of citizens of the United States, as well as the dignity and sovereignty of the nation, against such an assumption. I shall also endeavor to secure, by negotiation, an abandonment of the principle of monopolies in ocean telegraphic cables. Copies of this correspondence are herewith furnished.

The unsettled political condition of other countries, less fortunate than our own, sometimes induces their citizens to come to the United States for the sole purpose of becoming naturalized. Having secured this, they return to their native country and reside there, without disclosing their change of allegiance. They accept official positions of trust or honor, which can only be held by citizens of their native land; they journey under passports describing them as such citizens; and it is only when civil discord, after perhaps years of quiet, threatens their persons or their property, or when their native state drafts them into its military service, that the fact of their change of allegiance is made known. They reside permanently away from the United States, they contribute nothing to its revenues, they avoid the duties of its citizenship, and they only make themselves known by a claim of protection. I have directed the diplomatic and consular officers of the United States to scrutinize carefully all such claims for protection. The citizen of the United States, whether native or adopted, who discharges his duty to his country, is entitled to its complete protection. While I have a voice in the direction of affairs I shall not consent to imperil this sacred right by conferring it upon fictitious or fraudulent claimants.

Page 1154

On the accession of the present Administration it was found that the minister for North Germany had made propositions for the negotiation of a convention for the protection of emigrant passengers, to which no response had been given. It was concluded that to be effectual all the maritime powers engaged in the trade should join in such a measure. Invitations have been extended to the cabinets of London, Paris, Florence, Berlin, Brussels, The Hague, Copenhagen, and Stockholm to empower their representatives at Washington to simultaneously enter into negotiations and to conclude with the United States conventions identical in form, making uniform regulations as to the construction of the parts of vessels to be devoted to the use of emigrant passengers, as to the quality and quantity of food, as to the medical treatment of the sick, and as to the rules to be observed during the voyage, in order to secure ventilation, to promote health, to prevent intrusion, and to protect the females; and providing for the establishment of tribunals in the several countries for enforcing such regulations by summary process.

Your attention is respectfully called to the law regulating the tariff on Russian hemp, and to the question whether to fix the charges on Russian hemp higher than they are fixed upon manila is not a violation of our treaty with Russia placing her products upon the same footing with those of the most favored nations.

Our manufactures are increasing with wonderful rapidity under the encouragement which they now receive. With the improvements in machinery already effected, and still increasing, causing machinery to take the place of skilled labor to a large extent, our imports of many articles must fall off largely within a very few years. Fortunately, too, manufactures are not confined to a few localities, as formerly, and it is to be hoped will become more and more diffused, making the interest in them equal in all sections. They give employment and support to hundreds of thousands of people at home, and retain with us the means which otherwise would be shipped abroad. The extension of railroads in Europe and the East is bringing into competition with our agricultural products like products of other countries. Self-interest, if not self-preservation, therefore dictates caution against disturbing any industrial interest of the country. It teaches us also the necessity of looking to other markets for the sale of our surplus. Our neighbors south of us and China and Japan, should receive our special attention. It will be the endeavor of the Administration to cultivate such relations with all these nations as to entitle us to their confidence and make it their interest, as well as ours, to establish better commercial relations.

Page 1155

Through the agency of a more enlightened policy than that heretofore pursued toward China, largely due to the sagacity and efforts of one of our own distinguished citizens, the world is about to commence largely increased relations with that populous and hitherto exclusive nation. As the United States have been the initiators in this new policy, so they should be the most earnest in showing their good faith in making it a success. In this connection I advise such legislation as will forever preclude the enslavement of the Chinese upon our soil under the name of coolies, and also prevent American vessels from engaging in the transportation of coolies to any country tolerating the system. I also recommend that the mission to China be raised to one of the first class.

On my assuming the responsible duties of Chief Magistrate of the United States it was with the conviction that three things were essential to its peace, prosperity, and fullest development. First among these is strict integrity in fulfilling all our obligations; second, to secure protection to the person and property of the citizen of the United States in each and every portion of our common country, wherever he may choose to move, without reference to original nationality, religion, color, or politics, demanding of him only obedience to the laws and proper respect for the rights of others; third, union of all the States, with equal rights, indestructible by any constitutional means.

To secure the first of these, Congress has taken two essential steps: First, in declaring by joint resolution that the public debt shall be paid, principal and interest, in coin; and, second, by providing the means for paying. Providing the means, however, could not secure the object desired without a proper administration of the laws for the collection of the revenues and an economical disbursement of them. To this subject the Administration has most earnestly addressed itself, with results, I hope, satisfactory to the country. There has been no hesitation in changing officials in order to secure an efficient execution of the laws, sometimes, too, when, in a mere party view, undesirable political results were likely to follow; nor any hesitation in sustaining efficient officials against remonstrances wholly political.

It may be well to mention here the embarrassment possible to arise from leaving on the statute books the so-called “tenure-of-office acts,” and to earnestly recommend their total repeal. It could not have been the intention of the framers of the Constitution, when providing that appointments made by the President should receive the consent of the Senate, that the latter should have the power to retain in office persons placed there by Federal appointment against the will of the President. The law is inconsistent with a faithful and efficient administration of the Government. What faith can an Executive put in officials forced upon him, and those, too, whom he has suspended for reason? How will such officials be likely to serve an Administration which they know does not trust them?

Page 1156

For the second requisite to our growth and prosperity time and a firm but humane administration of existing laws (amended from time to time as they may prove ineffective or prove harsh and unnecessary) are probably all that are required.

The third can not be attained by special legislation, but must be regarded as fixed by the Constitution itself and gradually acquiesced in by force of public opinion.

From the foundation of the Government to the present the management of the original inhabitants of this continent—the Indians—has been a subject of embarrassment and expense, and has been attended with continuous robberies, murders, and wars. From my own experience upon the frontiers and in Indian countries, I do not hold either legislation or the conduct of the whites who come most in contact with the Indian blameless for these hostilities. The past, however, can not be undone, and the question must be met as we now find it. I have attempted a new policy toward these wards of the nation (they can not be regarded in any other light than as wards), with fair results so far as tried, and which I hope will be attended ultimately with great success. The Society of Friends is well known as having succeeded in living in peace with the Indians in the early settlement of Pennsylvania, while their white neighbors of other sects in other sections were constantly embroiled. They are also known for their opposition to all strife, violence, and war, and are generally noted for their strict integrity and fair dealings. These considerations induced me to give the management of a few reservations of Indians to them and to throw the burden of the selection of agents upon the society itself. The result has proven most satisfactory. It will be found more fully set forth in the report of the Commissioner of Indian Affairs. For superintendents and Indian agents not on the reservations, officers of the Army were selected. The reasons for this are numerous. Where Indian agents are sent, there, or near there, troops must be sent also. The agent and the commander of troops are independent of each other, and are subject to orders from different Departments of the Government. The army officer holds a position for life; the agent, one at the will of the President. The former is personally interested in living in harmony with the Indian and in establishing a permanent peace, to the end that some portion of his life may be spent within the limits of civilized society; the latter has no such personal interest. Another reason is an economic one; and still another, the hold which the Government has upon a life officer to secure a faithful discharge of duties in carrying out a given policy.

Page 1157

The building of railroads, and the access thereby given to all the agricultural and mineral regions of the country, is rapidly bringing civilized settlements into contact with all the tribes of Indians. No matter what ought to be the relations between such settlements and the aborigines, the fact is they do not harmonize well, and one or the other has to give way in the end. A system which looks to the extinction of a race is too horrible for a nation to adopt without entailing upon itself the wrath of all Christendom and engendering in the citizen a disregard for human life and the rights of others, dangerous to society. I see no substitute for such a system, except in placing all the Indians on large reservations, as rapidly as it can be done, and giving them absolute protection there. As soon as they are fitted for it they should be induced to take their lands in severalty and to set up Territorial governments for their own protection. For full details on this subject I call your special attention to the reports of the Secretary of the Interior and the Commissioner of Indian Affairs.

The report of the Secretary of War shows the expenditures of the War Department for the year ending June 30, 1869, to be $80,644,042, of which $23,882,310 was disbursed in the payment of debts contracted during the war, and is not chargeable to current army expenses. His estimate of $34,531,031 for the expenses of the Army for the next fiscal year is as low as it is believed can be relied on. The estimates of bureau officers have been carefully scrutinized, and reduced wherever it has been deemed practicable. If, however, the condition of the country should be such by the beginning of the next fiscal year as to admit of a greater concentration of troops, the appropriation asked for will not be expended.

The appropriations estimated for river and harbor improvements and for fortifications are submitted separately. Whatever amount Congress may deem proper to appropriate for these purposes will be expended.

The recommendation of the General of the Army that appropriations be made for the forts at Boston. Portland, New York, Philadelphia, New Orleans, and San Francisco, if for no other, is concurred in. I also ask your special attention to the recommendation of the general commanding the Military Division of the Pacific for the sale of the seal islands of St. Paul and St. George, Alaska Territory, and suggest that it either be complied with or that legislation be had for the protection of the seal fisheries from which a revenue should be derived.

Page 1158

The report of the Secretary of War contains a synopsis of the reports of the heads of bureaus, of the commanders of military divisions, and of the districts of Virginia, Mississippi, and Texas, and the report of the General of the Army in full. The recommendations therein contained have been well considered, and are submitted for your action. I, however, call special attention to the recommendation of the Chief of Ordnance for the sale of arsenals and lands no longer of use to the Government; also, to the recommendation of the Secretary of War that the act of 3d March, 1869, prohibiting promotions and appointments in the staff corps of the Army, be repealed. The extent of country to be garrisoned and the number of military posts to be occupied is the same with a reduced Army as with a large one. The number of staff officers required is more dependent upon the latter than the former condition.

The report of the Secretary of the Navy accompanying this shows the condition of the Navy when this Administration came into office and the changes made since. Strenuous efforts have been made to place as many vessels “in commission,” or render them fit for service if required, as possible, and to substitute the sail for steam while cruising, thus materially reducing the expenses of the Navy and adding greatly to its efficiency. Looking to our future, I recommend a liberal, though not extravagant, policy toward this branch of the public service.

The report of the Postmaster-General furnishes a clear and comprehensive exhibit of the operations of the postal service and of the financial condition of the Post-Office Department. The ordinary postal revenues for the year ending the 30th of June, 1869, amounted to $18,344,510, and the expenditures to $23,698,131, showing an excess of expenditures over receipts of $5,353,620. The excess of expenditures over receipts for the previous year amounted to $6,437,992. The increase of revenues for 1869 over those of 1868 was $2,051,909, and the increase of expenditures was $967,538. The increased revenue in 1869 exceeded the increased revenue in 1868 by $996,336, and the increased expenditure in 1869 was $2,527,570 less than the increased expenditure in 1868, showing by comparison this gratifying feature of improvement, that while the increase of expenditures over the increase of receipts in 1868 was $2,439,535, the increase of receipts over the increase of expenditures in 1869 was $1,084,371.

Your attention is respectfully called to the recommendations made by the Postmaster-General for authority to change the rate of compensation to the main trunk railroad lines for their services in carrying the mails; for having post-route maps executed; for reorganizing and increasing the efficiency of the special-agency service; for increase of the mail service on the Pacific, and for establishing mail service, under the flag of the Union, on the Atlantic; and most especially do I call your attention to his recommendation for the total abolition of the franking privilege. This is an abuse from which no one receives a commensurate advantage; it reduces the receipts for postal service from 25 to 30 per cent and largely increases the service to be performed. The method by which postage should be paid upon public matter is set forth fully in the report of the Postmaster-General.

Page 1159

The report of the Secretary of the Interior shows that the quantity of public lands disposed of during the year ending the 30th of June, 1869, was 7,666,152 acres, exceeding that of the preceding year by 1,010,409 acres. Of this amount 2,899,544 acres were sold for cash and 2,737,365 acres entered under the homestead laws. The remainder was granted to aid in the construction of works of internal improvement, approved to the States as swamp land, and located with warrants and scrip. The cash receipts from all sources were $4,472,886, exceeding those of the preceding year $2,840,140.

During the last fiscal year 23,196 names were added to the pension rolls and 4,876 dropped therefrom, leaving at its close 187,963. The amount paid to pensioners, including the compensation of disbursing agents, was $28,422,884, an increase of $4,411,902 on that of the previous year. The munificence of Congress has been conspicuously manifested in its legislation for the soldiers and sailors who suffered in the recent struggle to maintain “that unity of government which makes us one people.” The additions to the pension rolls of each successive year since the conclusion of hostilities result in a great degree from the repeated amendments of the act of the 14th of July, 1862, which extended its provisions to cases not falling within its original scope. The large outlay which is thus occasioned is further increased by the more liberal allowance bestowed since that date upon those who in the line of duty were wholly or permanently disabled. Public opinion has given an emphatic sanction to these measures of Congress, and it will be conceded that no part of our public burden is more cheerfully borne than that which is imposed by this branch of the service. It necessitates for the next fiscal year, in addition to the amount justly chargeable to the naval pension fund, an appropriation of $30,000,000.

During the year ending the 30th of September, 1869, the Patent Office issued 13,762 patents, and its receipts were $686,389, being $213,926 more than the expenditures.

Messages and Papers of the Presidents, Ulysses S. Grant, vol. 6, p.3995

I would respectfully call your attention to the recommendation of the Secretary of the Interior for uniting the duties of supervising the education of freedmen with the other duties devolving upon the Commissioner of Education.

If it is the desire of Congress to make the census which must be taken during the year 1870 more complete and perfect than heretofore, I would suggest early action upon any plan that may be agreed upon. As Congress at the last session appointed a committee to take into consideration such measures as might be deemed proper in reference to the census and report a plan, I desist from saying more.

I recommend to your favorable consideration the claims of the Agricultural Bureau for liberal appropriations. In a country so diversified in climate and soil as ours, and with a

population so largely dependent upon agriculture, the benefits that can be conferred by properly fostering this Bureau are incalculable.

Page 1160

I desire respectfully to call the attention of Congress to the inadequate salaries of a number of the most important offices of the Government. In this message I will not enumerate them, but will specify only the justices of the Supreme Court. No change has been made in their salaries for fifteen years. Within that time the labors of the court have largely increased and the expenses of living have at least doubled. During the same time Congress has twice found it necessary to increase largely the compensation of its own members, and the duty which it owes to another department of the Government deserves, and will undoubtedly receive, its due consideration.

There are many subjects not alluded to in this message which might with propriety be introduced, but I abstain, believing that your patriotism and statesmanship will suggest the topics and the legislation most conducive to the interests of the whole people. On my part I promise a rigid adherence to the laws and their strict enforcement.

U. S. GRANT

***

State of the Union Address
Ulysses S. Grant
December 5, 1870

To the Senate and House of Representatives:

A year of peace and general prosperity to this nation has passed since the last assembling of Congress. We have, through a kind Providence, been blessed with abundant crops, and have been spared from complications and war with foreign nations. In our midst comparative harmony has been restored. It is to be regretted, however, that a free exercise of the elective franchise has by violence and intimidation been denied to citizens in exceptional cases in several of the States lately in rebellion, and the verdict of the people has thereby been reversed. The States of Virginia, Mississippi, and Texas have been restored to representation in our national councils. Georgia, the only State now without representation, may confidently be expected to take her place there also at the beginning of the new year, and then, let us hope, will be completed the work of reconstruction. With an acquiescence on the part of the whole people in the national obligation to pay the public debt created as the price of our Union, the pensions to our disabled soldiers and sailors and their widows and orphans, and in the changes to the Constitution which have been made necessary by a great rebellion, there is no reason why we should not advance in material prosperity and happiness as no other nation ever did after so protracted and devastating a war.

Soon after the existing war broke out in Europe the protection of the United States minister in Paris was invoked in favor of North Germans domiciled in French territory.

Instructions were issued to grant the protection. This has been followed by an extension of American protection to citizens of Saxony, Hesse and Saxe-Coburg, Gotha, Colombia, Portugal, Uruguay, the Dominican Republic, Ecuador, Chile, Paraguay, and Venezuela in Paris. The charge was an onerous one, requiring constant and severe labor, as well as the exercise of patience, prudence, and good judgment. It has been performed to the entire satisfaction of this Government, and, as I am officially informed, equally so to the satisfaction of the Government of North Germany.

Page 1161

As soon as I learned that a republic had been proclaimed at Paris and that the people of France had acquiesced in the change, the minister of the United States was directed by telegraph to recognize it and to tender my congratulations and those of the people of the United States. The reestablishment in France of a system of government disconnected with the dynastic traditions of Europe appeared to be a proper subject for the felicitations of Americans. Should the present struggle result in attaching the hearts of the French to our simpler forms of representative government, it will be a subject of still further satisfaction to our people. While we make no effort to impose our institutions upon the inhabitants of other countries, and while we adhere to our traditional neutrality in civil contests elsewhere, we can not be indifferent to the spread of American political ideas in a great and highly civilized country like France.

We were asked by the new Government to use our good offices, jointly with those of European powers, in the interests of peace. Answer was made that the established policy and the true interests of the United States forbade them to interfere in European questions jointly with European powers. I ascertained, informally and unofficially, that the Government of North Germany was not then disposed to listen to such representations from any power, and though earnestly wishing to see the blessings of peace restored to the belligerents, with all of whom the United States are on terms of friendship, I declined on the part of this Government to take a step which could only result in injury to our true interests without advancing the object for which our intervention was invoked. Should the time come when the action of the United States can hasten the return of peace by a single hour, that action will be heartily taken. I deemed it prudent, in view of the number of persons of German and French birth living in the United States, to issue, soon after official notice of a state of war had been received from both belligerents, a proclamation defining the duties of the United States as a neutral and the obligations of persons residing within their territory to observe their laws and the laws of nations. This proclamation was followed by others, as circumstances seemed to call for them. The people, thus acquainted in advance of their duties and obligations, have assisted in preventing violations of the neutrality of the United States.

It is not understood that the condition of the insurrection in Cuba has materially changed since the close of the last session of Congress. In an early stage of the contest the authorities of Spain inaugurated a system of arbitrary arrests, of close confinement, and of military trial and execution of persons suspected of complicity with the insurgents, and of summary embargo of their properties, and sequestration of their revenues by executive warrant. Such proceedings, so far as they affected the persons or property of citizens of the United States, were in violation of the provisions of the treaty of 1795 between the United States and Spain.

Page 1162

Representations of injuries resulting to several persons claiming to be citizens of the United States by reason of such violations were made to the Spanish Government. From April, 1869, to June last the Spanish minister at Washington had been clothed with a limited power to aid in redressing such wrongs. That power was found to be withdrawn, “in view,” as it was said, “of the favorable situation in which the island of Cuba” then “was,” which, however, did not lead to a revocation or suspension of the extraordinary and arbitrary functions exercised by the executive power in Cuba, and we were obliged to make our complaints at Madrid. In the negotiations thus opened, and still pending there, the United States only claimed that for the future the rights secured to their citizens by treaty should be respected in Cuba, and that as to the past a joint tribunal should be established in the United States with full jurisdiction over all such claims. Before such an impartial tribunal each claimant would be required to prove his case. On the other hand, Spain would be at liberty to traverse every material fact, and thus complete equity would be done. A case which at one time threatened seriously to affect the relations between the United States and Spain has already been disposed of in this way. The claim of the owners of the Colonel Lloyd Aspinwall for the illegal seizure and detention of that vessel was referred to arbitration by mutual consent, and has resulted in an award to the United States, for the owners, of the sum of $19,702.50 in gold. Another and long-pending claim of like nature, that of the whaleship Canada, has been disposed of by friendly arbitrament during the present year. It was referred, by the joint consent of Brazil and the United States, to the decision of Sir Edward Thornton, Her Britannic Majesty’s minister at Washington, who kindly undertook the laborious task of examining the voluminous mass of correspondence and testimony submitted by the two Governments, and awarded to the United States the sum of $100,740.09 in gold, which has since been paid by the Imperial Government. These recent examples show that the mode which the United States have proposed to Spain for adjusting the pending claims is just and feasible, and that it may be agreed to by either nation without dishonor. It is to be hoped that this moderate demand may be acceded to by Spain without further delay. Should the pending negotiations, unfortunately and unexpectedly, be without result, it will then become my duty to communicate that fact to Congress and invite its action on the subject.

Page 1163

The long-deferred peace conference between Spain and the allied South American Republics has been inaugurated in Washington under the auspices of the United States. Pursuant to the recommendation contained in the resolution of the House of Representatives of the 17th of December, 1866, the executive department of the Government offered its friendly offices for the promotion of peace and harmony between Spain and the allied Republics. Hesitations and obstacles occurred to the acceptance of the offer. Ultimately, however, a conference was arranged, and was opened in this city on the 29th of October last, at which I authorized the Secretary of State to preside. It was attended by the ministers of Spain, Peru, Chile, and Ecuador. In consequence of the absence of a representative from Bolivia, the conference was adjourned until the attendance of a plenipotentiary from that Republic could be secured or other measures could be adopted toward compassing its objects.

The allied and other Republics of Spanish origin on this continent may see in this fact a new proof of our sincere interest in their welfare, of our desire to see them blessed with good governments, capable of maintaining order and of preserving their respective territorial integrity, and of our sincere wish to extend our own commercial and social relations with them. The time is not probably far distant when, in the natural course of events, the European political connection with this continent will cease. Our policy should be shaped, in view of this probability, so as to ally the commercial interests of the Spanish American States more closely to our own, and thus give the United States all the preeminence and all the advantage which Mr. Monroe, Mr. Adams, and Mr. Clay contemplated when they proposed to join in the congress of Panama.

During the last session of Congress a treaty for the annexation of the Republic of San Domingo to the United States failed to receive the requisite two-thirds vote of the Senate. I was thoroughly convinced then that the best interests of this country, commercially and materially, demanded its ratification. Time has only confirmed me in this view. I now firmly believe that the moment it is known that the United States have entirely abandoned the project of accepting as a part of its territory the island of San Domingo a free port will be negotiated for by European nations in the Bay of Samana. A large commercial city will spring up, to which we will be tributary without receiving corresponding benefits, and then will be seen the folly of our rejecting so great a prize. The Government of San Domingo has voluntarily sought this annexation. It is a weak power, numbering probably less than 120,000 souls, and yet possessing one of the richest territories under the sun, capable of supporting a population of 10,000,000 people in luxury. The people of San Domingo are not capable of maintaining themselves in their present condition, and must look for outside support. They yearn for the protection of our free institutions and laws, our progress and civilization. Shall we refuse them?

Page 1164

The acquisition of San Domingo is desirable because of its geographical position. It commands the entrance to the Caribbean Sea and the Isthmus transit of commerce. It possesses the richest soil, best and most capacious harbors, most salubrious climate, and the most valuable products of the forests, mine, and soil of any of the West India Islands. Its possession by us will in a few years build up a coastwise commerce of immense magnitude, which will go far toward restoring to us our lost merchant marine. It will give to us those articles which we consume so largely and do not produce, thus equalizing our exports and imports. In case of foreign war it will give us command of all the islands referred to, and thus prevent an enemy from ever again possessing himself of rendezvous upon our very coast. At present our coast trade between the States bordering on the Atlantic and those bordering on the Gulf of Mexico is cut into by the Bahamas and the Antilies. Twice we must, as it were, pass through foreign countries to get by sea from Georgia to the west coast of Florida.

San Domingo, with a stable government, under which her immense resources can be developed, will give remunerative wages to tens of thousands of laborers not now upon the island. This labor will take advantage of every available means of transportation to abandon the adjacent islands and seek the blessings of freedom and its sequence—-each inhabitant receiving the reward of his own labor. Porto Rico and Cuba will have to abolish slavery, as a measure of self-preservation, to retain their laborers.

San Domingo will become a large consumer of the products of Northern farms and manufactories. The cheap rate at which her citizens can be furnished with food, tools, and machinery will make it necessary that contiguous islands should have the same advantages in order to compete in the production of sugar, coffee, tobacco, tropical fruits, *etc*. This will open to us a still wider market for our products. The production of our own supply of these articles will cut off more than one hundred millions of our annual imports, besides largely increasing our exports. With such a picture it is easy to see how our large debt abroad is ultimately to be extinguished. With a balance of trade against us (including interest on bonds held by foreigners and money spent by our citizens traveling in foreign lands) equal to the entire yield of the precious metals in this country, it is not so easy to see how this result is to be otherwise accomplished.

The acquisition of San Domingo is an adherence to the “Monroe doctrine;” it is a measure of national protection; it is asserting our just claim to a controlling influence over the great commercial traffic soon to flow from west to east by way of the Isthmus of Darien; it is to build up our merchant marine; it is to furnish new markets for the products of our farms, shops, and manufactories; it is to make slavery insupportable in Cuba and Porto Rico at once,

Page 1165

and ultimately so in Brazil; it is to settle the unhappy condition of Cuba and end an exterminating conflict; it is to provide honest means of paying our honest debts without overtaxing the people; it is to furnish our citizens with the necessaries of everyday life at cheaper rates than ever before; and it is, in fine, a rapid stride toward that greatness which the intelligence, industry, and enterprise of the citizens of the United States entitle this country to assume among nations.

In view of the importance of this question, I earnestly urge upon Congress early action expressive of its views as to the best means of acquiring San Domingo. My suggestion is that by joint resolution of the two Houses of Congress the Executive be authorized to appoint a commission to negotiate a treaty with the authorities of San Domingo for the acquisition of that island, and that an appropriation be made to defray the expenses of such a commission. The question may then be determined, either by the action of the Senate upon the treaty or the joint action of the two Houses of Congress upon a resolution of annexation, as in the case of the acquisition of Texas. So convinced am I of the advantages to flow from the acquisition of San Domingo, and of the great disadvantages—I might almost say calamities—to flow from nonacquisition, that I believe the subject has only to be investigated to be approved.

It is to be regretted that our representations in regard to the injurious effects, especially upon the revenue of the United States, of the policy of the Mexican Government in exempting from impost duties a large tract of its territory on our borders have not only been fruitless, but that it is even proposed in that country to extend the limits within which the privilege adverted to has hitherto been enjoyed. The expediency of taking into your serious consideration proper measures for countervailing the policy referred to will, it is presumed, engage your earnest attention.

It is the obvious interest, especially of neighboring nations, to provide against impunity to those who may have committed high crimes within their borders and who may have sought refuge abroad. For this purpose extradition treaties have been concluded with several of the Central American Republics, and others are in progress.

The sense of Congress is desired, as early as may be convenient, upon the proceedings of the commission on claims against Venezuela, as communicated in my messages of March 16, 1869, March 1, 1870, and March 31, 1870. It has not been deemed advisable to distribute any of the money which has been received from that Government until Congress shall have acted on the subject.

Page 1166

The massacres of French and Russian residents at Tien-Tsin, under circumstances of great barbarity, was supposed by some to have been premeditated, and to indicate a purpose among the populace to exterminate foreigners in the Chinese Empire. The evidence fails to establish such a supposition, but shows a complicity between the local authorities and the mob. The Government at Peking, however, seems to have been disposed to fulfill its treaty obligations so far as it was able to do so. Unfortunately, the news of the war between the German States and France reached China soon after the massacre. It would appear that the popular mind became possessed with the idea that this contest, extending to Chinese waters, would neutralize the Christian influence and power, and that the time was coming when the superstitious masses might expel all foreigners and restore mandarin influence. Anticipating trouble from this cause, I invited France and North Germany to make an authorized suspension of hostilities in the East (where they were temporarily suspended by act of the commanders), and to act together for the future protection in China of the lives and properties of Americans and Europeans.

Since the adjournment of Congress the ratifications of the treaty with Great Britain for abolishing the mixed courts for the suppression of the slave trade have been exchanged. It is believed that the slave trade is now confined to the eastern coast of Africa, whence the slaves are taken to Arabian markets.

The ratifications of the naturalization convention between Great Britain and the United States have also been exchanged during the recess, and thus a long-standing dispute between the two Governments has been settled in accordance with the principles always contended for by the United States.

In April last, while engaged in locating a military reservation near Pembina, a corps of engineers discovered that the commonly received boundary line between the United States and the British possessions at that place is about 4,700 feet south of the true position of the forty-ninth parallel, and that the line, when run on what is now supposed to be the true position of that parallel, would leave the fort of the Hudsons Bay Company at Pembina within the territory of the United States. This information being communicated to the British Government, I was requested to consent, and did consent, that the British occupation of the fort of the Hudsons Bay Company should continue for the present. I deem it important, however, that this part of the boundary line should be definitely fixed by a joint commission of the two Governments, and I submit herewith estimates of the expense of such a commission on the part of the United States and recommend that an appropriation be made for that purpose. The land boundary has already been fixed and marked from the summit of the Rocky Mountains to the Georgian Bay. It should now be in like manner marked from the Lake of the Woods to the summit of the Rocky Mountains.

Page 1167

I regret to say that no conclusion has been reached for the adjustment of the claims against Great Britain growing out of the course adopted by that Government during the rebellion. The cabinet of London, so far as its views have been expressed, does not appear to be willing to concede that Her Majesty's Government was guilty of any negligence, or did or permitted any act during the war by which the United States has just cause of complaint. Our firm and unalterable convictions are directly the reverse. I therefore recommend to Congress to authorize the appointment of a commission to take proof of the amount and the ownership of these several claims, on notice to the representative of Her Majesty at Washington, and that authority be given for the settlement of these claims by the United States, so that the Government shall have the ownership of the private claims, as well as the responsible control of all the demands against Great Britain. It can not be necessary to add that whenever Her Majesty's Government shall entertain a desire for a full and friendly adjustment of these claims the United States will enter upon their consideration with an earnest desire for a conclusion consistent with the honor and dignity of both nations.

The course pursued by the Canadian authorities toward the fishermen of the United States during the past season has not been marked by a friendly feeling. By the first article of the convention of 1818 between Great Britain and the United States it was agreed that the inhabitants of the United States should have forever, in common with British subjects, the right of taking fish in certain waters therein defined. In the waters not included in the limits named in the convention (within 3 miles of parts of the British coast) it has been the custom for many years to give to intruding fishermen of the United States a reasonable warning of their violation of the technical rights of Great Britain. The Imperial Government is understood to have delegated the whole or a share of its jurisdiction or control of these inshore fishing grounds to the colonial authority known as the Dominion of Canada, and this semi-independent but irresponsible agent has exercised its delegated powers in an unfriendly way. Vessels have been seized without notice or warning, in violation of the custom previously prevailing, and have been taken into the colonial ports, their voyages broken up, and the vessels condemned. There is reason to believe that this unfriendly and vexatious treatment was designed to bear harshly upon the hardy fishermen of the United States, with a view to political effect upon this Government. The statutes of the Dominion of Canada assume a still broader and more untenable jurisdiction over the vessels of the United States. They authorize officers or persons to bring vessels hovering within 3 marine miles of any of the coasts, bays, creeks, or harbors of Canada into port, to search the cargo, to examine the master on oath touching the cargo and voyage,

Page 1168

and to inflict upon him a heavy pecuniary penalty if true answers are not given; and if such a vessel is found “preparing to fish” within 3 marine miles of any of such coasts, bays, creeks, or harbors without a license, or after the expiration of the period named in the last license granted to it, they provide that the vessel, with her tackle, *etc*., shall be forfeited. It is not known that any condemnations have been made under this statute. Should the authorities of Canada attempt to enforce it, it will become my duty to take such steps as may be necessary to protect the rights of the citizens of the United States.

It has been claimed by Her Majesty’s officers that the fishing vessels of the United States have no right to enter the open ports of the British possessions in North America, except for the purposes of shelter and repairing damages, of purchasing wood and obtaining water; that they have no right to enter at the British custom-houses or to trade there except in the purchase of wood and water, and that they must depart within twenty-four hours after notice to leave. It is not known that any seizure of a fishing vessel carrying the flag of the United States has been made under this claim. So far as the claim is founded on an alleged construction of he convention of 1818, it can not be acquiesced in by the United States. It is hoped that it will not be insisted on by Her Majesty’s Government.

During the conferences which preceded the negotiation of the convention of 1818 the British commissioners proposed to expressly exclude the fishermen of the United States from “the privilege of carrying on trade with any of His Britannic Majesty’s subjects residing within the limits assigned for their use;” and also that it should not be “lawful for the vessels of the United States engaged in said fishery to have on board any goods, wares, or merchandise whatever, except such as may be necessary for the prosecution of their voyages to and from the said fishing grounds: and any vessel of the United States which shall contravene this regulation may be seized, condemned, and confiscated, with her cargo.”

This proposition, which is identical with the construction now put upon the language of the convention, was emphatically rejected by the American commissioners, and thereupon was abandoned by the British plenipotentiaries, and Article I, as it stands in the convention, was substituted.

If, however, it be said that this claim is founded on provincial or colonial statutes, and not upon the convention, this Government can not but regard them as unfriendly, and in contravention of the spirit, if not of the letter, of the treaty, for the faithful execution of which the Imperial Government is alone responsible.

Anticipating that an attempt may possibly be made by the Canadian authorities in the coming season to repeat their unneighborly acts toward our fishermen, I recommend

you to confer upon the Executive the power to suspend by proclamation the operation of the laws authorizing the transit of goods, wares, and merchandise in bond across the territory of the United States to Canada, and, further, should such an extreme measure become necessary, to suspend the operation of any laws whereby the vessels of the Dominion of Canada are permitted to enter the waters of the United States.

Page 1169

A like unfriendly disposition has been manifested on the part of Canada in the maintenance of a claim of right to exclude the citizens of the United States from the navigation of the St. Lawrence. This river constitutes a natural outlet to the ocean for eight States, with an aggregate population of about 17,600,000 inhabitants, and with an aggregate tonnage of 661,367 tons upon the waters which discharge into it. The foreign commerce of our ports on these waters is open to British competition, and the major part of it is done in British bottoms.

If the American seamen be excluded from this natural avenue to the ocean, the monopoly of the direct commerce of the lake ports with the Atlantic would be in foreign hands, their vessels on transatlantic voyages having an access to our lake ports which would be denied to American vessels on similar voyages. To state such a proposition is to refute its justice.

During the Administration of Mr. John Quincy Adams Mr. Clay unanswerably demonstrated the natural right of the citizens of the United States to the navigation of this river, claiming that the act of the congress of Vienna in opening the Rhine and other rivers to all nations showed the judgment of European jurists and statesmen that the inhabitants of a country through which a navigable river passes have a natural right to enjoy the navigation of that river to and into the sea, even though passing through the territories of another power. This right does not exclude the coequal right of the sovereign possessing the territory through which the river debouches into the sea to make such regulations relative to the police of the navigation as may be reasonably necessary; but those regulations should be framed in a liberal spirit of comity, and should not impose needless burdens upon the commerce which has the right of transit. It has been found in practice more advantageous to arrange these regulations by mutual agreement. The United States are ready to make any reasonable arrangement as to the police of the St. Lawrence which may be suggested by Great Britain.

If the claim made by Mr. Clay was just when the population of States bordering on the shores of the Lakes was only 3,400,000, it now derives greater force and equity from the increased population, wealth, production, and tonnage of the States on the Canadian frontier. Since Mr. Clay advanced his argument in behalf of our right the principle for which he contended has been frequently, and by various nations, recognized by law or by treaty, and has been extended to several other great rivers. By the treaty concluded at Mayence in 1831 the Rhine was declared free from the point where it is first navigable into the sea. By the convention between Spain and Portugal concluded in 1835 the navigation of the Douro throughout its whole extent was made free for the subjects of both Crowns. In 1853 the Argentine Confederation by treaty threw open the free navigation of the Parana

Page 1170

and the Uruguay to the merchant vessels of all nations. In 1856 the Crimean War was closed by a treaty which provided for the free navigation of the Danube. In 1858 Bolivia by treaty declared that it regarded the rivers Amazon and La Plata, in accordance with fixed principles of national law, as highways or channels opened by nature for the commerce of all nations. In 1859 the Paraguay was made free by treaty, and in December, 1866, the Emperor of Brazil by imperial decree declared the Amazon to be open to the frontier of Brazil to the merchant ships of all nations. The greatest living British authority on this subject, while asserting the abstract right of the British claim, says: It seems difficult to deny that Great Britain may ground her refusal upon strict law, but it is equally difficult to deny, first, that in so doing she exercises harshly an extreme and hard law; secondly, that her conduct with respect to the navigation of the St. Lawrence is in glaring and discreditable inconsistency with her conduct with respect to the navigation of the Mississippi. On the ground that she possessed a small domain in which the Mississippi took its rise, she insisted on the right to navigate the entire volume of its waters. On the ground that she possesses both banks of the St. Lawrence, where it disembogues itself into the sea, she denies to the United States the right of navigation, though about one-half of the waters of Lakes Ontario. Erie, Huron, and Superior, and the whole of Lake Michigan, through which the river flows, are the property of the United States. The whole nation is interested in securing cheap transportation from the agricultural States of the West to the Atlantic Seaboard. To the citizens of those States it secures a greater return for their labor; to the inhabitants of the seaboard it affords cheaper food; to the nation, an increase in the annual surplus of wealth. It is hoped that the Government of Great Britain will see the justice of abandoning the narrow and inconsistent claim to which her Canadian Provinces have urged her adherence.

Our depressed commerce is a subject to which I called your special attention at the last session, and suggested that we will in the future have to look more to the countries south of us, and to China and Japan, for its revival. Our representatives to all these Governments have exerted their influence to encourage trade between the United States and the countries to which they are accredited. But the fact exists that the carrying is done almost entirely in foreign bottoms, and while this state of affairs exists we can not control our due share of the commerce of the world; that between the Pacific States and China and Japan is about all the carrying trade now conducted in American vessels. I would recommend a liberal policy toward that line of American steamers—-one that will insure its success, and even increased usefulness.

Page 1171

The cost of building iron vessels, the only ones that can compete with foreign ships in the carrying trade, is so much greater in the United States than in foreign countries that without some assistance from the Government they can not be successfully built here. There will be several propositions laid before Congress in the course of the present session looking to a remedy for this evil. Even if it should be at some cost to the National Treasury, I hope such encouragement will be given as will secure American shipping on the high seas and American shipbuilding at home.

The condition of the archives at the Department of State calls for the early action of Congress. The building now rented by that Department is a frail structure, at an inconvenient distance from the Executive Mansion and from the other Departments, is ill adapted to the purpose for which it is used, has not capacity to accommodate the archives, and is not fireproof. Its remote situation, its slender construction, and the absence of a supply of water in the neighborhood leave but little hope of safety for either the building or its contents in case of the accident of a fire. Its destruction would involve the loss of the rolls containing the original acts and resolutions of Congress, of the historic records of the Revolution and of the Confederation, of the whole series of diplomatic and consular archives since the adoption of the Constitution, and of the many other valuable records and papers left with that Department when it was the principal depository of the governmental archives. I recommend an appropriation for the construction of a building for the Department of State.

I recommend to your consideration the propriety of transferring to the Department of the Interior, to which they seem more appropriately to belong, all powers and duties in relation to the Territories with which the Department of State is now charged by law or usage; and from the Interior Department to the War Department the Pension Bureau, so far as it regulates the payment of soldiers' pensions. I would further recommend that the payment of naval pensions be transferred to one of the bureaus of the Navy Department.

The estimates for the expenses of the Government for the next fiscal year are $18,244,346.01 less than for the current one, but exceed the appropriations for the present year for the same items $8,972,127.56. In this estimate, however, is included $22,338,278.37 for public works heretofore begun under Congressional provision, and of which only so much is asked as Congress may choose to give. The appropriation for the same works for the present fiscal year was $11,984,518.08.

The average value of gold, as compared with national currency, for the whole of the year 1869 was about 134, and for eleven months of 1870 the same relative value has been about 115. The approach to a specie basis is very gratifying, but the fact can not be denied that the instability of the value of our currency is prejudicial to our prosperity, and tends to keep up prices, to the detriment of trade. The evils of a depreciated and fluctuating currency are so great that now, when the premium on gold has fallen so much, it would seem that the time has arrived when by wise and prudent legislation

Congress should look to a policy which would place our currency at par with gold at no distant day.

Page 1172

The tax collected from the people has been reduced more than $80,000,000 per annum. By steadiness in our present course there is no reason why in a few short years the national tax gatherer may not disappear from the door of the citizen almost entirely. With the revenue stamp dispensed by postmasters in every community, a tax upon liquors of all sorts and tobacco in all its forms, and by a wise adjustment of the tariff, which will put a duty only upon those articles which we could dispense with, known as luxuries, and on those which we use more of than we produce, revenue enough may be raised after a few years of peace and consequent reduction of indebtedness to fulfill all our obligations. A further reduction of expenses, in addition to a reduction of interest account, may be relied on to make this practicable. Revenue reform, if it means this, has my hearty support. If it implies a collection of all the revenue for the support of the Government, for the payment of principal and interest of the public debt, pensions, *etc*., by directly taxing the people, then I am against revenue reform, and confidently believe the people are with me. If it means failure to provide the necessary means to defray all the expenses of Government, and thereby repudiation of the public debt and pensions, then I am still more opposed to such kind of revenue reform. Revenue reform has not been defined by any of its advocates to my knowledge, but seems to be accepted as something which is to supply every man's wants without any cost or effort on his part.

A true revenue reform can not be made in a day, but must be the work of national legislation and of time. As soon as the revenue can be dispensed with, all duty should be removed from coffee, tea and other articles of universal use not produced by ourselves. The necessities of the country compel us to collect revenue from our imports. An army of assessors and collectors is not a pleasant sight to the citizen, but that of a tariff for revenue is necessary. Such a tariff, so far as it acts as an encouragement to home production, affords employment to labor at living wages, in contrast to the pauper labor of the Old World, and also in the development of home resources.

Under the act of Congress of the 15th day of July, 1870, the Army has gradually been reduced, so that on the 1st day of January, 1871, the number of commissioned officers and men will not exceed the number contemplated by that law.

The War Department building is an old structure, not fireproof, and entirely inadequate in dimensions to our present wants. Many thousands of dollars are now paid annually for rent of private buildings to accommodate the various bureaus of the Department. I recommend an appropriation for a new War Department building, suited to the present and growing wants of the nation.

The report of the Secretary of War shows a very satisfactory reduction in the expenses of the Army for the last fiscal year. For details you are referred to his accompanying report.

Page 1173

The expenses of the Navy for the whole of the last year—i.e., from December 1, 1869, the date of the last report—are less than $19,000,000, or about $1,000,000 less than they were the previous year. The expenses since the commencement of this fiscal year—i.e., since July 1—show for the five months a decrease of over $2,400,000 from those of the corresponding months last year. The estimates for the current year were $28,205,671.37. Those for next year are $20,683,317, with $955,100 additional for necessary permanent improvements. These estimates are made closely for the mere maintenance of the naval establishment as now is, without much in the nature of permanent improvement. The appropriations made for the last and current years were evidently intended by Congress, and are sufficient only, to keep the Navy on its present footing by the repairing and refitting of our old ships.

This policy must, of course, gradually but surely destroy the Navy, and it is in itself far from economical, as each year that it is pursued the necessity for mere repairs in ships and navy-yards becomes more imperative and more costly, and our current expenses are annually increased for the mere repair of ships, many of which must soon become unsafe and useless. I hope during the present session of Congress to be able to submit to it a plan by which naval vessels can be built and repairs made with great saving upon the present cost.

It can hardly be wise statesmanship in a Government which represents a country with over 5,000 miles of coast line on both oceans, exclusive of Alaska, and containing 40,000,000 progressive people, with relations of every nature with almost every foreign country, to rest with such inadequate means of enforcing any foreign policy, either of protection or redress. Separated by the ocean from the nations of the Eastern Continent, our Navy is our only means of direct protection to our citizens abroad or for the enforcement of any foreign policy.

The accompanying report of the Postmaster-General shows a most satisfactory working of that Department. With the adoption of the recommendations contained therein, particularly those relating to a reform in the franking privilege and the adoption of the “correspondence cards,” a self-sustaining postal system may speedily be looked for, and at no distant day a further reduction of the rate of postage be attained.

I recommend authorization by Congress to the Postmaster-General and Attorney-General to issue all commissions to officials appointed through their respective Departments. At present these commissions, where appointments are Presidential, are issued by the State Department. The law in all the Departments of Government, except those of the Post-Office and of Justice, authorizes each to issue its own commissions.

Page 1174

Always favoring practical reforms, I respectfully call your attention to one abuse of long standing which I would like to see remedied by this Congress. It is a reform in the civil service of the country. I would have it go beyond the mere fixing of the tenure of office of clerks and employees who do not require “the advice and consent of the Senate” to make their appointments complete. I would have it govern, not the tenure, but the manner of making all appointments. There is no duty which so much embarrasses the Executive and heads of Departments as that of appointments, nor is there any such arduous and thankless labor imposed on Senators and Representatives as that of finding places for constituents. The present system does not secure the best men, and often not even fit men, for public place. The elevation and purification of the civil service of the Government will be hailed with approval by the whole people of the United States.

Reform in the management of Indian affairs has received the special attention of the Administration from its inauguration to the present day. The experiment of making it a missionary work was tried with a few agencies given to the denomination of Friends, and has been found to work most advantageously. All agencies and superintendencies not so disposed of were given to officers of the Army. The act of Congress reducing the Army renders army officers ineligible for civil positions. Indian agencies being civil offices, I determined to give all the agencies to such religious denominations as had heretofore established missionaries among the Indians, and perhaps to some other denominations who would undertake the work on the same terms—i.e., as a missionary work. The societies selected are allowed to name their own agents, subject to the approval of the Executive, and are expected to watch over them and aid them as missionaries, to Christianize and civilize the Indian, and to train him in the arts of peace. The Government watches over the official acts of these agents, and requires of them as strict an accountability as if they were appointed in any other manner. I entertain the confident hope that the policy now pursued will in a few years bring all the Indians upon reservations, where they will live in houses, and have schoolhouses and churches, and will be pursuing peaceful and self-sustaining avocations, and where they may be visited by the law-abiding white man with the same impunity that he now visits the civilized white settlements. I call your special attention to the report of the Commissioner of Indian Affairs for full information on this subject.

Page 1175

During the last fiscal year 8,095,413 acres of public land were disposed of. Of this quantity 3,698,910.05 acres were taken under the homestead law and 2,159,515.81 acres sold for cash. The remainder was located with military warrants, college or Indian scrip, or applied in satisfaction of grants to railroads or for other public uses. The entries under the homestead law during the last year covered 961,545 acres more than those during the preceding year. Surveys have been vigorously prosecuted to the full extent of the means applicable to the purpose. The quantity of land in market will amply supply the present demand. The claim of the settler under the homestead or the preemption laws is not, however, limited to lands subject to sale at private entry. Any unappropriated surveyed public land may, to a limited amount, be acquired under the former laws if the party entitled to enter under them will comply with the requirements they prescribe in regard to the residence and cultivation. The actual settler's preference right of purchase is even broader, and extends to lands which were unsurveyed at the time of his settlement. His right was formerly confined within much narrower limits, and at one period of our history was conferred only by special statutes. They were enacted from time to time to legalize what was then regarded as an unauthorized intrusion upon the national domain. The opinion that the public lands should be regarded chiefly as a source of revenue is no longer maintained. The rapid settlement and successful cultivation of them are now justly considered of more importance to our well-being than is the fund which the sale of them would produce. The remarkable growth and prosperity of our new States and Territories attest the wisdom of the legislation which invites the tiller of the soil to secure a permanent home on terms within the reach of all. The pioneer who incurs the dangers and privations of a frontier life, and thus aids in laying the foundation of new commonwealths, renders a signal service to his country, and is entitled to its special favor and protection. These laws secure that object and largely promote the general welfare. They should therefore be cherished as a permanent feature of our land system.

Good faith requires us to give full effect to existing grants. The time-honored and beneficent policy of setting apart certain sections of public land for educational purposes in the new States should be continued. When ample provision shall have been made for these objects, I submit as a question worthy of serious consideration whether the residue of our national domain should not be wholly disposed of under the provisions the homestead and preemption laws.

Page 1176

In addition to the swamp and overflowed lands granted to the States in which they are situated, the lands taken under the agricultural-college acts and for internal-improvement purposes under the act of September, 1841, and the acts supplemental thereto, there had been conveyed up to the close of the last fiscal year, by patent or other equivalent title, to States and corporations 27,836,257.63 acres for railways, canals, and wagon roads. It is estimated that an additional quantity of 174,735,523 acres is still due under grants for like uses. The policy of thus aiding the States in building works of internal improvement was inaugurated more than forty years since in the grants to Indiana and Illinois, to aid those States in opening canals to connect the waters of the Wabash with those of Lake Erie and the waters of the Illinois with those of Lake Michigan. It was followed, with some modifications, in the grant to Illinois of alternate sections of public land within certain limits of the Illinois Central Railway. Fourteen States and sundry corporations have received similar subsidies in connection with railways completed or in process of construction. As the reserved sections are rated at the double minimum, the sale of them at the enhanced price has thus in many instances indemnified the Treasury for the granted lands. The construction of some of these thoroughfares has undoubtedly given a vigorous impulse to the development of our resources and the settlement of the more distant portions of the country. It may, however, be well insisted that much of our legislation in this regard has been characterized by indiscriminate and profuse liberality. The United States should not loan their credit in aid of any enterprise undertaken by States or corporations, nor grant lands in any instance, unless the projected work is of acknowledged national importance. I am strongly inclined to the opinion that it is inexpedient and unnecessary to bestow subsidies of either description; but should Congress determine otherwise I earnestly recommend that the right of settlers and of the public be more effectually secured and protected by appropriate legislation.

During the year ending September 30, 1870, there were filed in the Patent Office 19,411 applications for patents, 3,374 caveats, and 160 applications for the extension of patents. Thirteen thousand six hundred and twenty-two patents, including reissues and designs, were issued, 1,010 extended, and 1,089 allowed, but not issued by reason of the nonpayment of the final fees. The receipts of the office during the year were $136,304.29 in excess of its expenditures.

The work of the Census Bureau has been energetically prosecuted. The preliminary report, containing much information of special value and interest, will be ready for delivery during the present session. The remaining volumes will be completed with all the dispatch consistent with perfect accuracy in arranging and classifying the returns. We shall thus at no distant day be furnished with an authentic record of our condition and resources. It will, I doubt not, attest the growing prosperity of the country, although during the decade which has just closed it was so severely tried by the great war waged to maintain its integrity and to secure and perpetuate our free institutions.

Page 1177

During the last fiscal year the sum paid to pensioners, including the cost of disbursement, was $27,780,811.11, and 1,758 bounty-land warrants were issued. At its close 198,686 names were on the pension rolls.

The labors of the Pension Office have been directed to the severe scrutiny of the evidence submitted in favor of new claims and to the discovery of fictitious claims which have been heretofore allowed. The appropriation for the employment of special agents for the investigation of frauds has been judiciously used, and the results obtained have been of unquestionable benefit to the service.

The subjects of education and agriculture are of great interest to the success of our republican institutions, happiness, and grandeur as a nation. In the interest of one a bureau has been established in the Interior Department—the Bureau of Education; and in the interest of the other, a separate Department, that of Agriculture. I believe great general good is to flow from the operations of both these Bureaus if properly fostered. I can not commend to your careful consideration too highly the reports of the Commissioners of Education and of Agriculture, nor urge too strongly such liberal legislation as to secure their efficiency.

In conclusion I would sum up the policy of the Administration to be a thorough enforcement of every law; a faithful collection of every tax provided for; economy in the disbursement of the same; a prompt payment of every debt of the nation; a reduction of taxes as rapidly as the requirements of the country will admit; reductions of taxation and tariff, to be so arranged as to afford the greatest relief to the greatest number; honest and fair dealings with all other peoples, to the end that war, with all its blighting consequences, may be avoided, but without surrendering any right or obligation due to us; a reform in the treatment of Indians and in the whole civil service of the country; and, finally, in securing a pure, untrammeled ballot, where every man entitled to cast a vote may do so, just once at each election, without fear of molestation or proscription on account of his political faith, nativity, of color.

U. S. GRANT

***

State of the Union Address
Ulysses S. Grant
December 4, 1871

To the Senate and House of Representatives:

In addressing my third annual message to the law-making branch of the Government it is gratifying to be able to state that during the past year success has generally attended

the effort to execute all laws found upon the statute books. The policy has been not to inquire into the wisdom of laws already enacted, but to learn their spirit and intent and to enforce them accordingly.

Page 1178

The past year has, under a wise Providence, been one of general prosperity to the nation. It has, however, been attended with more than usual chastisements in the loss of life and property by storm and fire. These disasters have served to call forth the best elements of human nature in our country and to develop a friendship for us on the part of foreign nations which goes far toward alleviating the distresses occasioned by these calamities. The benevolent, who have so generously shared their means with the victims of these misfortunes, will reap their reward in the consciousness of having performed a noble act and in receiving the grateful thanks of men, women, and children whose sufferings they have relieved.

The relations of the United States with foreign powers continue to be friendly. The year has been an eventful one in witnessing two great nations, speaking one language and having one lineage, settling by peaceful arbitration disputes of long standing and liable at any time to bring those nations into bloody and costly conflict. An example has thus been set which, if successful in its final issue, may be followed by other civilized nations, and finally be the means of returning to productive industry millions of men now maintained to settle the disputes of nations by the bayonet and the broadside.

I transmit herewith a copy of the treaty alluded to, which has been concluded since the adjournment of Congress with Her Britannic Majesty, and a copy of the protocols of the conferences of the commissioners by whom it was negotiated. This treaty provides methods for adjusting the questions pending between the two nations.

Various questions are to be adjusted by arbitration. I recommend Congress at an early day to make the necessary provision for the tribunal at Geneva and for the several commissioners on the part of the United States called for by the treaty.

His Majesty the King of Italy, the President of the Swiss Confederation, and His Majesty the Emperor of Brazil have each consented, on the joint request of the two powers, to name an arbiter for the tribunal at Geneva. I have caused my thanks to be suitably expressed for the readiness with which the joint request has been complied with, by the appointment of gentlemen of eminence and learning to these important positions.

His Majesty the Emperor of Germany has been pleased to comply with the joint request of the two Governments, and has consented to act as the arbitrator of the disputed water boundary between the United States and Great Britain.

The contracting parties in the treaty have undertaken to regard as between themselves certain principles of public law, for which the United States have contended from the commencement of their history. They have also agreed to bring those principles to the knowledge of the other maritime powers and to invite them to accede to them. Negotiations are going on as to the form of the note by which the invitation is to be extended to the other powers.

Page 1179

I recommend the legislation necessary on the part of the United States to bring into operation the articles of the treaty relating to the fisheries and to the other matters touching the relations of the United States toward the British North American possessions, to become operative so soon as the proper legislation shall be had on the part of Great Britain and its possessions. It is much to be desired that this legislation may become operative before the fishermen of the United States begin to make their arrangements for the coming season.

I have addressed a communication, of which a copy is transmitted herewith, to the governors of New York, Pennsylvania, Ohio, Indiana, Michigan, Illinois, and Wisconsin, urging upon the governments of those States, respectively, the necessary action on their part to carry into effect the object of the article of the treaty which contemplates the use of the canals, on either side, connected with the navigation of the lakes and rivers forming the boundary, on terms of equality, by the inhabitants of both countries. It is hoped that the importance of the object and the benefits to flow therefrom will secure the speedy approval and legislative sanction of the States concerned.

I renew the recommendation for an appropriation for determining the true position of the forty-ninth parallel of latitude where it forms the boundary between the United States and the British North American possessions, between the Lake of the Woods and the summit of the Rocky Mountains. The early action of Congress on this recommendation would put it in the power of the War Department to place a force in the field during the next summer.

The resumption of diplomatic relations between France and Germany has enabled me to give directions for the withdrawal of the protection extended to Germans in France by the diplomatic and consular representatives of the United States in that country. It is just to add that the delicate duty of this protection has been performed by the minister and the consul-general at Paris, and the various consuls in France under the supervision of the latter, with great kindness as well as with prudence and tact. Their course has received the commendation of the German Government, and has wounded no susceptibility of the French.

The Government of the Emperor of Germany continues to manifest a friendly feeling toward the United States, and a desire to harmonize with the moderate and just policy which this Government maintains in its relations with Asiatic powers, as well as with the South American Republics. I have given assurances that the friendly feelings of that Government are fully shared by the United States.

The ratifications of the consular and naturalization conventions with the Austro-Hungarian Empire have been exchanged.

Page 1180

I have been officially informed of the annexation of the States of the Church to the Kingdom of Italy, and the removal of the capital of that Kingdom to Rome. In conformity with the established policy of the United States, I have recognized this change. The ratifications of the new treaty of commerce between the United States and Italy have been exchanged. The two powers have agreed in this treaty that private property at sea shall be exempt from capture in case of war between the two powers. The United States have spared no opportunity of incorporating this rule into the obligation of nations.

The Forty-first Congress, at its third session, made an appropriation for the organization of a mixed commission for adjudicating upon the claims of citizens of the United States against Spain growing out of the insurrection in Cuba. That commission has since been organized. I transmit herewith the correspondence relating to its formation and its jurisdiction. It is to be hoped that this commission will afford the claimants a complete remedy for their injuries.

It has been made the agreeable duty of the United States to preside over a conference at Washington between the plenipotentiaries of Spain and the allied South American Republics, which has resulted in an armistice, with the reasonable assurance of a permanent peace.

The intimate friendly relations which have so long existed between the United States and Russia continue undisturbed. The visit of the third son of the Emperor is a proof that there is no desire on the part of his Government to diminish the cordiality of those relations. The hospitable reception which has been given to the Grand Duke is a proof that on our side we share the wishes of that Government. The inexcusable course of the Russian minister at Washington rendered it necessary to ask his recall and to decline to longer receive that functionary as a diplomatic representative. It was impossible, with self-respect or with a just regard to the dignity of the country, to permit Mr. Catacazy to continue to hold intercourse with this Government after his personal abuse of Government officials, and during his persistent interferences, through various means, with the relations between the United States and other powers. In accordance with my wishes, this Government has been relieved of further intercourse with Mr. Catacazy, and the management of the affairs of the imperial legation has passed into the hands of a gentleman entirely unobjectionable.

With Japan we continue to maintain intimate relations. The cabinet of the Mikado has since the close of the last session of Congress selected citizens of the United States to serve in offices of importance in several departments of Government. I have reason to think that this selection is due to an appreciation of the disinterestedness of the policy which the United States have pursued toward Japan. It is our desire to continue to maintain this disinterested and just policy with China as well as Japan. The correspondence transmitted herewith shows that there is no disposition on the part of this Government to swerve from its established course.

Page 1181

Prompted by a desire to put an end to the barbarous treatment of our shipwrecked sailors on the Korean coast, I instructed our minister at Peking to endeavor to conclude a convention with Korea for securing the safety and humane treatment of such mariners.

Admiral Rodgers was instructed to accompany him with a sufficient force to protect him in case of need.

A small surveying party sent out, on reaching the coast was treacherously attacked at a disadvantage. Ample opportunity was given for explanation and apology for the insult. Neither came. A force was then landed. After an arduous march over a rugged and difficult country, the forts from which the outrages had been committed were reduced by a gallant assault and were destroyed. Having thus punished the criminals, and having vindicated the honor of the flag, the expedition returned, finding it impracticable under the circumstances to conclude the desired convention. I respectfully refer to the correspondence relating thereto, herewith submitted, and leave the subject for such action as Congress may see fit to take.

The Republic of Mexico has not yet repealed the very objectionable laws establishing what is known as the “free zone” on the frontier of the United States. It is hoped that this may yet be done, and also that more stringent measures may be taken by that Republic for restraining lawless persons on its frontiers. I hope that Mexico by its own action will soon relieve this Government of the difficulties experienced from these causes.

Our relations with the various Republics of Central and South America continue, with one exception, to be cordial and friendly.

I recommend some action by Congress regarding the overdue installments under the award of the Venezuelan Claims Commission of 1866. The internal dissensions of this Government present no justification for the absence of effort to meet their solemn treaty obligations.

The ratification of an extradition treaty with Nicaragua has been exchanged.

It is a subject for congratulation that the great Empire of Brazil has taken the initiatory step toward the abolition of slavery. Our relations with that Empire, always cordial, will naturally be made more so by this act. It is not too much to hope that the Government of Brazil may hereafter find it for its interest, as well as intrinsically right, to advance toward entire emancipation more rapidly than the present act contemplates.

The true prosperity and greatness of a nation is to be found in the elevation and education of its laborers.

It is a subject for regret that the reforms in this direction which were voluntarily promised by the statesmen of Spain have not been carried out in its West India colonies. The laws and regulations for the apparent abolition of slavery in Cuba and Porto Rico leave most of the laborers in bondage, with no hope of release until their lives become a burden to their employers.

Page 1182

I desire to direct your attention to the fact that citizens of the United States, or persons claiming to be citizens of the United States, are large holders in foreign lands of this species of property, forbidden by the fundamental law of their alleged country. I recommend to Congress to provide by stringent legislation a suitable remedy against the holding, owning or dealing in slaves, or being interested in slave property, in foreign lands, either as owners, hirers, or mortgagors, by citizens of the United States.

It is to be regretted that the disturbed condition of the island of Cuba continues to be a source of annoyance and of anxiety. The existence of a protracted struggle in such close proximity to our own territory, without apparent prospect of an early termination, can not be other than an object of concern to a people who, while abstaining from interference in the affairs of other powers, naturally desire to see every country in the undisturbed enjoyment of peace, liberty, and the blessings of free institutions.

Our naval commanders in Cuban waters have been instructed, in case it should become necessary, to spare no effort to protect the lives and property of bona fide American citizens and to maintain the dignity of the flag.

It is hoped that all pending questions with Spain growing out of the affairs in Cuba may be adjusted in the spirit of peace and conciliation which has hitherto guided the two powers in their treatment of such questions.

To give importance to and to add to the efficiency of our diplomatic relations with Japan and China, and to further aid in retaining the good opinion of those peoples, and to secure to the United States its share of the commerce destined to flow between those nations and the balance of the commercial world, I earnestly recommend that an appropriation be made to support at least four American youths in each of those countries, to serve as a part of the official family of our ministers there. Our representatives would not even then be placed upon an equality with the representatives of Great Britain and of some other powers. As now situated, our representatives in Japan and China have to depend for interpreters and translators upon natives of those countries who know our language imperfectly, or procure for the occasion the services of employees in foreign business houses or the interpreters to other foreign ministers.

I would also recommend liberal measures for the purpose of supporting the American lines of steamers now plying between San Francisco and Japan and China, and the Australian line—almost our only remaining lines of ocean steamers—and of increasing their services.

Page 1183

The national debt has been reduced to the extent of $86,057, 126.80 during the year, and by the negotiation of national bonds at a lower rate of interest the interest on the public debt has been so far diminished that now the sum to be raised for the interest account is nearly $17,000,000 less than on the 1st of March, 1869. It was highly desirable that this rapid diminution should take place, both to strengthen the credit of the country and to convince its citizens of their entire ability to meet every dollar of liability without bankrupting them. But in view of the accomplishment of these desirable ends: of the rapid development of the resources of the country; its increasing ability to meet large demands, and the amount already paid, it is not desirable that the present resources of the country should continue to be taxed in order to continue this rapid payment. I therefore recommend a modification of both the tariff and internal-tax law. I recommend that all taxes from internal sources be abolished, except those collected from spirituous, vinous, and malt liquors, tobacco in its various forms, and from stamps.

In readjusting the tariff I suggest that a careful estimate be made of the amount of surplus revenue collected under the present laws, after providing for the current expenses of the Government, the interest count, and a sinking fund, and that this surplus be reduced in such a manner as to afford the greatest relief to the greatest number. There are many articles not produced at home, but which enter largely into general consumption through articles which are manufactured at home, such as medicines compounded, *etc*., *etc*., from which very little revenue is derived, but which enter into general use. All such articles I recommend to be placed on the “free list.” Should a further reduction prove advisable, I would then recommend that it be made upon those articles which can best bear it without disturbing home production or reducing the wages of American labor.

I have not entered into figures, because to do so would be to repeat what will be laid before you in the report of the Secretary of the Treasury. The present laws for collecting revenue pay collectors of customs small salaries, but provide for moieties (shares in all seizures), which, at principal ports of entry particularly, raise the compensation of those officials to a large sum. It has always seemed to me as if this system must at times work perniciously. It holds out an inducement to dishonest men, should such get possession of those offices, to be lax in their scrutiny of goods entered, to enable them finally to make large seizures. Your attention is respectfully invited to this subject.

Continued fluctuations in the value of gold, as compared with the national currency, has a most damaging effect upon the increase and development of the country, in keeping up prices of all articles necessary in everyday life. It fosters a spirit of gambling, prejudicial alike to national morals and the national finances. If the question can be met as to how to get a fixed value to our currency, that value constantly and uniformly approaching par with specie, a very desirable object will be gained.

Page 1184

For the operations of the Army in the past year, the expense of maintaining it, the estimate for the ensuing year, and for continuing seacoast and other improvements conducted under the supervision of the War Department, I refer you to the accompanying report of the Secretary of War.

I call your attention to the provisions of the act of Congress approved March 3, 1869, which discontinues promotions in the staff corps of the Army until provided for by law. I recommend that the number of officers in each grade in the staff corps be fixed, and that whenever the number in any one grade falls below the number so fixed, that the vacancy may be filled by promotion from the grade below. I also recommend that when the office of chief of a corps becomes vacant the place may be filled by selection from the corps in which the vacancy exists.

The report of the Secretary of the Navy shows an improvement in the number and efficiency of the naval force, without material increase in the expense of supporting it. This is due to the policy which has been adopted, and is being extended as fast as our material will admit, of using smaller vessels as cruisers on the several stations. By this means we have been enabled to occupy at once a larger extent of cruising grounds, to visit more frequently the ports where the presence of our flag is desirable, and generally to discharge more efficiently the appropriate duties of the Navy in time of peace, without exceeding the number of men or the expenditure authorized by law.

During the past year the Navy has, in addition to its regular service, supplied the men and officers for the vessels of the Coast Survey, and has completed the surveys authorized by Congress of the isthmuses of Darien and Tehuantepec, and, under like authority, has sent out an expedition, completely furnished and equipped, to explore the unknown ocean of the north.

The suggestions of the report as to the necessity for increasing and improving the materiel of the Navy, and the plan recommended for reducing the personnel of the service to a peace standard, by the gradual abolition of certain grades of officers, the reduction of others, and the employment of some in the service of the commercial marine, are well considered and deserve the thoughtful attention of Congress.

I also recommend that all promotions in the Navy above the rank of captain be by selection instead of by seniority. This course will secure in the higher grades greater efficiency and hold out an incentive to young officers to improve themselves in the knowledge of their profession.

The present cost of maintaining the Navy, its cost compared with that of the preceding year, and the estimates for the ensuing year are contained in the accompanying report of the Secretary of the Navy.

Page 1185

The enlarged receipts of the Post-Office Department, as shown by the accompanying report of the Postmaster-General, exhibit a gratifying increase in that branch of the public service. It is the index of the growth of education and of the prosperity of the people, two elements highly conducive to the vigor and stability of republics. With a vast territory like ours, much of it sparsely populated, but all requiring the services of the mail, it is not at present to be expected that this Department can be made self-sustaining. But a gradual approach to this end from year to year is confidently relied on, and the day is not far distant when the Post-Office Department of the Government will prove a much greater blessing to the whole people than it is now.

The suggestions of the Postmaster-General for improvements in the Department presided over by him are earnestly recommended to you, special attention. Especially do I recommend favorable consideration of the plan for uniting the telegraphic system of the United States with the postal system. It is believed that by such a course the cost of telegraphing could be much reduced, and the service as well, if not better, rendered. It would secure the further advantage of extending the telegraph through portions of the country where private enterprise will not construct it. Commerce, trade, and, above all, the efforts to bring a people widely separated into a community of interest are always benefited by a rapid intercommunication. Education, the groundwork of republican institutions, is encouraged by increasing the facilities to gather speedy news from all parts of the country. The desire to reap the benefit of such improvements will stimulate education. I refer you to the report of the Postmaster-General for full details of the operations of last year and for comparative statements of results with former years.

There has been imposed upon the executive branch of the Government the execution of the act of Congress approved April 20, 1871, and commonly known as the Kuklux law, in a portion of the State of South Carolina. The necessity of the course pursued will be demonstrated by the report of the Committee to Investigate Southern Outrages. Under the provisions of the above act I issued a proclamation calling the attention of the people of the United States to the same, and declaring my reluctance to exercise any of the extraordinary powers thereby conferred upon me, except in case of imperative necessity, but making known my purpose to exercise such powers whenever it should become necessary to do so for the purpose of securing to all citizens of the United States the peaceful enjoyment of the rights guaranteed to them by the Constitution and the laws.

After the passage of this law information was received from time to time that combinations of the character referred to in this law existed and were powerful in many parts of the Southern States, particularly in certain counties in the State of South Carolina.

Page 1186

Careful investigation was made, and it was ascertained that in nine counties of that State such combinations were active and powerful, embracing a sufficient portion of the citizens to control the local authority, and having, among other things, the object of depriving the emancipated class of the substantial benefits of freedom and of preventing the free political action of those citizens who did not sympathize with their own views. Among their operations were frequent scourgings and occasional assassinations, generally perpetrated at night by disguised persons, the victims in almost all cases being citizens of different political sentiments from their own or freed persons who had shown a disposition to claim equal rights with other citizens. Thousands of inoffensive and well disposed citizens were the sufferers by this lawless violence,

Thereupon, on the 12th of October, 1871, a proclamation was issued, in terms of the law, calling upon the members of those combinations to disperse within five days and to deliver to the marshal or military officers of the United States all arms, ammunition, uniforms, disguises, and other means and implements used by them for carrying out their unlawful purposes.

This warning not having been heeded, on the 17th of October another proclamation was issued, suspending the privileges of the writ of habeas corpus in nine counties in that State.

Direction was given that within the counties so designated persons supposed, upon creditable information, to be members of such unlawful combinations should be arrested by the military forces of the United States and delivered to the marshal, to be dealt with according to law. In two of said counties, York and Spartanburg, many arrests have been made. At the last account the number of persons thus arrested was 168. Several hundred, whose criminality was ascertained to be of an inferior degree, were released for the present. These have generally made confessions of their guilt.

Great caution has been exercised in making these arrests, and, notwithstanding the large number, it is believed that no innocent person is now in custody. The prisoners will be held for regular trial in the judicial tribunals of the United States.

As soon as it appeared that the authorities of the United States were about to take vigorous measures to enforce the law, many persons absconded, and there is good ground for supposing that all of such persons have violated the law. A full report of what has been done under this law will be submitted to Congress by the Attorney-General.

In Utah there still remains a remnant of barbarism, repugnant to civilization, to decency, and to the laws of the United States. Territorial officers, however, have been found who are willing to perform their duty in a spirit of equity and with a due sense of the necessity of sustaining the majesty of the law. Neither polygamy nor any other violation of existing statutes will be permitted within the territory of the United States. It is not with the religion of the self-styled Saints that we are now dealing, but with their practices.

They will be protected in the worship of God according to the dictates of their consciences, but they will not be permitted to violate the laws under the cloak of religion.

Page 1187

It may be advisable for Congress to consider what, in the execution of the laws against polygamy, is to be the status of plural wives and their offspring. The propriety of Congress passing an enabling act authorizing the Territorial legislature of Utah to legitimize all children born prior to a time fixed in the act might be justified by its humanity to these innocent children. This is a suggestion only, and not a recommendation.

The policy pursued toward the Indians has resulted favorably, so far as can be judged from the limited time during which it has been in operation. Through the exertions of the various societies of Christians to whom has been intrusted the execution of the policy, and the board of commissioners authorized by the law of April 10, 1869, many tribes of Indians have been induced to settle upon reservations, to cultivate the soil, to perform productive labor of various kinds, and to partially accept civilization. They are being cared for in such a way, it is hoped, as to induce those still pursuing their old habits of life to embrace the only opportunity which is left them to avoid extermination.

I recommend liberal appropriations to carry out the Indian peace policy, not only because it is humane, Christian like, and economical, but because it is right.

I recommend to your favorable consideration also the policy of granting a Territorial government to the Indians in the Indian Territory west of Arkansas and Missouri and south of Kansas. In doing so every right guaranteed to the Indian by treaty should be secured. Such a course might in time be the means of collecting most of the Indians now between the Missouri and the Pacific and south of the British possessions into one Territory or one State. The Secretary of the Interior has treated upon this subject at length, and I commend to you his suggestions.

I renew my recommendation that the public lands be regarded as a heritage to our children, to be disposed of only as required for occupation and to actual settlers. Those already granted have been in great part disposed of in such a way as to secure access to the balance by the hardy settler who may wish to avail himself of them, but caution should be exercised even in attaining so desirable an object.

Educational interest may well be served by the grant of the proceeds of the sale of public lands to settlers. I do not wish to be understood as recommending in the least degree a curtailment of what is being done by the General Government for the encouragement of education.

The report of the Secretary of the Interior submitted with this will give you all the information collected and prepared for publication in regard to the census taken during the year 1870; the operations of the Bureau of Education for the year; the Patent Office; the Pension Office; the Land Office, and the Indian Bureau.

Page 1188

The report of the Commissioner of Agriculture gives the operations of his Department for the year. As agriculture is the groundwork of our prosperity, too much importance can not be attached to the labors of this Department. It is in the hands of an able head, with able assistants, all zealously devoted to introducing into the agricultural productions of the nation all useful products adapted to any of the various climates and soils of our vast territory, and to giving all useful information as to the method of cultivation, the plants, cereals, and other products adapted to particular localities. Quietly but surely the Agricultural Bureau is working a great national good, and if liberally supported the more widely its influence will be extended and the less dependent we shall be upon the products of foreign countries.

The subject of compensation to the heads of bureaus and officials holding positions of responsibility, and requiring ability and character to fill properly, is one to which your attention is invited. But few of the officials receive a compensation equal to the respectable support of a family, while their duties are such as to involve millions of interest. In private life services demand compensation equal to the services rendered; a wise economy would dictate the same rule in the Government service.

I have not given the estimates for the support of Government for the ensuing year, nor the comparative statement between the expenditures for the year just passed and the one just preceding, because all these figures are contained in the accompanying reports or in those presented directly to Congress. These estimates have my approval.

More than six years having elapsed since the last hostile gun was fired between the armies then arrayed against each other—one for the perpetuation, the other for the destruction, of the Union—it may well be considered whether it is not now time that the disabilities imposed by the fourteenth amendment should be removed. That amendment does not exclude the ballot, but only imposes the disability to hold offices upon certain classes. When the purity of the ballot is secure, majorities are sure to elect officers reflecting the views of the majority. I do not see the advantage or propriety of excluding men from office merely because they were before the rebellion of standing and character sufficient to be elected to positions requiring them to take oaths to support the Constitution, and admitting to eligibility those entertaining precisely the same views, but of less standing in their communities. It may be said that the former violated an oath, while the latter did not; the latter did not have it in their power to do so. If they had taken this oath, it can not be doubted they would have broken it as did the former class. If there are any great criminals, distinguished above all others for the part they took in opposition to the Government, they might, in the judgment of Congress, be excluded from such an amnesty.

Page 1189

This subject is submitted for your careful consideration.

The condition of the Southern States is, unhappily, not such as all true patriotic citizens would like to see. Social ostracism for opinion's sake, personal violence or threats toward persons entertaining political views opposed to those entertained by the majority of the old citizens, prevents immigration and the flow of much-needed capital into the States lately in rebellion. It will be a happy condition of the country when the old citizens of these States will take an interest in public affairs, promulgate ideas honestly entertained, vote for men representing their views, and tolerate the same freedom of expression and ballot in those entertaining different political convictions.

Under the provisions of the act of Congress approved February 21, 1871, a Territorial government was organized in the District of Columbia. Its results have thus far fully realized the expectations of its advocates. Under the direction of the Territorial officers, a system of improvements has been inaugurated by means of which Washington is rapidly becoming a city worthy of the nation's capital. The citizens of the District having voluntarily taxed themselves to a large amount for the purpose of contributing to the adornment of the seat of Government, I recommend liberal appropriations on the part of Congress, in order that the Government may bear its just share of the expense of carrying out a judicious system of improvements.

By the great fire in Chicago the most important of the Government buildings in that city were consumed. Those burned had already become inadequate to the wants of the Government in that growing city, and, looking to the near future, were totally inadequate. I recommend, therefore, that an appropriation be made immediately to purchase the remainder of the square on which the burned buildings stood, provided it can be purchased at a fair valuation, or provided that the legislature of Illinois will pass a law authorizing its condemnation for Government purposes; and also an appropriation of as much money as can properly be expended toward the erection of new buildings during this fiscal year.

The number of immigrants ignorant of our laws, habits, *etc*., coming into our country annually has become so great and the impositions practiced upon them so numerous and flagrant that I suggest Congressional action for their protection. It seems to me a fair subject of legislation by Congress. I can not now state as fully as I desire the nature of the complaints made by immigrants of the treatment they receive, but will endeavor to do so during the session of Congress, particularly if the subject should receive your attention.

Page 1190

It has been the aim of the Administration to enforce honesty and efficiency in all public offices. Every public servant who has violated the trust placed in him has been proceeded against with all the rigor of the law. If bad men have secured places, it has been the fault of the system established by law and custom for making appointments, or the fault of those who recommend for Government positions persons not sufficiently well known to them personally, or who give letters indorsing the characters of office seekers without a proper sense of the grave responsibility which such a course devolves upon them. A civil-service reform which can correct this abuse is much desired. In mercantile pursuits the business man who gives a letter of recommendation to a friend to enable him to obtain credit from a stranger is regarded as morally responsible for the integrity of his friend and his ability to meet his obligations. A reformatory law which would enforce this principle against all indorsers of persons for public place would insure great caution in making recommendations. A salutary lesson has been taught the careless and the dishonest public servant in the great number of prosecutions and convictions of the last two years.

It is gratifying to notice the favorable change which is taking place throughout the country in bringing to punishment those who have proven recreant to the trusts confided to them and in elevating to public office none but those who possess the confidence of the honest and the virtuous, who, it will always be found, comprise the majority of the community in which they live.

In my message to Congress one year ago I urgently recommended a reform in the civil service of the country. In conformity with that recommendation Congress, in the ninth section of “An act making appropriations for sundry civil expenses of the Government, and for other purposes,” approved March 3, 1871, gave the necessary authority to the Executive to inaugurate a civil-service reform, and placed upon him the responsibility of doing so. Under the authority of said act I convened a board of gentlemen eminently qualified for the work to devise rules and regulations to effect the needed reform. Their labors are not yet complete, but it is believed that they will succeed in devising a plan that can be adopted to the great relief of the Executive, the heads of Departments, and members of Congress, and which will redound to the true interest of the public service. At all events, the experiment shall have a fair trial.

I have thus hastily summed up the operations of the Government during the last year, and made such suggestions as occur to me to be proper for your consideration. I submit them with a confidence that your combined action will be wise, statesmanlike, and in the best interests of the whole country.

U. S. GRANT

***

State of the Union Address
Ulysses S. Grant
December 2, 1872

Page 1191

To the Senate and House of Representatives:

In transmitting to you this my fourth annual message it is with thankfulness to the Giver of All Good that as a nation we have been blessed for the past year with peace at home, peace abroad, and a general prosperity vouchsafed to but few peoples.

With the exception of the recent devastating fire which swept from the earth with a breath, as it were, millions of accumulated wealth in the city of Boston, there has been no overshadowing calamity within the year to record. It is gratifying to note how, like their fellow-citizens of the city of Chicago under similar circumstances a year earlier, the citizens of Boston are rallying under their misfortunes, and the prospect that their energy and perseverance will overcome all obstacles and show the same prosperity soon that they would had no disaster befallen them. Otherwise we have been free from pestilence, war, and calamities, which often overtake nations; and, as far as human judgment can penetrate the future, no cause seems to exist to threaten our present peace.

When Congress adjourned in June last, a question had been raised by Great Britain, and was then pending, which for a time seriously imperiled the settlement by friendly arbitration of the grave differences between this Government and that of Her Britannic Majesty, which by the treaty of Washington had been referred to the tribunal of arbitration which had met at Geneva, in Switzerland.

The arbitrators, however, disposed of the question which had jeoparded the whole of the treaty and threatened to involve the two nations in most unhappy relations toward each other in a manner entirely satisfactory to this Government and in accordance with the views and the policy which it had maintained.

The tribunal, which had convened at Geneva in December, concluded its laborious session on the 14th day of September last, on which day, having availed itself of the discretionary power given to it by the treaty to award a sum in gross, it made its decision, whereby it awarded the sum of $15,500,000 in gold as the indemnity to be paid by Great Britain to the United States for the satisfaction of all the claims referred to its consideration.

This decision happily disposes of a long-standing difference between the two Governments, and, in connection with another award, made by the German Emperor under a reference to him by the same treaty, leaves these two Governments without a shadow upon the friendly relations which it is my sincere hope may forever remain equally unclouded.

The report of the agent of the United States appointed to attend the Geneva tribunal, accompanied by the protocols of the proceedings of the arbitrators, the arguments of

the counsel of both Governments, the award of the tribunal, and the opinions given by the several arbitrators, is transmitted herewith.

I have caused to be communicated to the heads of the three friendly powers who complied with the joint request made to them under the treaty the thanks of this Government for the appointment of arbitrators made by them respectively, and also my thanks to the eminent personages named by them, and my appreciation of the dignity, patience, impartiality, and great ability with which they discharged their arduous and high functions.

Page 1192

Her Majesty's Government has communicated to me the appreciation by Her Majesty of the ability and indefatigable industry displayed by Mr. Adams, the arbitrator named on the part of this Government during the protracted inquiries and discussions of the tribunal. I cordially unite with Her Majesty in this appreciation.

It is due to the agent of the United States before the tribunal to record my high appreciation of the marked ability, unwearied patience, and the prudence and discretion with which he has conducted the very responsible and delicate duties committed to him, as it is also due to the learned and eminent counsel who attended the tribunal on the part of this Government to express my sense of the talents and wisdom which they brought to bear in the attainment of the result so happily reached.

It will be the province of Congress to provide for the distribution among those who may be entitled to it of their respective shares of the money to be paid. Although the sum awarded is not payable until a year from the date of the award, it is deemed advisable that no time be lost in making a proper examination of the several cases in which indemnification may be due. I consequently recommend the creation of a board of commissioners for the purpose.

By the thirty-fourth article of the treaty of Washington the respective claims of the United States and of Great Britain in their construction of the treaty of the 15th of June, 1846, defining the boundary line between their respective territories, were submitted to the arbitration and award of His Majesty the Emperor of Germany, to decide which of those claims is most in accordance with the true interpretation of the treaty of 1846.

His Majesty the Emperor of Germany, having been pleased to undertake the arbitration, has the earnest thanks of this Government and of the people of the United States for the labor, pains, and care which he has devoted to the consideration of this long-pending difference. I have caused an expression of my thanks to be communicated to His Majesty. Mr. Bancroft, the representative of this Government at Berlin, conducted the case and prepared the statement on the part of the United States with the ability that his past services justified the public in expecting at his hands. As a member of the Cabinet at the date of the treaty which has given rise to the discussion between the two Governments, as the minister to Great Britain when the construction now pronounced unfounded was first advanced, and as the agent and representative of the Government to present the case and to receive the award, he has been associated with the question in all of its phases, and in every stage has manifested a patriotic zeal and earnestness in maintenance of the claim of the United States. He is entitled to much credit for the success which has attended the submission.

Page 1193

After a patient investigation of the case and of the statements of each party, His Majesty the Emperor, on the 21st day of October last, signed his award in writing, decreeing that the claim of the Government of the United States, that the boundary line between the territories of Her Britannic Majesty and the United States should be drawn through the Haro Channel, is most in accordance with the true interpretation of the treaty concluded on the 15th of June, 1846, between the Governments of Her Britannic Majesty and of the United States.

Copies of the “case” presented on behalf of each Government, and of the “statement in reply” of each, and a translation of the award, are transmitted herewith.

This award confirms the United States in their claim to the important archipelago of islands lying between the continent and Vancouvers Island, which for more than twenty-six years (ever since the ratification of the treaty) Great Britain has contested, and leaves us, for the first time in the history of the United States as a nation, without a question of disputed boundary between our territory and the possessions of Great Britain on this continent.

It is my grateful duty to acknowledge the prompt, spontaneous action of Her Majesty’s Government in giving effect to the award. In anticipation of any request from this Government, and before the reception in the United States of the award signed by the Emperor, Her Majesty had given instructions for the removal of her troops which had been stationed there and for the cessation of all exercise or claim of jurisdiction, so as to leave the United States in the exclusive possession of the lately disputed territory. I am gratified to be able to announce that the orders for the removal of the troops have been executed, and that the military joint occupation of San Juan has ceased. The islands are now in the exclusive possession of the United States.

It now becomes necessary to complete the survey and determination of that portion of the boundary line (through the Haro Channel) upon which the commission which determined the remaining part of the line were unable to agree. I recommend the appointment of a commission to act jointly with one which may be named by Her Majesty for that purpose.

Experience of the difficulties attending the determination of our admitted line of boundary, after the occupation of the territory and its settlement by those owing allegiance to the respective Governments, points to the importance of establishing, by natural objects or other monuments, the actual line between the territory acquired by purchase from Russia and the adjoining possessions of Her Britannic Majesty. The region is now so sparsely occupied that no conflicting interests of individuals or of jurisdiction are likely to interfere to the delay or embarrassment of the actual location of the line. If deferred until population shall enter and occupy the territory, some trivial contest of neighbors may again array the two Governments in antagonism. I therefore recommend the appointment of a commission, to act jointly with one that may be

appointed on the part of Great Britain, to determine the line between our Territory of Alaska and the conterminous possessions of Great Britain.

Page 1194

In my last annual message I recommended the legislation necessary on the part of the United States to bring into operation the articles of the treaty of Washington of May 8, 1871, relating to the fisheries and to other matters touching the relations of the United States toward the British North American possessions, to become operative so soon as the proper legislation should be had on the part of Great Britain and its possessions.

That legislation on the part of Great Britain and its possessions had not then been had, and during the session of Congress a question was raised which for the time raised a doubt whether any action by Congress in the direction indicated would become important. This question has since been disposed of, and I have received notice that the Imperial Parliament and the legislatures of the provincial governments have passed laws to carry the provisions of the treaty on the matters referred to into operation. I therefore recommend your early adoption of the legislation in the same direction necessary on the part of this Government.

The joint commission for determining the boundary line between the United States and the British possessions between the Lake of the Woods and the Rocky Mountains has organized and entered upon its work. It is desirable that the force be increased, in order that the completion of the survey and determination of the line may be the sooner attained. To this end I recommend that a sufficient appropriation be made.

With France, our earliest ally; Russia, the constant and steady friend of the United States; Germany, with whose Government and people we have so many causes of friendship and so many common sympathies, and the other powers of Europe, our relations are maintained on the most friendly terms.

Since my last annual message the exchange has been made of the ratifications of a treaty with the Austro-Hungarian Empire relating to naturalization; also of a treaty with the German Empire respecting consuls and trade-marks; also of a treaty with Sweden and Norway relating to naturalization; all of which treaties have been duly proclaimed.

Congress at its last session having made an appropriation to defray the expense of commissioners on the part of the United States to the International Statistical Congress at St. Petersburg, the persons appointed in that character proceeded to their destination and attended the sessions of the congress. Their report shall in due season be laid before you. This congress meets at intervals of about three years, and has held its sessions in several of the countries of Europe. I submit to your consideration the propriety of extending an invitation to the congress to hold its next meeting in the United States. The Centennial Celebration to be held in 1876 would afford an appropriate occasion for such meeting.

Page 1195

Preparations are making for the international exposition to be held during the next year in Vienna, on a scale of very great magnitude. The tendency of these expositions is in the direction of advanced civilization, and of the elevation of industry and of labor, and of the increase of human happiness, as well as of greater intercourse and good will between nations. As this exposition is to be the first which will have been held in eastern Europe, it is believed that American inventors and manufacturers will be ready to avail themselves of the opportunity for the presentation of their productions if encouraged by proper aid and protection.

At the last session of Congress authority was given for the appointment of one or more agents to represent this Government at the exposition. The authority thus given has been exercised, but, in the absence of any appropriation, there is danger that the important benefits which the occasion offers will in a large degree be lost to citizens of the United States. I commend the subject strongly to your consideration, and recommend that an adequate appropriation be made for the purpose.

To further aid American exhibitors at the Vienna Exposition, I would recommend, in addition to an appropriation of money, that the Secretary of the Navy be authorized to fit up two naval vessels to transport between our Atlantic cities and Trieste, or the most convenient port to Vienna, and back, their articles for exhibition.

Since your last session the President of the Mexican Republic, distinguished by his high character and by his services to his country, has died. His temporary successor has now been elected with great unanimity by the people a proof of confidence on their part in his patriotism and wisdom which it is believed will be confirmed by the results of his administration. It is particularly desirable that nothing should be left undone by the Government of either Republic to strengthen their relations as neighbors and friends.

It is much to be regretted that many lawless acts continue to disturb the quiet of the settlements on the border between our territory and that of Mexico, and that complaints of wrongs to American citizens in various parts of the country are made. The revolutionary condition in which the neighboring Republic has so long been involved has in some degree contributed to this disturbance. It is to be hoped that with a more settled rule of order through the Republic, which may be expected from the present Government, the acts of which just complaint is made will cease.

The proceedings of the commission under the convention with Mexico of the 4th of July, 1868, on the subject of claims, have, unfortunately, been checked by an obstacle, for the removal of which measures have been taken by the two Governments which it is believed will prove successful.

Page 1196

The commissioners appointed, pursuant to the joint resolution of Congress of the 7th of May last, to inquire into depredations on the Texan frontier have diligently made investigations in that quarter. Their report upon the subject will be communicated to you. Their researches were necessarily incomplete, partly on account of the limited appropriation made by Congress. Mexico, on the part of that Government, has appointed a similar commission to investigate these outrages. It is not announced officially, but the press of that country states that the fullest investigation is desired, and that the cooperation of all parties concerned is invited to secure that end. I therefore recommend that a special appropriation be made at the earliest day practicable, to enable the commissioners on the part of the United States to return to their labors without delay.

It is with regret that I have again to announce a continuance of the disturbed condition of the island of Cuba. No advance toward the pacification of the discontented part of the population has been made. While the insurrection has gained no advantages and exhibits no more of the elements of power or of the prospects of ultimate success than were exhibited a year ago, Spain, on the other hand, has not succeeded in its repression, and the parties stand apparently in the same relative attitude which they have occupied for a long time past.

This contest has lasted now for more than four years. Were its scene at a distance from our neighborhood, we might be indifferent to its result, although humanity could not be unmoved by many of its incidents wherever they might occur. It is, however, at our door.

I can not doubt that the continued maintenance of slavery in Cuba is among the strongest inducements to the continuance of this strife. A terrible wrong is the natural cause of a terrible evil. The abolition of slavery and the introduction of other reforms in the administration of government in Cuba could not fail to advance the restoration of peace and order. It is greatly to be hoped that the present liberal Government of Spain will voluntarily adopt this view.

The law of emancipation, which was passed more than two years since, has remained unexecuted in the absence of regulations for its enforcement. It was but a feeble step toward emancipation, but it was the recognition of right, and was hailed as such, and exhibited Spain in harmony with sentiments of humanity and of justice and in sympathy with the other powers of the Christian and civilized world.

Within the past few weeks the regulations for carrying out the law of emancipation have been announced, giving evidence of the sincerity of intention of the present Government to carry into effect the law of 1870. I have not failed to urge the consideration of the wisdom, the policy, and the justice of a more effective system for the abolition of the great evil which oppresses a race and continues a bloody and destructive contest close

to our border, as well as the expediency and the justice of conceding reforms of which the propriety is not questioned.

Page 1197

Deeply impressed with the conviction that the continuance of slavery is one of the most active causes of the continuance of the unhappy condition in Cuba, I regret to believe that citizens of the United States, or those claiming to be such, are large holders in Cuba of what is there claimed as property, but which is forbidden and denounced by the laws of the United States. They are thus, in defiance of the spirit of our own laws, contributing to the continuance of this distressing and sickening contest. In my last annual message I referred to this subject, and I again recommend such legislation as may be proper to denounce, and, if not prevent, at least to discourage American citizens from holding or dealing in slaves.

It is gratifying to announce that the ratifications of the convention concluded under the auspices of this Government between Spain on the one part and the allied Republics of the Pacific on the other, providing for an armistice, have been exchanged. A copy of the instrument is herewith submitted. It is hoped that this may be followed by a permanent peace between the same parties.

The differences which at one time threatened the maintenance of peace between Brazil and the Argentine Republic it is hoped are in the way of satisfactory adjustment.

With these States, as with the Republics of Central and of South America, we continue to maintain the most friendly relations.

It is with regret, however, I announce that the Government of Venezuela has made no further payments on account of the awards under the convention of the 25th of April, 1866. That Republic is understood to be now almost, if not quite, tranquilized. It is hoped, therefore, that it will lose no time in providing for the unpaid balance of its debt to the United States, which, having originated in injuries to our citizens by Venezuelan authorities, and having been acknowledged, pursuant to a treaty, in the most solemn form known among nations, would seem to deserve a preference over debts of a different origin and contracted in a different manner. This subject is again recommended to the attention of Congress for such action as may be deemed proper.

Our treaty relations with Japan remain unchanged. An imposing embassy from that interesting and progressive nation visited this country during the year that is passing, but, being unprovided with powers for the signing of a convention in this country, no conclusion in that direction was reached. It is hoped, however, that the interchange of opinions which took place during their stay in this country has led to a mutual appreciation of the interests which may be promoted when the revision of the existing treaty shall be undertaken.

In this connection I renew my recommendation of one year ago, that—

Page 1198

To give importance to and to add to the efficiency of our diplomatic relations with Japan and China, and to further aid in retaining the good opinion of those peoples, and to secure to the United States its share of the commerce destined to flow between those nations and the balance of the commercial world, an appropriation be made to support at least four American youths in each of those countries, to serve as a part of the official family of our ministers there. Our representatives would not even then be placed upon an equality with the representatives of Great Britain and of some other powers. As now situated, our representatives in Japan and China have to depend for interpreters and translators upon natives of those countries, who know our language imperfectly, or procure for the occasion the services of employees in foreign business houses or the interpreters to other foreign ministers.

I renew the recommendation made on a previous occasion, of the transfer to the Department of the Interior, to which they seem more appropriately to belong, of all the powers and duties in relation to the Territories with which the Department of State is now charged by law or by custom.

Congress from the beginning of the Government has wisely made provision for the relief of distressed seamen in foreign countries. No similar provision, however, has hitherto been made for the relief of citizens in distress abroad other than seamen. It is understood to be customary with other governments to authorize consuls to extend such relief to their citizens or subjects in certain cases. A similar authority and an appropriation to carry it into effect are recommended in the case of citizens of the United States destitute or sick under such circumstances. It is well known that such citizens resort to foreign countries in great numbers. Though most of them are able to bear the expenses incident to locomotion, there are some who, through accident or otherwise, become penniless, and have no friends at home able to succor them. Persons in this situation must either perish, cast themselves upon the charity of foreigners, or be relieved at the private charge of our own officers, who usually, even with the most benevolent dispositions, have nothing to spare for such purposes.

Should the authority and appropriation asked for be granted, care will be taken so to carry the beneficence of Congress into effect that it shall not be unnecessarily or unworthily bestowed. *Treasury*.

The moneys received and covered into the Treasury during the fiscal year ended June 30, 1872, were:

From customs — $216,370,286.77

From sales of public lands — 2,575,714.19

From internal revenue — 130,642,177.72

From tax on national-bank circulation, etc — 6,523,396.39

From Pacific railway companies — 749,861.87

From customs fines, etc — 1,136,442.34

From fees—consular, patent, lands, etc — 2,284,095.92

Page 1199

From miscellaneous — 412,254.71 —

***

State of the Union Address
Ulysses S. Grant
December 1, 1873

To the Senate and House of Representatives:

The year that has passed since the submission of my last message to Congress has, especially during the latter part of it, been an eventful one to the country. In the midst of great national prosperity a financial crisis has occurred that has brought low fortunes of gigantic proportions; political partisanship has almost ceased to exist, especially in the agricultural regions; and, finally, the capture upon the high seas of a vessel bearing our flag has for a time threatened the most serious consequences, and has agitated the public mind from one end of the country to the other. But this, happily, now is in the course of satisfactory adjustment, honorable to both nations concerned.

The relations of the United States, however, with most of the other powers continue to be friendly and cordial. With France, Germany, Russia, Italy, and the minor European powers; with Brazil and most of the South American Republics, and with Japan, nothing has occurred during the year to demand special notice. The correspondence between the Department of State and various diplomatic representatives in or from those countries is transmitted herewith.

In executing the will of Congress, as expressed in its joint resolution of the 14th of February last, and in accordance with the provisions of the resolution, a number of “practical artisans,” of “scientific men,” and of “honorary commissioners” were authorized to attend the exposition at Vienna as commissioners on the part of the United States. It is believed that we have obtained the object which Congress had in view when it passed the joint resolution—“in order to enable the people of the United States to participate in the advantages of the International Exhibition of the Products of Agriculture, Manufactures, and the Fine Arts to be held at Vienna.” I take pleasure in adding that the American exhibitors have received a gratifying number of diplomas and of medals.

During the exposition a conference was held at Vienna for the purpose of consultation on the systems prevailing in different countries for the protection of inventions. I authorized a representative from the Patent Office to be present at Vienna at the time when this conference was to take place, in order to aid as far as he might in securing any possible additional protection to American inventors in Europe. The report of this agent will be laid before Congress.

It is my pleasant duty to announce to Congress that the Emperor of China, on attaining his majority, received the diplomatic representatives of the Western powers in person. An account of these ceremonies and of the interesting discussions which preceded them will be found in the documents transmitted herewith. The accompanying papers show that some advance, although slight, has been made during the past year toward the suppression of the infamous Chinese cooly trade. I recommend Congress to inquire whether additional legislation be not needed on this subject.

Page 1200

The money awarded to the United States by the tribunal of arbitration at Geneva was paid by Her Majesty's Government a few days in advance of the time when it would have become payable according to the terms of the treaty. In compliance with the provisions of the act of March 3, 1873, it was at once paid into the Treasury, and used to redeem, so far as it might, the public debt of the United States; and the amount so redeemed was invested in a 5 per cent registered bond of the United States for $15,500,000, which is now held by the Secretary of State, subject to the future disposition of Congress.

I renew my recommendation, made at the opening of the last session of Congress, that a commission be created for the purpose of auditing and determining the amounts of the several "direct losses growing out of the destruction of vessels and their cargoes" by the Alabama, the Florida, or the Shenandoah after leaving Melbourne, for which the sufferers have received no equivalent or compensation, and of ascertaining the names of the persons entitled to receive compensation for the same, making the computations upon the basis indicated by the tribunal of arbitration at Geneva; and that payment of such losses be authorized to an extent not to exceed the awards of the tribunal at Geneva.

By an act approved on the 14th day of February last Congress made provision for completing, jointly with an officer or commissioner to be named by Her Britannic Majesty, the determination of so much of the boundary line between the territory of the United States and the possessions of Great Britain as was left uncompleted by the commissioners appointed under the act of Congress of August 11, 1856. Under the provisions of this act the northwest water boundary of the United States has been determined and marked in accordance with the award of the Emperor of Germany. A protocol and a copy of the map upon which the line was thus marked are contained in the papers submitted herewith.

I also transmit a copy of the report of the commissioner for marking the northern boundary between the United States and the British possessions west of the Lake of the Woods, of the operations of the commission during the past season. Surveys have been made to a point 497 miles west of the Lake of the Woods, leaving about 350 miles to be surveyed, the field work of which can be completed during the next season.

The mixed commission organized under the provisions of the treaty of Washington for settling and determining the claims of citizens of either power against the other arising out of acts committed against their persons or property during the period between April 13, 1861, and April 9, 1865, made its final award on the 25th day of September last. It was awarded that the Government of the United States should pay to the Government of Her Britannic Majesty, within twelve months from the date of the award, the sum of $1,929,819 in gold. The commission disallowed or dismissed all other claims of British subjects against the United States. The amount of the claims presented by the British Government, but disallowed or dismissed, is understood to be about $93,000,000. It

also disallowed all the claims of citizens of the United States against Great Britain which were referred to it.

Page 1201

I recommend the early passage of an act appropriating the amount necessary to pay this award against the United States.

I have caused to be communicated to the Government of the King of Italy the thanks of this Government for the eminent services rendered by Count Corti as the third commissioner on this commission. With dignity, learning, and impartiality he discharged duties requiring great labor and constant patience, to the satisfaction, I believe, of both Governments. I recommend legislation to create a special court, to consist of three judges, who shall be empowered to hear and determine all claims of aliens upon the United States arising out of acts committed against their persons or property during the insurrection. The recent reference under the treaty of Washington was confined to claims of British subjects arising during the period named in the treaty; but it is understood that there are other British claims of a similar nature, arising after the 9th of April, 1865, and it is known that other claims of a like nature are advanced by citizens or subjects of other powers. It is desirable to have these claims also examined and disposed of.

Official information being received from the Dutch Government of a state of war between the King of the Netherlands and the Sultan of Acheen, the officers of the United States who were near the seat of the war were instructed to observe an impartial neutrality. It is believed that they have done so.

The joint commission under the convention with Mexico of 1868, having again been legally prolonged, has resumed its business, which, it is hoped, may be brought to an early conclusion. The distinguished representative of Her Britannic Majesty at Washington has kindly consented, with the approval of his Government, to assume the arduous and responsible duties of umpire in this commission, and to lend the weight of his character and name to such decisions as may not receive the acquiescence of both the arbitrators appointed by the respective Governments.

The commissioners appointed pursuant to the authority of Congress to examine into the nature and extent of the forays by trespassers from that country upon the herds of Texas have made a report, which will be submitted for your consideration.

The Venezuelan Government has been apprised of the sense of Congress in regard to the awards of the joint commission under the convention of 25th April, 1866, as expressed in the act of the 25th of February last.

It is apprehended that that Government does not realize the character of its obligations under that convention. As there is reason to believe, however, that its hesitancy in recognizing them springs, in part at least, from real difficulty in discharging them in connection with its obligations to other governments, the expediency of further forbearance on our part is believed to be worthy of your consideration.

Page 1202

The Ottoman Government and that of Egypt have latterly shown a disposition to relieve foreign consuls of the judicial powers which heretofore they have exercised in the Turkish dominions, by organizing other tribunals. As Congress, however, has by law provided for the discharge of judicial functions by consuls of the United States in that quarter under the treaty of 1830, I have not felt at liberty formally to accept the proposed change without the assent of Congress, whose decision upon the subject at as early a period as may be convenient is earnestly requested.

I transmit herewith, for the consideration and determination of Congress, an application of the Republic of Santo Domingo to this Government to exercise a protectorate over that Republic.

Since the adjournment of Congress the following treaties with foreign powers have been proclaimed: A naturalization convention with Denmark; a convention with Mexico for renewing the Claims Commission; a convention of friendship, commerce, and extradition with the Orange Free State, and a naturalization convention with Ecuador.

I renew the recommendation made in my message of December, 1870, that Congress authorize the Postmaster-General to issue all commissions to officials appointed through his Department.

I invite the earnest attention of Congress to the existing laws of the United States respecting expatriation and the election of nationality by individuals. Many citizens of the United States reside permanently abroad with their families. Under the provisions of the act approved February 10, 1855, the children of such persons are to be deemed and taken to be citizens of the United States, but the rights of citizenship are not to descend to persons whose fathers never resided in the United States.

It thus happens that persons who have never resided within the United States have been enabled to put forward a pretension to the protection of the United States against the claim to military service of the government under whose protection they were born and have been reared. In some cases even naturalized citizens of the United States have returned to the land of their birth, with intent to remain there, and their children, the issue of a marriage contracted there after their return, and who have never been in the United States, have laid claim to our protection when the lapse of many years had imposed upon them the duty of military service to the only government which had ever known them personally.

Until the year 1868 it was left, embarrassed by conflicting opinions of courts and of jurists, to determine how far the doctrine of perpetual allegiance derived from our former colonial relations with Great Britain was applicable to American citizens. Congress then wisely swept these doubts away by enacting that—Any declaration, instruction, opinion, order, or decision of any officer of this Government which denies, restricts,

Page 1203

impairs, or questions the right of expatriation is inconsistent with the fundamental principles of this Government. But Congress did not indicate in that statute, nor has it since done so, what acts are to be deemed to work expatriation. For my own guidance in determining such questions I required (under the provisions of the Constitution) the opinion in writing of the principal officer in each of the Executive Departments upon certain questions relating to this subject. The result satisfies me that further legislation has become necessary. I therefore commend the subject to the careful consideration of Congress, and I transmit herewith copies of the several opinions of the principal officers of the Executive Departments, together with other correspondence and pertinent information on the same subject.

The United States, who led the way in the overthrow of the feudal doctrine of perpetual allegiance, are among the last to indicate how their own citizens may elect another nationality. The papers submitted herewith indicate what is necessary to place us on a par with other leading nations in liberality of legislation on this international question. We have already in our treaties assented to the principles which would need to be embodied in laws intended to accomplish such results. We have agreed that citizens of the United States may cease to be citizens and may voluntarily render allegiance to other powers. We have agreed that residence in a foreign land, without intent to return, shall of itself work expatriation. We have agreed in some instances upon the length of time necessary for such continued residence to work a presumption of such intent. I invite Congress now to mark out and define when and how expatriation can be accomplished; to regulate by law the condition of American women marrying foreigners; to fix the status of children born in a foreign country of American parents residing more or less permanently abroad, and to make rules for determining such other kindred points as may seem best to Congress.

In compliance with the request of Congress, I transmitted to the American minister at Madrid, with instructions to present it to the Spanish Government, the joint resolution approved on the 3d of March last, tendering to the people of Spain, in the name and on the behalf of the American people, the congratulations of Congress upon the efforts to consolidate in Spain the principles of universal liberty in a republican form of government.

The existence of this new Republic was inaugurated by striking the fetters from the slaves in Porto Rico. This beneficent measure was followed by the release of several thousand persons illegally held as slaves in Cuba. Next, the Captain-General of that colony was deprived of the power to set aside the orders of his superiors at Madrid, which had pertained to the office since 1825. The sequestered estates of American citizens, which had been the cause of long and fruitless correspondence, were ordered to

Page 1204

be restored to their owners. All these liberal steps were taken in the face of a violent opposition directed by the reactionary slave-holders of Havana, who are vainly striving to stay the march of ideas which has terminated slavery in Christendom, Cuba only excepted. Unhappily, however, this baneful influence has thus far succeeded in defeating the efforts of all liberal-minded men in Spain to abolish slavery in Cuba, and in preventing the promised reform in that island. The struggle for political supremacy continues there.

The proslavery and aristocratic party in Cuba is gradually arraigning itself in more and more open hostility and defiance of the home government, while it still maintains a political connection with the Republic in the peninsula; and although usurping and defying the authority of the home government whenever such usurpation or defiance tends in the direction of oppression or of the maintenance of abuses, it is still a power in Madrid, and is recognized by the Government. Thus an element more dangerous to continued colonial relations between Cuba and Spain than that which inspired the insurrection at Yara—an element opposed to granting any relief from misrule and abuse, with no aspirations after freedom, commanding no sympathies in generous breasts, aiming to rivet still stronger the shackles of slavery and oppression—has seized many of the emblems of power in Cuba, and, under professions of loyalty to the mother country, is exhausting the resources of the island, and is doing acts which are at variance with those principles of justice, of liberality, and of right which give nobility of character to a republic. In the interests of humanity, of civilization, and of progress, it is to be hoped that this evil influence may be soon averted.

The steamer Virginius was on the 26th day of September, 1870, duly registered at the port of New York as a part of the commercial marine of the United States. On the 4th of October, 1870, having received the certificate of her register in the usual legal form, she sailed from the port of New York and has not since been within the territorial jurisdiction of the United States. On the 31st day of October last, while sailing under the flag of the United States on the high seas, she was forcibly seized by the Spanish gunboat Tornado, and was carried into the port of Santiago de Cuba, where fifty-three of her passengers and crew were inhumanly, and, so far at least as relates to those who were citizens of the United States, without due process of law, put to death.

It is a well-established principle, asserted by the United States from the beginning of their national independence, recognized by Great Britain and other maritime powers, and stated by the Senate in a resolution passed unanimously on the 16th of June, 1858, that—American vessels on the high seas in time of peace, bearing the American flag, remain under the jurisdiction of the country to which they belong, and therefore any

Page 1205

visitation, molestation, or detention of such vessel by force, or by the exhibition of force, on the part of a foreign power is in derogation of the sovereignty of the United States. In accordance with this principle, the restoration of the Virginius and the surrender of the survivors of her passengers and crew, and a due reparation to the flag, and the punishment of the authorities who had been guilty of the illegal acts of violence, were demanded. The Spanish Government has recognized the justice of the demand, and has arranged for the immediate delivery of the vessel, and for the surrender of the survivors of the passengers and crew, and for a salute to the flag, and for proceedings looking to the punishment of those who may be proved to have been guilty of illegal acts of violence toward citizens of the United States, and also toward indemnifying those who may be shown to be entitled to indemnity. A copy of a protocol of a conference between the Secretary of State and the Spanish minister, in which the terms of this arrangement were agreed to, is transmitted herewith.

The correspondence on this subject with the legation of the United States in Madrid was conducted in cipher and by cable, and needs the verification of the actual text of the correspondence. It has seemed to me to be due to the importance of the case not to submit this correspondence until the accurate text can be received by mail. It is expected shortly, and will be submitted when received.

In taking leave of this subject for the present I wish to renew the expression of my conviction that the existence of African slavery in Cuba is a principal cause of the lamentable condition of the island. I do not doubt that Congress shares with me the hope that it will soon be made to disappear, and that peace and prosperity may follow its abolition.

The embargoing of American estates in Cuba, cruelty to American citizens detected in no act of hostility to the Spanish Government, the murdering of prisoners taken with arms in their hands, and, finally, the capture upon the high seas of a vessel sailing under the United States flag and bearing a United States registry have culminated in an outburst of indignation that has seemed for a time to threaten war. Pending negotiations between the United States and the Government of Spain on the subject of this capture, I have authorized the Secretary of the Navy to put our Navy on a war footing, to the extent, at least, of the entire annual appropriation for that branch of the service, trusting to Congress and the public opinion of the American people to justify my action.

Assuming from the action of the last Congress in appointing a Committee on Privileges and Elections to prepare and report to this Congress a constitutional amendment to provide a better method of electing the President and Vice-President of the United States, and also from the necessity of such an amendment, that there will be submitted

to the State legislatures for ratification such an improvement in our Constitution, I suggest two others for your consideration:

Page 1206

First. To authorize the Executive to approve of so much of any measure passing the two Houses of Congress as his judgment may dictate, without approving the whole, the disapproved portion or portions to be subjected to the same rules as now, to wit, to be referred back to the House in which the measure or measures originated, and, if passed by a two-thirds vote of the two Houses, then to become a law without the approval of the President. I would add to this a provision that there should be no legislation by Congress during the last twenty-four hours of its sitting, except upon vetoes, in order to give the Executive an opportunity to examine and approve or disapprove bills understandingly.

Second. To provide by amendment that when an extra session of Congress is convened by Executive proclamation legislation during the continuance of such extra session shall be confined to such subjects as the Executive may bring before it from time to time in writing.

The advantages to be gained by these two amendments are too obvious for me to comment upon them. One session in each year is provided for by the Constitution, in which there are no restrictions as to the subjects of legislation by Congress. If more are required, it is always in the power of Congress, during their term of office, to provide for sessions at any time. The first of these amendments would protect the public against the many abuses and waste of public moneys which creep into appropriation bills and other important measures passing during the expiring hours of Congress, to which otherwise due consideration can not be given.

Treasury department.

The receipts of the Government from all sources for the last fiscal year were $333,738,204, and expenditures on all accounts $290,345,245, thus showing an excess of receipts over expenditures of $43,392,959. But it is not probable that this favorable exhibit will be shown for the present fiscal year. Indeed, it is very doubtful whether, except with great economy on the part of Congress in making appropriations and the same economy in administering the various Departments of Government, the revenues will not fall short of meeting actual expenses, including interest on the public debt.

I commend to Congress such economy, and point out two sources where It seems to me it might commence, to wit, in the appropriations for public buildings in the many cities where work has not yet been commenced; in the appropriations for river and harbor improvement in those localities where the improvements are of but little benefit to general commerce, and for fortifications.

There is a still more fruitful source of expenditure, which I will point out later in this message. I refer to the easy method of manufacturing claims for losses incurred in suppressing the late rebellion.

Page 1207

I would not be understood here as opposing the erection of good, substantial, and even ornamental buildings by the Government wherever such buildings are needed. In fact, I approve of the Government owning its own buildings in all sections of the country, and hope the day is not far distant when it will not only possess them, but will erect in the capital suitable residences for all persons who now receive commutation for quarters or rent at Government expense, and for the Cabinet, thus setting an example to the States which may induce them to erect buildings for their Senators. But I would have this work conducted at a time when the revenues of the country would abundantly justify it.

The revenues have materially fallen off for the first five months of the present fiscal year from what they were expected to produce, owing to the general panic now prevailing, which commenced about the middle of September last. The full effect of this disaster, if it should not prove a “blessing in disguise,” is yet to be demonstrated. In either event it is your duty to heed the lesson and to provide by wise and well-considered legislation, as far as it lies in your power, against its recurrence, and to take advantage of all benefits that may have accrued.

My own judgment is that, however much individuals may have suffered, one long step has been taken toward specie payments; that we can never have permanent prosperity until a specie basis is reached: and that a specie basis can not be reached and maintained until our exports, exclusive of gold, pay for our imports, interest due abroad, and other specie obligations, or so nearly so as to leave an appreciable accumulation of the precious metals in the country from the products of our mines.

The development of the mines of precious metals during the past year and the prospective development of them for years to come are gratifying in their results. Could but one-half of the gold extracted from the mines be retained at home, our advance toward specie payments would be rapid.

To increase our exports sufficient currency is required to keep all the industries of the country employed. Without this national as well as individual bankruptcy must ensue. Undue inflation, on the other hand, while it might give temporary relief, would only lead to inflation of prices, the impossibility of competing in our own markets for the products of home skill and labor, and repeated renewals of present experiences. Elasticity to our circulating medium, therefore, and just enough of it to transact the legitimate business of the country and to keep all industries employed, is what is most to be desired. The exact medium is specie, the recognized medium of exchange the world over. That obtained, we shall have a currency of an exact degree of elasticity. If there be too much of it for the legitimate purposes of trade and commerce, it will flow out of the country. If too little, the reverse will result. To hold what we have and to appreciate our currency to that standard is the problem deserving of the most serious consideration of Congress.

Page 1208

The experience of the present panic has proven that the currency of the country, based, as it is, upon the credit of the country, is the best that has ever been devised. Usually in times of such trials currency has become worthless, or so much depreciated in value as to inflate the values of all the necessaries of life as compared with the currency. Everyone holding it has been anxious to dispose of it on any terms. Now we witness the reverse. Holders of currency hoard it as they did gold in former experiences of a like nature.

It is patent to the most casual observer that much more currency, or money, is required to transact the legitimate trade of the country during the fall and winter months, when the vast crops are being removed, than during the balance of the year. With our present system the amount in the country remains the same throughout the entire year, resulting in an accumulation of all the surplus capital of the country in a few centers when not employed in the moving of crops, tempted there by the offer of interest on call loans. Interest being paid, this surplus capital must earn this interest paid with a profit. Being subject to “call,” it can not be loaned, only in part at best, to the merchant or manufacturer for a fixed term. Hence, no matter how much currency there might be in the country, it would be absorbed, prices keeping pace with the volume, and panics, stringency, and disasters would ever be recurring with the autumn. Elasticity in our monetary system, therefore, is the object to be attained first, and next to that, as far as possible, a prevention of the use of other people’s money in stock and other species of speculation. To prevent the latter it seems to me that one great step would be taken by prohibiting the national banks from paying interest on deposits, by requiring them to hold their reserves in their own vaults, and by forcing them into resumption, though it would only be in legal-tender notes. For this purpose I would suggest the establishment of clearing houses for your consideration.

To secure the former many plans have been suggested, most, if not all, of which look to me more like inflation on the one hand, or compelling the Government, on the other, to pay interest, without corresponding benefits, upon the surplus funds of the country during the seasons when otherwise unemployed.

I submit for your consideration whether this difficulty might not be overcome by authorizing the Secretary of the Treasury to issue at any time to national banks of issue any amount of their own notes below a fixed percentage of their issue (say 40 per cent), upon the banks’ depositing with the Treasurer of the United States an amount of Government bonds equal to the amount of notes demanded, the banks to forfeit to the Government, say, 4 per cent of the interest accruing on the bonds so pledged during the time they remain with the Treasurer as security for the increased circulation, the bonds so pledged to be redeemable by the banks at their pleasure, either in whole or in part, by returning their own bills for cancellation to an amount equal to the face of the bonds withdrawn. I would further suggest for your consideration the propriety of authorizing national banks to diminish their standing issue at pleasure, by returning for cancellation

their own bills and withdrawing so many United States bonds as are pledged for the bills returned.

Page 1209

In view of the great actual contraction that has taken place in the currency and the comparative contraction continuously going on, due to the increase of population, increase of manufactories and all the industries, I do not believe there is too much of it now for the dullest period of the year. Indeed, if clearing houses should be established, thus forcing redemption, it is a question for your consideration whether banking should not be made free, retaining all the safeguards now required to secure bill holders. In any modification of the present laws regulating national banks, as a further step toward preparing for resumption of specie payments, I invite your attention to a consideration of the propriety of exacting from them the retention as a part of their reserve either the whole or a part of the gold interest accruing upon the bonds pledged as security for their issue. I have not reflected enough on the bearing this might have in producing a scarcity of coin with which to pay duties on imports to give it my positive recommendation. But your attention is invited to the subject.

During the last four years the currency has been contracted, directly, by the withdrawal of 3 per cent certificates, compound-interest notes, and “seven-thirty” bonds outstanding on the 4th of March, 1869, all of which took the place of legal-tenders in the bank reserves to the extent of $63,000,000.

During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased. More than 25,000 miles of railroad have been built, requiring the active use of capital to operate them. Millions of acres of land have been opened to cultivation, requiring capital to move the products. Manufactories have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and for the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South. Now every laborer there receives his wages, and, for want of savings banks, the greater part of such wages is carried in the pocket or hoarded until required for use.

These suggestions are thrown out for your consideration, without any recommendation that they shall be adopted literally, but hoping that the best method may be arrived at to secure such an elasticity of the currency as will keep employed all the industries of the country and prevent such an inflation as will put off indefinitely the resumption of specie payments, an object so devoutly to be wished for by all, and by none more earnestly than the class of people most directly interested—those who “earn their bread by the sweat of their brow.” The decisions of Congress on this subject will have the hearty support of the Executive.

Page 1210

In previous messages I have called attention to the decline in American shipbuilding and recommended such legislation as would secure to us our proportion of the carrying trade. Stimulated by high rates and abundance of freight, the progress for the last year in shipbuilding has been very satisfactory. There has been an increase of about 3 per cent in the amount transported in American vessels over the amount of last year. With the reduced cost of material which has taken place, it may reasonably be hoped that this progress will be maintained, and even increased. However, as we pay about $80,000,000 per annum to foreign vessels for the transportation to a market of our surplus products, thus increasing the balance of trade against us to this amount, the subject is one worthy of your serious consideration.

“Cheap transportation” is a subject that has attracted the attention of both producers and consumers for the past few years, and has contributed to, if it has not been the direct cause of, the recent panic and stringency.

As Congress, at its last session, appointed a special committee to investigate this whole subject during the vacation and report at this session, I have nothing to recommend until their report is read.

There is one work, however, of a national character, in which the greater portion of the East and the West, the North and the South, are equally interested, to which I will invite your attention.

The State of New York has a canal connecting Lake Erie with tide water on the Hudson River. The State of Illinois has a similar work connecting Lake Michigan with navigable water on the Illinois River, thus making water communication inland between the East and the West and South. These great artificial water courses are the property of the States through which they pass, and pay toll to those States. Would it not be wise statesmanship to pledge these States that if they will open these canals for the passage of large vessels the General Government will look after and keep in navigable condition the great public highways with which they connect, to wit, the Overslaugh on the Hudson, the St. Clair Flats, and the Illinois and Mississippi rivers? This would be a national work; one of great value to the producers of the West and South in giving them cheap transportation for their produce to the seaboard and a market, and to the consumers in the East in giving them cheaper food, particularly of those articles of food which do not find a foreign market, and the prices of which, therefore, are not regulated by foreign demands. The advantages of such a work are too obvious for argument. I submit the subject to you, therefore, without further comment.

Page 1211

In attempting to regain our lost commerce and carrying trade I have heretofore called attention to the States south of us offering a field where much might be accomplished. To further this object I suggest that a small appropriation be made, accompanied with authority for the Secretary of the Navy to fit out a naval vessel to ascend the Amazon River to the mouth of the Madeira; thence to explore that river and its tributaries into Bolivia, and to report to Congress at its next session, or as soon as practicable, the accessibility of the country by water, its resources, and the population so reached. Such an exploration would cost but little; it can do no harm, and may result in establishing a trade of value to both nations.

In further connection with the Treasury Department I would recommend a revision and codification of the tariff laws and the opening of more mints for coining money, with authority to coin for such nations as may apply.

War department.

The attention of Congress is invited to the recommendations contained in the report of the Secretary of War herewith accompanying.

The apparent great cost of supporting the Army is fully explained by this report, and I hope will receive your attention.

While inviting your general attention to all the recommendations made by the Secretary of War, there are two which I would especially invite you to consider: First, the importance of preparing for war in time of peace by providing proper armament for our seacoast defenses. Proper armament is of vastly more importance than fortifications. The latter can be supplied very speedily for temporary purposes when needed; the former can not. The second is the necessity of reopening promotion in the staff corps of the Army. Particularly is this necessity felt in the Medical, Pay, and Ordnance departments.

At this time it is necessary to employ “contract surgeons” to supply the necessary medical attendance required by the Army.

With the present force of the Pay Department it is now difficult to make the payments to troops provided for by law. Long delays in payments are productive of desertions and other demoralization, and the law prohibits the payment of troops by other than regular army paymasters.

There are now sixteen vacancies in the Ordnance Department, thus leaving that branch of the service without sufficient officers to conduct the business of the different arsenals on a large scale if ever required.

Navy department.

During the past year our Navy has been depleted by the sale of some vessels no longer fit for naval service and by the condemnation of others not yet disposed of. This, however, has been more than compensated for by the repair of six of the old wooden ships and by the building of eight new sloops of war, authorized by the last Congress. The building of these latter has occurred at a doubly fortunate time. They are about being completed at a time when they may possibly be much needed, and the work upon them has not only given direct employment to thousands of men, but has no doubt been the means of keeping open establishments for other work at a time of great financial distress.

Page 1212

Since the commencement of the last month, however, the distressing occurrences which have taken place in the waters of the Caribbean Sea, almost on our very seaboard, while they illustrate most forcibly the necessity always existing that a nation situated like ours should maintain in a state of possible efficiency a navy adequate to its responsibilities, has at the same time demanded that all the effective force we really have shall be put in immediate readiness for warlike service. This has been and is being done promptly and effectively, and I am assured that all the available ships and every authorized man of the American Navy will be ready for whatever action is required for the safety of our citizens or the maintenance of our honor. This, of course, will require the expenditure in a short time of some of the appropriations which were calculated to extend through the fiscal year, but Congress will, I doubt not, understand and appreciate the emergency, and will provide adequately not only for the present preparation, but for the future maintenance of our naval force. The Secretary of the Navy has during the past year been quietly putting some of our most effective monitors in condition for service, and thus the exigency finds us in a much better condition for work than we could possibly have been without his action.

Post-office department.

A complete exhibit is presented in the accompanying report of the postmaster-General of the operations of the Post-Office Department during the year. The ordinary postal revenues for the fiscal year ended June 30, 1873, amounted to $22,996,741.57, and the expenditures of all kinds to $29,084,945.67. The increase of revenues over 1872 was $1,081,315.20, and the increase of expenditures $2,426,753.36.

Independent of the payments made from special appropriations for mail steamship lines, the amount drawn from the General Treasury to meet deficiencies was $5,265,475. The constant and rapid extension of our postal service, particularly upon railways, and the improved facilities for the collection, transmission, distribution, and delivery of the mails which are constantly being provided account for the increased expenditures of this popular branch of the public service.

The total number of post-offices in operation on June 30, 1873, was 33,244, a net increase of 1,381 over the number reported the preceding year. The number of Presidential offices was 1,363, an increase of 163 during the year. The total length of railroad mail routes at the close of the year was 63,457 miles, an increase of 5,546 miles over the year 1872. Fifty-nine railway post-office lines were in operation June 30, 1873, extending over 14,866 miles of railroad routes and performing an aggregate service of 34,925 miles daily.

The number of letters exchanged with foreign countries was 27,459,185, an increase of 3,096,685 over the previous year, and the postage thereon amounted to $2,021,310.86. The total weight of correspondence exchanged in the mails with European countries exceeded 912 tons, an increase of 92 tons over the previous year.

The total cost of the United States ocean steamship service, including $725,000 paid from special appropriations to subsidized lines of mail steamers, was $1,047,271.35.

Page 1213

New or additional postal conventions have been concluded with Sweden, Norway, Belgium, Germany, Canada, Newfoundland, and Japan, reducing postage rates on correspondence exchanged with those countries; and further efforts have been made to conclude a satisfactory postal convention with France, but without success.

I invite the favorable consideration of Congress to the suggestions and recommendations of the Postmaster-General for an extension of the free-delivery system in all cities having a population of not less than 10,000; for the prepayment of postage on newspapers and other printed matter of the second class; for a uniform postage and limit of weight on miscellaneous matter; for adjusting the compensation of all postmasters not appointed by the President, by the old method of commissions on the actual receipts of the office, instead of the present mode of fixing the salary in advance upon special returns; and especially do I urge favorable action by Congress on the important recommendations of the Postmaster-General for the establishment of United States postal savings depositories.

Your attention is also again called to a consideration of the question of postal telegraphs and the arguments adduced in support thereof, in the hope that you may take such action in connection therewith as in your judgment will most contribute to the best interests of the country.

Department of justice.

Affairs in Utah require your early and special attention. The Supreme Court of the United States, in the case of Clinton vs. Englebrecht, decided that the United States marshal of that Territory could not lawfully summon jurors for the district courts; and those courts hold that the Territorial marshal can not lawfully perform that duty, because he is elected by the legislative assembly, and not appointed as provided for in the act organizing the Territory. All proceedings at law are practically abolished by these decisions, and there have been but few or no jury trials in the district courts of that Territory since the last session of Congress. Property is left without protection by the courts, and crimes go unpunished. To prevent anarchy there it is absolutely necessary that Congress provide the courts with some mode of obtaining jurors, and I recommend legislation to that end, and also that the probate courts of the Territory, now assuming to issue writs of injunction and habeas corpus and to try criminal cases and questions as to land titles, be denied all jurisdiction not possessed ordinarily by courts of that description.

Page 1214

I have become impressed with the belief that the act approved March 2, 1867, entitled "An act to establish a uniform system of bankruptcy throughout the United States," is productive of more evil than good at this time. Many considerations might be urged for its total repeal, but, if this is not considered advisable, I think it will not be seriously questioned that those portions of said act providing for what is called involuntary bankruptcy operate to increase the financial embarrassments of the country. Careful and prudent men very often become involved in debt in the transaction of their business, and though they may possess ample property, if it could be made available for that purpose, to meet all their liabilities, yet, on account of the extraordinary scarcity of money, they may be unable to meet all their pecuniary obligations as they become due, in consequence of which they are liable to be prostrated in their business by proceedings in bankruptcy at the instance of unrelenting creditors. People are now so easily alarmed as to monetary matters that the mere filing of a petition in bankruptcy by an unfriendly creditor will necessarily embarrass, and oftentimes accomplish the financial ruin, of a responsible business man. Those who otherwise might make lawful and just arrangements to relieve themselves from difficulties produced by the present stringency in money are prevented by their constant exposure to attack and disappointment by proceedings against them in bankruptcy, and, besides, the law is made use of in many cases by obdurate creditors to frighten or force debtors into a compliance with their wishes and into acts of injustice to other creditors and to themselves. I recommend that so much of said act as provides for involuntary bankruptcy on account of the suspension of payment be repealed.

Your careful attention is invited to the subject of claims against the Government and to the facilities afforded by existing laws for their prosecution. Each of the Departments of State, Treasury, and War has demands for many millions of dollars upon its files, and they are rapidly accumulating. To these may be added those now pending before Congress, the Court of Claims, and the Southern Claims Commission, making in the aggregate an immense sum. Most of these grow out of the rebellion, and are intended to indemnify persons on both sides for their losses during the war; and not a few of them are fabricated and supported by false testimony. Projects are on foot, it is believed, to induce Congress to provide for new classes of claims, and to revive old ones through the repeal or modification of the statute of limitations, by which they are now barred. I presume these schemes, if proposed, will be received with little favor by Congress, and I recommend that persons having claims against the United States cognizable by any tribunal or Department thereof be required to present them at an early day, and that legislation be directed as far as practicable to the defeat of unfounded and unjust demands upon the Government; and I would suggest, as a means of preventing fraud, that witnesses be called upon to appear in person to testify before those tribunals having said claims before them for adjudication. Probably the largest saving to the National Treasury can be secured by timely legislation on these subjects of any of the economic measures that will be proposed.

Page 1215

You will be advised of the operations of the Department of Justice by the report of the Attorney-General, and I invite your attention to the amendments of existing laws suggested by him, with the view of reducing the expenses of that Department.

Department of the interior.

The policy inaugurated toward the Indians at the beginning of the last Administration has been steadily pursued, and, I believe, with beneficial results. It will be continued with only such modifications as time and experience may demonstrate as necessary.

With the encroachment of civilization upon the Indian reservations and hunting grounds, disturbances have taken place between the Indians and whites during the past year, and probably will continue to do so until each race appreciates that the other has rights which must be respected.

The policy has been to collect the Indians as rapidly as possible on reservations, and as far as practicable within what is known as the Indian Territory, and to teach them the arts of civilization and self-support. Where found off their reservations, and endangering the peace and safety of the whites, they have been punished, and will continue to be for like offenses.

The Indian Territory south of Kansas and west of Arkansas is sufficient in area and agricultural resources to support all the Indians east of the Rocky Mountains. In time, no doubt, all of them, except a few who may elect to make their homes among white people, will be collected there. As a preparatory step for this consummation, I am now satisfied that a Territorial form of government should be given them, which will secure the treaty rights of the original settlers and protect their homesteads from alienation for a period of twenty years.

The operations of the Patent Office are growing to such a magnitude and the accumulation of material is becoming so great that the necessity of more room is becoming more obvious day by day. I respectfully invite your attention to the reports of the Secretary of the Interior and Commissioner of Patents on this subject.

The business of the General Land Office exhibits a material increase in all its branches during the last fiscal year. During that time there were disposed of out of the public lands 13,030,606 acres, being an amount greater by 1,165,631 acres than was disposed of during the preceding year. Of the amount disposed of, 1,626,266 acres were sold for cash, 214,940 acres were located with military land warrants, 3,793,612 acres were taken for homesteads, 653,446 acres were located with agricultural-college scrip, 6,083,536 acres were certified by railroads, 76,576 acres were granted to wagon roads, 238,548 acres were approved to States as swamp lands, 138,681 acres were certified for agricultural colleges, common schools, universities, and seminaries,

190,775 acres were approved to States for internal improvements, and 14,222 acres were located

Page 1216

with Indian scrip. The cash receipts during the same time were $3,408,515.50, being $190,415.50 in excess of the receipts of the previous year. During the year 30,488,132 acres of public land were surveyed, an increase over the amount surveyed the previous year of 1,037,193 acres, and, added to the area previously surveyed, aggregates 616,554,895 acres which have been surveyed, leaving 1,218,443,505 acres of the public land still unsurveyed.

The increased and steadily increasing facilities for reaching our unoccupied public domain and for the transportation of surplus products enlarge the available field for desirable homestead locations, thus stimulating settlement and extending year by year in a gradually increasing ratio the area of occupation and cultivation.

The expressed desire of the representatives of a large colony of citizens of Russia to emigrate to this country, as is understood, with the consent of their Government, if certain concessions can be made to enable them to settle in a compact colony, is of great interest, as going to show the light in which our institutions are regarded by an industrious, intelligent, and wealthy people, desirous of enjoying civil and religious liberty; and the acquisition of so large an immigration of citizens of a superior class would without doubt be of substantial benefit to the country. I invite attention to the suggestion of the Secretary of the Interior in this behalf.

There was paid during the last fiscal year for pensions, including the expense of disbursement, $29,185,289.62, being an amount less by $984,050.98 than was expended for the same purpose the preceding year. Although this statement of expenditures would indicate a material reduction in amount compared with the preceding year, it is believed that the changes in the pension laws at the last session of Congress will absorb that amount the current year. At the close of the last fiscal year there were on the pension rolls 99,804 invalid military pensioners and 112,088 widows, orphans, and dependent relatives of deceased soldiers, making a total of that class of 211,892; 18,266 survivors of the War of 1812 and 5,058 widows of soldiers of that war pensioned under the act of Congress of February 14, 1871, making a total of that class of 23,319; 1,480 invalid navy pensioners and 1,770 widows, orphans, and dependent relatives of deceased officers, sailors, and marines of the Navy, making a total of navy pensioners of 3,200, and a grand total of pensioners of 311 classes of 238,411, showing a net increase during the last fiscal year of 6,182. During the last year the names of 16,405 pensioners were added to the rolls, and 10,223 names were dropped therefrom for various causes.

The system adopted for the detection of frauds against the Government in the matter of pensions has been productive of satisfactory results, but legislation is needed to provide, if possible, against the perpetration of such frauds in future.

Page 1217

The evidently increasing interest in the cause of education is a most encouraging feature in the general progress and prosperity of the country, and the Bureau of Education is earnest in its efforts to give proper direction to the new appliances and increased facilities which are being offered to aid the educators of the country in their great work.

The Ninth Census has been completed, the report thereof published and distributed, and the working force of the Bureau disbanded. The Secretary of the Interior renews his recommendation for a census to be taken in 1875, to which subject the attention of Congress is invited. The original suggestion in that behalf has met with the general approval of the country; and even if it be not deemed advisable at present to provide for a regular quinquennial census, a census taken in 1875, the report of which could be completed and published before the one hundredth anniversary of our national independence, would be especially interesting and valuable, as showing the progress of the country during the first century of our national existence. It is believed, however, that a regular census every five years would be of substantial benefit to the country, inasmuch as our growth hitherto has been so rapid that the results of the decennial census are necessarily unreliable as a basis of estimates for the latter years of a decennial period.

District of Columbia.

Under the very efficient management of the governor and the board of public works of this District the city of Washington is rapidly assuming the appearance of a capital of which the nation may well be proud. From being a most unsightly place three years ago, disagreeable to pass through in summer in consequence of the dust arising from unpaved streets, and almost impassable in the winter from the mud, it is now one of the most sightly cities in the country, and can boast of being the best paved.

The work has been done systematically, the plans, grades, location of sewers, water and gas mains being determined upon before the work was commenced, thus securing permanency when completed. I question whether so much has ever been accomplished before in any American city for the same expenditures. The Government having large reservations in the city, and the nation at large having an interest in their capital, I recommend a liberal policy toward the District of Columbia, and that the Government should bear its just share of the expense of these improvements. Every citizen visiting the capital feels a pride in its growing beauty, and that he too is part owner in the investments made here.

I would suggest to Congress the propriety of promoting the establishment in this District of an institution of learning, or university of the highest class, by the donation of lands. There is no place better suited for such an institution than the national capital. There is no other place in which every citizen is so directly interested.

Page 1218

Civil-service reform.

In three successive messages to Congress I have called attention to the subject of "civil-service reform."

Action has been taken so far as to authorize the appointment of a board to devise rules governing methods of making appointments and promotions, but there never has been any action making these rules, or any rules, binding, or even entitled to observance, where persons desire the appointment of a friend or the removal of an official who may be disagreeable to them.

To have any rules effective they must have the acquiescence of Congress as well as of the Executive. I commend, therefore, the subject to your attention, and suggest that a special committee of Congress might confer with the Civil-Service Board during the present session for the purpose of devising such rules as can be maintained, and which will secure the services of honest and capable officials, and which will also protect them in a degree of independence while in office.

Proper rules will protect Congress, as well as the Executive, from much needless persecution, and will prove of great value to the public at large.

I would recommend for your favorable consideration the passage of an enabling act for the admission of Colorado as a State in the Union. It possesses all the elements of a prosperous State, agricultural and mineral, and, I believe, has a population now to justify such admission. In connection with this I would also recommend the encouragement of a canal for purposes of irrigation from the eastern slope of the Rocky Mountains to the Missouri River. As a rule I am opposed to further donations of public lands for internal improvements owned and controlled by private corporations, but in this instance I would make an exception. Between the Missouri River and the Rocky Mountains there is an arid belt of public land from 300 to 500 miles in width, perfectly valueless for the occupation of man, for the want of sufficient rain to secure the growth of any product. An irrigating canal would make productive a belt as wide as the supply of water could be made to spread over across this entire country, and would secure a cordon of settlements connecting the present population of the mountain and mining regions with that of the older States. All the land reclaimed would be clear gain. If alternate sections are retained by the Government, I would suggest that the retained sections be thrown open to entry under the homestead laws, or sold to actual settlers for a very low price.

I renew my previous recommendation to Congress for general amnesty. The number engaged in the late rebellion yet laboring under disabilities is very small, but enough to keep up a constant irritation. No possible danger can accrue to the Government by restoring them to eligibility to hold office.

I suggest for your consideration the enactment of a law to better secure the civil rights which freedom should secure, but has not effectually secured, to the enfranchised slave.

Page 1219

U. S. GRANT

***

State of the Union Address
Ulysses S. Grant
December 7, 1874

To the Senate and House of Representatives:

Since the convening of Congress one year ago the nation has undergone a prostration in business and industries such as has not been witnessed with us for many years. Speculation as to the causes for this prostration might be indulged in without profit, because as many theories would be advanced as there would be independent writers—those who expressed their own views without borrowing—upon the subject. Without indulging in theories as to the cause of this prostration, therefore, I will call your attention only to the fact, and to some plain questions as to which it would seem there should be no disagreement.

During this prostration two essential elements of prosperity have been most abundant—labor and capital. Both have been largely unemployed. Where security has been undoubted, capital has been attainable at very moderate rates. Where labor has been wanted, it has been found in abundance, at cheap rates compared with what—of necessaries and comforts of life—could be purchased with the wages demanded. Two great elements of prosperity, therefore, have not been denied us. A third might be added: Our soil and climate are unequaled, within the limits of any contiguous territory under one nationality, for its variety of products to feed and clothe a people and in the amount of surplus to spare to feed less favored peoples. Therefore, with these facts in view, it seems to me that wise statesmanship, at this session of Congress, would dictate legislation ignoring the past; directing in proper channels these great elements of prosperity to any people. Debt, debt abroad, is the only element that can, with always a sound currency, enter into our affairs to cause any continued depression in the industries and prosperity of our people.

A great conflict for national existence made necessary, for temporary purposes, the raising of large sums of money from whatever source attainable. It made it necessary, in the wisdom of Congress—and I do not doubt their wisdom in the premises, regarding the necessity of the times—to devise a system of national currency which it proved to be impossible to keep on a par with the recognized currency of the civilized world. This begot a spirit of speculation involving an extravagance and luxury not required for the happiness or prosperity of a people, and involving, both directly and indirectly, foreign indebtedness. The currency, being of fluctuating value, and therefore unsafe to hold for legitimate transactions requiring money, became a subject of speculation within itself.

These two causes, however, have involved us in a foreign indebtedness, contracted in good faith by borrower and lender, which should be paid in coin, and according to the bond agreed upon

Page 1220

when the debt was contracted—gold or its equivalent. The good faith of the Government can not be violated toward creditors without national disgrace. But our commerce should be encouraged; American shipbuilding and carrying capacity increased; foreign markets sought for products of the soil and manufactories, to the end that we may be able to pay these debts. Where a new market can be created for the sale of our products, either of the soil, the mine, or the manufactory, a new means is discovered of utilizing our idle capital and labor to the advantage of the whole people. But, in my judgment, the first step toward accomplishing this object is to secure a currency of fixed, stable value; a currency good wherever civilization reigns; one which, if it becomes superabundant with one people, will find a market with some other; a currency which has as its basis the labor necessary to produce it, which will give to it its value. Gold and silver are now the recognized medium of exchange the civilized world over, and to this we should return with the least practicable delay. In view of the pledges of the American Congress when our present legal-tender system was adopted, and debt contracted, there should be no delay—certainly no unnecessary delay—in fixing by legislation a method by which we will return to specie. To the accomplishment of this end I invite your special attention. I believe firmly that there can be no prosperous and permanent revival of business and industries until a policy is adopted—with legislation to carry it out—looking to a return to a specie basis. It is easy to conceive that the debtor and speculative classes may think it of value to them to make so-called money abundant until they can throw a portion of their burdens upon others. But even these, I believe, would be disappointed in the result if a course should be pursued which will keep in doubt the value of the legal-tender medium of exchange. A revival of productive industry is needed by all classes; by none more than the holders of property, of whatever sort, with debts to liquidate from realization upon its sale. But admitting that these two classes of citizens are to be benefited by expansion, would it be honest to give it? Would not the general loss be too great to justify such relief? Would it not be just as honest and prudent to authorize each debtor to issue his own legal-tenders to the extent of his liabilities? Than to do this, would it not be safer, for fear of overissues by unscrupulous creditors, to say that all debt obligations are obliterated in the United States, and now we commence anew, each possessing all he has at the time free from incumbrance? These propositions are too absurd to be entertained for a moment by thinking or honest people. Yet every delay in preparation for final resumption partakes of this dishonesty, and is only less in degree as the hope is held out that a convenient season will at last arrive for the good work of redeeming our pledges

Page 1221

to commence. It will never come, in my opinion, except by positive action by Congress, or by national disasters which will destroy, for a time at least, the credit of the individual and the State at large. A sound currency might be reached by total bankruptcy and discredit of the integrity of the nation and of individuals. I believe it is in the power of Congress at this session to devise such legislation as will renew confidence, revive all the industries, start us on a career of prosperity to last for many years and to save the credit of the nation and of the people. Steps toward the return to a specie basis are the great requisites to this devoutly to be sought for end. There are others which I may touch upon hereafter.

A nation dealing in a currency below that of specie in value labors under two great disadvantages: First, having no use for the world's acknowledged medium of exchange, gold and silver, these are driven out of the country because there is no need for their use; second, the medium of exchange in use being of a fluctuating value—for, after all, it is only worth just what it will purchase of gold and silver, metals having an intrinsic value just in proportion to the honest labor it takes to produce them—a larger margin must be allowed for profit by the manufacturer and producer. It is months from the date of production to the date of realization. Interest upon capital must be charged, and risk of fluctuation in the value of that which is to be received in payment added. Hence high prices, acting as a protection to the foreign producer, who receives nothing in exchange for the products of his skill and labor except a currency good, at a stable value, the world over It seems to me that nothing is clearer than that the greater part of the burden of existing prostration, for the want of a sound financial system, falls upon the working man, who must after all produce the wealth, and the salaried man, who superintends and conducts business. The burden falls upon them in two ways—by the deprivation of employment and by the decreased purchasing power of their salaries. It is the duty of Congress to devise the method of correcting the evils which are acknowledged to exist, and not mine. But I will venture to suggest two or three things which seem to me as absolutely necessary to a return to specie payments, the first great requisite in a return to prosperity. The legal-tender clause to the law authorizing the issue of currency by the National Government should be repealed, to take effect as to all contracts entered into after a day fixed in the repealing act—not to apply, however, to payments of salaries by Government, or for other expenditures now provided by law to be paid in currency, in the interval pending between repeal and final resumption. Provision should be made by which the Secretary of the Treasury can obtain gold as it may become necessary from time to time from the date when specie redemption commences. To this might and should be added a revenue sufficiently in excess of expenses to insure an accumulation of gold in the Treasury to sustain permanent redemption.

Page 1222

I commend this subject to your careful consideration, believing that a favorable solution is attainable, and if reached by this Congress that the present and future generations will ever gratefully remember it as their deliverer from a thraldom of evil and disgrace.

With resumption, free banking may be authorized with safety, giving the same full protection to bill holders which they have under existing laws. Indeed, I would regard free banking as essential. It would give proper elasticity to the currency. As more currency should be required for the transaction of legitimate business, new banks would be started, and in turn banks would wind up their business when it was found that there was a superabundance of currency. The experience and judgment of the people can best decide just how much currency is required for the transaction of the business of the country. It is unsafe to leave the settlement of this question to Congress, the Secretary of the Treasury, or the Executive. Congress should make the regulation under which banks may exist, but should not make banking a monopoly by limiting the amount of redeemable paper currency that shall be authorized. Such importance do I attach to this subject, and so earnestly do I commend it to your attention, that I give it prominence by introducing it at the beginning of this message.

During the past year nothing has occurred to disturb the general friendly and cordial relations of the United States with other powers.

The correspondence submitted herewith between this Government and its diplomatic representatives, as also with the representatives of other countries, shows a satisfactory condition of all questions between the United States and the most of those countries, and with few exceptions, to which reference is hereafter made, the absence of any points of difference to be adjusted.

The notice directed by the resolution of Congress of June 17, 1874, to be given to terminate the convention of July 17, 1858, between the United States and Belgium has been given, and the treaty will accordingly terminate on the 1st day of July, 1875. This convention secured to certain Belgian vessels entering the ports of the United States exceptional privileges which are not accorded to our own vessels. Other features of the convention have proved satisfactory, and have tended to the cultivation of mutually beneficial commercial intercourse and friendly relations between the two countries. I hope that negotiations which have been invited will result in the celebration of another treaty which may tend to the interests of both countries.

Our relations with China continue to be friendly. During the past year the fear of hostilities between China and Japan, growing out of the landing of an armed force upon the island of Formosa by the latter, has occasioned uneasiness. It is earnestly hoped, however, that the difficulties arising from this cause will be adjusted, and that the advance of civilization in these Empires may not be retarded by a state of war. In consequence of the part taken by certain citizens of the United States in this expedition, our representatives in those countries have been instructed to impress upon the

Governments of China and Japan the firm intention of this country to maintain strict neutrality in the event of hostilities, and to carefully prevent any infraction of law on the part of our citizens.

Page 1223

In connection with this subject I call the attention of Congress to a generally conceded fact—that the great proportion of the Chinese immigrants who come to our shores do not come voluntarily, to make their homes with us and their labor productive of general prosperity, but come under contracts with headmen, who own them almost absolutely. In a worse form does this apply to Chinese women. Hardly a perceptible percentage of them perform any honorable labor, but they are brought for shameful purposes, to the disgrace of the communities where settled and to the great demoralization of the youth of those localities. If this evil practice can be legislated against, it will be my pleasure as well as duty to enforce any regulation to secure so desirable an end.

It is hoped that negotiations between the Government of Japan and the treaty powers, looking to the further opening of the Empire and to the removal of various restrictions upon trade and travel, may soon produce the results desired, which can not fail to inure to the benefit of all the parties. Having on previous occasions submitted to the consideration of Congress the propriety of the release of the Japanese Government from the further payment of the indemnity under the convention of October 22, 1864, and as no action had been taken thereon, it became my duty to regard the obligations of the convention as in force; and as the other powers interested had received their portion of the indemnity in full, the minister of the United States in Japan has, in behalf of this Government, received the remainder of the amount due to the United States under the convention of Simonosaki. I submit the propriety of applying the income of a part, if not of the whole, of this fund to the education in the Japanese language of a number of young men to be under obligations to serve the Government for a specified time as interpreters at the legation and the consulates in Japan. A limited number of Japanese youths might at the same time be educated in our own vernacular, and mutual benefits would result to both Governments. The importance of having our own citizens, competent and familiar with the language of Japan, to act as interpreters and in other capacities connected with the legation and the consulates in that country can not readily be overestimated.

The amount awarded to the Government of Great Britain by the mixed commission organized under the provisions of the treaty of Washington in settlement of the claims of British subjects arising from acts committed between April 13, 1861, and April 9, 1865, became payable, under the terms of the treaty, within the past year, and was paid upon the 21st day of September, 1874. In this connection I renew my recommendation, made at the opening of the last session of Congress, that a special court be created to hear and determine all claims of aliens against the United States arising from acts committed against their persons or property

Page 1224

during the insurrection. It appears equitable that opportunity should be offered to citizens of other states to present their claims, as well as to those British subjects whose claims were not admissible under the late commission, to the early decision of some competent tribunal. To this end I recommend the necessary legislation to organize a court to dispose of all claims of aliens of the nature referred to in an equitable and satisfactory manner, and to relieve Congress and the Departments from the consideration of these questions.

The legislation necessary to extend to the colony of Newfoundland certain articles of the treaty of Washington of the 8th day of May, 1871, having been had, a protocol to that effect was signed in behalf of the United States and of Great Britain on the 28th day of May last, and was duly proclaimed on the following day. A copy of the proclamation is submitted herewith.

A copy of the report of the commissioner appointed under the act of March 19, 1872, for surveying and marking the boundary between the United States and the British possessions from the Lake of the Woods to the summit of the Rocky Mountains is herewith transmitted. I am happy to announce that the field work of the commission has been completed, and the entire line from the northwest corner of the Lake of the Woods to the summit of the Rocky Mountains has been run and marked upon the surface of the earth. It is believed that the amount remaining unexpended of the appropriation made at the last session of Congress will be sufficient to complete the office work. I recommend that the authority of Congress be given to the use of the unexpended balance of the appropriation in the completion of the work of the commission in making its report and preparing the necessary maps.

The court known as the Court of Commissioners of Alabama Claims, created by an act of Congress of the last session, has organized and commenced its work, and it is to be hoped that the claims admissible under the provisions of the act may be speedily ascertained and paid.

It has been deemed advisable to exercise the discretion conferred upon the Executive at the last session by accepting the conditions required by the Government of Turkey for the privilege of allowing citizens of the United States to hold real estate in the former country, and by assenting to a certain change in the jurisdiction of courts in the latter. A copy of the proclamation upon these subjects is herewith communicated.

There has been no material change in our relations with the independent States of this hemisphere which were formerly under the dominion of Spain. Marauding on the frontiers between Mexico and Texas still frequently takes place, despite the vigilance of the civil and military authorities in that quarter. The difficulty of checking such trespasses along the course of a river of such length as the Rio Grande, and so often

fordable, is obvious. It is hoped that the efforts of this Government will be seconded by those of Mexico to the effectual suppression of these acts of wrong.

Page 1225

From a report upon the condition of the business before the American and Mexican Joint Claims Commission, made by the agent on the part of the United States, and dated October 28, 1874, it appears that of the 1,017 claims filed on the part of citizens of the United States, 483 had been finally decided and 75 were in the hands of the umpire, leaving 462 to be disposed of; and of the 998 claims filed against the United States, 726 had been finally decided, I was before the umpire, and 271 remained to be disposed of. Since the date of such report other claims have been disposed of, reducing somewhat the number still pending; and others have been passed upon by the arbitrators. It has become apparent, in view of these figures and of the fact that the work devolving on the umpire is particularly laborious, that the commission will be unable to dispose of the entire number of claims pending prior to the 1st day of February, 1875—the date fixed for its expiration. Negotiations are pending looking to the securing of the results of the decisions which have been reached and to a further extension of the commission for a limited time, which it is confidently hoped will suffice to bring all the business now before it to a final close.

The strife in the Argentine Republic is to be deplored, both on account of the parties thereto and from the probable effects on the interests of those engaged in the trade to that quarter, of whom the United States are among the principal. As yet, so far as I am aware, there has been no violation of our neutrality rights, which, as well as our duties in that respect, it shall be my endeavor to maintain and observe.

It is with regret I announce that no further payment has been received from the Government of Venezuela on account of awards in favor of citizens of the United States. Hopes have been entertained that if that Republic could escape both foreign and civil war for a few years its great natural resources would enable it to honor its obligations. Though it is now understood to be at peace with other countries, a serious insurrection is reported to be in progress in an important region of that Republic. This may be taken advantage of as another reason to delay the payment of the dues of our citizens.

The deplorable strife in Cuba continues without any marked change in the relative advantages of the contending forces. The insurrection continues, but Spain has gained no superiority. Six years of strife give to the insurrection a significance which can not be denied. Its duration and the tenacity of its adherence, together with the absence of manifested power of suppression on the part of Spain, can not be controverted, and may make some positive steps on the part of other powers a matter of self-necessity. I had confidently hoped at this time to be able to announce the arrangement of some of the important questions between this Government and that of Spain, but the negotiations have been protracted. The unhappy intestine dissensions of Spain command our profound sympathy, and must be accepted as perhaps a cause of some delay. An early settlement, in part at least, of the questions between the Governments is hoped. In the meantime, awaiting the results of immediately pending negotiations, I

defer a further and fuller communication on the subject of the relations of this country and Spain.

Page 1226

I have again to call the attention of Congress to the unsatisfactory condition of the existing laws with reference to expatriation and the election of nationality. Formerly, amid conflicting opinions and decisions, it was difficult to exactly determine how far the doctrine of perpetual allegiance was applicable to citizens of the United States. Congress by the act of the 27th of July, 1868, asserted the abstract right of expatriation as a fundamental principle of this Government. Notwithstanding such assertion and the necessity of frequent application of the principle, no legislation has been had defining what acts or formalities shall work expatriation or when a citizen shall be deemed to have renounced or to have lost his citizenship. The importance of such definition is obvious. The representatives of the United States in foreign countries are continually called upon to lend their aid and the protection of the United States to persons concerning the good faith or the reality of whose citizenship there is at least great question. In some cases the provisions of the treaties furnish some guide; in others it seems left to the person claiming the benefits of citizenship, while living in a foreign country, contributing in no manner to the performance of the duties of a citizen of the United States, and without intention at any time to return and undertake those duties, to use the claims to citizenship of the United States simply as a shield from the performance of the obligations of a citizen elsewhere.

The status of children born of American parents residing in a foreign country, of American women who have married aliens, of American citizens residing abroad where such question is not regulated by treaty, are all sources of frequent difficulty and discussion. Legislation on these and similar questions, and particularly defining when and under what circumstances expatriation can be accomplished or is to be presumed, is especially needed. In this connection I earnestly call the attention of Congress to the difficulties arising from fraudulent naturalization. The United States wisely, freely, and liberally offers its citizenship to all who may come in good faith to reside within its limits on their complying with certain prescribed reasonable and simple formalities and conditions. Among the highest duties of the Government is that to afford firm, sufficient, and equal protection to all its citizens, whether native born or naturalized. Care should be taken that a right carrying with it such support from the Government should not be fraudulently obtained, and should be bestowed only upon full proof of a compliance with the law; and yet frequent instances are brought to the attention of the Government of illegal and fraudulent naturalization and of the unauthorized use of certificates thus improperly obtained. In some cases the fraudulent character of the naturalization has appeared upon the face of the certificate itself; in others examination discloses that the holder had

Page 1227

not complied with the law, and in others certificates have been obtained where the persons holding them not only were not entitled to be naturalized, but had not even been within the United States at the time of the pretended naturalization. Instances of each of these classes of fraud are discovered at our legations, where the certificates of naturalization are presented either for the purpose of obtaining passports or in demanding the protection of the legation. When the fraud is apparent on the face of such certificates, they are taken up by the representatives of the Government and forwarded to the Department of State. But even then the record of the court in which the fraudulent naturalization occurred remains, and duplicate certificates are readily obtainable. Upon the presentation of these for the issue of passports or in demanding protection of the Government, the fraud sometimes escapes notice, and such certificates are not infrequently used in transactions of business to the deception and injury of innocent parties. Without placing any additional obstacles in the way of the obtainment of citizenship by the worthy and well-intentioned foreigner who comes in good faith to cast his lot with ours, I earnestly recommend further legislation to punish fraudulent naturalization and to secure the ready cancellation of the record of every naturalization made in fraud.

Since my last annual message the exchange has been made of the ratification of treaties of extradition with Belgium, Ecuador, Peru, and Salvador; also of a treaty of commerce and navigation with Peru, and one of commerce and consular privileges with Salvador; all of which have been duly proclaimed, as has also a declaration with Russia with reference to trade-marks.

The report of the Secretary of the Treasury, which by law is made directly to Congress, and forms no part of this message, will show the receipts and expenditures of the Government for the last fiscal year, the amount received from each source of revenue, and the amount paid out for each of the Departments of Government. It will be observed from this report that the amount of receipts over expenditures has been but $2,344,882.30 for the fiscal year ending June 30, 1874, and that for the current fiscal year the estimated receipts over expenditures will not much exceed $9,000,000. In view of the large national debt existing and the obligation to add 1 per cent per annum to the sinking fund, a sum amounting now to over $34,000,000 per annum, I submit whether revenues should not be increased or expenditures diminished to reach this amount of surplus. Not to provide for the sinking fund is a partial failure to comply with the contracts and obligations of the Government. At the last session of Congress a very considerable reduction was made in rates of taxation and in the number of articles submitted to taxation; the question may well be asked, whether or not, in some instances, unwisely. In connection with this subject, too, I venture the opinion that the means of collecting the revenue, especially from imports, have been so embarrassed by legislation as to make it questionable whether or not large amounts are not lost by

failure to collect, to the direct loss of the Treasury and to the prejudice of the interests of honest importers and taxpayers.

Page 1228

The Secretary of the Treasury in his report favors legislation looking to an early return to specie payments, thus supporting views previously expressed in this message. He also recommends economy in appropriations; calls attention to the loss of revenue from repealing the tax on tea and coffee, without benefit to the consumer; recommends an increase of 10 cents a gallon on whisky, and, further, that no modification be made in the banking and currency bill passed at the last session of Congress, unless modification should become necessary by reason of the adoption of measures for returning to specie payments. In these recommendations I cordially join.

I would suggest to Congress the propriety of readjusting the tariff so as to increase the revenue, and at the same time decrease the number of articles upon which duties are levied. Those articles which enter into our manufactures and are not produced at home, it seems to me, should be entered free. Those articles of manufacture which we produce a constituent part of, but do not produce the whole, that part which we do not produce should enter free also. I will instance fine wool, dyes, *etc*. These articles must be imported to form a part of the manufacture of the higher grades of woolen goods. Chemicals used as dyes, compounded in medicines, and used in various ways in manufactures come under this class. The introduction free of duty of such wools as we do not produce would stimulate the manufacture of goods requiring the use of those we do produce, and therefore would be a benefit to home production. There are many articles entering into “home manufactures” which we do not produce ourselves the tariff upon which increases the cost of producing the manufactured article. All corrections in this regard are in the direction of bringing labor and capital in harmony with each other and of supplying one of the elements of prosperity so much needed.

The report of the Secretary of War herewith attached, and forming a part of this message, gives all the information concerning the operations, wants, and necessities of the Army, and contains many suggestions and recommendations which I commend to your special attention.

There is no class of Government employees who are harder worked than the Army—-officers and men; none who perform their tasks more cheerfully and efficiently and under circumstances of greater privations and hardships.

Legislation is desirable to render more efficient this branch of the public service. All the recommendations of the Secretary of War I regard as judicious, and I especially commend to your attention the following: The consolidation of Government arsenals; the restoration of mileage to officers traveling under orders; the exemption of money received from the sale of subsistence stores from being covered into the Treasury; the use of appropriations for the purchase of subsistence stores without waiting for the beginning of the fiscal

Page 1229

year for which the appropriation is made; for additional appropriations for the collection of torpedo material; for increased appropriations for the manufacture of arms; for relieving the various States from indebtedness for arms charged to them during the rebellion; for dropping officers from the rolls of the Army without trial for the offense of drawing pay more than once for the same period; for the discouragement of the plan to pay soldiers by cheek, and for the establishment of a professorship of rhetoric and English literature at West Point. The reasons for these recommendations are obvious, and are set forth sufficiently in the reports attached. I also recommend that the status of the staff corps of the Army be fixed, where this has not already been done, so that promotions may be made and vacancies filled as they occur in each grade when reduced below the number to be fixed by law. The necessity for such legislation is specially felt now in the Pay Department. The number of officers in that department is below the number adequate to the performance of the duties required of them by law.

The efficiency of the Navy has been largely increased during the last year. Under the impulse of the foreign complications which threatened us at the commencement of the last session of Congress, most of our efficient wooden ships were put in condition for immediate service, and the repairs of our ironclad fleet were pushed with the utmost vigor. The result is that most of these are now in an effective state and need only to be manned and put in commission to go at once into service.

Some of the new sloops authorized by Congress are already in commission, and most of the remainder are launched and wait only the completion of their machinery to enable them to take their places as part of our effective force.

Two iron torpedo ships have been completed during the last year, and four of our large double-turreted ironclads are now undergoing repairs. When these are finished, everything that is useful of our Navy, as now authorized, will be in condition for service, and with the advance in the science of torpedo warfare the American Navy, comparatively small as it is, will be found at any time powerful for the purposes of a peaceful nation.

Much has been accomplished during the year in aid of science and to increase the sum of general knowledge and further the interests of commerce and civilization. Extensive and much-needed soundings have been made for hydrographic purposes and to fix the proper routes of ocean telegraphs. Further surveys of the great Isthmus have been undertaken and completed, and two vessels of the Navy are now employed, in conjunction with those of England, France, Germany, and Russia, in observations connected with the transit of Venus, so useful and interesting to the scientific world.

The estimates for this branch of the public service do not differ materially from those of last year, those for the general support of the service being somewhat less and those

for permanent improvements at the various stations rather larger than the corresponding estimate made a year ago. The regular maintenance and a steady increase in the efficiency of this most important arm in proportion to the growth of our maritime intercourse and interests is recommended to the attention of Congress.

Page 1230

The use of the Navy in time of peace might be further utilized by a direct authorization of the employment of naval vessels in explorations and surveys of the supposed navigable waters of other nationalities on this continent, especially the tributaries of the two great rivers of South America, the Orinoco and the Amazon. Nothing prevents, under existing laws, such exploration, except that expenditures must be made in such expeditions beyond those usually provided for in the appropriations. The field designated is unquestionably one of interest and one capable of large development of commercial interests—advantageous to the peoples reached and to those who may establish relations with them.

Education of the people entitled to exercise the right of franchise I regard essential to general prosperity everywhere, and especially so in republics, where birth, education, or previous condition does not enter into account in giving suffrage. Next to the public school, the post-office is the great agent of education over our vast territory. The rapidity with which new sections are being settled, thus increasing the carrying of mails in a more rapid ratio than the increase of receipts, is not alarming. The report of the Postmaster-General herewith attached shows that there was an increase of revenue in his Department in 1873 over the previous year of $1,674,411, and an increase of cost of carrying the mails and paying employees of $3,041,468.91. The report of the Postmaster-General gives interesting statistics of his Department, and compares them with the corresponding statistics of a year ago, showing a growth in every branch of the Department.

A postal convention has been concluded with New South Wales, an exchange of postal cards established with Switzerland, and the negotiations pending for several years past with France have been terminated in a convention with that country, which went into effect last August.

An international postal congress was convened in Berne, Switzerland, in September last, at which the United States was represented by an officer of the Post-Office Department of much experience and of qualification for the position. A convention for the establishment of an international postal union was agreed upon and signed by the delegates of the countries represented, subject to the approval of the proper authorities of those countries.

I respectfully direct your attention to the report of the Postmaster-General and to his suggestions in regard to an equitable adjustment of the question of compensation to railroads for carrying the mails.

Your attention will be drawn to the unsettled condition of affairs in some of the Southern States.

Page 1231

On the 14th of September last the governor of Louisiana called upon me, as provided by the Constitution and laws of the United States, to aid in suppressing domestic violence in that State. This call was made in view of a proclamation issued on that day by D. B. Penn, claiming that he was elected lieutenant-governor in 1872, and calling upon the militia of the State to arm, assemble, and drive from power the usurpers, as he designated the officers of the State government. On the next day I issued my proclamation commanding the insurgents to disperse within five days from the date thereof, and subsequently learned that on that day they had taken forcible possession of the statehouse. Steps were taken by me to support the existing and recognized State government, but before the expiration of the five days the insurrectionary movement was practically abandoned, and the officers of the State government, with some minor exceptions, resumed their powers and duties. Considering that the present State administration of Louisiana has been the only government in that State for nearly two years; that it has been tacitly acknowledged and acquiesced in as such by Congress, and more than once expressly recognized by me, I regarded it as my clear duty, when legally called upon for that purpose, to prevent its overthrow by an armed mob under pretense of fraud and irregularity in the election of 1872. I have heretofore called the attention of Congress to this subject, stating that on account of the frauds and forgeries committed at said election, and because it appears that the returns thereof were never legally canvassed, it was impossible to tell thereby who were chosen; but from the best sources of information at my command I have always believed that the present State officers received a majority of the legal votes actually cast at that election. I repeat what I said in my special message of February 23, 1873, that in the event of no action by Congress I must continue to recognize the government heretofore recognized by me.

I regret to say that with preparations for the late election decided indications appeared in some localities in the Southern States of a determination, by acts of violence and intimidation, to deprive citizens of the freedom of the ballot because of their political opinions. Bands of men, masked and armed, made their appearance; White Leagues and other societies were formed; large quantities of arms and ammunition were imported and distributed to these organizations; military drills, with menacing demonstrations, were held, and with all these murders enough were committed to spread terror among those whose political action was to be suppressed, if possible, by these intolerant and criminal proceedings. In some places colored laborers were compelled to vote according to the wishes of their employers, under threats of discharge if they acted otherwise; and there are too many instances in which, when these threats were disregarded, they

Page 1232

were remorselessly executed by those who made them. I understand that the fifteenth amendment to the Constitution was made to prevent this and a like state of things, and the act of May 31, 1870, with amendments, was passed to enforce its provisions, the object of both being to guarantee to all citizens the right to vote and to protect them in the free enjoyment of that right. Enjoined by the Constitution "to take care that the laws be faithfully executed," and convinced by undoubted evidence that violations of said act had been committed and that a widespread and flagrant disregard of it was contemplated, the proper officers were instructed to prosecute the offenders, and troops were stationed at convenient points to aid these officers, if necessary, in the performance of their official duties. Complaints are made of this interference by Federal authority; but if said amendment and act do not provide for such interference under the circumstances as above stated, then they are without meaning, force, or effect, and the whole scheme of colored enfranchisement is worse than mockery and little better than a crime. Possibly Congress may find it due to truth and justice to ascertain, by means of a committee, whether the alleged wrongs to colored citizens for political purposes are real or the reports thereof were manufactured for the occasion.

The whole number of troops in the States of Louisiana, Alabama, Georgia, Florida, South Carolina, North Carolina, Kentucky, Tennessee, Arkansas, Mississippi, Maryland, and Virginia at the time of the election was 4,082. This embraces the garrisons of all the forts from the Delaware to the Gulf of Mexico.

Another trouble has arisen in Arkansas. Article 13 of the constitution of that State (which was adopted in 1868, and upon the approval of which by Congress the State was restored to representation as one of the States of the Union) provides in effect that before any amendments proposed to this constitution shall become a part thereof they shall be passed by two successive assemblies and then submitted to and ratified by a majority of the electors of the State voting thereon. On the 11th of May, 1874, the governor convened an extra session of the general assembly of the State, which on the 18th of the same month passed an act providing for a convention to frame a new constitution. Pursuant to this act, and at an election held on the 30th of June, 1874, the convention was approved, and delegates were chosen thereto, who assembled on the 14th of last July and framed a new constitution, the schedule of which provided for the election of an entire new set of State officers in a manner contrary to the then existing election laws of the State. On the 13th of October, 1874, this constitution, as therein provided, was submitted to the people for their approval or rejection, and according to the election returns was approved by a large majority of those qualified to vote thereon; and at the same election

Page 1233

persons were chosen to fill all the State, county, and township offices. The governor elected in 1872 for the term of four years turned over his office to the governor chosen under the new constitution, whereupon the lieutenant-governor, also elected in 1872 for a term of four years, claiming to act as governor, and alleging that said proceedings by which the new constitution was made and a new set of officers elected were unconstitutional, illegal, and void, called upon me, as provided in section 4, Article IV, of the Constitution, to protect the State against domestic violence. As Congress is now investigating the political affairs of Arkansas, I have declined to interfere.

The whole subject of Executive interference with the affairs of a State is repugnant to public opinion, to the feelings of those who, from their official capacity, must be used in such interposition, and to him or those who must direct. Unless most clearly on the side of law, such interference becomes a crime; with the law to support it, it is condemned without a heating. I desire, therefore, that all necessity for Executive direction in local affairs may become unnecessary and obsolete. I invite the attention, not of Congress, but of the people of the United States, to the causes and effects of these unhappy questions. Is there not a disposition on one side to magnify wrongs and outrages, and on the other side to belittle them or justify them? If public opinion could be directed to a correct survey of what is and to rebuking wrong and aiding the proper authorities in punishing it, a better state of feeling would be inculcated, and the sooner we would have that peace which would leave the States free indeed to regulate their own domestic affairs. I believe on the part of our citizens of the Southern States—the better part of them—there is a disposition to be law abiding, and to do no violence either to individuals or to the laws existing. But do they do right in ignoring the existence of violence and bloodshed in resistance to constituted authority? I sympathize with their prostrate condition, and would do all in my power to relieve them, acknowledging that in some instances they have had most trying governments to live under, and very oppressive ones in the way of taxation for nominal improvements, not giving benefits equal to the hardships imposed. But can they proclaim themselves entirely irresponsible for this condition? They can not. Violence has been rampant in some localities, and has either been justified or denied by those who could have prevented it. The theory is even raised that there is to be no further interference on the part of the General Government to protect citizens within a State where the State authorities fail to give protection. This is a great mistake. While I remain Executive all the laws of Congress and the provisions of the Constitution, including the recent amendments added thereto, will be enforced with rigor, but with regret that they

Page 1234

should have added one jot or tittle to Executive duties or powers. Let there be fairness in the discussion of Southern questions, the advocates of both or all political parties giving honest, truthful reports of occurrences, condemning the wrong and upholding the tight, and soon all will be well. Under existing conditions the negro votes the Republican ticket because he knows his friends are of that party. Many a good citizen votes the opposite, not because he agrees with the great principles of state which separate parties, but because, generally, he is opposed to negro rule. This is a most delusive cry. Treat the negro as a citizen and a voter, as he is and must remain, and soon parties will be divided, not on the color line, but on principle. Then we shall have no complaint of sectional interference.

The report of the Attorney-General contains valuable recommendations relating to the administration of justice in the courts of the United States, to which I invite your attention.

I respectfully suggest to Congress the propriety of increasing the number of judicial districts in the United States to eleven (the present number being nine) and the creation of two additional judgeships. The territory to be traversed by the circuit judges is so great and the business of the courts so steadily increasing that it is growing more and more impossible for them to keep up with the business requiring their attention. Whether this would involve the necessity of adding two more justices of the Supreme Court to the present number I submit to the judgment of Congress.

The attention of Congress is invited to the report of the Secretary of the Interior and to the legislation asked for by him. The domestic interests of the people are more intimately connected with this Department than with either of the other Departments of Government. Its duties have been added to from time to time until they have become so onerous that without the most perfect system and order it will be impossible for any Secretary of the Interior to keep trace of all official transactions having his sanction and done in his name, and for which he is held personally responsible.

The policy adopted for the management of Indian affairs, known as the peace policy, has been adhered to with most beneficial results. It is confidently hoped that a few years more will relieve our frontiers from danger of Indian depredations.

I commend the recommendation of the Secretary for the extension of the homestead laws to the Indians and for some sort of Territorial government for the Indian Territory. A great majority of the Indians occupying this Territory are believed yet to be incapable of maintaining their rights against the more civilized and enlightened white man. Any Territorial form of government given them, therefore, should protect them in their homes and property for a period of at least twenty years, and before its final adoption should be ratified by a majority of those affected.

Page 1235

The report of the Secretary of the Interior herewith attached gives much interesting statistical information, which I abstain from giving an abstract of, but refer you to the report itself.

The act of Congress providing the oath which pensioners must subscribe to before drawing their pensions cuts off from this bounty a few survivors of the War of 1812 residing in the Southern States. I recommend the restoration of this bounty to all such. The number of persons whose names would thus be restored to the list of pensioners is not large. They are all old persons, who could have taken no part in the rebellion, and the services for which they were awarded pensions were in defense of the whole country.

The report of the Commissioner of Agriculture herewith contains suggestions of much interest to the general public, and refers to the sly approaching Centennial and the part his Department is ready to take in it. I feel that the nation at large is interested in having this exposition a success, and commend to Congress such action as will secure a greater general interest in it. Already many foreign nations have signified their intention to be represented at it, and it may be expected that every civilized nation will be represented.

The rules adopted to improve the civil service of the Government have been adhered to as closely as has been practicable with the opposition with which they meet. The effect, I believe, has been beneficial on the whole, and has tended to the elevation of the service. But it is impracticable to maintain them without direct and positive support of Congress. Generally the support which this reform receives is from those who give it their support only to find fault when the rules are apparently departed from. Removals from office without preferring charges against parties removed are frequently cited as departures from the rules adopted, and the retention of those against whom charges are made by irresponsible persons and without good grounds is also often condemned as a violation of them. Under these circumstances, therefore, I announce that if Congress adjourns without positive legislation on the subject of “civil-service reform” I will regard such action as a disapproval of the system, and will abandon it, except so far as to require examinations for certain appointees, to determine their fitness. Competitive examinations will be abandoned.

The gentlemen who have given their services, without compensation, as members of the board to devise rules and regulations for the government of the civil service of the country have shown much zeal and earnestness in their work, and to them, as well as to myself, it will be a source of mortification if it is to be thrown away. But I repeat that it is impossible to carry this system to a successful issue without general approval and assistance and positive law to support it.

Page 1236

I have stated that three elements of prosperity to the nation—capital, labor, skilled and unskilled, and products of the soil—still remain with us. To direct the employment of these is a problem deserving the most serious attention of Congress. If employment can be given to all the labor offering itself, prosperity necessarily follows. I have expressed the opinion, and repeat it, that the first requisite to the accomplishment of this end is the substitution of a sound currency in place of one of a fluctuating value. This secured, there are many interests that might be fostered to the great profit of both labor and capital. How to induce capital to employ labor is the question. The subject of cheap transportation has occupied the attention of Congress. Much new light on this question will without doubt be given by the committee appointed by the last Congress to investigate and report upon this subject.

A revival of shipbuilding, and particularly of iron steamship building, is of vast importance to our national prosperity. The United States is now paying over $100,000,000 per annum for freights and passage on foreign ships—to be carried abroad and expended in the employment and support of other peoples—beyond a fair percentage of what should go to foreign vessels, estimating on the tonnage and travel of each respectively. It is to be regretted that this disparity in the carrying trade exists, and to correct it I would be willing to see a great departure from the usual course of Government in supporting what might usually be termed private enterprise. I would not suggest as a remedy direct subsidy to American steamship lines, but I would suggest the direct offer of ample compensation for carrying the mails between Atlantic Seaboard cities and the Continent on American-owned and American-built steamers, and would extend this liberality to vessels carrying the mails to South American States and to Central America and Mexico, and would pursue the same policy from our Pacific seaports to foreign seaports on the Pacific. It might be demanded that vessels built for this service should come up to a standard fixed by legislation in tonnage, speed, and all other qualities, looking to the possibility of Government requiring them at some time for war purposes. The right also of taking possession of them in such emergency should be guarded.

I offer these suggestions, believing them worthy of consideration, in all seriousness, affecting all sections and all interests alike. If anything better can be done to direct the country into a course of general prosperity, no one will be more ready than I to second the plan.

Forwarded herewith will be found the report of the commissioners appointed under an act of Congress approved June 20, 1874, to wind up the affairs of the District government. It will be seen from the report that the net debt of the District of Columbia, less securities on hand and available, is:

Page 1237

Bonded debt issued prior to July 1, 1874 — — $8,883,940.93

3.65 bonds, act of Congress June 20, 1874 — — 2,088,168.73

Certificates of the board of audit — — 4,770,558.45

- —

***

State of the Union Address
Ulysses S. Grant
December 7, 1875

To the Senate and House of Representatives:

In submitting my seventh annual message to Congress, in this centennial year of our national existence as a free and independent people, it affords me great pleasure to recur to the advancement that has been made from the time of the colonies, one hundred years ago. We were then a people numbering only 3,000,000. Now we number more than 40,000,000. Then industries were confined almost exclusively to the tillage of the soil. Now manufactories absorb much of the labor of the country.

Our liberties remain unimpaired; the bondmen have been freed from slavery; we have become possessed of the respect, if not the friendship, of all civilized nations. Our progress has been great in all the arts—in science, agriculture, commerce, navigation, mining, mechanics, law, medicine, *etc*.; and in general education the progress is likewise encouraging. Our thirteen States have become thirty-eight, including Colorado (which has taken the initiatory steps to become a State), and eight Territories, including the Indian Territory and Alaska, and excluding Colorado, making a territory extending from the Atlantic to the Pacific. On the south we have extended to the Gulf of Mexico, and in the west from the Mississippi to the Pacific.

One hundred years ago the cotton gin, the steamship, the railroad, the telegraph, the reaping, sewing, and modern printing machines, and numerous other inventions of scarcely less value to our business and happiness were entirely unknown.

In 1776 manufactories scarcely existed even in name in all this vast territory. In 1870 more than 2,000,000 persons were employed in manufactories, producing more than $2,100,000,000 of products in amount annually, nearly equal to our national debt. From nearly the whole of the population of 1776 being engaged in the one occupation of agriculture, in 1870 so numerous and diversified had become the occupation of our people that less than 6,000,000 out of more than 40,000,000 were so engaged. The extraordinary effect produced in our country by a resort to diversified occupations has

built a market for the products of fertile lands distant from the seaboard and the markets of the world.

The American system of locating various and extensive manufactories next to the plow and the pasture, and adding connecting railroads and steamboats, has produced in our distant interior country a result noticeable by the intelligent portions of all commercial nations. The ingenuity and skill of American mechanics have been demonstrated at home and abroad in a manner most flattering to their pride. But for the extraordinary genius and ability of our mechanics, the achievements of our agriculturists, manufacturers, and transporters throughout the country would have been impossible of attainment.

Page 1238

The progress of the miner has also been great. Of coal our production has small; now many millions of tons are mined annually. So with iron, which formed scarcely an appreciable part of our products half a century ago, we now produce more than the world consumed at the beginning of our national existence. Lead, zinc, and copper, from being articles of import, we may expect to be large exporters of in the near future. The development of gold and silver mines in the United States and Territories has not only been remarkable, but has had a large influence upon the business of all commercial nations. Our merchants in the last hundred years have had a success and have established a reputation for enterprise, sagacity, progress, and integrity unsurpassed by peoples of older nationalities. This “good name” is not confined to their homes, but goes out upon every sea and into every port where commerce enters. With equal pride we can point to our progress in all of the learned professions.

As we are now about to enter upon our second centennial—commenting our manhood as a nation—it is well to look back upon the past and study what will be best to preserve and advance our future greatness From the fall of Adam for his transgression to the present day no nation has ever been free from threatened danger to its prosperity and happiness. We should look to the dangers threatening us, and remedy them so far as lies in our power. We are a republic whereof one man is as good as another before the law. Under such a form of government it is of the greatest importance that all should be possessed of education and intelligence enough to cast a vote with a right understanding of its meaning. A large association of ignorant men can not for any considerable period oppose a successful resistance to tyranny and oppression from the educated few, but will inevitably sink into acquiescence to the will of intelligence, whether directed by the demagogue or by priestcraft. Hence the education of the masses becomes of the first necessity for the preservation of our institutions. They are worth preserving, because they have secured the greatest good to the greatest proportion of the population of any form of government yet devised. All other forms of government approach it just in proportion to the general diffusion of education and independence of thought and action. As the primary step, therefore, to our advancement in all that has marked our progress in the past century, I suggest for your earnest consideration, and most earnestly recommend it, that a constitutional amendment be submitted to the legislatures of the several States for ratification, making it the duty of each of the several States to establish and forever maintain free public schools adequate to the education of all the children in the rudimentary branches within their respective limits, irrespective of sex, color, birthplace, or religions; forbidding the teaching in said schools of religious, atheistic, or pagan tenets; and prohibiting the granting of any school funds or school taxes, or any part thereof, either by legislative, municipal, or other authority, for the benefit or in aid, directly or indirectly, of any religious sect or denomination, or in aid or for the benefit of any other object of any nature or kind whatever.

Page 1239

In connection with this important question I would also call your attention to the importance of correcting an evil that, if permitted to continue, will probably lead to great trouble in our land before the close of the nineteenth century. It is the accumulation of vast amounts of untaxed church property.

In 1850, I believe, the church property of the United States which paid no tax, municipal or State, amounted to about $83,000,000. In 1860 the amount had doubled; in 1875 it is about $1,000,000,000. By 1900, without check, it is safe to say this property will reach a sum exceeding $3,000,000,000. So vast a sum, receiving all the protection and benefits of Government without bearing its proportion of the burdens and expenses of the same, will not be looked upon acquiescently by those who have to pay the taxes. In a growing country, where real estate enhances so rapidly with time as in the United States, there is scarcely a limit to the wealth that may be acquired by corporations, religious or otherwise, if allowed to retain real estate without taxation. The contemplation of so vast a property as here alluded to, without taxation, may lead to sequestration without constitutional authority and through blood.

I would suggest the taxation of all property equally, whether church or corporation, exempting only the last resting place of the dead and possibly, with proper restrictions, church edifices.

Our relations with most of the foreign powers continue on a satisfactory and friendly footing.

Increased intercourse, the extension of commerce, and the cultivation of mutual interests have steadily improved our relations with the large majority of the powers of the world, rendering practicable the peaceful solution of questions which from time to time necessarily arise, leaving few which demand extended or particular notice.

The correspondence of the Department of State with our diplomatic representatives abroad is transmitted herewith.

I am happy to announce the passage of an act by the General Cortes of Portugal, proclaimed since the adjournment of Congress, for the abolition of servitude in the Portuguese colonies. It is to be hoped that such legislation may be another step toward the great consummation to be reached, when no man shall be permitted, directly or indirectly, under any guise, excuse, or form of law, to hold his fellow-man in bondage. I am of opinion also that it is the duty of the United States, as contributing toward that end, and required by the spirit of the age in which we live, to provide by suitable legislation that no citizen of the United States shall hold slaves as property in any other country or be interested therein.

Chile has made reparation in the case of the whale ship Good Return, seized without sufficient cause upward of forty years ago. Though she had hitherto denied her

accountability, the denial was never acquiesced in by this Government, and the justice of the claim has been so earnestly contended for that it has been gratifying that she should have at last acknowledged it.

Page 1240

The arbitrator in the case of the United States steamer Montijo, for the seizure and detention of which the Government of the United States of Colombia was held accountable, has decided in favor of the claim. This decision has settled a question which had been pending for several years, and which, while it continued open, might more or less disturb the good understanding which it is desirable should be maintained between the two Republics.

A reciprocity treaty with the King of the Hawaiian Islands was concluded some months since. As it contains a stipulation that it shall not take effect until Congress shall enact the proper legislation for that purpose, copies of the instrument are herewith submitted, in order that, if such should be the pleasure of Congress, the necessary legislation upon the subject may be adopted.

In March last an arrangement was made, through Mr. Cushing, our minister in Madrid, with the Spanish Government for the payment by the latter to the United States of the sum of $80,000 in coin, for the purpose of the relief of the families or persons of the ship's company and certain passengers of the Virginius. This sum was to have been paid in three installments at two months each. It is due to the Spanish Government that I should state that the payments were fully and spontaneously anticipated by that Government, and that the whole amount was paid within but a few days more than two months from the date of the agreement, a copy of which is herewith transmitted. In pursuance of the terms of the adjustment, I have directed the distribution of the amount among the parties entitled thereto, including the ship's company and such of the passengers as were American citizens. Payments are made accordingly, on the application by the parties entitled thereto.

The past year has furnished no evidence of an approaching termination of the ruinous conflict which has been raging for seven years in the neighboring island of Cuba. The same disregard of the laws of civilized warfare and of the just demands of humanity which has heretofore called forth expressions of condemnation from the nations of Christendom has continued to blacken the sad scene. Desolation, ruin, and pillage are pervading the rich fields of one of the most fertile and productive regions of the earth, and the incendiary's torch, firing plantations and valuable factories and buildings, is the agent marking the alternate advance or retreat of contending parties.

The protracted continuance of this strife seriously affects the interests of all commercial nations, but those of the United States more than others, by reason of close proximity, its larger trade and intercourse with Cuba, and the frequent and intimate personal and social relations which have grown up between its citizens and those of the island. Moreover, the property of our citizens in Cuba is large, and is rendered insecure and depreciated in value and in capacity of production by the continuance of the strife and the unnatural mode of its conduct. The same is true, differing only in degree, with respect to the interests and people of other nations; and the absence of any reasonable assurance of a near termination of the conflict must of necessity soon compel the States

thus suffering to consider what the interests of their own people and their duty toward themselves may demand.

Page 1241

I have hoped that Spain would be enabled to establish peace in her colony, to afford security to the property and the interests of our citizens, and allow legitimate scope to trade and commerce and the natural productions of the island. Because of this hope, and from an extreme reluctance to interfere in the most remote manner in the affairs of another and a friendly nation, especially of one whose sympathy and friendship in the struggling infancy of our own existence must ever be remembered with gratitude, I have patiently and anxiously waited the progress of events. Our own civil conflict is too recent for us not to consider the difficulties which surround a government distracted by a dynastic rebellion at home at the same time that it has to cope with a separate insurrection in a distant colony. But whatever causes may have produced the situation which so grievously affects our interests, it exists, with all its attendant evils operating directly upon this country and its people. Thus far all the efforts of Spain have proved abortive, and time has marked no improvement in the situation. The armed bands of either side now occupy nearly the same ground as in the past, with the difference, from time to time, of more lives sacrificed, more property destroyed, and wider extents of fertile and productive fields and more and more of valuable property constantly wantonly sacrificed to the incendiary's torch.

In contests of this nature, where a considerable body of people who have attempted to free themselves of the control of the superior government have reached such point in occupation of territory, in power, and in general organization as to constitute in fact a body politic; having a government in substance as well as in name; possessed of the elements of stability and equipped with the machinery for the administration of internal policy and the execution of its laws; prepared and able to administer justice at home, as well as in its dealings with other powers, it is within the province of those other powers to recognize its existence as a new and independent nation. In such cases other nations simply deal with an actually existing condition of things, and recognize as one of the powers of the earth that body politic which, possessing the necessary elements, has in fact become a new power. In a word, the creation of a new state is a fact.

To establish the condition of things essential to the recognition of this fact there must be a people occupying a known territory, united under some known and defined form of government, acknowledged by those subject thereto, in which the functions of government are administered by usual methods, competent to mete out justice to citizens and strangers, to afford remedies for public and for private wrongs, and able to assume the correlative international obligations and capable of performing the corresponding international duties resulting from its acquisition of the rights of sovereignty. A power should exist complete in its organization, ready to take and able to maintain its place among the nations of the earth.

Page 1242

While conscious that the insurrection in Cuba has shown a strength and endurance which make it at least doubtful whether it be in the power of Spain to subdue it, it seems unquestionable that no such civil organization exists which may be recognized as an independent government capable of performing its international obligations and entitled to be treated as one of the powers of the earth. A recognition under such circumstances would be inconsistent with the facts, and would compel the power granting it soon to support by force the government to which it had really given its only claim of existence. In my judgment the United States should adhere to the policy and the principles which have heretofore been its sure and safe guides in like contests between revolted colonies and their mother country, and, acting only upon the clearest evidence, should avoid any possibility of suspicion or of imputation.

A recognition of the independence of Cuba being, in my opinion, impracticable and indefensible, the question which next presents itself is that of the recognition of belligerent rights in the parties to the contest.

In a former message to Congress I had occasion to consider this question, and reached the conclusion that the conflict in Cuba, dreadful and devastating as were its incidents, did not rise to the fearful dignity of war. Regarding it now, after this lapse of time, I am unable to see that any notable success or any marked or real advance on the part of the insurgents has essentially changed the character of the contest. It has acquired greater age, but not greater or more formidable proportions. It is possible that the acts of foreign powers, and even acts of Spain herself, of this very nature, might be pointed to in defense of such recognition. But now, as in its past history, the United States should carefully avoid the false lights which might lead it into the mazes of doubtful law and of questionable propriety, and adhere rigidly and sternly to the rule, which has been its guide, of doing only that which is right and honest and of good report. The question of according or of withholding rights of belligerency must be judged in every case in view of the particular attending facts. Unless justified by necessity, it is always, and justly, regarded as an unfriendly act and a gratuitous demonstration of moral support to the rebellion. It is necessary, and it is required, when the interests and rights of another government or of its people are so far affected by a pending civil conflict as to require a definition of its relations to the parties thereto. But this conflict must be one which will be recognized in the sense of international law as war. Belligerence, too, is a fact. The mere existence of contending armed bodies and their occasional conflicts do not constitute war in the sense referred to. Applying to the existing condition of affairs in Cuba the tests recognized by publicists and writers on international law, and which have been

Page 1243

observed by nations of dignity, honesty, and power when free from sensitive or selfish and unworthy motives, I fail to find in the insurrection the existence of such a substantial political organization, real, palpable, and manifest to the world, having the forms and capable of the ordinary functions of government toward its own people and to other states, with courts for the administration of justice, with a local habitation, possessing such organization of force, such material, such occupation of territory, as to take the contest out of the category of a mere rebellious insurrection or occasional skirmishes and place it on the terrible footing of war, to which a recognition of belligerency would aim to elevate it. The contest, moreover, is solely on land; the insurrection has not possessed itself of a single seaport whence it may send forth its flag, nor has it any means of communication with foreign powers except through the military lines of its adversaries. No apprehension of any of those sudden and difficult complications which a war upon the ocean is apt to precipitate upon the vessels, both commercial and national, and upon the consular officers of other powers calls for the definition of their relations to the parties to the contest. Considered as a question of expediency, I regard the accordance of belligerent rights still to be as unwise and premature as I regard it to be, at present, indefensible as a measure of right. Such recognition entails upon the country according the rights which flow from it difficult and complicated duties, and requires the exaction from the contending parties of the strict observance of their rights and obligations; it confers the right of search upon the high seas by vessels of both parties; it would subject the carrying of arms and munitions of war, which now may be transported freely and without interruption in the vessels of the United States, to detention and to possible seizure; it would give rise to countless vexatious questions, would release the parent Government from responsibility for acts done by the insurgents, and would invest Spain with the right to exercise the supervision recognized by our treaty of 1795 over our commerce on the high seas, a very large part of which, in its traffic between the Atlantic and the Gulf States and between all of them and the States on the Pacific, passes through the waters which wash the shores of Cuba. The exercise of this supervision could scarce fail to lead, if not to abuses, certainly to collisions perilous to the peaceful relations of the two States. There can be little doubt to what result such supervision would before long draw this nation. It would be unworthy of the United States to inaugurate the possibilities of such result by measures of questionable right or expediency or by any indirection. Apart from any question of theoretical right, I am satisfied that while the accordance of belligerent rights to the insurgents in Cuba might give them a hope and an inducement

Page 1244

to protract the struggle, it would be but a delusive hope, and would not remove the evils which this Government and its people are experiencing, but would draw the United States into complications which it has waited long and already suffered much to avoid. The recognition of independence or of belligerency being thus, in my judgment, equally inadmissible, it remains to consider what course shall be adopted should the conflict not soon be brought to an end by acts of the parties themselves, and should the evils which result therefrom, affecting all nations, and particularly the United States, continue. In such event I am of opinion that other nations will be compelled to assume the responsibility which devolves upon them, and to seriously consider the only remaining measures possible—mediation and intervention, Owing, perhaps, to the large expanse of water separating the island from the peninsula, the want of harmony and of personal sympathy between the inhabitants of the colony and those sent thither to rule them, and want of adaptation of the ancient colonial system of Europe to the present times and to the ideas which the events of the past century have developed, the contending parties appear to have within themselves no depository of common confidence to suggest wisdom when passion and excitement have their sway and to assume the part of peacemaker. In this view in the earlier days of the contest the good offices of the United States as a mediator were tendered in good faith, without any selfish purpose, in the interest of humanity and in sincere friendship for both parties, but were at the time declined by Spain, with the declaration, nevertheless, that at a future time they would be indispensable. No intimation has been received that in the opinion of Spain that time has been reached. And yet the strife continues, with all its dread horrors and all its injuries to the interests of the United States and of other nations. Each party seems quite capable of working great injury and damage to the other, as well as to all the relations and interests dependent on the existence of peace in the island; but they seem incapable of reaching any adjustment, and both have thus far failed of achieving any success whereby one party shall possess and control the island to the exclusion of the other. Under these circumstances the agency of others, either by mediation or by intervention, seems to be the only alternative which must, sooner or later, be invoked for the termination of the strife. At the same time, while thus impressed I do not at this time recommend the adoption of any measure of intervention. I shall be ready at all times, and as the equal friend of both parties, to respond to a suggestion that the good offices of the United States will be acceptable to aid in bringing about a peace honorable to both. It is due to Spain, so far as this Government is concerned, that the agency of a third power, to which I have adverted, shall be adopted only as a last expedient. Had it been

Page 1245

the desire of the United States to interfere in the affairs of Cuba, repeated opportunities for so doing have been presented within the last few years; but we have remained passive, and have performed our whole duty and all international obligations to Spain with friendship, fairness, and fidelity, and with a spirit of patience and forbearance which negatives every possible suggestion of desire to interfere or to add to the difficulties with which she has been surrounded.

The Government of Spain has recently submitted to our minister at Madrid certain proposals which it is hoped may be found to be the basis, if not the actual submission, of terms to meet the requirements of the particular griefs of which this Government has felt itself entitled to complain. These proposals have not yet reached me in their full text. On their arrival they will be taken into careful examination, and may, I hope, lead to a satisfactory adjustment of the questions to which they refer and remove the possibility of future occurrences such as have given rise to our just complaints.

It is understood also that renewed efforts are being made to introduce reforms in the internal administration of the island. Persuaded, however, that a proper regard for the interests of the United States and of its citizens entitles it to relief from the strain to which it has been subjected by the difficulties of the questions and the wrongs and losses which arise from the contest in Cuba, and that the interests of humanity itself demand the cessation of the strife before the whole island shall be laid waste and larger sacrifices of life be made, I shall feel it my duty, should my hopes of a satisfactory adjustment and of the early restoration of peace and the removal of future causes of complaint be, unhappily, disappointed, to make a further communication to Congress at some period not far remote, and during the present session, recommending what may then seem to me to be necessary.

The free zone, so called, several years since established by the Mexican Government in certain of the States of that Republic adjacent to our frontier, remains in full operation. It has always been materially injurious to honest traffic, for it operates as an incentive to traders in Mexico to supply without customs charges the wants of inhabitants on this side of the line, and prevents the same wants from being supplied by merchants of the United States, thereby to a considerable extent defrauding our revenue and checking honest commercial enterprise.

Depredations by armed bands from Mexico on the people of Texas near the frontier continue. Though the main object of these incursions is robbery, they frequently result in the murder of unarmed and peaceably disposed persons, and in some instances even the United States post-offices and mail communications have been attacked. Renewed remonstrances upon this subject have been addressed to the Mexican Government, but without much

Page 1246

apparent effect. The military force of this Government disposable for service in that quarter is quite inadequate to effectually guard the line, even at those points where the incursions are usually made. An experiment of an armed vessel on the Rio Grande for that purpose is on trial, and it is hoped that, if not thwarted by the shallowness of the river and other natural obstacles, it may materially contribute to the protection of the herdsmen of Texas.

The proceedings of the joint commission under the convention between the United States and Mexico of the 4th of July, 1868, on the subject of claims, will soon be brought to a close. The result of those proceedings will then be communicated to Congress.

I am happy to announce that the Government of Venezuela has, upon further consideration, practically abandoned its objection to pay to the United States that share of its revenue which some years since it allotted toward the extinguishment of the claims of foreigners generally. In thus reconsidering its determination that Government has shown a just sense of self-respect which can not fail to reflect credit upon it in the eyes of all disinterested persons elsewhere. It is to be regretted, however, that its payments on account of claims of citizens of the United States are still so meager in amount, and that the stipulations of the treaty in regard to the sums to be paid and the periods when those payments were to take place should have been so signally disregarded.

Since my last annual message the exchange has been made of the ratification of a treaty of commerce and navigation with Belgium, and of conventions with the Mexican Republic for the further extension of the joint commission respecting claims; with the Hawaiian Islands for commercial reciprocity, and with the Ottoman Empire for extradition; all of which have been duly proclaimed.

The Court of Commissioners of Alabama Claims has prosecuted its important duties very assiduously and very satisfactorily. It convened and was organized on the 22d day of July, 1874, and by the terms of the act under which it was created was to exist for one year from that date. The act provided, however, that should it be found impracticable to complete the work of the court before the expiration of the year the President might by proclamation extend the time of its duration to a period not more than six months beyond the expiration of the one year.

Having received satisfactory evidence that it would be impracticable to complete the work within the time originally fixed, I issued a proclamation (a copy of which is presented herewith) extending the time of duration of the court for a period of six months from and after the 22d day of July last.

Page 1247

A report made through the clerk of the court (communicated herewith) shows the condition of the calendar on the 1st of November last and the large amount of work which has been accomplished. One thousand three hundred and eighty-two claims have been presented, of which 682 had been disposed of at the date of the report. I am informed that 170 cases were decided during the month of November. Arguments are being made and decisions given in the remaining cases with all the dispatch consistent with the proper consideration of the questions submitted. Many of these claims are in behalf of mariners, or depend on the evidence of mariners, whose absence has delayed the taking or the return of the necessary evidence.

It is represented to me that it will be impracticable for the court to finally dispose of all the cases before it within the present limit of its duration. Justice to the parties claimant, who have been at large expense in preparing their claims and obtaining the evidence in their support, suggests a short extension, to enable the court to dispose of all of the claims which have been presented.

I recommend the legislation which may be deemed proper to enable the court to complete the work before it.

I recommend that some suitable provision be made, by the creation of a special court or by conferring the necessary jurisdiction upon some appropriate tribunal, for the consideration and determination of the claims of aliens against the Government of the United States which have arisen within some reasonable limitation of time, or which may hereafter arise, excluding all claims barred by treaty provisions or otherwise. It has been found impossible to give proper consideration to these claims by the Executive Departments of the Government. Such a tribunal would afford an opportunity to aliens other than British subjects to present their claims on account of acts committed against their persons or property during the rebellion, as also to those subjects of Great Britain whose claims, having arisen subsequent to the 9th day of April, 1865, could not be presented to the late commission organized pursuant to the provisions of the treaty of Washington.

The electric telegraph has become an essential and indispensable agent in the transmission of business and social messages. Its operation on land, and within the limit of particular states, is necessarily under the control of the jurisdiction within which it operates. The lines on the high seas, however, are not subject to the particular control of any one government.

In 1869 a concession was granted by the French Government to a company which proposed to lay a cable from the shores of France to the United States. At that time there was a telegraphic connection between the United States and the continent of Europe (through the possessions of Great Britain at either end of the line), under the control of an association which had, at large outlay of capital and at great risk,

Page 1248

demonstrated the practicability of maintaining such means of communication. The cost of correspondence by this agency was great, possibly not too large at the time for a proper remuneration for so hazardous and so costly an enterprise. It was, however, a heavy charge upon a means of communication which the progress in the social and commercial intercourse of the world found to be a necessity, and the obtaining of this French concession showed that other capital than that already invested was ready to enter into competition, with assurance of adequate return for their outlay. Impressed with the conviction that the interests, not only of the people of the United States, but of the world at large, demanded, or would demand, the multiplication of such means of communication between separated continents, I was desirous that the proposed connection should be made; but certain provisions of this concession were deemed by me to be objectionable, particularly one which gave for a long term of years the exclusive right of telegraphic communication by submarine cable between the shores of France and the United States. I could not concede that any power should claim the right to land a cable on the shores of the United States and at the same time deny to the United States, or to its citizens or grantees, an equal fight to land a cable on its shores. The right to control the conditions for the laying of a cable within the jurisdictional waters of the United States, to connect our shores with those of any foreign state, pertains exclusively to the Government of the United States, under such limitations and conditions as Congress may impose. In the absence of legislation by Congress I was unwilling, on the one hand, to yield to a foreign state the right to say that its grantees might land on our shores while it denied a similar right to our people to land on its shores, and, on the other hand, I was reluctant to deny to the great interests of the world and of civilization the facilities of such communication as were proposed. I therefore withheld any resistance to the landing of the cable on condition that the offensive monopoly feature of the concession be abandoned, and that the right of any cable which may be established by authority of this Government to land upon French territory and to connect with French land lines and enjoy all the necessary facilities or privileges incident to the use thereof upon as favorable terms as any other company be conceded. As the result thereof the company in question renounced the exclusive privilege, and the representative of France was informed that, understanding this relinquishment to be construed as granting the entire reciprocity and equal facilities which had been demanded, the opposition to the landing of the cable was withdrawn. The cable, under this French concession, was landed in the month of July, 1869, and has been an efficient and valuable agent of communication between this country and the other continent. It soon passed under the control,

Page 1249

however, of those who had the management of the cable connecting Great Britain with this continent, and thus whatever benefit to the public might have ensued from competition between the two lines was lost, leaving only the greater facilities of an additional line and the additional security in case of accident to one of them. But these increased facilities and this additional security, together with the control of the combined capital of the two companies, gave also greater power to prevent the future construction of other lines and to limit the control of telegraphic communication between the two continents to those possessing the lines already laid. Within a few months past a cable has been laid, known as the United States Direct Cable Company, connecting the United States directly with Great Britain. As soon as this cable was reported to be laid and in working order the rates of the then existing consolidated companies were greatly reduced. Soon, however, a break was announced in this new cable, and immediately the rates of the other line, which had been reduced, were again raised. This cable being now repaired, the rates appear not to be reduced by either line from those formerly charged by the consolidated companies.

There is reason to believe that large amounts of capital, both at home and abroad, are ready to seek profitable investment in the advancement of this useful and most civilizing means of intercourse and correspondence. They await, however, the assurance of the means and conditions on which they may safely be made tributary to the general good.

As these cable telegraph lines connect separate states, there are questions as to their organization and control which probably can be best, if not solely, settled by conventions between the respective states. In the absence, however, of international conventions on the subject, municipal legislation may secure many points which appear to me important, if not indispensable for the protection of the public against the extortions which may result from a monopoly of the right of operating cable telegrams or from a combination between several lines:

I. No line should be allowed to land on the shores of the United States under the concession from another power which does not admit the right of any other line or lines, formed in the United States, to land and freely connect with and operate through its land lines.

II. No line should be allowed to land on the shores of the United States which is not, by treaty stipulation with the government from whose shores it proceeds, or by prohibition in its charter, or otherwise to the satisfaction of this Government, prohibited from consolidating or amalgamating with any other cable telegraph line, or combining therewith for the purpose of regulating and maintaining the cost of telegraphing.

III. All lines should be bound to give precedence in the transmission of the official messages of the governments of the two countries between which it may be laid.

Page 1250

IV. A power should be reserved to the two governments, either conjointly or to each, as regards the messages dispatched from its shores, to fix a limit to the charges to be demanded for the transmission of messages.

I present this subject to the earnest consideration of Congress.

In the meantime, and unless Congress otherwise direct, I shall not oppose the landing of any telegraphic cable which complies with and assents to the points above enumerated, but will feel it my duty to prevent the landing of any which does not conform to the first and second points as stated, and which will not stipulate to concede to this Government the precedence in the transmission of its official messages and will not enter into a satisfactory arrangement with regard to its charges.

Among the pressing and important subjects to which, in my opinion, the attention of Congress should be directed are those relating to fraudulent naturalization and expatriation.

The United States, with great liberality, offers its citizenship to all who in good faith comply with the requirements of law. These requirements are as simple and upon as favorable terms to the emigrant as the high privilege to which he is admitted can or should permit. I do not propose any additional requirements to those which the law now demands; but the very simplicity and the want of unnecessary formality in our law have made fraudulent naturalization not infrequent, to the discredit and injury of all honest citizens, whether native or naturalized. Cases of this character are continually being brought to the notice of the Government by our representatives abroad, and also those of persons resident in other countries, most frequently those who, if they have remained in this country long enough to entitle them to become naturalized, have generally not much overpassed that period, and have returned to the country of their origin, where they reside, avoiding all duties to the United States by their absence, and claiming to be exempt from all duties to the country of their nativity and of their residence by reason of their alleged naturalization. It is due to this Government itself and to the great mass of the naturalized citizens who entirely, both in name and in fact, become citizens of the United States that the high privilege of citizenship of the United States should not be held by fraud or in derogation of the laws and of the good name of every honest citizen. On many occasions it has been brought to the knowledge of the Government that certificates of naturalization are held and protection or interference claimed by parties who admit that not only they were not within the United States at the time of the pretended naturalization, but that they have never resided in the United States; in others the certificate and record of the court show on their face that the person claiming to be naturalized had not resided the required time in the United States;

Page 1251

in others it is admitted upon examination that the requirements of law have not been complied with; in some cases, even, such certificates have been matter of purchase. These are not isolated cases, arising at rare intervals, but of common occurrence, and which are reported from all quarters of the globe. Such occurrences can not, and do not, fail to reflect upon the Government and injure all honest citizens. Such a fraud being discovered, however, there is no practicable means within the control of the Government by which the record of naturalization can be vacated; and should the certificate be taken up, as it usually is, by the diplomatic and consular representatives of the Government to whom it may have been presented, there is nothing to prevent the person claiming to have been naturalized from obtaining a new certificate from the court in place of that which has been taken from him.

The evil has become so great and of such frequent occurrence that I can not too earnestly recommend that some effective measures be adopted to provide a proper remedy and means for the vacating of any record thus fraudulently made, and of punishing the guilty parties to the transaction.

In this connection I refer also to the question of expatriation and the election of nationality.

The United States was foremost in upholding the right of expatriation, and was principally instrumental in overthrowing the doctrine of perpetual allegiance. Congress has declared the right of expatriation to be a natural and inherent right of all people; but while many other nations have enacted laws providing what formalities shall be necessary to work a change of allegiance, the United States has enacted no provisions of law and has in no respect marked out how and when expatriation may be accomplished by its citizens. Instances are brought to the attention of the Government where citizens of the United States, either naturalized or native born, have formally become citizens or subjects of foreign powers, but who, nevertheless, in the absence of any provisions of legislation on this question, when involved in difficulties or when it seems to be their interest, claim to be citizens of the United States and demand the intervention of a Government which they have long since abandoned and to which for years they have rendered no service nor held themselves in any way amenable.

In other cases naturalized citizens, immediately after naturalization, have returned to their native country; have become engaged in business; have accepted offices or pursuits inconsistent with American citizenship, and evidence no intent to return to the United States until called upon to discharge some duty to the country where they are residing, when at once they assert their citizenship and call upon the representatives of the Government to aid them in their unjust pretensions. It is but justice to all bona fide citizens that no doubt should exist on such questions, and that Congress should

determine by enactment of law how expatriation may be accomplished and change of citizenship be established.

Page 1252

I also invite your attention to the necessity of regulating by law the status of American women who may marry foreigners, and of defining more fully that of children born in a foreign country of American parents who may reside abroad; and also of some further provision regulating or giving legal effect to marriages of American citizens contracted in foreign countries. The correspondence submitted herewith shows a few of the constantly occurring questions on these points presented to the consideration of the Government. There are few subjects to engage the attention of Congress on which more delicate relations or more important interests are dependent.

In the month of July last the building erected for the Department of State was taken possession of and occupied by that Department. I am happy to announce that the archives and valuable papers of the Government in the custody of that Department are now safely deposited and properly cared for.

The report of the Secretary of the Treasury shows the receipts from customs for the fiscal year ending June 30, 1874, to have been $163,103,833.69, and for the fiscal year ending June 30, 1875, to have been $157,267,722.35, a decrease for the last fiscal year of $5,936,111.34. Receipts from internal revenue for the year ending the 30th of June, 1874, were $102,409,784.90, and for the year ending June 30, 1875, $110,007,493.58; increase, $7,597,708.68.

The report also shows a complete history of the workings of the Department for the last year, and contains recommendations for reforms and for legislation which I concur in, but can not comment on so fully as I should like to do if space would permit, but will confine myself to a few suggestions which I look upon as vital to the best interests of the whole people—coming within the purview of “Treasury;” I mean specie resumption. Too much stress can not be laid upon this question, and I hope Congress may be induced, at the earliest day practicable, to insure the consummation of the act of the last Congress, at its last session, to bring about specie resumption “on and after the 1st of January, 1879,” at furthest. It would be a great blessing if this could be consummated even at an earlier day.

Nothing seems to me more certain than that a full, healthy, and permanent reaction can not take place in favor of the industries and financial welfare of the country until we return to a measure of values recognized throughout the civilized world. While we use a currency not equivalent to this standard the world’s recognized standard, specie, becomes a commodity like the products of the soil, the surplus seeking a market wherever there is a demand for it.

Page 1253

Under our present system we should want none, nor would we have any, were it not that customs dues must be paid in coin and because of the pledge to pay interest on the public debt in coin. The yield of precious metals would flow out for the purchase of foreign productions and the United States “hewers of wood and drawers of water,” because of wiser legislation on the subject of finance by the nations with whom we have dealings. I am not prepared to say that I can suggest the best legislation to secure the end most heartily recommended. It will be a source of great gratification to me to be able to approve any measure of Congress looking effectively toward securing “resumption.”

Unlimited inflation would probably bring about specie payments more speedily than any legislation looking to redemption of the legal-tenders in coin; but it would be at the expense of honor. The legal-tenders would have no value beyond settling present liabilities, or, properly speaking, repudiating them. They would buy nothing after debts were all settled.

There are a few measures which seem to me important in this connection and which I commend to your earnest consideration:

A repeal of so much of the legal-tender act as makes these notes receivable for debts contracted after a date to be fixed in the act itself, say not later than the 1st of January, 1877. We should then have quotations at real values, not fictitious ones. Gold would no longer be at a premium, but currency at a discount. A healthy reaction would set in at once, and with it a desire to make the currency equal to what it purports to be. The merchants, manufacturers, and tradesmen of every calling could do business on a fair margin of profit, the money to be received having an unvarying value. Laborers and all classes who work for stipulated pay or salary would receive more for their income, because extra profits would no longer be charged by the capitalists to compensate for the risk of a downward fluctuation in the value of the currency.

Second. That the Secretary of the Treasury be authorized to redeem, say, not to exceed $2,000,000 monthly of legal-tender notes, by issuing in their stead a long bond, bearing interest at the rate of 3.65 per cent per annum, of denominations ranging from $50 up to $1,000 each. This would in time reduce the legal-tender notes to a volume that could be kept afloat without demanding redemption in large sums suddenly.

Third. That additional power be given to the Secretary of the Treasury to accumulate gold for final redemption, either by increasing revenue, curtailing expenses, or both (it is preferable to do both); and I recommend that reduction of expenditures be made wherever it can be done without impairing Government obligations or crippling the due execution thereof. One measure for increasing the revenue—and the only one I think of—is the restoration of the duty on tea and coffee. These duties would add probably $18,000,000 to the present amount received from imports, and would in no way increase the prices paid for those articles by the consumers.

Page 1254

These articles are the products of countries collecting revenue from exports, and as we, the largest consumers, reduce the duties they proportionately increase them. With this addition to the revenue, many duties now collected, and which give but an insignificant return for the cost of collection, might be remitted, and to the direct advantage of consumers at home.

I would mention those articles which enter into manufactures of all sorts. All duty paid upon such articles goes directly to the cost of the article when manufactured here, and must be paid for by the consumers. These duties not only come from the consumers at home, but act as a protection to foreign manufacturers of the same completed articles in our own and distant markets.

I will suggest or mention another subject bearing upon the problem of “how to enable the Secretary of the Treasury to accumulate balances.” It is to devise some better method of verifying claims against the Government than at present exists through the Court of Claims, especially those claims growing out of the late war. Nothing is more certain than that a very large percentage of the amounts passed and paid are either wholly fraudulent or are far in excess of the real losses sustained. The large amount of losses proven—on good testimony according to existing laws, by affidavits of fictitious or unscrupulous persons—to have been sustained on small farms and plantations are not only far beyond the possible yield of those places for any one year, but, as everyone knows who has had experience in tilling the soil and who has visited the scenes of these spoliations, are in many instances more than the individual claimants were ever worth, including their personal and real estate.

The report of the Attorney-General, which will be submitted to Congress at an early day, will contain a detailed history of awards made and of claim pending of the class here referred to.

The report of the Secretary of War, accompanying this message, gives a detailed account of Army operations for the year just passed, expenses for maintenance, *etc*., with recommendations for legislation to which I respectfully invite your attention. To some of these I invite special attention:

First. The necessity of making $300,000 of the appropriation for the Subsistence Department available before the beginning of the next fiscal year. Without this provision troops at points distant from supply production must either go without food or existing laws must be violated. It is not attended with cost to the Treasury.

Second. His recommendation for the enactment of a system of annuities for the families of deceased officers by voluntary deductions from the monthly pay of officers. This again is not attended with burden upon the Treasury, and would for the future relieve much distress which every old army officer has witnessed in the past—of officers

dying suddenly or being killed, leaving families without even the means of reaching their friends, if fortunate enough to have friends to aid them.

Page 1255

Third. The repeal of the law abolishing mileage, and a return to the old system.

Fourth. The trial with torpedoes under the Corps of Engineers, and appropriation for the same. Should war ever occur between the United States and any maritime power, torpedoes will be among if not the most effective and cheapest auxiliary for the defense of harbors, and also in aggressive operations, that we can have. Hence it is advisable to learn by experiment their best construction and application, as well as effect.

Fifth. A permanent organization for the Signal-Service Corps. This service has now become a necessity of peace as well as war, under the advancement made by the present able management.

Sixth. A renewal of the appropriation for compiling the official records of the war, *etc*.

The condition of our Navy at this time is a subject of satisfaction. It does not contain, it is true, any of the powerful cruising ironclads which make so much of the maritime strength of some other nations, but neither our continental situation nor our foreign policy requires that we should have a large number of ships of this character, while this situation and the nature of our ports combine to make those of other nations little dangerous to us under any circumstances.

Our Navy does contain, however, a considerable number of ironclads of the monitor class, which, though not properly cruisers, are powerful and effective for harbor defense and for operations near our own shores. Of these all the single-turreted ones, fifteen in number, have been substantially rebuilt, their rotten wooden beams replaced with iron, their hulls strengthened, and their engines and machinery thoroughly repaired, so that they are now in the most efficient condition and ready for sea as soon as they can be manned and put in commission.

The five double-turreted ironclads belonging to our Navy, by far the most powerful of our ships for fighting purposes, are also in hand undergoing complete repairs, and could be ready for sea in periods varying from four to six months. With these completed according to the present design and our two iron torpedo boats now ready, our ironclad fleet will be, for the purposes of defense at home, equal to any force that can readily be brought against it.

Of our wooden navy also cruisers of various sizes, to the number of about forty, including those now in commission, are in the Atlantic, and could be ready for duty as fast as men could be enlisted for those not already in commission. Of these, one-third are in effect new ships, and though some of the remainder need considerable repairs to their boilers and machinery, they all are, or can readily be made, effective.

Page 1256

This constitutes a fleet of more than fifty war ships, of which fifteen are ironclad, now in hand on the Atlantic coast. The Navy has been brought to this condition by a judicious and practical application of what could be spared from the current appropriations of the last few years and from that made to meet the possible emergency of two years ago. It has been done quietly, without proclamation or display, and though it has necessarily straitened the Department in its ordinary expenditure, and, as far as the ironclads are concerned, has added nothing to the cruising force of the Navy, yet the result is not the less satisfactory because it is to be found in a great increase of real rather than apparent force. The expenses incurred in the maintenance of an effective naval force in all its branches are necessarily large, but such force is essential to our position, relations, and character, and affects seriously the weight of our principles and policy throughout the whole sphere of national responsibilities.

The estimates for the regular support of this branch of the service for the next year amount to a little less in the aggregate than those made for the current year; but some additional appropriations are asked for objects not included in the ordinary maintenance of the Navy, but believed to be of pressing importance at this time. It would, in my opinion, be wise at once to afford sufficient means for the immediate completion of the five double-turreted monitors now undergoing repairs, which must otherwise advance slowly, and only as money can be spared from current expenses. Supplemented by these, our Navy, armed with the destructive weapons of modern warfare, manned by our seamen, and in charge of our instructed officers, will present a force powerful for the home purposes of a responsible though peaceful nation.

The report of the Postmaster-General herewith transmitted gives a full history of the workings of the Department for the year just past. It will be observed that the deficiency to be supplied from the General Treasury is increased over the amount required for the preceding year. In a country so vast in area as the United States, with large portions sparsely settled, it must be expected that this important service will be more or less a burden upon the Treasury for many years to come. But there is no branch of the public service which interests the whole people more than that of cheap and rapid transmission of the mails to every inhabited part of our territory. Next to the free school, the post-office is the great educator of the people, and it may well receive the support of the General Government.

The subsidy of $150,000 per annum given to vessels of the United States for carrying the mails between New York and Rio de Janeiro having ceased on the 30th day of September last, we are without direct mail facilities with the South American States. This is greatly to be regretted, and I do not hesitate to recommend the authorization of a renewal of that contract, and also that the service may be increased from monthly to semi-monthly trips. The commercial advantages to be gained by a direct line of American steamers to the South American States will far outweigh the expense of the service.

Page 1257

By act of Congress approved March 3, 1875, almost all matter, whether properly mail matter or not, may be sent any distance through the mails, in packages not exceeding 4 pounds in weight, for the sum of 16 cents per pound. So far as the transmission of real mail matter goes, this would seem entirely proper; but I suggest that the law be so amended as to exclude from the mails merchandise of all descriptions, and limit this transportation to articles enumerated, and which may be classed as mail matter proper.

The discovery of gold in the Black Hills, a portion of the Sioux Reservation, has had the effect to induce a large emigration of miners to that point. Thus far the effort to protect the treaty rights of the Indians to that section has been successful, but the next year will certainly witness a large increase of such emigration. The negotiations for the relinquishment of the gold fields having failed, it will be necessary for Congress to adopt some measures to relieve the embarrassment growing out of the causes named. The Secretary of the Interior suggests that the supplies now appropriated for the sustenance of that people, being no longer obligatory under the treaty of 1868, but simply a gratuity, may be issued or withheld at his discretion.

The condition of the Indian Territory, to which I have referred in several of my former annual messages, remains practically unchanged. The Secretary of the Interior has taken measures to obtain a full report of the condition of that Territory, and will make it the subject of a special report at an early day. It may then be necessary to make some further recommendation in regard to legislation for the government of that Territory.

The steady growth and increase of the business of the Patent Office indicates in some measure the progress of the industrial activity of the country. The receipts of the office are in excess of its expenditures, and the office generally is in a prosperous and satisfactory condition.

The report of the General Land Office shows that there were 2,459,601 acres less disposed of during this than during the last year. More than one-half of this decrease was in lands disposed of under the homestead and timber-culture laws. The cause of this decrease is supposed to be found in the grasshopper scourge and the droughts which prevailed so extensively in some of the frontier States and Territories during that time as to discourage and deter entries by actual settlers. The cash receipts were less by $690,322.23 than during the preceding year.

The entire surveyed area of the public domain is 680,253,094 acres, of which 26,077,531 acres were surveyed during the past year, leaving 1,154,471,762 acres still unsurveyed.

The report of the Commissioner presents many interesting suggestions in regard to the management and disposition of the public domain and the modification of existing laws, the apparent importance of which should insure for them the careful consideration of Congress.

Page 1258

The number of pensioners still continues to decrease, the highest number having been reached during the year ending June 30, 1873. During the last year 11,557 names were added to the rolls, and 12,977 were dropped therefrom, showing a net decrease of 1,420. But while the number of pensioners has decreased, the annual amount due on the pension rolls has increased $44,733.13. This is caused by the greatly increased average rate of pensions, which, by the liberal legislation of Congress, has increased from $90.26 in 1872 to $103.91 in 1875 to each invalid pensioner, an increase in the average rate of 15 per cent in the three years. During the year ending June 30, 1875, there was paid on account of pensions, including the expenses of disbursement, $29,683,116, being $910,632 less than was paid the preceding year. This reduction in amount of expenditures was produced by the decrease in the amount of arrearages due on allowed claims and on pensions the rate of which was increased by the legislation of the preceding session of Congress. At the close of the last fiscal year there were on the pension rolls 234,821 persons, of whom 210,363 were army pensioners, 105,478 being invalids and 104,885 widows and dependent relatives; 3,420 were navy pensioners, of whom 1,636 were invalids and 1,784 widows and dependent relatives; 21,038 were pensioners of the War of 1812, 15,875 of whom were survivors and 5,163 were widows.

It is estimated that $29,535,000 will be required for the payment of pensions for the next fiscal year, an amount $965,000 less than the estimate for the present year.

The geological explorations have been prosecuted with energy during the year, covering an area of about 40,000 square miles in the Territories of Colorado, Utah, and New Mexico, developing the agricultural and mineral resources and furnishing interesting scientific and topographical details of that region.

The method for the treatment of the Indians adopted at the beginning of my first term has been steadily pursued, and with satisfactory and encouraging results. It has been productive of evident improvement in the condition of that race, and will be continued, with only such modifications as further experience may indicate to be necessary.

The board heretofore appointed to take charge of the articles and materials pertaining to the War, the Navy, the Treasury, the Interior, and the Post-Office Departments, and the Department of Agriculture, the Smithsonian Institution, and the Commission of Food Fishes, to be contributed, under the legislation of last session, to the international exhibition to be held at Philadelphia during the centennial year 1876, has been diligent in the discharge of the duties which have devolved upon it; and the preparations so far made with the means at command give assurance that the governmental contribution will be made one of the marked characteristics of the exhibition. The board has observed commendable economy in the matter

Page 1259

of the erection of a building for the governmental exhibit, the expense of which it is estimated will not exceed, say, $80,000. This amount has been withdrawn, under the law, from the appropriations of five of the principal Departments, which leaves some of those Departments without sufficient means to render their respective practical exhibits complete and satisfactory. The exhibition being an international one, and the Government being a voluntary contributor, it is my opinion that its contribution should be of a character, in quality and extent, to sustain the dignity and credit of so distinguished a contributor. The advantages to the country of a creditable display are, in an international point of view, of the first importance, while an indifferent or uncreditable participation by the Government would be humiliating to the patriotic feelings of our people themselves. I commend the estimates of the board for the necessary additional appropriations to the favorable consideration of Congress.

The powers of Europe almost without exception, many of the South American States, and even the more distant Eastern powers have manifested their friendly sentiments toward the United States and the interest of the world in our progress by taking steps to join with us in celebrating the centennial of the nation, and I strongly recommend that a more national importance be given to this exhibition by such legislation and by such appropriation as will insure its success. Its value in bringing to our shores innumerable useful works of art and skill, the commingling of the citizens of foreign countries and our own, and the interchange of ideas and manufactures will far exceed any pecuniary outlay we may make.

I transmit herewith the report of the Commissioner of Agriculture, together with the reports of the Commissioners, the board of audit, and the board of health of the District of Columbia, to all of which I invite your attention.

The Bureau of Agriculture has accomplished much in disseminating useful knowledge to the agriculturist, and also in introducing new and useful productions adapted to our soil and climate, and is worthy of the continued encouragement of the Government.

The report of the Commissioner of Education, which accompanies the report of the Secretary of the Interior, shows a gratifying progress in educational matters.

In nearly every annual message that I have had the honor of transmitting to Congress I have called attention to the anomalous, not to say scandalous, condition of affairs existing in the Territory of Utah, and have asked for definite legislation to correct it. That polygamy should exist in a free, enlightened, and Christian country, without the power to punish so flagrant a crime against decency and morality, seems preposterous. True, there is no law to sustain this unnatural vice; but what is needed is a law to punish it as a crime, and at the same time to fix the status of the innocent children, the offspring of

this system, and of the possibly innocent plural wives. But as an institution polygamy should be banished from the land.

Page 1260

While this is being done I invite the attention of Congress to another, though perhaps no less an evil—the importation of Chinese women, but few of whom are brought to our shores to pursue honorable or useful occupations.

Observations while visiting the Territories of Wyoming, Utah, and Colorado during the past autumn convinced me that existing laws regulating the disposition of public lands, timber, *etc*., and probably the mining laws themselves, are very defective and should be carefully amended, and at an early day. Territory where cultivation of the soil can only be followed by irrigation, and where irrigation is not practicable the lands can only be used as pasturage, and this only where stock can reach water (to quench its thirst), can not be governed by the same laws as to entries as lands every acre of which is an independent estate by itself.

Land must be held in larger quantities to justify the expense of conducting water upon it to make it fruitful, or to justify utilizing it as pasturage. The timber in most of the Territories is principally confined to the mountain regions, which are held for entry in small quantities only, and as mineral lands. The timber is the property of the United States, for the disposal of which there is now no adequate law. The settler must become a consumer of this timber, whether he lives upon the plain or engages in working the mines. Hence every man becomes either a trespasser himself or knowingly a patron of trespassers.

My opportunities for observation were not sufficient to justify me in recommending specific legislation on these subjects, but I do recommend that a joint committee of the two Houses of Congress, sufficiently large to be divided into subcommittees, be organized to visit all the mining States and Territories during the coming summer, and that the committee shall report to Congress at the next session such laws or amendments to laws as it may deem necessary to secure the best interests of the Government and the people of these Territories, who are doing so much for their development.

I am sure the citizens occupying the territory described do not wish to be trespassers, nor will they be if legal ways are provided for them to become owners of these actual necessities of their position.

As this will be the last annual message which I shall have the honor of transmitting to Congress before my successor is chosen, I will repeat or recapitulate the questions which I deem of vital importance which may be legislated upon and settled at this session:

First. That the States shall be required to afford the opportunity of a good common-school education to every child within their limits.

Second. No sectarian tenets shall ever be taught in any school supported in whole or in part by the State, nation, or by the proceeds of any tax levied upon any community. Make education compulsory so far as to deprive all persons who can not read and write from becoming voters after the year 1890, disfranchising none, however, on grounds of illiteracy who may be voters at the time this amendment takes effect.

Page 1261

Third. Declare church and state forever separate and distinct, but each free within their proper spheres; and that all church property shall bear its own proportion of taxation.

Fourth. Drive out licensed immorality, such as polygamy and the importation of women for illegitimate purposes. To recur again to the centennial year, it would seem as though now, as we are about to begin the second century of our national existence, would be a most fitting time for these reforms.

Fifth. Enact such laws as will insure a speedy return to a sound currency, such as will command the respect of the world.

Believing that these views will commend themselves to the great majority of the right-thinking and patriotic citizens of the United States, I submit the rest to Congress.

U. S. GRANT

***

State of the Union Address
Ulysses S. Grant
December 5, 1876

To the Senate and House of Representatives:

In submitting my eighth and last annual message to Congress it seems proper that I should refer to and in some degree recapitulate the events and official acts of the past eight years.

It was my fortune, or misfortune, to be called to the office of Chief Executive without any previous political training. From the age of 17 I had never even witnessed the excitement attending a Presidential campaign but twice antecedent to my own candidacy, and at but one of them was I eligible as a voter.

Under such circumstances it is but reasonable to suppose that errors of judgment must have occurred. Even had they not, differences of opinion between the Executive, bound by an oath to the strict performance of his duties, and writers and debaters must have arisen. It is not necessarily evidence of blunder on the part of the Executive because there are these differences of views. Mistakes have been made, as all can see and I admit, but it seems to me oftener in the selections made of the assistants appointed to aid in carrying out the various duties of administering the Government—in nearly every case selected without a personal acquaintance with the appointee, but upon recommendations of the representatives chosen directly by the people. It is impossible, where so many trusts are to be allotted, that the right parties should be chosen in every instance. History shows that no Administration from the time of Washington to the

present has been free from these mistakes. But I leave comparisons to history, claiming only that I have acted in every instance from a conscientious desire to do what was right, constitutional, within the law, and for the very best interests of the whole people. Failures have been errors of judgment, not of intent.

Page 1262

My civil career commenced, too, at a most critical and difficult time. Less than four years before, the country had emerged from a conflict such as no other nation had ever survived. Nearly one-half of the States had revolted against the Government, and of those remaining faithful to the Union a large percentage of the population sympathized with the rebellion and made an “enemy in the rear” almost as dangerous as the more honorable enemy in the front. The latter committed errors of judgment, but they maintained them openly and courageously; the former received the protection of the Government they would see destroyed, and reaped all the pecuniary advantage to be gained out of the then existing state of affairs, many of them by obtaining contracts and by swindling the Government in the delivery of their goods.

Immediately on the cessation of hostilities the then noble President, who had carried the country so far through its perils, fell a martyr to his patriotism at the hands of an assassin.

The intervening time to my first inauguration was filled up with wranglings between Congress and the new Executive as to the best mode of “reconstruction,” or, to speak plainly, as to whether the control of the Government should be thrown immediately into the hands of those who had so recently and persistently tried to destroy it, or whether the victors should continue to have an equal voice with them in this control. Reconstruction, as finally agreed upon, means this and only this, except that the late slave was enfranchised, giving an increase, as was supposed, to the Union-loving and Union-supporting votes. If free in the full sense of the word, they would not disappoint this expectation. Hence at the beginning of my first Administration the work of reconstruction, much embarrassed by the long delay, virtually commenced. It was the work of the legislative branch of the Government. My province was wholly in approving their acts, which I did most heartily, urging the legislatures of States that had not yet done so to ratify the fifteenth amendment to the Constitution. The country was laboring under an enormous debt, contracted in the suppression of rebellion, and taxation was so oppressive as to discourage production. Another danger also threatened us—a foreign war. The last difficulty had to be adjusted and was adjusted without a war and in a manner highly honorable to all parties concerned. Taxes have been reduced within the last seven years nearly $300,000,000, and the national debt has been reduced in the same time over $435,000,000. By refunding the 6 per cent bonded debt for bonds bearing 5 and 4 1/2 per cent interest, respectively, the annual interest has been reduced from over $130,000,000 in 1869 to but little over $100,000,000 in 1876. The balance of trade has been changed from over $130,000,000 against the United States in 1869 to more than $120,000,000 in our favor in 1876.

It is confidently believed that the balance of trade in favor of the United States will increase, not diminish, and that the pledge of Congress to resume specie payments in 1879 will be easily accomplished, even in the absence of much-desired further legislation on the subject.

Page 1263

A policy has been adopted toward the Indian tribes inhabiting a large portion of the territory of the United States which has been humane and has substantially ended Indian hostilities in the whole land except in a portion of Nebraska, and Dakota, Wyoming, and Montana Territories—the Black Hills region and approaches thereto. Hostilities there have grown out of the avarice of the white man, who has violated our treaty stipulations in his search for gold. The question might be asked why the Government has not enforced obedience to the terms of the treaty prohibiting the occupation of the Black Hills region by whites. The answer is simple: The first immigrants to the Black Hills were removed by troops, but rumors of rich discoveries of gold took into that region increased numbers. Gold has actually been found in paying quantity, and an effort to remove the miners would only result in the desertion of the bulk of the troops that might be sent there to remove them. All difficulty in this matter has, however, been removed—subject to the approval of Congress—by a treaty ceding the Black Hills and approaches to settlement by citizens.

The subject of Indian policy and treatment is so fully set forth by the Secretary of the Interior and the Commissioner of Indian Affairs, and my views so fully expressed therein, that I refer to their reports and recommendations as my own.

The relations of the United States with foreign powers continue on a friendly footing.

Questions have arisen from time to time in the foreign relations of the Government, but the United States have been happily free during the past year from the complications and embarrassments which have surrounded some of the foreign powers.

The diplomatic correspondence submitted herewith contains information as to certain of the matters which have occupied the Government.

The cordiality which attends our relations with the powers of the earth has been plainly shown by the general participation of foreign nations in the exhibition which has just closed and by the exertions made by distant powers to show their interest in and friendly feelings toward the United States in the commemoration of the centennial of the nation. The Government and people of the United States have not only fully appreciated this exhibition of kindly feeling, but it may be justly and fairly expected that no small benefits will result both to ourselves and other nations from a better acquaintance, and a better appreciation of our mutual advantages and mutual wants.

Congress at its last session saw fit to reduce the amount usually appropriated for foreign intercourse by withholding appropriations for representatives of the United States in certain foreign countries and for certain consular officers, and by reducing the amounts usually appropriated for certain other diplomatic posts, and thus necessitating a change in the grade of the representatives. For these reasons, immediately

Page 1264

upon the passage of the bill making appropriations for the diplomatic and consular service for the present fiscal year, instructions were issued to the representatives of the United States at Bolivia, Ecuador, and Colombia, and to the consular officers for whom no appropriation had been made, to close their respective legations and consulates and cease from the performance of their duties; and in like manner steps were immediately taken to substitute charge's d'affaires for ministers resident in Portugal, Denmark, Greece, Switzerland, and Paraguay.

While thoroughly impressed with the wisdom of sound economy in the foreign service, as in other branches of the Government, I can not escape the conclusion that in some instances the withholding of appropriations will prove an expensive economy, and that the small retrenchment secured by a change of grade in certain diplomatic posts is not an adequate consideration for the loss of influence and importance which will attend our foreign representatives under this reduction. I am of the opinion that a reexamination of the subject will cause a change in some instances in the conclusions reached on these subjects at the last session of Congress.

The Court of Commissioners of Alabama Claims, whose functions were continued by an act of the last session of Congress until the 1st day of January, 1877, has carried on its labors with diligence and general satisfaction. By a report from the clerk of the court, transmitted herewith, bearing date November 14, 1876, it appears that within the time now allowed by law the court will have disposed of all the claims presented for adjudication. This report also contains a statement of the general results of the labors of the court to the date thereof. It is a cause of satisfaction that the method adopted for the satisfaction of the classes of claims submitted to the court, which are of long standing and justly entitled to early consideration, should have proved successful and acceptable.

It is with satisfaction that I am enabled to state that the work of the joint commission for determining the boundary line between the United States and British possessions from the northwest angle of the Lake of the Woods to the Rocky Mountains, commenced in 1872, has been completed. The final agreements of the commissioners, with the maps, have been duly signed, and the work of the commission is complete.

The fixing of the boundary upon the Pacific coast by the protocol of March 10, 1873, pursuant to the award of the Emperor of Germany by Article XXXIV of the treaty of Washington, with the termination of the work of this commission, adjusts and fixes the entire boundary between the United States and the British possessions, except as to the portion of territory ceded by Russia to the United States under the treaty of 1867. The work intrusted to the commissioner and the officers of the Army attached to the commission has been well and satisfactorily performed. The

Page 1265

original of the final agreement of the commissioners, signed upon the 29th of May, 1876, with the original official “lists of astronomical stations observed,” the original official “list of monuments marking the international boundary line,” and the maps, records, and general reports relating to the commission, have been deposited in the Department of State. The official report of the commissioner on the part of the United States, with the report of the chief astronomer of the United States, will be submitted to Congress within a short time.

I reserve for a separate communication to Congress a statement of the condition of the questions which lately arose with Great Britain respecting the surrender of fugitive criminals under the treaty of 1842.

The Ottoman Government gave notice, under date of January 15, 1874, of its desire to terminate the treaty of 1862, concerning commerce and navigation, pursuant to the provisions of the twenty-second article thereof. Under this notice the treaty terminated upon the 5th day of June, 1876. That Government has invited negotiations toward the conclusion of a new treaty.

By the act of Congress of March 23, 1874, the President was authorized, when he should receive satisfactory information that the Ottoman Government or that of Egypt had organized new tribunals likely to secure to citizens of the United States the same impartial justice enjoyed under the exercise of judicial functions by diplomatic and consular officers of the United States, to suspend the operation of the act of June 22, 1860, and to accept for citizens of the United States the jurisdiction of the new tribunals. Satisfactory information having been received of the organization of such new tribunals in Egypt, I caused a proclamation to be issued upon the 27th of March last, suspending the operation of the act of June 22, 1860, in Egypt, according to the provisions of the act. A copy of the proclamation accompanies this message. The United States has united with the other powers in the organization of these courts. It is hoped that the jurisdictional questions which have arisen may be readily adjusted, and that this advance in judicial reform may be hindered by no obstacles.

The necessary legislation to carry into effect the convention respecting commercial reciprocity concluded with the Hawaiian Islands in 1875 having been had, the proclamation to carry into effect the convention, as provided by the act approved August 15, 1876, was duly issued upon the 9th day of September last. A copy thereof accompanies this message.

The commotions which have been prevalent in Mexico for some time past, and which, unhappily, seem to be not yet wholly quieted, have led to complaints of citizens of the United States of injuries by persons in authority. It is hoped, however, that these will

ultimately be adjusted to the satisfaction of both Governments. The frontier of the United States in that quarter has not been exempt from acts of violence

Page 1266

by citizens of one Republic on those of the other. The frequency of these is supposed to be increased and their adjustment made more difficult by the considerable changes in the course of the lower part of the Rio Grande River, which river is a part of the boundary between the two countries. These changes have placed on either side of that river portions of land which by existing conventions belong to the jurisdiction of the Government on the opposite side of the river. The subject of adjustment of this cause of difficulty is under consideration between the two Republics.

The Government of the United States of Colombia has paid the award in the case of the steamer Montijo, seized by authorities of that Government some years since, and the amount has been transferred to the claimants.

It is with satisfaction that I am able to announce that the joint commission for the adjustment of claims between the United States and Mexico under the convention of 1868, the duration of which has been several times extended, has brought its labors to a close. From the report of the agent of the United States, which accompanies the papers transmitted herewith, it will be seen that within the time limited by the commission 1,017 claims on the part of citizens of the United States against Mexico were referred to the commission. Of these claims 831 were dismissed or disallowed, and in 186 cases awards were made in favor of the claimants against the Mexican Republic, amounting in the aggregate to $4,125,622.20. Within the same period 998 claims on the part of citizens of the Mexican Republic against the United States were referred to the commission. Of these claims 831 were dismissed or disallowed, and in 167 cases awards were made in favor of the claimants against the United States, amounting in the aggregate to $150,498.41.

By the terms of the convention the amount of these awards is to be deducted from the amount awarded in favor of our citizens against Mexico, and the balance only to be paid by Mexico to the United States, leaving the United States to make provision for this proportion of the awards in favor of its Own citizens.

I invite your attention to the legislation which will be necessary to provide for the payment.

In this connection I am pleased to be able to express the acknowledgments due to Sir Edward Thornton, the umpire of the commission, who has given to the consideration of the large number of claims submitted to him much time, unwearied patience, and that firmness and intelligence which are well known to belong to the accomplished representative of Great Britain, and which are likewise recognized by the representative in this country of the Republic of Mexico.

Monthly payments of a very small part of the amount due by the Government of Venezuela to citizens of the United States on account of claims of the latter against that Government continue to be made with reasonable punctuality. That Government has proposed to change the system which it has hitherto pursued in this respect by issuing bonds for part of the amount of the several claims. The proposition, however, could not, it is supposed, properly be accepted, at least without the consent of the holders of certificates of the indebtedness of Venezuela. These are so much dispersed that it would be difficult, if not impossible, to ascertain their disposition on the subject.

Page 1267

In former messages I have called the attention of Congress to the necessity of legislation with regard to fraudulent naturalization and to the subject of expatriation and the election of nationality.

The numbers of persons of foreign birth seeking a home in the United States, the ease and facility with which the honest emigrant may, after the lapse of a reasonable time, become possessed of all the privileges of citizenship of the United States, and the frequent occasions which induce such adopted citizens to return to the country of their birth render the subject of naturalization and the safeguards which experience has proved necessary for the protection of the honest naturalized citizen of paramount importance. The very simplicity in the requirements of law on this question affords opportunity for fraud, and the want of uniformity in the proceedings and records of the various courts and in the forms of the certificates of naturalization issued affords a constant source of difficulty.

I suggest no additional requirements to the acquisition of citizenship beyond those now existing, but I invite the earnest attention of Congress to the necessity and wisdom of some provisions regarding uniformity in the records and certificates, and providing against the frauds which frequently take place and for the vacating of a record of naturalization obtained in fraud.

These provisions are needed in aid and for the protection of the honest citizen of foreign birth, and for the want of which he is made to suffer not infrequently. The United States has insisted upon the right of expatriation, and has obtained, after a long struggle, an admission of the principle contended for by acquiescence therein on the part of many foreign powers and by the conclusion of treaties on that subject. It is, however, but justice to the government to which such naturalized citizens have formerly owed allegiance, as well as to the United States, that certain fixed and definite rules should be adopted governing such cases and providing how expatriation may be accomplished.

While emigrants in large numbers become citizens of the United States, it is also true that persons, both native born and naturalized, once citizens of the United States, either by formal acts or as the effect of a series of facts and circumstances, abandon their citizenship and cease to be entitled to the protection of the United States, but continue on convenient occasions to assert a claim to protection in the absence of provisions on these questions.

And in this connection I again invite your attention to the necessity of legislation concerning the marriages of American citizens contracted abroad, and concerning the status of American women who may marry foreigners and of children born of American parents in a foreign country.

The delicate and complicated questions continually occurring with reference to naturalization, expatriation, and the status of such persons as I have above referred to induce me to earnestly direct your attention again to these subjects.

Page 1268

In like manner I repeat my recommendation that some means be provided for the hearing and determination of the just and subsisting claims of aliens upon the Government of the United States within a reasonable limitation, and of such as may hereafter arise. While by existing provisions of law the Court of Claims may in certain cases be resorted to by an alien claimant, the absence of any general provisions governing all such cases and the want of a tribunal skilled in the disposition of such cases upon recognized fixed and settled principles, either provides no remedy in many deserving cases or compels a consideration of such claims by Congress or the executive department of the Government.

It is believed that other governments are in advance of the United States upon this question, and that the practice now adopted is entirely unsatisfactory.

Congress, by an act approved the 3d day of March, 1875, authorized the inhabitants of the Territory of Colorado to form a State government, with the name of the State of Colorado, and therein provided for the admission of said State, when formed, into the Union upon an equal footing with the original States.

A constitution having been adopted and ratified by the people of that State, and the acting governor having certified to me the facts as provided by said act, together with a copy of such constitution and ordinances as provided for in the said act, and the provisions of the said act of Congress having been duly complied with, I issued a proclamation upon the 1st of August, 1876, a copy of which is hereto annexed.

The report of the Secretary of War shows that the Army has been actively employed during the year in subduing, at the request of the Indian Bureau, certain wild bands of the Sioux Indian Nation and in preserving the peace at the South during the election. The commission constituted under the act of July 24, 1876, to consider and report on the “whole subject of the reform and reorganization of the Army” met in August last, and has collected a large mass of statistics and opinions bearing on the subject before it. These are now under consideration, and their report is progressing. I am advised, though, by the president of the commission that it will be impracticable to comply with the clause of the act requiring the report to be presented, through me, to Congress on the first day of this session, as there has not yet been time for that mature deliberation which the importance of the subject demands. Therefore I ask that the time of making the report be extended to the 29th day of January, 1877.

In accordance with the resolution of August 15, 1876, the Army regulations prepared under the act of March 1, 1875, have not been promulgated, but are held until after the report of the above-mentioned commission shall have been received and acted on.

By the act of August 15, 1876, the cavalry force of the Army was increased by 2,500 men, with the proviso that they should be discharged on the expiration of hostilities. Under this authority the cavalry regiments have been strengthened, and a portion of

them are now in the field pursuing the remnants of the Indians with whom they have been engaged during the summer.

Page 1269

The estimates of the War Department are made up on the basis of the number of men authorized by law, and their requirements as shown by years of experience, and also with the purpose on the part of the bureau officers to provide for all contingencies that may arise during the time for which the estimates are made. Exclusive of engineer estimates (presented in accordance with acts of Congress calling for surveys and estimates for improvements at various localities), the estimates now presented are about six millions in excess of the appropriations for the years 1874-75 and 1875-76. This increase is asked in order to provide for the increased cavalry force (should their services be necessary), to prosecute economically work upon important public buildings, to provide for armament of fortifications and manufacture of small arms, and to replenish the working stock in the supply departments. The appropriations for these last named have for the past few years been so limited that the accumulations in store will be entirely exhausted during the present year, and it will be necessary to at once begin to replenish them.

I invite your special attention to the following recommendations of the Secretary of War:

First. That the claims under the act of July 4, 1864, for supplies taken by the Army during the war be removed from the offices of the Quartermaster and Commissary Generals and transferred to the Southern Claims Commission. These claims are of precisely similar nature to those now before the Southern Claims Commission, and the War Department bureaus have not the clerical force for their examination nor proper machinery for investigating the loyalty of the claimants.

Second. That Congress sanction the scheme of an annuity fund for the benefit of the families of deceased officers, and that it also provide for the permanent organization of the Signal Service, both of which were recommended in my last annual message.

Third. That the manufacturing operations of the Ordnance Department be concentrated at three arsenals and an armory, and that the remaining arsenals be sold and the proceeds applied to this object by the Ordnance Department.

The appropriations for river and harbor improvements for the current year were $5,015,000. With my approval, the Secretary of War directed that of this amount $2,000,000 should be expended, and no new works should be begun and none prosecuted which were not of national importance. Subsequently this amount was increased to $2,237,600, and the works are now progressing on this basis.

The improvement of the South Pass of the Mississippi River, under James B. Eads and his associates, is progressing favorably. At the present time there is a channel of 20.3 feet in depth between the jetties at the mouth of the pass and 18.5 feet at the head of the pass. Neither channel, however, has the width required before payments can be made by the United States. A commission of engineer officers is now examining these works, and their reports will be presented as soon as received.

Page 1270

The report of the Secretary of the Navy shows that branch of the service to be in condition as effective as it is possible to keep it with the means and authority given the Department. It is, of course, not possible to rival the costly and progressive establishments of great European powers with the old material of our Navy, to which no increase has been authorized since the war, except the eight small cruisers built to supply the place of others which had gone to decay. Yet the most has been done that was possible with the means at command; and by substantially rebuilding some of our old ships with durable material and completely repairing and refitting our monitor fleet the Navy has been gradually so brought up that, though it does not maintain its relative position among the progressive navies of the world, it is now in a condition more powerful and effective than it ever has been in time of peace.

The complete repairs of our five heavy ironclads are only delayed on account of the inadequacy of the appropriations made last year for the working bureaus of the Department, which were actually less in amount than those made before the war, notwithstanding the greatly enhanced price of labor and materials and the increase in the cost of the naval service growing out of the universal use and great expense of steam machinery. The money necessary for these repairs should be provided at once, that they may be completed without further unnecessary delay and expense.

When this is done, all the strength that there is in our Navy will be developed and useful to its full capacity, and it will be powerful for purposes of defense, and also for offensive action, should the necessity for that arise within a reasonable distance from our shores.

The fact that our Navy is not more modern and powerful than it is has been made a cause of complaint against the Secretary of the Navy by persons who at the same time criticise and complain of his endeavors to bring the Navy that we have to its best and most efficient condition; but the good sense of the country will understand that it is really due to his practical action that we have at this time any effective naval force at command.

The report of the Postmaster-General shows the excess of expenditures (excluding expenditures on account of previous years) over receipts for the fiscal year ended June 30, 1876, to be $4,151,988.66.

Estimated expenditures for the fiscal year ending June 30, 1878, are $36,723,432.43.

Estimated revenue for same period is $30,645,165, leaving estimated excess of expenditure, to be appropriated as a deficiency, of $6,078,267.43.

The Postmaster-General, like his predecessor, is convinced that a change in the basis of adjusting the salaries of postmasters of the fourth class is necessary for the good of the service as well as for the interests of the Government, and urgently recommends that the compensation of the class of postmasters above mentioned be based upon the

business of their respective offices, as ascertained from the sworn returns to the Auditor of stamps canceled.

Page 1271

A few postmasters in the Southern States have expressed great apprehension of their personal safety on account of their connection with the postal service, and have specially requested that their reports of apprehended danger should not be made public lest it should result in the loss of their lives. But no positive testimony of interference has been submitted, except in the case of a mail messenger at Spartanburg, in South Carolina, who reported that he had been violently driven away while in charge of the mails on account of his political affiliations. An assistant superintendent of the Railway Mail Service investigated this case and reported that the messenger had disappeared from his post, leaving his work to be performed by a substitute. The Postmaster-General thinks this case is sufficiently suggestive to justify him in recommending that a more severe punishment should be provided for the offense of assaulting any person in charge of the mails or of retarding or otherwise obstructing them by threats of personal injury.

“A very gratifying result is presented in the fact that the deficiency of this Department during the last fiscal year was reduced to $4,081,790.18, as against $6,169,938.88 of the preceding year. The difference can be traced to the large increase in its ordinary receipts (which greatly exceed the estimates therefor) and a slight decrease in its expenditures.”

The ordinary receipts of the Post-Office Department for the past seven fiscal years have increased at an average of over 8 per cent per annum, while the increase of expenditures for the same period has been but about 5.50 per cent per annum, and the decrease of deficiency in the revenues has been at the rate of nearly 2 per cent per annum.

The report of the Commissioner of Agriculture accompanying this message will be found one of great interest, marking, as it does, the great progress of the last century in the variety of products of the soil; increased knowledge and skill in the labor of producing, saving, and manipulating the same to prepare them for the use of man; in the improvements in machinery to aid the agriculturist in his labors, and in a knowledge of those scientific subjects necessary to a thorough system of economy in agricultural production, namely, chemistry, botany, entomology, *etc*. A study of this report by those interested in agriculture and deriving their support from it will find it of value in pointing out those articles which are raised in greater quantity than the needs of the world require, and must sell, therefore, for less than the cost of production, and those which command a profit over cost of production because there is not an overproduction.

I call special attention to the need of the Department for a new gallery for the reception of the exhibits returned from the Centennial Exhibition, including the exhibits donated by very many foreign nations, and to the recommendations of the Commissioner of Agriculture generally.

Page 1272

The reports of the District Commissioners and the board of health are just received—too late to read them and to make recommendations thereon—and are herewith submitted.

The international exhibition held in Philadelphia this year, in commemoration of the one hundredth anniversary of American independence, has proven a great success, and will, no doubt, be of enduring advantage to the country. It has shown the great progress in the arts, sciences, and mechanical skill made in a single century, and demonstrated that we are but little behind older nations in any one branch, while in some we scarcely have a rival. It has served, too, not only to bring peoples and products of skill and labor from all parts of the world together, but in bringing together people from all sections of our own country, which must prove a great benefit in the information imparted and pride of country engendered.

It has been suggested by scientists interested in and connected with the Smithsonian Institution, in a communication herewith, that the Government exhibit be removed to the capital and a suitable building be erected or purchased for its accommodation as a permanent exhibit. I earnestly recommend this; and believing that Congress would second this view, I directed that all Government exhibits at the Centennial Exhibition should remain where they are, except such as might be injured by remaining in a building not intended as a protection in inclement weather, or such as may be wanted by the Department furnishing them, until the question of permanent exhibition is acted on.

Although the moneys appropriated by Congress to enable the participation of the several Executive Departments in the International Exhibition of 1876 were not sufficient to carry out the undertaking to the full extent at first contemplated, it gives me pleasure to refer to the very efficient and creditable manner in which the board appointed from these several Departments to provide an exhibition on the part of the Government have discharged their duties with the funds placed at their command. Without a precedent to guide them in the preparation of such a display, the success of their labors was amply attested by the sustained attention which the contents of the Government building attracted during the period of the exhibition from both foreign and native visitors.

I am strongly impressed with the value of the collection made by the Government for the purposes of the exhibition, illustrating, as it does, the mineral resources of the country, the statistical and practical evidences of our growth as a nation, and the uses of the mechanical arts and the applications of applied science in the administration of the affairs of Government.

Many nations have voluntarily contributed their exhibits to the United States to increase the interest in any permanent exhibition Congress may provide for. For this act of generosity they should receive the thanks of the people, and I respectfully suggest that a resolution of Congress to that effect be adopted.

Page 1273

The attention of Congress can not be too earnestly called to the necessity of throwing some greater safeguard over the method of choosing and declaring the election of a President. Under the present system there seems to be no provided remedy for contesting the election in any one State. The remedy is partially, no doubt, in the enlightenment of electors. The compulsory support of the free school and the disfranchisement of all who can not read and write the English language, after a fixed probation, would meet my hearty approval. I would not make this apply, however, to those already voters, but I would to all becoming so after the expiration of the probation fixed upon. Foreigners coming to this country to become citizens, who are educated in their own language, should acquire the requisite knowledge of ours during the necessary residence to obtain naturalization. If they did not take interest enough in our language to acquire sufficient knowledge of it to enable them to study the institutions and laws of the country intelligently, I would not confer upon them the right to make such laws nor to select those who do.

I append to this message, for convenient reference, a synopsis of administrative events and of all recommendations to Congress made by me during the last seven years. Time may show some of these recommendations not to have been wisely conceived, but I believe the larger part will do no discredit to the Administration. One of these recommendations met with the united opposition of one political party in the Senate and with a strong opposition from the other, namely, the treaty for the annexation of Santo Domingo to the United States, to which I will specially refer, maintaining, as I do, that if my views had been concurred in the country would be in a more prosperous condition to-day, both politically and financially.

Santo Domingo is fertile, and upon its soil may be grown just those tropical products of which the United States use so much, and which are produced or prepared for market now by slave labor almost exclusively, namely, sugar, coffee, dyewoods, mahogany, tropical fruits, tobacco, *etc*. About 75 per cent of the exports of Cuba are consumed in the United States. A large percentage of the exports of Brazil also find the same market. These are paid for almost exclusively in coin, legislation, particularly in Cuba, being unfavorable to a mutual exchange of the products of each country. Flour shipped from the Mississippi River to Havana can pass by the very entrance to the city on its way to a port in Spain, there pay a duty fixed upon articles to be reexported, transferred to a Spanish vessel and brought back almost to the point of starting, paying a second duty, and still leave a profit over what would be received by direct shipment. All that is produced in Cuba could be produced in Santo Domingo. Being a part of the United States, commerce between the island and mainland would be

Page 1274

free. There would be no export duties on her shipments nor import duties on those coming here. There would be no import duties upon the supplies, machinery, *etc*., going from the States. The effect that would have been produced upon Cuban commerce, with these advantages to a rival, is observable at a glance. The Cuban question would have been settled long ago in favor of “free Cuba.” Hundreds of American vessels would now be advantageously used in transporting the valuable woods and other products of the soil of the island to a market and in carrying supplies and emigrants to it. The island is but sparsely settled, while it has an area sufficient for the profitable employment of several millions of people. The soil would have soon fallen into the hands of United States capitalists. The products are so valuable in commerce that emigration there would have been encouraged; the emancipated race of the South would have found there a congenial home, where their civil rights would not be disputed and where their labor would be so much sought after that the poorest among them could have found the means to go. Thus in cases of great oppression and cruelty, such as has been practiced upon them in many places within the last eleven years, whole communities would have sought refuge in Santo Domingo. I do not suppose the whole race would have gone, nor is it desirable that they should go. Their labor is desirable—-indispensable almost—where they now are. But the possession of this territory would have left the negro “master of the situation,” by enabling him to demand his rights at home on pain of finding them elsewhere.

I do not present these views now as a recommendation for a renewal of the subject of annexation, but I do refer to it to vindicate my previous action in regard to it.

With the present term of Congress my official life terminates. It is not probable that public affairs will ever again receive attention from me further than as a citizen of the Republic, always taking a deep interest in the honor, integrity, and prosperity of the whole land.

U. S. GRANT

***

State of the Union Address
Rutherford B. Hayes
December 3, 1877

Fellow-Citizens of the Senate and House of Representatives:

With devout gratitude to the bountiful Giver of All Good, I congratulate you that at the beginning of your first regular session you find our country blessed with health and

peace and abundant harvests, and with encouraging prospects of an early return of general prosperity.

Page 1275

To complete and make permanent the pacification of the country continues to be, and until it is fully accomplished must remain, the most important of all our national interests. The earnest purpose of good citizens generally to unite their efforts in this endeavor is evident. It found decided expression in the resolutions announced in 1876 by the national conventions of the leading political parties of the country. There was a widespread apprehension that the momentous results in our progress as a nation marked by the recent amendments to the Constitution were in imminent jeopardy; that the good understanding which prompted their adoption, in the interest of a loyal devotion to the general welfare, might prove a barren truce, and that the two sections of the country, once engaged in civil strife, might be again almost as widely severed and disunited as they were when arrayed in arms against each other.

The course to be pursued, which, in my judgment, seemed wisest in the presence of this emergency, was plainly indicated in my inaugural address. It pointed to the time, which all our people desire to see, when a genuine love of our whole country and of all that concerns its true welfare shall supplant the destructive forces of the mutual animosity of races and of sectional hostility. Opinions have differed widely as to the measures best calculated to secure this great end. This was to be expected. The measures adopted by the Administration have been subjected to severe and varied criticism. Any course whatever which might have been entered upon would certainly have encountered distrust and opposition. These measures were, in my judgment, such as were most in harmony with the Constitution and with the genius of our people, and best adapted, under all the circumstances, to attain the end in view. Beneficent results, already apparent, prove that these endeavors are not to be regarded as a mere experiment, and should sustain and encourage us in our efforts. Already, in the brief period which has elapsed, the immediate effectiveness, no less than the justice, of the course pursued is demonstrated, and I have an abiding faith that time will furnish its ample vindication in the minds of the great majority of my fellow-citizens. The discontinuance of the use of the Army for the purpose of upholding local governments in two States of the Union was no less a constitutional duty and requirement, under the circumstances existing at the time, than it was a much-needed measure for the restoration of local self-government and the promotion of national harmony. The withdrawal of the troops from such employment was effected deliberately, and with solicitous care for the peace and good order of society and the protection of the property and persons and every right of all classes of citizens.

Page 1276

The results that have followed are indeed significant and encouraging. All apprehension of danger from remitting those States to local self-government is dispelled, and a most salutary change in the minds of the people has begun and is in progress in every part of that section of the country once the theater of unhappy civil strife, substituting for suspicion, distrust, and aversion, concord, friendship, and patriotic attachment to the Union. No unprejudiced mind will deny that the terrible and often fatal collisions which for several years have been of frequent occurrence and have agitated and alarmed the public mind have almost entirely ceased, and that a spirit of mutual forbearance and hearty national interest has succeeded. There has been a general reestablishment of order and of the orderly administration of justice. Instances of remaining lawlessness have become of rare occurrence; political turmoil and turbulence have disappeared; useful industries have been resumed; public credit in the Southern States has been greatly strengthened, and the encouraging benefits of a revival of commerce between the sections of the country lately embroiled in civil war are fully enjoyed. Such are some of the results already attained, upon which the country is to be congratulated. They are of such importance that we may with confidence patiently await the desired consummation that will surely come with the natural progress of events.

It may not be improper here to say that it should be our fixed and unalterable determination to protect by all available and proper means under the Constitution and the laws the lately emancipated race in the enjoyment of their rights and privileges; and I urge upon those to whom heretofore the colored people have sustained the relation of bondmen the wisdom and justice of humane and liberal local legislation with respect to their education and general welfare. A firm adherence to the laws, both national and State, as to the civil and political rights of the colored people, now advanced to full and equal citizenship; the immediate repression and sure punishment by the national and local authorities, within their respective jurisdictions, of every instance of lawlessness and violence toward them, is required for the security alike of both races, and is justly demanded by the public opinion of the country and the age. In this way the restoration of harmony and good will and the complete protection of every citizen in the full enjoyment of every constitutional right will surely be attained. Whatever authority rests with me to this end I shall not hesitate to put forth.

Page 1277

Whatever belongs to the power of Congress and the jurisdiction of the courts of the Union, they may confidently be relied upon to provide and perform; and to the legislatures, the courts, and the executive authorities of the several States I earnestly appeal to secure, by adequate, appropriate, and seasonable means, Within their borders, these common and uniform rights of a united people which loves liberty, abhors oppression, and reveres justice. These objects are very dear to my heart. I shall continue most earnestly to strive for their attainment. The cordial cooperation of all classes, of all sections of the country and of both races, is required for this purpose; and with these blessings assured, and not otherwise, we may safely hope to hand down our free institutions of government unimpaired to the generations that will succeed us.

Among the other subjects of great and general importance to the people of this country, I can not be mistaken, I think, in regarding as preeminent the policy and measures which are designed to secure the restoration of the currency to that normal and healthful condition in which, by the resumption of specie payments, our internal trade and foreign commerce may be brought into harmony with the system of exchanges which is based upon the precious metals as the intrinsic money of the world. In the public judgment that this end should be sought and compassed as speedily and securely as the resources of the people and the wisdom of their Government can accomplish, there is a much greater degree of unanimity than is found to concur in the specific measures which will bring the country to this desired end or the rapidity of the steps by which it can be safely reached.

Upon a most anxious and deliberate examination, which I have felt it my duty to give to the subject, I am but the more confirmed in the opinion which I expressed in accepting the nomination for the Presidency, and again upon my inauguration, that the policy of resumption should be pursued by every suitable means, and that no legislation would be wise that should disparage the importance or retard the attainment of that result. I have no disposition, and certainly no right, to question the sincerity or the intelligence of opposing opinions, and would neither conceal nor undervalue the considerable difficulties, and even occasional distresses, which may attend the progress of the nation toward this primary condition to its general and permanent prosperity. I must, however, adhere to my most earnest conviction that any wavering in purpose or unsteadiness in methods, so far from avoiding or reducing the inconvenience inseparable from the transition from an irredeemable to a redeemable paper currency, would only tend to increased and prolonged disturbance in values, and unless retrieved must end in serious disorder, dishonor, and disaster in the financial affairs of the Government and of the people.

Page 1278

The mischiefs which I apprehend and urgently deprecate are confined to no class of the people, indeed, but seem to me most certainly to threaten the industrious masses, whether their occupations are of skilled or common labor. To them, it seems to me, it is of prime importance that their labor should be compensated in money which is itself fixed in exchangeable value by being irrevocably measured by the labor necessary to its production. This permanent quality of the money of the people is sought for, and can only be gained by the resumption of specie payments. The rich, the speculative, the operating, the money-dealing classes may not always feel the mischiefs of, or may find casual profits in, a variable currency, but the misfortunes of such a currency to those who are paid salaries or wages are inevitable and remediless.

Closely connected with this general subject of the resumption of specie payments is one of subordinate, but still of grave, importance; I mean the readjustment of our coinage system by the renewal of the silver dollar as an element in our specie currency, endowed by legislation with the quality of legal tender to a greater or less extent.

As there is no doubt of the power of Congress under the Constitution “to coin money and regulate the value thereof,” and as this power covers the whole range of authority applicable to the metal, the rated value and the legal-tender quality which shall be adopted for the coinage, the considerations which should induce or discourage a particular measure connected with the coinage, belong clearly to the province of legislative discretion and of public expediency. Without intruding upon this province of legislation in the least, I have yet thought the subject of such critical importance, in the actual condition of our affairs, as to present an occasion for the exercise of the duty imposed by the Constitution on the President of recommending to the consideration of Congress “such measures as he shall judge necessary and expedient.”

Holding the opinion, as I do, that neither the interests of the Government nor of the people of the United States would be promoted by disparaging silver as one of the two precious metals which furnish the coinage of the world, and that legislation which looks to maintaining the volume of intrinsic money to as full a measure of both metals as their relative commercial values will permit would be neither unjust nor inexpedient, I must ask your indulgence to a brief and definite statement of certain essential features in any such legislative measure which I feel it my duty to recommend.

I do not propose to enter the debate, represented on both sides by such able disputants in Congress and before the people and in the press, as to the extent to which the legislation of any one nation can control this question, even within its own borders, against the unwritten laws of trade or the positive laws of other governments. The wisdom of Congress in shaping any particular law that may be presented for my approval may wholly supersede the necessity of my entering into these considerations, and I willingly avoid either vague or intricate inquiries. It is only certain plain and practical traits of such legislation that I desire to recommend to your attention.

Page 1279

In any legislation providing for a silver coinage, regulating its value, and imparting to it the quality of legal tender, it seems to me of great importance that Congress should not lose sight of its action as operating in a twofold capacity and in two distinct directions. If the United States Government were free from a public debt, its legislative dealing with the question of silver coinage would be purely sovereign and governmental, under no restraints but those of constitutional power and the public good as affected by the proposed legislation. But in the actual circumstances of the nation, with a vast public debt distributed very widely among our own citizens and held in great amounts also abroad, the nature of the silver-coinage measure, as affecting this relation of the Government to the holders of the public debt, becomes an element, in any proposed legislation, of the highest concern. The obligation of the public faith transcends all questions of profit or public advantage otherwise. Its unquestionable maintenance is the dictate as well of the highest expediency as of the most necessary duty, and will ever be carefully guarded by Congress and people alike.

The public debt of the United States to the amount of $729,000,000 bears interest at the rate of 6 per cent, and $708,000,000 at the rate of 5 per cent, and the only way in which the country can be relieved from the payment of these high rates of interest is by advantageously refunding the indebtedness. Whether the debt is ultimately paid in gold or in silver coin is of but little moment compared with the possible reduction of interest one-third by refunding it at such reduced rate. If the United States had the unquestioned right to pay its bonds in silver coin, the little benefit from that process would be greatly overbalanced by the injurious effect of such payment if made or proposed against the honest convictions of the public creditors.

All the bonds that have been issued since February 12, 1873, when gold became the only unlimited legal-tender metallic currency of the country, are justly payable in gold coin or in coin of equal value. During the time of these issues the only dollar that could be or was received by the Government in exchange for bonds was the gold dollar. To require the public creditors to take in repayment any dollar of less commercial value would be regarded by them as a repudiation of the full obligation assumed. The bonds issued prior to 1873 were issued at a time when the gold dollar was the only coin in circulation or contemplated by either the Government or the holders of the bonds as the coin in which they were to be paid. It is far better to pay these bonds in that coin than to seem to take advantage of the unforeseen fall in silver bullion to pay in a new issue of silver coin thus made so much less valuable. The power of the United States to coin money and to regulate the value thereof ought never to be exercised for the purpose of enabling the Government to pay its obligations in a coin of less value than that contemplated by the parties when the bonds were issued. Any attempt to pay the national indebtedness in a coinage of less commercial value than the money of the world would involve a violation of the public faith and work irreparable injury to the public credit.

Page 1280

It was the great merit of the act of March, 1869, in strengthening the public credit, that it removed all doubt as to the purpose of the United States to pay their bonded debt in coin. That act was accepted as a pledge of public faith. The Government has derived great benefit from it in the progress thus far made in refunding the public debt at low rates of interest. An adherence to the wise and just policy of an exact observance of the public faith will enable the Government rapidly to reduce the burden of interest on the national debt to an amount exceeding $20,000,000 per annum, and effect an aggregate saving to the United States of more than $300,000,000 before the bonds can be fully paid.

In adapting the new silver coinage to the ordinary uses of currency in the everyday transactions of life and prescribing the quality of legal tender to be assigned to it, a consideration of the first importance should be so to adjust the ratio between the silver and the gold coinage, which now constitutes our specie currency, as to accomplish the desired end of maintaining the circulation of the two metallic currencies and keeping up the volume of the two precious metals as our intrinsic money. It is a mixed question, for scientific reasoning and historical experience to determine, how far and by what methods a practical equilibrium can be maintained which will keep both metals in circulation in their appropriate spheres of common use.

An absolute equality of commercial value, free from disturbing fluctuations, is hardly attainable, and without it an unlimited legal tender for private transactions assigned to both metals would irresistibly tend to drive out of circulation the clearer coinage and disappoint the principal object proposed by the legislation in view. I apprehend, therefore, that the two conditions of a near approach to equality of commercial value between the gold and silver coinage of the same denomination and of a limitation of the amounts for which the silver coinage is to be a legal tender are essential to maintaining both in circulation. If these conditions can be successfully observed, the issue from the mint of silver dollars would afford material assistance to the community in the transition to redeemable paper money, and would facilitate the resumption of specie payment and its permanent establishment. Without these conditions I fear that only mischief and misfortune would flow from a coinage of silver dollars with the quality of unlimited legal tender, even in private transactions.

Any expectation of temporary ease from an issue of silver coinage to pass as a legal tender at a rate materially above its commercial value is, I am persuaded, a delusion. Nor can I think that there is any substantial distinction between an original issue of silver dollars at a nominal value materially above their commercial value and the restoration of the silver dollar at a rate which once was, but has ceased to be, its commercial value. Certainly the issue of our gold coinage, reduced in weight materially below its legal-tender value, would not be any the less a present debasement of the coinage by reason of its equaling, or even exceeding, in weight a gold coinage which at some past time had been commercially equal to the legal-tender value assigned to the new issue.

Page 1281

In recommending that the regulation of any silver coinage which may be authorized by Congress should observe these conditions of commercial value and limited legal tender, I am governed by the feeling that every possible increase should be given to the volume of metallic money which can be kept in circulation, and thereby every possible aid afforded to the people in the process of resuming specie payments. It is because of my firm conviction that a disregard of these conditions would frustrate the good results which are desired from the proposed coinage, and embarrass with new elements of confusion and uncertainty the business of the country, that I urge upon your attention these considerations.

I respectfully recommend to Congress that in any legislation providing for a silver coinage and imparting to it the quality of legal tender there be impressed upon the measure a firm provision exempting the public debt heretofore issued and now outstanding from payment, either of principal or interest, in any coinage of less commercial value than the present gold coinage of the country.

The organization of the civil service of the country has for a number of years attracted more and more of the public attention. So general has become the opinion that the methods of admission to it and the conditions of remaining in it are unsound that both the great political parties have agreed in the most explicit declarations of the necessity of reform and in the most emphatic demands for it. I have fully believed these declarations and demands to be the expression of a sincere conviction of the intelligent masses of the people upon the subject, and that they should be recognized and followed by earnest and prompt action on the part of the legislative and executive departments of the Government, in pursuance of the purpose indicated.

Before my accession to office I endeavored to have my own views distinctly understood, and upon my inauguration my accord with the public opinion was stated in terms believed to be plain and unambiguous. My experience in the executive duties has strongly confirmed the belief in the great advantage the country would find in observing strictly the plan of the Constitution, which imposes upon the Executive the sole duty and responsibility of the selection of those Federal officers who by law are appointed, not elected, and which in like manner assigns to the Senate the complete right to advise and consent to or to reject the nominations so made, whilst the House of Representatives stands as the public censor of the performance of official duties, with the prerogative of investigation and prosecution in all cases of dereliction. The blemishes and imperfections in the civil service may, as I think, be traced in most cases to a practical confusion of the duties assigned to the several Departments of the Government. My purpose in this respect has been to return to the system established by the fundamental law, and to do this with the heartiest cooperation and most cordial understanding with the Senate and House of Representatives.

Page 1282

The practical difficulties in the selection of numerous officers for posts of widely varying responsibilities and duties are acknowledged to be very great. No system can be expected to secure absolute freedom from mistakes, and the beginning of any attempted change of custom is quite likely to be more embarrassed in this respect than any subsequent period. It is here that the Constitution seems to me to prove its claim to the great wisdom accorded to it. It gives to the Executive the assistance of the knowledge and experience of the Senate, which, when acting upon nominations as to which they may be disinterested and impartial judges, secures as strong a guaranty of freedom from errors of importance as is perhaps possible in human affairs.

In addition to this, I recognize the public advantage of making all nominations, as nearly as possible, impersonal, in the sense of being free from mere caprice or favor in the selection; and in those offices in which special training is of greatly increased value I believe such a rule as to the tenure of office should obtain as may induce men of proper qualifications to apply themselves industriously to the task of becoming proficients. Bearing these things in mind, I have endeavored to reduce the number of changes in subordinate places usually made upon the change of the general administration, and shall most heartily cooperate with Congress in the better systematizing of such methods and rules of admission to the public service and of promotion within it as, may promise to be most successful in making thorough competency, efficiency, and character the decisive tests in these matters.

I ask the renewed attention of Congress to what has already been done by the Civil Service Commission, appointed, in pursuance of an act of Congress, by my predecessor, to prepare and revise civil-service rules. In regard to much of the departmental service, especially at Washington, it may be difficult to organize a better system than that which has thus been provided, and it is now being used to a considerable extent under my direction. The Commission has still a legal existence, although for several years no appropriation has been made for defraying its expenses. Believing that this Commission has rendered valuable service and will be a most useful agency in improving the administration of the civil service, I respectfully recommend that a suitable appropriation, to be immediately available, be made to enable it to continue its labors.

It is my purpose to transmit to Congress as early as practicable a report by the chairman of the Commission, and to ask your attention to such measures on this subject as in my opinion will further promote the improvement of the civil service.

During the past year the United States have continued to maintain peaceful relations with foreign powers.

Page 1283

The outbreak of war between Russia and Turkey, though at one time attended by grave apprehension as to its effect upon other European nations, has had no tendency to disturb the amicable relations existing between the United States and each of the two contending powers. An attitude of just and impartial neutrality has been preserved, and I am gratified to state that in the midst of their hostilities both the Russian and the Turkish Governments have shown an earnest disposition to adhere to the obligations of all treaties with the United States and to give due regard to the rights of American citizens.

By the terms of the treaty defining the rights, immunities, and privileges of consuls, between Italy and the United States, ratified in 1868, either Government may, after the lapse of ten years, terminate the existence of the treaty by giving twelve months' notice of its intention. The Government of Italy, availing itself of this faculty, has now given the required notice, and the treaty will accordingly end on the 17th of September, 1878. It is understood, however, that the Italian Government wishes to renew it in its general scope, desiring only certain modifications in some of its articles. In this disposition I concur, and shall hope that no serious obstacles may intervene to prevent or delay the negotiation of a satisfactory treaty.

Numerous questions in regard to passports, naturalization, and exemption from military service have continued to arise in cases of emigrants from Germany who have returned to their native country. The provisions of the treaty of February 22, 1868, however, have proved to be so ample and so judicious that the legation of the United States at Berlin has been able to adjust all claims arising under it, not only without detriment to the amicable relations existing between the two Governments, but, it is believed, without injury or injustice to any duly naturalized American citizen. It is desirable that the treaty originally made with the North German Union in 1868 should now be extended so as to apply equally to all the States of the Empire of Germany.

The invitation of the Government of France to participate in the Exposition of the Products of Agriculture, Industry, and the Fine Arts to be held at Paris during the coming year was submitted for your consideration at the extra session. It is not doubted that its acceptance by the United States, and a well-selected exhibition of the products of American industry on that occasion, will tend to stimulate international commerce and emigration, as well as to promote the traditional friendship between the two countries.

A question arose some time since as to the proper meaning of the extradition articles of the treaty of 1842 between the United States and Great Britain. Both Governments, however, are now in accord in the belief that the question is not one that should be allowed to frustrate the ends of justice or to disturb the friendship between the two nations. No serious difficulty has arisen in accomplishing the extradition of criminals when necessary. It is probable that all points of disagreement will in due time be settled, and, if need be, more explicit declarations be made in a new treaty.

Page 1284

The Fishery Commission under Articles XVIII to XXV of the treaty of Washington has concluded its session at Halifax. The result of the deliberations of the commission, as made public by the commissioners, will be communicated to Congress.

A treaty for the protection of trade-marks has been negotiated with Great Britain, which has been submitted to the Senate for its consideration.

The revolution which recently occurred in Mexico was followed by the accession of the successful party to power and the installation of its chief, General Porfirio Diaz, in the Presidential office. It has been the custom of the United States, when such changes of government have heretofore occurred in Mexico, to recognize and enter into official relations with the de facto government as soon as it should appear to have the approval of the Mexican people and should manifest a disposition to adhere to the obligations of treaties and international friendship. In the present case such official recognition has been deferred by the occurrences on the Rio Grande border, the records of which have been already communicated to each House of Congress in answer to their respective resolutions of inquiry. Assurances have been received that the authorities at the seat of the Mexican Government have both the disposition and the power to prevent and punish such unlawful invasions and depredations. It is earnestly to be hoped that events may prove these assurances to be well rounded. The best interests of both countries require the maintenance of peace upon the border and the development of commerce between the two Republics.

It is gratifying to add that this temporary interruption of official relations has not prevented due attention by the representatives of the United States in Mexico to the protection of American citizens, so far as practicable; nor has it interfered with the prompt payment of the amounts due from Mexico to the United States under the treaty of July 4, 1868, and the awards of the joint commission. While I do not anticipate an interruption of friendly relations with Mexico, yet I can not but look with some solicitude upon a continuance of border disorders as exposing the two countries to initiations of popular feeling and mischances of action which are naturally unfavorable to complete amity. Firmly determined that nothing shall be wanting on my part to promote a good understanding between the two nations, I yet must ask the attention of Congress to the actual occurrences on the border, that the lives and property of our citizens may be adequately protected and peace preserved.

Page 1285

Another year has passed without bringing to a close the protracted contest between the Spanish Government and the insurrection in the island of Cuba. While the United States have sedulously abstained from any intervention in this contest, it is impossible not to feel that it is attended with incidents affecting the rights and interests of American citizens. Apart from the effect of the hostilities upon trade between the United States and Cuba, their progress is inevitably accompanied by complaints, having more or less foundation, of searches, arrests, embargoes, and oppressive taxes upon the property of American residents, and of unprovoked interference with American vessels and commerce. It is due to the Government of Spain to say that during the past year it has promptly disavowed and offered reparation for any unauthorized acts of unduly zealous subordinates whenever such acts have been brought to its attention. Nevertheless, such occurrences can not but tend to excite feelings of annoyance, suspicion, and resentment, which are greatly to be deprecated, between the respective subjects and citizens of two friendly powers.

Much delay (consequent upon accusations of fraud in some of the awards) has occurred in respect to the distribution of the limited amounts received from Venezuela under the treaty of April 25, 1866, applicable to the awards of the joint commission created by that treaty. So long as these matters are pending in Congress the Executive can not assume either to pass upon the questions presented or to distribute the fund received. It is eminently desirable that definite legislative action should be taken, either affirming the awards to be final or providing some method for reexamination of the claims. Our relations with the Republics of Central and South America and with the Empire of Brazil have continued without serious change, further than the temporary interruption of diplomatic intercourse with Venezuela and with Guatemala. Amicable relations have already been fully restored with Venezuela, and it is not doubted that all grounds of misunderstanding with Guatemala will speedily be removed. From all these countries there are favorable indications of a disposition on the part of their Governments and people to reciprocate our efforts in the direction of increased commercial intercourse.

The Government of the Samoan Islands has sent an envoy, in the person of its secretary of state, to invite the Government of the United States to recognize and protect their independence, to establish commercial relations with their people, and to assist them in their steps toward regulated and responsible government. The inhabitants of these islands, having made considerable progress in Christian civilization and the development of trade, are doubtful of their ability to maintain peace and independence without the aid of some stronger power. The subject is deemed worthy of respectful attention, and the claims upon our assistance by this distant community will be carefully considered.

Page 1286

The long commercial depression in the United States has directed attention to the subject of the possible increase of our foreign trade and the methods for its development, not only with Europe, but with other countries, and especially with the States and sovereignties of the Western Hemisphere. Instructions from the Department of State were issued to the various diplomatic and consular officers of the Government, asking them to devote attention to the question of methods by which trade between the respective countries of their official residence and the United States could be most judiciously fostered. In obedience to these instructions, examinations and reports upon this subject have been made by many of these officers and transmitted to the Department, and the same are submitted to the consideration of Congress.

The annual report of the Secretary of the Treasury on the state of the finances presents important questions for the action of Congress, upon some of which I have already remarked.

The revenues of the Government during the fiscal year ending June 30, 1877, were $269,000,586.62; the total expenditures for the same period were $238,660,008.93, leaving a surplus revenue of $30,340,577.69. This has substantially supplied the requirements of the sinking fund for that year. The estimated revenues of the current fiscal year are $265,500,000, and the estimated expenditures for the same period are $232,430,643.72. If these estimates prove to be correct, there will be a surplus revenue of $33,069,356.28—an amount nearly sufficient for the sinking fund for that year. The estimated revenues for the next fiscal year are $269,250,000. It appears from the report that during the last fiscal year the revenues of the Government, compared with the previous year, have largely decreased. This decrease, amounting to the sum of $18,481,452.54, was mainly in customs duties, caused partly by a large falling off of the amount of imported dutiable goods and partly by the general fall of prices in the markets of production of such articles as pay ad valorem taxes.

While this is felt injuriously in the diminution of the revenue, it has been accompanied with a very large increase of exportations. The total exports during the last fiscal year, including coin, have been $658,637,457, and the imports have been $492,097,540, leaving a balance of trade in favor of the United States amounting to the sum of $166,539,917, the beneficial effects of which extend to all branches of business.

The estimated revenue for the next fiscal year will impose upon Congress the duty of strictly limiting appropriations, including the requisite sum for the maintenance of the sinking fund, within the aggregate estimated receipts.

Page 1287

While the aggregate of taxes should not be increased, amendments might be made to the revenue laws that would, without diminishing the revenue, relieve the people from unnecessary burdens. A tax on tea and coffee is shown by the experience not only of our own country, but of other countries, to be easily collected, without loss by undervaluation or fraud, and largely borne in the country of production. A tax of 10 cents a pound on tea and 2 cents a pound on coffee would produce a revenue exceeding $12,000,000, and thus enable Congress to repeal a multitude of annoying taxes yielding a revenue not exceeding that sum. The internal-revenue system grew out of the necessities of the war, and most of the legislation imposing taxes upon domestic products under this system has been repealed. By the substitution of a tax on tea and coffee all forms of internal taxation may be repealed, except that on whisky, spirits, tobacco, and beer. Attention is also called to the necessity of enacting more vigorous laws for the protection of the revenue and for the punishment of frauds and smuggling. This can best be done by judicious provisions that will induce the disclosure of attempted fraud by undervaluation and smuggling. All revenue laws should be simple in their provisions and easily understood. So far as practicable, the rates of taxation should be in the form of specific duties, and not ad valorem, requiring the judgment of experienced men to ascertain values and exposing the revenue to the temptation of fraud.

My attention has been called during the recess of Congress to abuses existing in the collection of the customs, and strenuous efforts have been made for their correction by Executive orders. The recommendations submitted to the Secretary of the Treasury by a commission appointed to examine into the collection of customs duties at the port of New York contain many suggestions for the modification of the customs laws, to which the attention of Congress is invited.

It is matter of congratulation that notwithstanding the severe burdens caused by the war the public faith with all creditors has been preserved, and that as the result of this policy the public credit has continuously advanced and our public securities are regarded with the highest favor in the markets of the world. I trust that no act of the Government will cast a shadow upon its credit.

The progress of refunding the public debt has been rapid and satisfactory. Under the contract existing when I entered upon the discharge of the duties of my office, bonds bearing interest at the rate of 4 1/2 per cent were being rapidly sold, and within three months the aggregate sales of these bonds had reached the sum of $200,000,000. With my sanction the Secretary of the Treasury entered into a new contract for the sale of 4 per cent bonds, and within thirty days after the popular subscription for such bonds was opened subscriptions were had amounting to $75,496,550, which were paid for within ninety days after the date of subscription. By this process, within but little more than one year, the annual interest on the public debt was reduced in the sum of $3,775,000.

Page 1288

I recommended that suitable provision be made to enable the people to easily convert their savings into Government securities, as the best mode in which small savings may be well secured and yield a moderate interest. It is an object of public policy to retain among our own people the securities of the United States. In this way our country is guarded against their sudden return from foreign countries, caused by war or other disturbances beyond our limits.

The commerce of the United States with foreign nations, and especially the export of domestic productions, has of late years largely increased; but the greater portion of this trade is conducted in foreign vessels. The importance of enlarging our foreign trade, and especially by direct and speedy interchange with countries on this continent, can not be overestimated; and it is a matter of great moment that our own shipping interest should receive, to the utmost practical extent, the benefit of our commerce with other lands. These considerations are forcibly urged by all the large commercial cities of the country, and public attention is generally and wisely attracted to the solution of the problems they present. It is not doubted that Congress will take them up in the broadest spirit of liberality and respond to the public demand by practical legislation upon this important subject.

The report of the Secretary of War shows that the Army has been actively employed during the year, and has rendered very important service in suppressing hostilities in the Indian country and in preserving peace and protecting life and property in the interior as well as along the Mexican border. A long and arduous campaign has been prosecuted, with final complete success, against a portion of the Nez Perce tribe of Indians. A full account of this campaign will be found in the report of the General of the Army. It will be seen that in its course several severe battles were fought, in which a number of gallant officers and men lost their lives. I join with the Secretary of War and the General of the Army in awarding to the officers and men employed in the long and toilsome pursuit and in the final capture of these Indians the honor and praise which are so justly their due.

The very serious riots which occurred in several of the States in July last rendered necessary the employment of a considerable portion of the Army to preserve the peace and maintain order. In the States of West Virginia, Maryland, Pennsylvania, and Illinois these disturbances were so formidable as to defy the local and State authorities, and the National Executive was called upon, in the mode provided by the Constitution and laws, to furnish military aid. I am gratified to be able to state that the troops sent in response to these calls for aid in the suppression of domestic violence were able, by the influence of their presence in the disturbed regions, to preserve the peace and restore order without the use of force. In the discharge of this delicate and important duty both officers and men acted with great prudence and courage, and for their services deserve the thanks of the country.

Page 1289

Disturbances along the Rio Grande in Texas, to which I have already referred, have rendered necessary the constant employment of a military force in that vicinity. A full report of all recent military operations in that quarter has been transmitted to the House of Representatives in answer to a resolution of that body, and it will therefore not be necessary to enter into details. I regret to say that these lawless incursions into our territory by armed bands from the Mexican side of the line, for the purpose of robbery, have been of frequent occurrence, and in spite of the most vigilant efforts of the commander of our forces the marauders have generally succeeded in escaping into Mexico with their plunder. In May last I gave orders for the exercise of the utmost vigilance on the part of our troops for the suppression of these raids and the punishment of the guilty parties, as well as the recapture of property stolen by them. General Ord, commanding in Texas, was directed to invite the cooperation of the Mexican authorities in efforts to this end, and to assure them that I was anxious to avoid giving the least offense to Mexico. At the same time, he was directed to give notice of my determination to put an end to the invasion of our territory by lawless bands intent upon the plunder of our peaceful citizens, even if the effectual punishment of the outlaws should make the crossing of the border by our troops in their pursuit necessary. It is believed that this policy has had the effect to check somewhat these depredations, and that with a considerable increase of our force upon that frontier and the establishment of several additional military posts along the Rio Grande, so as more effectually to guard that extensive border, peace may be preserved and the lives and property of our citizens in Texas fully protected.

Prior to the 1st day of July last the Army was, in accordance with law, reduced to the maximum of 25,000 enlisted men, being a reduction of 2,500 below the force previously authorized. This reduction was made, as required by law, entirely from the infantry and artillery branches of the service, without any reduction of the cavalry. Under the law as it now stands it is necessary that the cavalry regiments be recruited to 100 men in each company for service on the Mexican and Indian frontiers. The necessary effect of this legislation is to reduce the infantry and artillery arms of the service below the number required for efficiency, and I concur with the Secretary of War in recommending that authority be given to recruit all companies of infantry to at least 50 men and all batteries of artillery to at least 75 men, with the power, in case of emergency, to increase the former to 100 and the latter to 122 men each.

I invite your special attention to the following recommendations of the Secretary of War:

First. That provision be made for supplying to the Army a more abundant and better supply of reading matter.

Page 1290

Second. That early action be taken by Congress looking to a complete revision and republication of the Army Regulations.

Third. That section 1258 of the Revised Statutes, limiting the number of officers on the retired list, be repealed.

Fourth. That the claims arising under the act of July 4, 1864, for supplies taken by the Army during the war, be taken from the offices of the Quartermaster and Commissary Generals and transferred to the Southern Claims Commission, or some other tribunal having more time and better facilities for their prompt investigation and decision than are possessed by these officers.

Fifth. That Congress provide for an annuity fund for the families of deceased soldiers, as recommended by the paymaster-General of the Army.

The report of the Secretary of the Navy shows that we have six squadrons now engaged in the protection of our foreign commerce and other duties pertaining to the naval service. The condition and operations of the Department are also shown. The total expenditures for the fiscal year ending June 30, 1877, were $16,077,974.54. There are unpaid claims against the Department chargeable to the last year, which are presented to the consideration of Congress by the report of the Secretary. The estimates for the fiscal year commencing July 1, 1878, are $16,233,234.40, exclusive of the sum of $2,314,231 submitted for new buildings, repairs, and improvements at the several navy-yards. The appropriations for the present fiscal year, commencing July 1, 1877, are $13,592,932.90. The amount drawn from the Treasury from July 1 to November 1, 1877, is $5,343,037.40, of which there is estimated to be yet available $1,029,528.30, showing the amount of actual expenditure during the first four months of the present fiscal year to have been $4,313,509.10.

The report of the Postmaster-General contains a full and clear statement of the operations and condition of the Post-Office Department. The ordinary revenues of the Department for the fiscal year ending June 30, 1877, including receipts from the money-order business and from official stamps and stamped envelopes, amounted to the sum of $27,531,585.26. The additional sum of $7,013,000 was realized from appropriations from the general Treasury for various purposes, making the receipts from all sources $34,544,885.26. The total expenditures during the fiscal year amounted to $33,486,322.44, leaving an excess of total receipts over total expenditures of $1,058,562.82, and an excess of total expenditures over ordinary receipts of $5,954,737.18. Deducting from the total receipts the sum of $63,261.84, received from international money orders of the preceding fiscal year, and deducting from the total expenditures the sum of $1,163,818.20, paid on liabilities incurred in previous fiscal years, the expenditures and receipts appertaining to the business of the last fiscal year were as follows:

Expenditures — $32,322,504.24

Page 1291

Receipts (ordinary, from money-order business and
from official postage stamps) — 27,468,323,420 —

***

State of the Union Address
Rutherford B. Hayes
December 2, 1878

Fellow-Citizens of the Senate and House of Representatives:

Our heartfelt gratitude is due to the Divine Being who holds in His hands the destinies of nations for the continued bestowal during the last year of countless blessings upon our country.

We are at peace with all other nations. Our public credit has greatly improved, and is perhaps now stronger than ever before. Abundant harvests have rewarded the labors of those who till the soil, our manufacturing industries are reviving, and it is believed that general prosperity, which has been so long anxiously looked for, is at last within our reach.

The enjoyment of health by our people generally has, however, been interrupted during the past season by the prevalence of a fatal pestilence (the yellow fever) in some portions of the Southern States, creating an emergency which called for prompt and extraordinary measures of relief. The disease appeared as an epidemic at New Orleans and at other places on the Lower Mississippi soon after midsummer. It was rapidly spread by fugitives from the infected cities and towns, and did not disappear until early in November. The States of Louisiana, Mississippi, and Tennessee have suffered severely. About 100,000 cases are believed to have occurred, of which about 20,000, according to intelligent estimates, proved fatal. It is impossible to estimate with any approach to accuracy the loss to the country occasioned by this epidemic It is to be reckoned by the hundred millions of dollars. The suffering and destitution that resulted excited the deepest sympathy in all parts of the Union. Physicians and nurses hastened from every quarter to the assistance of the afflicted communities. Voluntary contributions of money and supplies, in every needed form, were speedily and generously furnished. The Government was able to respond in some measure to the call for help, by providing tents, medicines, and food for the sick and destitute, the requisite directions for the purpose being given in the confident expectation that this action of the Executive would receive the sanction of Congress. About 1,800 tents, and rations of the value of about $25,000, were sent to cities and-towns which applied for them, full details of which will be furnished to Congress by the proper Department.

The fearful spread of this pestilence has awakened a very general public sentiment in favor of national sanitary administration, which shall not only control quarantine, but

have the sanitary supervision of internal commerce in times of epidemics, and hold an advisory relation to the State and municipal health authorities, with power to deal with whatever endangers the public health, and which the municipal and State authorities

Page 1292

are unable to regulate. The national quarantine act approved April 29, 1878, which was passed too late in the last session of Congress to provide the means for carrying it into practical operation during the past season, is a step in the direction here indicated. In view of the necessity for the most effective measures, by quarantine and otherwise, for the protection of our seaports and the country generally from this and other epidemics, it is recommended that Congress give to the whole subject early and careful consideration.

The permanent pacification of the country by the complete protection of all citizens in every civil and political right continues to be of paramount interest with the great body of our people. Every step in this direction is welcomed with public approval, and every interruption of steady and uniform progress to the desired consummation awakens general uneasiness and widespread condemnation. The recent Congressional elections have furnished a direct and trustworthy test of the advance thus far made in the practical establishment of the right of suffrage secured by the Constitution to the liberated race in the Southern States. All disturbing influences, real or imaginary, had been removed from all of these States.

The three constitutional amendments which conferred freedom and equality of civil and political rights upon the colored people of the South were adopted by the concurrent action of the great body of good citizens who maintained the authority of the National Government and the integrity and perpetuity of the Union at such a cost of treasure and life, as a wise and necessary embodiment in the organic law of the just results of the war. The people of the former slaveholding States accepted these results, and gave in every practicable form assurances that the thirteenth, fourteenth, and fifteenth amendments, and laws passed in pursuance thereof, should in good faith be enforced, rigidly and impartially, in letter and spirit, to the end that the humblest citizen, without distinction of race or color, should under them receive full and equal protection in person and property and in political rights and privileges. By these constitutional amendments the southern section of the Union obtained a large increase of political power in Congress and in the electoral college, and the country justly expected that elections would proceed, as to the enfranchised race, upon the same circumstances of legal and constitutional freedom and protection which obtained in all the other States of the Union. The friends of law and order looked forward to the conduct of these elections as offering to the general judgment of the country an important opportunity to measure the degree in which the right of suffrage could be exercised by the colored people and would be respected by their fellow-citizens; but a more general enjoyment of freedom of suffrage by the colored people and a more just and generous protection of that freedom by the communities of which

Page 1293

they form a part were generally anticipated than the record of the elections discloses. In some of those States in which the colored people have been unable to make their opinions felt in the elections the result is mainly due to influences not easily measured or remedied by legal protection; but in the States of Louisiana and South Carolina at large, and in some particular Congressional districts outside of those States, the records of the elections seem to compel the conclusion that the rights of the colored voters have been overridden and their participation in the elections not permitted to be either general or free.

It will be for the Congress for which these elections were held to make such examinations into their conduct as may be appropriate to determine the validity of the claims of members to their seats. In the meanwhile it becomes the duty of the executive and judicial departments of the Government, each in its province, to inquire into and punish violations of the laws of the United States which have occurred. I can but repeat what I said in this connection in my last message, that whatever authority rests with me to this end I shall not hesitate to put forth; and I am unwilling to forego a renewed appeal to the legislatures, the courts, the executive authorities, and the people of the States where these wrongs have been perpetrated to give their assistance toward bringing to justice the offenders and preventing a repetition of the crimes. No means within my power will be spared to obtain a full and fair investigation of the alleged crimes and to secure the conviction and just punishment of the guilty.

It is to be observed that the principal appropriation made for the Department of Justice at the last session contained the following clause: And for defraying the expenses which may be incurred in the enforcement of the act approved February 28, 1871, entitled “An act to amend an act approved May 31, 1870, entitled ’An act to enforce the rights of citizens of the United States to vote in the several States of this Union, and for other purposes,’” or any acts amendatory thereof or supplementary thereto. It is the opinion of the Attorney-General that the expenses of these proceedings will largely exceed the amount which was thus provided, and I rely confidently upon Congress to make adequate appropriations to enable the executive department to enforce the laws.

I respectfully urge upon your attention that the Congressional elections, in every district, in a very important sense, are justly a matter of political interest and concern throughout the whole country. Each State, every political party, is entitled to the share of power which is conferred by the legal and constitutional suffrage. It is the right of every citizen possessing the qualifications prescribed by law to east one unintimidated ballot and to have his ballot honestly counted. So long as the exercise of this power and the enjoyment

Page 1294

of this right are common and equal, practically as well as formally, submission to the results of the suffrage will be accorded loyally and cheerfully, and all the departments of Government will feel the true vigor of the popular will thus expressed. No temporary or administrative interests of Government, however urgent or weighty, will ever displace the zeal of our people in defense of the primary rights of citizenship. They understand that the protection of liberty requires the maintenance in full vigor of the manly methods of free speech, free press, and free suffrage, and will sustain the full authority of Government to enforce the laws which are framed to preserve these inestimable rights. The material progress and welfare of the States depend on the protection afforded to their citizens. There can be no peace without such protection, no prosperity without peace, and the whole country is deeply interested in the growth and prosperity of all its parts.

While the country has not yet reached complete unity of feeling and reciprocal confidence between the communities so lately and so seriously estranged, I feel an absolute assurance that the tendencies are in that direction, and with increasing force. The power of public opinion will override all political prejudices and all sectional or State attachments in demanding that all over our wide territory the name and character of citizen of the United States shall mean one and the same thing and carry with them unchallenged security and respect.

Our relations with other countries continue peaceful. Our neutrality in contests between foreign powers has been maintained and respected.

The Universal Exposition held at Paris during the past summer has been attended by large numbers of our citizens. The brief period allowed for the preparation and arrangement of the contributions of our citizens to this great exposition was well employed in energetic and judicious efforts to overcome this disadvantage. These efforts, led and directed by the commissioner-general, were remarkably successful, and the exhibition of the products of American industry was creditable and gratifying in scope and character. The reports of the United States commissioners, giving its results in detail, will be duly laid before you. Our participation in this international competition for the favor and the trade of the world may be expected to produce useful and important results—in promoting intercourse, friendship, and commerce with other nations.

In accordance with the provisions of the act of February 28, 1878, three commissioners were appointed to an international conference on the subject of adopting a common ratio between gold and silver, for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between those metals.

Page 1295

Invitations were addressed to the various governments which had expressed a willingness to participate in its deliberations. The conference held its meetings in Paris in August last. The report of the commissioners, herewith submitted, will show its results. No common ratio between gold and silver could be agreed upon by the conference. The general conclusion was reached that it is necessary to maintain in the world the monetary functions of silver as well as of gold, leaving the selection of the use of one or the other of these two metals, or of both, to be made by each state.

Congress having appropriated at its last session the sum of $5,500,000 to pay the award of the joint commission at Halifax, if, after correspondence with the British Government on the subject of the conformity of the award to the requirements of the treaty and to the terms of the question thereby submitted to the commission, the President shall deem it his duty to make the payment, communications upon these points were addressed to the British Government through the legation of the United States at London. Failing to obtain the concurrence of the British Government in the views of this Government respecting the award, I have deemed it my duty to tender the sum named within the year fixed by the treaty, accompanied by a notice of the grounds of the payment and a protest against any other construction of the same. The correspondence upon this subject will be laid before you.

The Spanish Government has officially announced the termination of the insurrection in Cuba and the restoration of peace throughout that island. Confident expectations are expressed of a revival of trade and prosperity, which it is earnestly hoped may prove well rounded. Numerous claims of American citizens for relief for injuries or restoration of property have been among the incidents of the long-continued hostilities. Some of these claims are in process of adjustment by Spain, and the others are promised early and careful consideration.

The treaty made with Italy in regard to reciprocal consular privileges has been duly ratified and proclaimed.

No questions of grave importance have arisen with any other of the European powers.

The Japanese Government has been desirous of a revision of such parts of its treaties with foreign powers as relate to commerce, and it is understood has addressed to each of the treaty powers a request to open negotiations with that view. The United States Government has been inclined to regard the matter favorably. Whatever restrictions upon trade with Japan are found injurious to that people can not but affect injuriously nations holding commercial intercourse with them. Japan, after a long period of seclusion, has within the past few years made rapid strides in the path of enlightenment and progress, and, not unreasonably, is looking forward to the time when her relations with the nations of Europe and America shall be assimilated to those which they hold with each other. A treaty looking to this end has been made, which will be submitted for the consideration of the Senate.

Page 1296

After an interval of several years the Chinese Government has again sent envoys to the United States. They have been received, and a permanent legation is now established here by that Government. It is not doubted that this step will be of advantage to both nations in promoting friendly relations and removing causes of difference.

The treaty with the Samoan Islands, having been duly ratified and accepted on the part of both Governments, is now in operation, and a survey and soundings of the harbor of Pago-Pago have been made by a naval vessel of the United States, with a view of its occupation as a naval station if found desirable to the service.

Since the resumption of diplomatic relations with Mexico correspondence has been opened and still continues between the two Governments upon the various questions which at one time seemed to endanger their relations. While no formal agreement has been reached as to the troubles on the border, much has been done to repress and diminish them. The effective force of United States troops on the Rio Grande, by a strict and faithful compliance with instructions, has done much to remove the sources of dispute, and it is now understood that a like force of Mexican troops on the other side of the river is also making an energetic movement against the marauding Indian tribes. This Government looks with the greatest satisfaction upon every evidence of strength in the national authority of Mexico, and upon every effort put forth to prevent or to punish incursions upon our territory. Reluctant to assume any action or attitude in the control of these incursions by military movements across the border not imperatively demanded for the protection of the lives and property of our own citizens, I shall take the earliest opportunity consistent with the proper discharge of this plain duty to recognize the ability of the Mexican Government to restrain effectively violations of our territory. It is proposed to hold next year an international exhibition in Mexico, and it is believed that the display of the agricultural and manufacturing products of the two nations will tend to better understanding and increased commercial intercourse between their people.

With Brazil and the Republics of Central and South America some steps have been taken toward the development of closer commercial intercourse. Diplomatic relations have been resumed with Colombia and with Bolivia. A boundary question between the Argentine Republic and Paraguay has been submitted by those Governments for arbitration to the President of the United States, and I have, after careful examination, given a decision upon it.

A naval expedition up the Amazon and Madeira rivers has brought back information valuable both for scientific and commercial purposes. A like expedition is about visiting the coast of Africa and the Indian Ocean. The reports of diplomatic and consular officers in relation to the development of our foreign commerce have furnished many facts that have proved of public interest and have stimulated to practical exertion the enterprise of our people.

Page 1297

The report of the Secretary of the Treasury furnishes a detailed statement of the operations of that Department of the Government and of the condition of the public finances.

The ordinary revenues from all sources for the fiscal year ended June 30, 1878, were $257,763,878.70; the ordinary expenditures for the same period were $236,964,326.80, leaving a surplus revenue for the year of $20,799,551.90. The receipts for the present fiscal year, ending June 30, 1879, actual and estimated, are as follows: Actual receipts for the first quarter, commencing July 1, 1878, $73,389,743.43; estimated receipts for the remaining three quarters of the year, $191,110,256.57; total receipts for the current fiscal year, actual and estimated, $264,500,000. The expenditures for the same period will be, actual and estimated, as follows: For the quarter commencing July 1, 1878, actual expenditures, $73,344,573.27; and for the remaining three quarters of the year the expenditures are estimated at $166,755,426.73, making the total expenditures $240,100,000, and leaving an estimated surplus revenue for the year ending June 30, 1879, of $24,400,000. The total receipts during the next fiscal year, ending June 30, 1880, estimated according to existing laws, will be $264,500,000, and the estimated ordinary expenditures for the same period will be $236,320,412.68, leaving a surplus of $28,179,587.32 for that year.

In the foregoing statements of expenditures, actual and estimated, no amount is allowed for the sinking fund provided for by the act approved February 25, 1862, which requires that 1 per cent of the entire debt of the United States shall be purchased or paid within each fiscal year, to be set apart as a sinking fund. There has been, however, a substantial compliance with the conditions of the law. By its terms the public debt should have been reduced between 1862 and the close of the last fiscal year $518,361,806.28; the actual reduction of the ascertained debt in that period has been $720,644,739.61, being in excess of the reduction required by the sinking fund act $202,282,933.33.

The amount of the public debt, less cash in the Treasury, November 1, 1878, was $2,024,200,083.18 a reduction since the same date last year of $23,150,617.39.

The progress made during the last year in refunding the public debt at lower rates of interest is very gratifying. The amount of 4 per cent bonds sold during the present year prior to November 23, 1878, is $100,270,900, and 6 per cent bonds, commonly known as five-twenties, to an equal amount, have been or will be redeemed as calls mature.

It has been the policy of the Department to place the 4 per cent bonds within easy reach of every citizen who desires to invest his savings, whether small or great, in these securities. The Secretary of the Treasury recommends that the law be so modified that small sums may be invested, and that through the post-offices or other agents of the Government the freest opportunity may be given in all parts of the country for such investments.

Page 1298

The best mode suggested is that the Department be authorized to issue certificates of deposit, of the denomination of $10, bearing interest at the rate of 3.65 per cent per annum and convertible at any time within one year after their issue into the 4 per cent bonds authorized by the refunding act, and to be issued only in exchange for United States notes sent to the Treasury by mail or otherwise. Such a provision of law, supported by suitable regulations, would enable any person readily, without cost or risk, to convert his money into an interest-bearing security of the United States, and the money so received could be applied to the redemption of 6 per cent bonds.

The coinage of gold during the last fiscal year was $52,798,980. The coinage of silver dollars under the act passed February 28, 1878, amounted on the 23d of November, 1878, to $19,814,550, of which amount $4,984,947 are in circulation, and the balance, $14,829,603, is still in the possession of the Government.

With views unchanged with regard to the act under which the coinage of silver proceeds, it has been the purpose of the Secretary faithfully to execute the law and to afford a fair trial to the measure.

In the present financial condition of the country I am persuaded that the welfare of legitimate business and industry of every description will be best promoted by abstaining from all attempts to make radical changes in the existing financial legislation. Let it be understood that during the coming year the business of the country will be undisturbed by governmental interference with the laws affecting it, and we may confidently expect that the resumption of specie payments, which will take place at the appointed time, will be successfully and easily maintained, and that it will be followed by a healthful and enduring revival of business prosperity.

Let the healing influence of time, the inherent energies of our people, and the boundless resources of our country have a fair opportunity, and relief from present difficulties will surely follow.

The report of the Secretary of War shows that the Army has been well and economically supplied; that our small force has been actively employed and has faithfully performed all the service required of it. The morale of the Army has improved and the number of desertions has materially decreased during the year.

The Secretary recommends—

1. That a pension be granted to the widow of the late Lieutenant Henry H. Benner, Eighteenth Infantry, who lost his life by yellow fever while in command of the steamer. J.M. Chambers, sent with supplies for the relief of sufferers in the South from that disease.

2. The establishment of the annuity scheme for the benefit of the heirs of deceased officers, as suggested by the Paymaster-General.

3. The adoption by Congress of a plan for the publication of the records of the War of the Rebellion, now being prepared for that purpose.

Page 1299

4. The increase of the extra per diem of soldier teachers employed in post schools, and liberal appropriations for the erection of buildings for schools and libraries at the different posts.

5. The repeal or amendment of the act of June 18, 1878, forbidding the use of the Army "as a posse comitatus, or otherwise, for the purpose of executing the laws, except in such cases and under such circumstances as such employment of said force may be expressly authorized by the Constitution or by act of Congress."

6. The passage of a joint resolution of Congress legalizing the issues of rations, tents, and medicines which were made for the relief of sufferers from yellow fever.

7. That provision be made for the erection of a fireproof building for the preservation of certain valuable records, now constantly exposed to destruction by fire.

These recommendations are all commended to your favorable consideration.

The report of the Secretary of the Navy shows that the Navy has improved during the last fiscal year. Work has been done on seventy-five vessels, ten of which have been thoroughly repaired and made ready for sea. Two others are in rapid progress toward completion. The total expenditures of the year, including the amount appropriated for the deficiencies of the previous year, were $17,468,392.65. The actual expenses chargeable to the year, exclusive of these deficiencies, were $13,306,914.09, or $767,199.18 less than those of the previous year, and $4,928,677.74 less than the expenses including the deficiencies. The estimates for the fiscal year ending June 30, 1880, are $14,562,381.45, exceeding the appropriations of the present year only $33,949.75, which excess is occasioned by the demands of the Naval Academy and the Marine Corps, as explained in the Secretary's report. The appropriations for the present fiscal year are $14,528,431.70, which, in the opinion of the Secretary, will be ample for all the current expenses of the Department during the year. The amount drawn from the Treasury from July 1 to November 1, 1878, is $4,740,544.14, of which $70,980.75 has been refunded, leaving as the expenditure for that period $4,669,563.39, or $520,899.24 less than the corresponding period of the last fiscal year.

The report of the Postmaster-General embraces a detailed statement of the operations of the Post-Office Department. The expenditures of that Department for the fiscal year ended June 30, 1878, were $34,165,084.49. The receipts, including sales of stamps, money-order business, and official stamps, were $29,277,516.95. The sum of $290,436.90, included in the foregoing statement of expenditures, is chargeable to preceding years, so that the actual expenditures for the fiscal year ended June 30, 1878, are $33,874,647.59. The amount drawn from the Treasury on appropriations, in addition to the revenues of the Department, was $5,307,652.82. The expenditures for the fiscal

Page 1300

year ending June 30, 1880, are estimated at $36,571,900 and the receipts from all sources at $30,664,023.90, leaving a deficiency to be appropriated out of the Treasury of $5,907,876.10. The report calls attention to the fact that the compensation of postmasters and of railroads for carrying the mail is regulated by law, and that the failure of Congress to appropriate the amounts required for these purposes does not relieve the Government of responsibility, but necessarily increases the deficiency bills which Congress will be called upon to pass.

In providing for the postal service the following questions are presented: Should Congress annually appropriate a sum for its expenses largely in excess of its revenues, or should such rates of postage be established as will make the Department self-sustaining? Should the postal service be reduced by excluding from the mails matter which does not pay its way? Should the number of post routes be diminished? Should other methods be adopted which will increase the revenues or diminish the expenses of the postal service?

The International Postal Congress which met at Paris May 1, 1878, and continued in session until June 4 of the same year, was composed of delegates from nearly all the civilized countries of the world. It adopted a new convention (to take the place of the treaty concluded at Berne October 9, 1874), which goes into effect on the 1st of April, 1879, between the countries whose delegates have signed it. It was ratified and approved, by and with the consent of the President, August 13, 1878. A synopsis of this Universal Postal Convention will be found in the report of the Postmaster-General, and the full text in the appendix thereto. In its origin the Postal Union comprised twenty-three countries, having a population of 350,000,000 people. On the 1st of April next it will comprise forty-three countries and colonies, with a population of more than 650,000,000 people, and will soon, by the accession of the few remaining countries and colonies which maintain organized postal services, constitute in fact as well as in name, as its new title indicates, a universal union, regulating, upon a uniform basis of cheap postage rates, the postal intercourse between all civilized nations.

Some embarrassment has arisen out of the conflict between the customs laws of this country and the provisions of the Postal Convention in regard to the transmission of foreign books and newspapers to this country by mail. It is hoped that Congress will be able to devise some means of reconciling the difficulties which have thus been created, so as to do justice to all parties involved.

The business of the Supreme Court and of the courts in many of the circuits has increased to such an extent during the past year that additional legislation is imperative to relieve and prevent the delay of justice and possible oppression to suitors which is thus occasioned. The encumbered condition of these dockets is presented anew in the report of the Attorney-General, and the remedy suggested is earnestly urged for

Congressional action. The creation of additional circuit judges, as proposed, would afford a complete remedy, and would involve an expense, at the present rate of salaries of not more than $60,000 a year.

Page 1301

The annual reports of the Secretary of the Interior and of the Commissioner of Indian Affairs present an elaborate account of the present condition of the Indian tribes and of that branch of the public service which ministers to their interests. While the conduct of the Indians generally has been orderly and their relations with their neighbors friendly and peaceable, two local disturbances have occurred, which were deplorable in their character, but remained, happily, confined to a comparatively small number of Indians. The discontent among the Bannocks, which led first to some acts of violence on the part of some members of the tribe and finally to the outbreak, appears to have been caused by an insufficiency of food on the reservation, and this insufficiency to have been owing to the inadequacy of the appropriations made by Congress to the wants of the Indians at a time when the Indians were prevented from supplying the deficiency by hunting. After an arduous pursuit by the troops of the United States, and several engagements, the hostile Indians were reduced to subjection, and the larger part of them surrendered themselves as prisoners. In this connection I desire to call attention to the recommendation made by the Secretary of the Interior, that a sufficient fund be placed at the disposal of the Executive, to be used, with proper accountability, at discretion, in sudden emergencies of the Indian service.

The other case of disturbance was that of a band of Northern Cheyennes, who suddenly left their reservation in the Indian Territory and marched rapidly through the States of Kansas and Nebraska in the direction of their old hunting grounds, committing murders and other crimes on their way. From documents accompanying the report of the Secretary of the Interior it appears that this disorderly band was as fully supplied with the necessaries of life as the 4,700 other Indians who remained quietly on the reservation, and that the disturbance was caused by men of a restless and mischievous disposition among the Indians themselves. Almost the whole of this band have surrendered to the military authorities; and it is a gratifying fact that when some of them had taken refuge in the camp of the Red Cloud Sioux, with whom they had been in friendly relations, the Sioux held them as prisoners and readily gave them up to the officers of the United States, thus giving new proof of the loyal spirit which, alarming rumors to the contrary notwithstanding, they have uniformly shown ever since the wishes they expressed at the council of September, 1877, had been complied with.

Page 1302

Both the Secretary of the Interior and the Secretary of War unite in the recommendation that provision be made by Congress for the organization of a corps of mounted “Indian auxiliaries,” to be under the control of the Army and to be used for the purpose of keeping the Indians on their reservations and preventing or repressing disturbance on their part. I earnestly concur in this recommendation. It is believed that the organization of such a body of Indian cavalry, receiving a moderate pay from the Government, would considerably weaken the restless element among the Indians by withdrawing from it a number of young men and giving them congenial employment under the Government, it being a matter of experience that Indians in our service almost without exception are faithful in the performance of the duties assigned to them. Such an organization would materially aid the Army in the accomplishment of a task for which its numerical strength is sometimes found insufficient.

But while the employment of force for the prevention or repression of Indian troubles is of occasional necessity, and wise preparation should be made to that end, greater reliance must be placed on humane and civilizing agencies for the ultimate solution of what is called the Indian problem. It may be very difficult and require much patient effort to curb the unruly spirit of the savage Indian to the restraints of civilized life, but experience shows that it is not impossible. Many of the tribes which are now quiet and orderly and self-supporting were once as savage as any that at present roam over the plains or in the mountains of the far West, and were then considered inaccessible to civilizing influences. It may be impossible to raise them fully up to the level of the white population of the United States; but we should not forget that they are the aborigines of the country, and called the soil their own on which our people have grown rich, powerful, and happy. We owe it to them as a moral duty to help them in attaining at least that degree of civilization which they may be able to reach. It is not only our duty, it is also our interest to do so. Indians who have become agriculturists or herdsmen, and feel an interest in property, will thenceforth cease to be a warlike and disturbing element. It is also a well-authenticated fact that Indians are apt to be peaceable and quiet when their children are at school, and I am gratified to know, from the expressions of Indians themselves and from many concurring reports, that there is a steadily increasing desire, even among Indians belonging to comparatively wild tribes, to have their children educated. I invite attention to the reports of the Secretary of the Interior and the Commissioner of Indian Affairs touching the experiment recently inaugurated, in taking fifty Indian children, boys and girls, from different tribes, to the Hampton Normal Agricultural Institute in Virginia, where they are to receive an elementary English education and

Page 1303

training in agriculture and other useful works, to be returned to their tribes, after the completed course, as interpreters, instructors, and examples. It is reported that the officer charged with the selection of those children might have had thousands of young Indians sent with him had it been possible to make provision for them. I agree with the Secretary of the Interior in saying that “the result of this interesting experiment, if favorable, may be destined to become an important factor in the advancement of civilization among the Indians.”

The question whether a change in the control of the Indian service should be made was at the last session of Congress referred to a committee for inquiry and report. Without desiring to anticipate that report, I venture to express the hope that in the decision of so important a question the views expressed above may not be lost sight of, and that the decision, whatever it may be, will arrest further agitation of this subject, such agitation being apt to produce a disturbing effect upon the service, as well as on the Indians themselves.

In the enrollment of the bill making appropriations for sundry civil expenses, at the last session of Congress, that portion which provided for the continuation of the Hot Springs Commission was omitted. As the commission had completed the work of taking testimony on the many conflicting claims, the suspension of their labors, before determining the rights of claimants, threatened for a time to embarrass the interests, not only of the Government, but also of a large number of the citizens of Hot Springs, who were waiting for final action on their claims before beginning contemplated improvements. In order to prevent serious difficulties, which were apprehended, and at the solicitation of many leading citizens of Hot Springs and others interested in the welfare of the town, the Secretary of the Interior was authorized to request the late commissioners to take charge of the records of their proceedings and to perform such work as could properly be done by them under such circumstances to facilitate the future adjudication of the claims at an early day and to preserve the status of the claimants until their rights should be finally determined. The late commissioners complied with that request, and report that the testimony in all the cases has been written out, examined, briefed, and so arranged as to facilitate an early settlement when authorized by law. It is recommended that the requisite authority be given at as early a day in the session as possible, and that a fair compensation be allowed the late commissioners for the expense incurred and the labor performed by them since the 25th of June last.

Page 1304

I invite the attention of Congress to the recommendations made by the Secretary of the Interior with regard to the preservation of the timber on the public lands of the United States. The protection of the public property is one of the first duties of the Government. The Department of the Interior should therefore be enabled by sufficient appropriations to enforce the laws in that respect. But this matter appears still more important as a question of public economy. The rapid destruction of our forests is an evil fraught with the gravest consequences, especially in the mountainous districts, where the rocky slopes, once denuded of their trees, will remain so forever. There the injury, once done, can not be repaired. I fully concur with the Secretary of the Interior in the opinion that for this reason legislation touching the public timber in the mountainous States and Territories of the West should be especially well considered, and that existing laws in which the destruction of the forests is not sufficiently guarded against should be speedily modified. A general law concerning this important subject appears to me to be a matter of urgent public necessity.

From the organization of the Government the importance of encouraging by all possible means the increase of our agricultural productions has been acknowledged and urged upon the attention of Congress and the people as the surest and readiest means of increasing our substantial and enduring prosperity.

The words of Washington are as applicable to-day as when, in his eighth annual message, he said: It will not be doubted that, with reference either to individual or national welfare, agriculture is of primary importance. In proportion as nations advance in population and other circumstances of maturity this truth becomes more apparent, and renders the cultivation of the soil more and more an object of public patronage. Institutions for promoting it grow up, supported by the public purse; and to what object can it be dedicated with greater propriety? Among the means which have been employed to this end none have been attended with greater success than the establishment of boards (composed of proper characters) charged with collecting and diffusing information, and enabled by premiums and small pecuniary aids to encourage and assist a spirit of discovery and improvement. This species of establishment contributes doubly to the increase of improvement, by stimulating to enterprise and experiment, and by drawing to a common center the results everywhere of individual skill and observation and spreading them thence over the whole nation. Experience accordingly hath shewn that they are very cheap instruments of immense national benefits. The preponderance of the agricultural over any other interest in the United States entitles it to all the consideration claimed for it by Washington. About one-half of the population of the United States is engaged in agriculture. The value of the agricultural

Page 1305

products of the United States for the year 1878 is estimated at $3,000,000,000. The exports of agricultural products for the year 1877, as appears from the report of the Bureau of Statistics, were $524,000,000. The great extent of our country, with its diversity of soil and climate, enables us to produce within our own borders and by our own labor not only the necessaries, but most of the luxuries, that are consumed in civilized countries. Yet, notwithstanding our advantages of soil, climate, and intercommunication, it appears from the statistical statements in the report of the Commissioner of Agriculture that we import annually from foreign lands many millions of dollars worth of agricultural products which could be raised in our own country.

Numerous questions arise in the practice of advanced agriculture which can only be answered by experiments, often costly and sometimes fruitless, which are beyond the means of private individuals and are a just and proper charge on the whole nation for the benefit of the nation. It is good policy, especially in times of depression and uncertainty in other business pursuits, with a vast area of uncultivated, and hence unproductive, territory, wisely opened to homestead settlement, to encourage by every proper and legitimate means the occupation and tillage of the soil. The efforts of the Department of Agriculture to stimulate old and introduce new agricultural industries, to improve the quality and increase the quantity of our products, to determine the value of old or establish the importance of new methods of culture, are worthy of your careful and favorable consideration, and assistance by such appropriations of money and enlargement of facilities as may seem to be demanded by the present favorable conditions for the growth and rapid development of this important interest.

The abuse of animals in transit is widely attracting public attention. A national convention of societies specially interested in the subject has recently met at Baltimore, and the facts developed, both in regard to cruelties to animals and the effect of such cruelties upon the public health, would seem to demand the careful consideration of Congress and the enactment of more efficient laws for the prevention of these abuses.

The report of the Commissioner of the Bureau of Education shows very gratifying progress throughout the country in all the interests committed to the care of this important office. The report is especially encouraging with respect to the extension of the advantages of the common-school system in sections of the country where the general enjoyment of the privilege of free schools is not yet attained.

To education more than to any other agency we are to look as the resource for the advancement of the people in the requisite knowledge and appreciation of their rights and responsibilities as citizens, and I desire to repeat the suggestion contained in my former message in behalf of the enactment of appropriate measures by Congress for the purpose of supplementing with national aid the local systems of education in the several States.

Page 1306

Adequate accommodations for the great library, which is overgrowing the capacity of the rooms now occupied at the Capitol, should be provided without further delay. This invaluable collection of books, manuscripts, and illustrative art has grown to such proportions, in connection with the copyright system of the country, as to demand the prompt and careful attention of Congress to save it from injury in its present crowded and insufficient quarters. As this library is national in its character, and must from the nature of the case increase even more rapidly in the future than in the past, it can not be doubted that the people will sanction any wise expenditure to preserve it and to enlarge its usefulness.

The appeal of the Regents of the Smithsonian Institution for the means to organize, exhibit, and make available for the public benefit the articles now stored away belonging to the National Museum I heartily recommend to your favorable consideration.

The attention of Congress is again invited to the condition of the river front of the city of Washington. It is a matter of vital importance to the health of the residents of the national capital, both temporary and permanent, that the lowlands in front of the city, now subject to tidal overflow, should be reclaimed. In their present condition these flats obstruct the drainage of the city and are a dangerous source of malarial poison. The reclamation will improve the navigation of the river by restricting, and consequently deepening, its channel, and is also of importance when considered in connection with the extension of the public ground and the enlargement of the park west and south of the Washington Monument. The report of the board of survey, heretofore ordered by act of Congress, on the improvement of the harbor of Washington and Georgetown, is respectfully commended to consideration.

The report of the Commissioners of the District of Columbia presents a detailed statement of the affairs of the District.

The relative expenditures by the United States and the District for local purposes is contrasted, showing that the expenditures by the people of the District greatly exceed those of the General Government. The exhibit is made in connection with estimates for the requisite repair of the defective pavements and sewers of the city, which is a work of immediate necessity; and in the same connection a plan is presented for the permanent funding of the outstanding securities of the District.

The benevolent, reformatory, and penal institutions of the District are all entitled to the favorable attention of Congress. The Reform School needs additional buildings and teachers. Appropriations which will place all of these institutions in a condition to become models of usefulness and beneficence will be regarded by the country as liberality wisely bestowed.

The Commissioners, with evident justice, request attention to the discrimination made by Congress against the District in the donation of land for the support of the public

schools, and ask that the same liberality that has been shown to the inhabitants of the various States and Territories of the United States may be extended to the District of Columbia.

Page 1307

The Commissioners also invite attention to the damage inflicted upon public and private interests by the present location of the depots and switching tracks of the several railroads entering the city, and ask for legislation looking to their removal. The recommendations and suggestions contained in the report will, I trust, receive the careful consideration of Congress.

Sufficient time has, perhaps, not elapsed since the reorganization of the government of the District under the recent legislation of Congress for the expression of a confident opinion as to its successful operation, but the practical results already attained are so satisfactory that the friends of the new government may well urge upon Congress the wisdom of its continuance, without essential modification, until by actual experience its advantages and defects may be more fully ascertained.

R. B. HAYES

***

State of the Union Address
Rutherford B. Hayes
December 1, 1879

Fellow-Citizens of the Senate and House of Representatives:

The members of the Forty-sixth Congress have assembled in their first regular session under circumstances calling for mutual congratulation and grateful acknowledgment to the Giver of All Good for the large and unusual measure of national prosperity which we now enjoy.

The most interesting events which have occurred in our public affairs since my last annual message to Congress are connected with the financial operations of the Government, directly affecting the business interests of the country. I congratulate Congress on the successful execution of the resumption act. At the time fixed, and in the manner contemplated by law, United States notes began to be redeemed in coin. Since the 1st of January last they have been promptly redeemed on presentation, and in all business transactions, public and private, in all parts of the country, they are received and paid out as the equivalent of coin. The demand upon the Treasury for gold and silver in exchange for United States notes has been comparatively small, and the voluntary deposit of coin and bullion in exchange for notes has been very large. The excess of the precious metals deposited or exchanged for United States notes over the amount of United States notes redeemed is about $40,000,000.

The resumption of specie payments has been followed by a very great revival of business. With a currency equivalent in value to the money of the commercial world,

we are enabled to enter upon an equal competition with other nations in trade and production. The increasing foreign demand for our manufactures and agricultural products has caused a large balance of trade in our favor, which has been paid in gold, from the 1st of July last to November 15, to the amount of about $59,000,000. Since the resumption of specie payments there has also been a marked and gratifying

Page 1308

improvement of the public credit. The bonds of the Government bearing only 4 per cent interest have been sold at or above par, sufficient in amount to pay off all of the national debt which was redeemable under present laws. The amount of interest saved annually by the process of refunding the debt since March 1, 1877, is $14,297,177. The bonds sold were largely in small sums, and the number of our citizens now holding the public securities is much greater than ever before. The amount of the national debt which matures within less than two years is $792,121,700, of which $500,000,000 bear interest at the rate of 5 per cent, and the balance is in bonds bearing 6 per cent interest. It is believed that this part of the public debt can be refunded by the issue of 4 per cent bonds, and, by the reduction of interest which will thus be effected, about $11,000,000 can be annually saved to the Treasury. To secure this important reduction of interest to be paid by the United States further legislation is required, which it is hoped will be provided by Congress during its present session.

The coinage of gold by the mints of the United States during the last fiscal year was $40,986,912. The coinage of silver dollars since the passage of the act for that purpose up to November 1, 1879, was $45,000,850, of which $12,700,344 have been issued from the Treasury and are now in circulation, and $32,300,506 are still in the possession of the Government.

The pendency of the proposition for unity of action between the United States and the principal commercial nations of Europe to effect a permanent system for the equality of gold and silver in the recognized money of the world leads me to recommend that Congress refrain from new legislation on the general subject. The great revival of trade, internal and foreign, will supply during the coming year its own instructions, which may well be awaited before attempting further experimental measures with the coinage. I would, however, strongly urge upon Congress the importance of authorizing the Secretary of the Treasury to suspend the coinage of silver dollars upon the present legal ratio. The market value of the silver dollar being uniformly and largely less than the market value of the gold dollar, it is obviously impracticable to maintain them at par with each other if both are coined without limit. If the cheaper coin is forced into circulation, it will, if coined without limit, soon become the sole standard of value, and thus defeat the desired object, which is a currency of both gold and silver which shall be of equivalent value, dollar for dollar, with the universally recognized money of the world.

Page 1309

The retirement from circulation of United States notes with the capacity of legal tender in private contracts is a step to be taken in our progress toward a safe and stable currency which should be accepted as the policy and duty of the Government and the interest and security of the people. It is my firm conviction that the issue of legal-tender paper money based wholly upon the authority and credit of the Government, except in extreme emergency, is without warrant in the Constitution and a violation of sound financial principles. The issue of United States notes during the late civil war with the capacity of legal tender between private individuals was not authorized except as a means of rescuing the country from imminent peril. The circulation of these notes as paper money for any protracted period of time after the accomplishment of this purpose was not contemplated by the framers of the law under which they were issued. They anticipated the redemption and withdrawal of these notes at the earliest practicable period consistent with the attainment of the object for which they were provided.

The policy of the United States, steadily adhered to from the adoption of the Constitution, has been to avoid the creation of a national debt; and when, from necessity in time of war, debts have been created, they have been paid off, on the return of peace, as rapidly as possible. With this view, and for this purpose, it is recommended that the existing laws for the accumulation of a sinking fund sufficient to extinguish the public debt within a limited period be maintained. If any change of the objects or rates of taxation is deemed necessary by Congress, it is suggested that experience has shown that a duty can be placed on tea and coffee which will not enhance the price of those articles to the consumer, and which will add several millions of dollars annually to the Treasury.

The continued deliberate violation by a large number of the prominent and influential citizens of the Territory of Utah of the laws of the United States for the prosecution and punishment of polygamy demands the attention of every department of the Government. This Territory has a population sufficient to entitle it to admission as a State, and the general interests of the nation, as well as the welfare of the citizens of the Territory, require its advance from the Territorial form of government to the responsibilities and privileges of a State. This important change will not, however, be approved by the country while the citizens of Utah in very considerable number uphold a practice which is condemned as a crime by the laws of all civilized communities throughout the world.

Page 1310

The law for the suppression of this offense was enacted with great unanimity by Congress more than seventeen years ago, but has remained until recently a dead letter in the Territory of Utah, because of the peculiar difficulties attending its enforcement. The opinion widely prevailed among the citizens of Utah that the law was in contravention of the constitutional guaranty of religious freedom. This objection is now removed. The Supreme Court of the United States has decided the law to be within the legislative power of Congress and binding as a rule of action for all who reside within the Territories. There is no longer any reason for delay or hesitation in its enforcement. It should be firmly and effectively executed. If not sufficiently stringent in its provisions, it should be amended; and in aid of the purpose in view I recommend that more comprehensive and more searching methods for preventing as well as punishing this crime be provided. If necessary to secure obedience to the law, the enjoyment and exercise of the rights and privileges of citizenship in the Territories of the United States may be withheld or withdrawn from those who violate or oppose the enforcement of the law on this subject.

The elections of the past year, though occupied only with State officers, have not failed to elicit in the political discussions which attended them all over the country new and decisive evidence of the deep interest which the great body of citizens take in the progress of the country toward a more general and complete establishment, at whatever cost, of universal security and freedom in the exercise of the elective franchise. While many topics of political concern demand great attention from our people, both in the sphere of national and State authority, I find no reason to qualify the opinion I expressed in my last annual message, that no temporary or administrative interests of government, however urgent or weighty, will ever displace the zeal of our people in defense of the primary rights of citizenship, and that the power of public opinion will override all political prejudices, and all sectional and State attachments in demanding that all over our wide territory the name and character of citizen of the United States shall mean one and the same thing and carry with them unchallenged security and respect. I earnestly appeal to the intelligence and patriotism of all good citizens of every part of the country, however much they maybe divided in opinions on other political subjects, to unite in compelling obedience to existing laws aimed at the protection of the right of suffrage. I respectfully urge upon Congress to supply any defects in these laws which experience has shown and which it is within its power to remedy. I again invoke the cooperation of the executive and legislative authorities of the States in this great purpose. I am fully convinced that if the public mind can be set at rest on this paramount question of popular rights no serious obstacle will thwart or delay the complete pacification of the country or retard the general diffusion of prosperity.

Page 1311

In a former message I invited the attention of Congress to the subject of the reformation of the civil service of the Government, and expressed the intention of transmitting to Congress as early as practicable a report upon this subject by the chairman of the Civil Service Commission.

In view of the facts that during a considerable period the Government of Great Britain has been dealing with administrative problems and abuses in various particulars analogous to those presented in this country, and that in recent years the measures adopted were understood to have been effective and in every respect highly satisfactory, I thought it desirable to have fuller information upon the subject, and accordingly requested the chairman of the Civil Service Commission to make a thorough investigation for this purpose. The result has been an elaborate and comprehensive report.

The report sets forth the history of the partisan spoils system in Great Britain, and of the rise and fall of the parliamentary patronage, and of official interference with the freedom of elections. It shows that after long trials of various kinds of examinations those which are competitive and open on equal terms to all, and which are carried on under the superintendence of a single commission, have, with great advantage, been established as conditions of admission to almost every official place in the subordinate administration of that country and of British India. The completion of the report, owing to the extent of the labor involved in its preparation and the omission of Congress to make any provision either for the compensation or the expenses of the Commission, has been postponed until the present time. It is herewith transmitted to Congress.

While the reform measures of another government are of no authority for us, they are entitled to influence to the extent to which their intrinsic wisdom and their adaptation to our institutions and social life may commend them to our consideration. The views I have heretofore expressed concerning the defects and abuses in our civil administration remain unchanged, except in so far as an enlarged experience has deepened my sense of the duty both of officers and of the people themselves to cooperate for their removal. The grave evils and perils of a partisan spoils system of appointment to office and of office tenure are now generally recognized. In the resolutions of the great parties, in the reports of Departments, in the debates and proceedings of Congress, in the messages of Executives, the gravity of these evils has been pointed out and the need of their reform has been admitted.

To command the necessary support, every measure of reform must be based on common right and justice, and must be compatible with the healthy existence of great parties, which are inevitable and essential in a free state.

When the people have approved a policy at a national election, confidence on the part of the officers they have selected and of the advisers who, in accordance with our political institutions, should be consulted in the policy which it is their duty to carry into

effect is indispensable. It is eminently proper that they should explain it before the people, as well as illustrate its spirit in the performance of their official duties.

Page 1312

Very different considerations apply to the greater number of those who fill the subordinate places in the civil service. Their responsibility is to their superiors in official position. It is their duty to obey the legal instructions of those upon whom that authority is devolved, and their best public service consists in the discharge of their functions irrespective of partisan politics. Their duties are the same whatever party is in power and whatever policy prevails. As a consequence it follows that their tenure of office should not depend on the prevalence of any policy or the supremacy of any party, but should be determined by their capacity to serve the people most usefully quite irrespective of partisan interests. The same considerations that should govern the tenure should also prevail in the appointment, discipline, and removal of these subordinates. The authority of appointment and removal is not a perquisite, which may be used to aid a friend or reward a partisan, but is a trust, to be exercised in the public interest under all the sanctions which attend the obligation to apply the public funds only for public purposes.

Every citizen has an equal right to the honor and profit of entering the public service of his country. The only just ground of discrimination is the measure of character and capacity he has to make that service most useful to the people. Except in cases where, upon just and recognized principles—as upon the theory of pensions—offices and promotions are bestowed as rewards for past services, their bestowal upon any theory which disregards personal merit is an act of injustice to the citizen, as well as a breach of that trust subject to which the appointing power is held.

In the light of these principles it becomes of great importance to provide just and adequate means, especially for every Department and large administrative office, where personal discrimination on the part of its head is not practicable, for ascertaining those qualifications to which appointments and removals should have reference. To fail to provide such means is not only to deny the opportunity of ascertaining the facts upon which the most righteous claim to office depends, but of necessity to discourage all worthy aspirants by handing over appointments and removals to mere influence and favoritism. If it is the right of the worthiest claimant to gain the appointment and the interest of the people to bestow it upon him, it would seem clear that a wise and just method of ascertaining personal fitness for office must be an important and permanent function of every just and wise government. It has long since become impossible in the great offices for those having the duty of nomination and appointment to personally examine into the individual qualifications of more than a small proportion of those seeking office, and with the enlargement of the civil service that proportion must continue to become less.

In the earlier years of the Government the subordinate offices were so few in number that it was quite easy for those making appointments and promotions to personally ascertain the merits of candidates. Party managers and methods had not then become powerful agencies of coercion, hostile to the free and just exercise of the appointing power.

Page 1313

A large and responsible part of the duty of restoring the civil service to the desired purity and efficiency rests upon the President, and it is my purpose to do what is within my power to advance such prudent and gradual measures of reform as will most surely and rapidly bring about that radical change of system essential to make our administrative methods satisfactory to a free and intelligent people. By a proper exercise of authority it is in the power of the Executive to do much to promote such a reform. But it can not be too clearly understood that nothing adequate can be accomplished without cooperation on the part of Congress and considerate and intelligent support among the people. Reforms which challenge the generally accepted theories of parties and demand changes in the methods of Departments are not the work of a day. Their permanent foundations must be laid in sound principles and in an experience which demonstrates their wisdom and exposes the errors of their adversaries. Every worthy officer desires to make his official action a gain and an honor to his country; but the people themselves, far more than their officers in public station, are interested in a pure, economical, and vigorous administration.

By laws enacted in 1853 and 1855, and now in substance incorporated in the Revised Statutes, the practice of arbitrary appointments to the several subordinate grades in the great Departments was condemned, and examinations as to capacity, to be conducted by departmental boards of examiners, were provided for and made conditions of admission to the public service. These statutes are a decision by Congress that examinations of some sort as to attainments and capacity are essential to the well-being of the public service. The important questions since the enactment of these laws have been as to the character of these examinations, and whether official favor and partisan influence or common right and merit were to control the access to the examinations. In practice these examinations have not always been open to worthy persons generally who might wish to be examined. Official favoritism and partisan influence, as a rule, appear to have designated those who alone were permitted to go before the examining boards, subjecting even the examiners to a pressure from the friends of the candidates very difficult to resist. As a consequence the standard of admission fell below that which the public interest demanded. It was also almost inevitable that a system which provided for various separate boards of examiners, with no common supervision or uniform method of procedure, should result in confusion, inconsistency, and inadequate tests of capacity, highly detrimental to the public interest. A further and more radical change was obviously required.

Page 1314

In the annual message of December, 1870, my predecessor declared that— There is no duty which so much embarrasses the Executive and heads of Departments as that of appointments, nor is there any such arduous and thankless labor imposed on Senators and Representatives as that of finding places for constituents. The present system does not secure the best men, and often not even fit men, for public place. The elevation and purification of the civil service of the Government will be hailed with approval by the whole people of the United States. Congress accordingly passed the act approved March 3, 1871, “to regulate the civil service of the United States and promote the efficiency thereof,” giving the necessary authority to the Executive to inaugurate a civil-service reform.

Acting under this statute, which was interpreted as intended to secure a system of just and effectual examinations under uniform supervision, a number of eminently competent persons were selected for the purpose, who entered with zeal upon the discharge of their duties, prepared with an intelligent appreciation of the requirements of the service the regulations contemplated, and took charge of the examinations, and who in their capacity as a board have been known as the “Civil Service Commission.” Congress for two years appropriated the money needed for the compensation and for the expense of carrying on the work of the Commission.

It appears from the report of the Commission submitted to the President in April, 1874, that examinations had been held in various sections of the country, and that an appropriation of about $25,000 would be required to meet the annual expenses, including salaries, involved in discharging the duties of the Commission. The report was transmitted to Congress by special message of April 18, 1874, with the following favorable comment upon the labors of the Commission: If sustained by Congress, I have no doubt the rules can, after the experience gained, be so improved and enforced as to still more materially benefit the public service and relieve the Executive, members of Congress, and the heads of Departments from influences prejudicial to good administration. The rules, as they have hitherto been enforced, have resulted beneficially, as is shown by the opinions of the members of the Cabinet and their subordinates in the Departments, and in that opinion I concur. And in the annual message of December of the same year similar views are expressed and an appropriation for continuing the work of the Commission again advised.

The appropriation was not made, and as a consequence the active work of the Commission was suspended, leaving the Commission itself still in existence. Without the means, therefore, of causing qualifications to be tested in any systematic manner or of securing for the public service the advantages of competition upon any extensive plan, I recommended in my annual message of December, 1877, the making of an appropriation for the resumption of the work of the Commission.

Page 1315

In the meantime, however, competitive examinations, under many embarrassments, have been conducted within limited spheres in the Executive Departments in Washington and in a number of the custom-houses and post-offices of the principal cities of the country, with a view to further test their effects, and in every instance they have been found to be as salutary as they are stated to have been under the Administration of my predecessor. I think the economy, purity, and efficiency of the public service would be greatly promoted by their systematic introduction, wherever practicable, throughout the entire civil service of the Government, together with ample provision for their general supervision in order to secure consistency and uniform justice.

Reports from the Secretary of the Interior, from the Postmaster-General, from the postmaster in the city of New York, where such examinations have been some time on trial, and also from the collector of the port, the naval officer, and the surveyor in that city, and from the postmasters and collectors in several of the other large cities, show that the competitive system, where applied, has in various ways contributed to improve the public service.

The reports show that the results have been salutary in a marked degree, and that the general application of similar rules can not fail to be of decided benefit to the service.

The reports of the Government officers, in the city of New York especially, bear decided testimony to the utility of open competitive examinations in their respective offices, showing that—These examinations and the excellent qualifications of those admitted to the service through them have had a marked incidental effect upon the persons previously in the service, and particularly upon those aspiring to promotion. There has been on the part of these latter an increased interest in the work and a desire to extend acquaintance with it beyond the particular desk occupied, and thus the morale of the entire force has been raised. The examinations have been attended by many citizens, who have had an opportunity to thoroughly investigate the scope and character of the tests and the method of determining the results, and those visitors have without exception approved the methods employed, and several of them have publicly attested their favorable opinion. Upon such considerations I deem it my duty to renew the recommendation contained in my annual message of December, 1877, requesting Congress to make the necessary appropriation for the resumption of the work of the Civil Service Commission. Economy will be promoted by authorizing a moderate compensation to persons in the public service who may perform extra labor upon or under the Commission, as the Executive may direct.

I am convinced that if a just and adequate test of merit is enforced for admission to the public service and in making promotions such abuses as removals without good cause and partisan and official interference with the proper exercise of the appointing power will in large measure disappear.

Page 1316

There are other administrative abuses to which the attention of Congress should be asked in this connection. Mere partisan appointments and the constant peril of removal without cause very naturally lead to an absorbing and mischievous political activity on the part of those thus appointed, which not only interferes with the due discharge of official duty, but is incompatible with the freedom of elections. Not without warrant in the views of several of my predecessors in the Presidential office, and directly within the law of 1871, already cited, I endeavored, by regulation made on the 22d day of June, 1877, to put some reasonable limits to such abuses. It may not be easy, and it may never perhaps be necessary, to define with precision the proper limit of political action on the part of Federal officers. But while their right to hold and freely express their opinions can not be questioned, it is very plain that they should neither be allowed to devote to other subjects the time needed for the proper discharge of their official duties nor to use the authority of their office to enforce their own opinions or to coerce the political action of those who hold different opinions.

Reasons of justice and public policy quite analogous to those which forbid the use of official power for the oppression of the private citizen impose upon the Government the duty of protecting its officers and agents from arbitrary exactions. In whatever aspect considered, the practice of making levies for party purposes upon the salaries of officers is highly demoralizing to the public service and discreditable to the country. Though an officer should be as free as any other citizen to give his own money in aid of his opinions or his party, he should also be as free as any other citizen to refuse to make such gifts. If salaries are but a fair compensation for the time and labor of the officer, it is gross injustice to levy a tax upon them. If they are made excessive in order that they may bear the tax, the excess is an indirect robbery of the public funds.

I recommend, therefore, such a revision and extension of present statutes as shall secure to those in every grade of official life or public employment the protection with which a great and enlightened nation should guard those who are faithful in its service.

Our relations with foreign countries have continued peaceful.

With Great Britain there are still unsettled questions, growing out of the local laws of the maritime provinces and the action of provincial authorities deemed to be in derogation of rights secured by treaty to American fishermen. The United States minister in London has been instructed to present a demand for $105,305.02 in view of the damages received by American citizens at Fortune Bay on the 6th day of January, 1878. The subject has been taken into consideration by the British Government, and an early reply is anticipated.

Upon the completion of the necessary preliminary examinations the subject of our participation in the provincial fisheries, as regulated by treaty, will at once be brought to the attention of the British Government, with a view to an early and permanent

settlement of the whole question, which was only temporarily adjusted by the treaty of Washington.

Page 1317

Efforts have been made to obtain the removal of restrictions found injurious to the exportation of cattle to the United Kingdom.

Some correspondence has also occurred with regard to the rescue and saving of life and property upon the Lakes, which has resulted in important modifications of the previous regulations of the Dominion government on the subject in the interest of humanity and commerce.

In accordance with the joint resolution of the last session of Congress, commissioners were appointed to represent the United States at the two international exhibitions in Australia, one of which is now in progress at Sydney, and the other to be held next year at Melbourne. A desire has been expressed by our merchants and manufacturers interested in the important and growing trade with Australia that an increased provision should be made by Congress for the representation of our industries at the Melbourne exhibition of next year, and the subject is respectfully submitted to your favorable consideration.

The assent of the Government has been given to the landing on the coast of Massachusetts of a new and independent transatlantic cable between France, by way of the French island of St. Pierre, and this country, subject to any future legislation of Congress on the subject. The conditions imposed before allowing this connection with our shores to be established are such as to secure its competition with any existing or future lines of marine cable and preclude amalgamation therewith, to provide for entire equality of rights to our Government and people with those of France in the use of the cable, and prevent any exclusive possession of the privilege as accorded by France to the disadvantage of any future cable communication between France and the United States which may be projected and accomplished by our citizens. An important reduction of the present rates of cable communication with Europe, felt to be too burdensome to the interests of our commerce, must necessarily flow from the establishment of this competing line.

The attention of Congress was drawn to the propriety of some general regulation by Congress of the whole subject of transmarine cables by my predecessor in his message of December 7, 1875, and I respectfully submit to your consideration the importance of Congressional action in the matter.

The questions of grave importance with Spain growing out of the incidents of the Cuban insurrection have been for the most part happily and honorably settled. It may reasonably be anticipated that the commission now sitting in Washington for the decision of private cases in this connection will soon be able to bring its labors to a conclusion.

The long-standing question of East Florida claims has lately been renewed as a subject of correspondence, and may possibly require Congressional action for its final disposition.

A treaty with the Netherlands with respect to consular rights and privileges similar to those with other powers has been signed and ratified, and the ratifications were exchanged on the 31st of July last. Negotiations for extradition treaties with the Netherlands and with Denmark are now in progress.

Page 1318

Some questions with Switzerland in regard to pauper and convict emigrants have arisen, but it is not doubted that they will be arranged upon a just and satisfactory basis. A question has also occurred with respect to an asserted claim by Swiss municipal authorities to exercise tutelage over persons and property of Swiss citizens naturalized in this country. It is possible this may require adjustment by treaty.

With the German Empire frequent questions arise in connection with the Subjects of naturalization and expatriation, but the Imperial Government has constantly manifested a desire to strictly maintain and comply with all treaty stipulations in regard to them.

In consequence of the omission of Congress to provide for a diplomatic representative at Athens, the legation to Greece has been withdrawn. There is now no channel of diplomatic communication between the two countries, and the expediency of providing for one in some form is submitted to Congress.

Relations with Austria, Russia, Italy, Portugal, Turkey, and Belgium continue amicable, and marked by no incident of especial importance.

A change of the personal head of the Government of Egypt has taken place. No change, however, has occurred in the relations between Egypt and the United States. The action of the Egyptian Government in presenting to the city of New York one of the ancient obelisks, which possess such historic interest, is highly appreciated as a generous mark of international regard. If prosperity should attend the enterprise of its transportation across the Atlantic, its erection in a conspicuous position in the chief commercial city of the nation will soon be accomplished.

The treaty recently made between Japan and the United States in regard to the revision of former commercial treaties it is now believed will be followed by similar action on the part of other treaty powers. The attention of Congress is again invited to the subject of the indemnity funds received some years since from Japan and China, which, with their accumulated interest, now amount to considerable sums. If any part of these funds is justly due to American citizens, they should receive it promptly; and whatever may have been received by this Government in excess of strictly just demands should in some form be returned to the nations to whom it equitably belongs.

The Government of China has signified its willingness to consider the question of the emigration of its subjects to the United States with a dispassionate fairness and to cooperate in such measures as may tend to prevent injurious consequences to the United States. The negotiations are still proceeding, and will be pressed with diligence.

A question having arisen between China and Japan about the Lew Chew Islands, the United States Government has taken measures to inform those powers of its readiness to extend its good offices for the maintenance of peace if they shall mutually deem it desirable and find it practicable to avail themselves of the proffer.

Page 1319

It is a gratification to be able to announce that, through the judicious and energetic action of the military commanders of the two nations on each side of the Rio Grande, under the instructions of their respective Governments, raids and depredations have greatly decreased, and in the localities where formerly most destructive have now almost wholly ceased. In view of this result, I entertain a confident expectation that the prevalence of quiet on the border will soon become so assured as to justify a modification of the present orders to our military commanders as to crossing the border, without encouraging such disturbances as would endanger the peace of the two countries.

The third installment of the award against Mexico under the claims commission of July 4, 1868, was duly paid, and has been put in course of distribution in pursuance of the act of Congress providing for the same. This satisfactory situation between the two countries leads me to anticipate an expansion of our trade with Mexico and an increased contribution of capital and industry by our people to the development of the great resources of that country. I earnestly commend to the wisdom of Congress the provision of suitable legislation looking to this result.

Diplomatic intercourse with Colombia is again fully restored by the arrival of a minister from that country to the United States. This is especially fortunate in view of the fact that the question of an inter-oceanic canal has recently assumed a new and important aspect and is now under discussion with the Central American countries through whose territory the canal, by the Nicaragua route, would have to pass. It is trusted that enlightened statesmanship on their part will see that the early prosecution of such a work will largely inure to the benefit, not only of their own citizens and those of the United States, but of the commerce of the civilized world. It is not doubted that should the work be undertaken under the protective auspices of the United States, and upon satisfactory concessions for the right of way and its security by the Central American Governments, the capital for its completion would be readily furnished from this country and Europe, which might, failing such guaranties, prove inaccessible.

Diplomatic relations with Chile have also been strengthened by the reception of a minister from that country.

The war between Peru, Bolivia, and Chile still continues. The United States have not deemed it proper to interpose in the matter further than to convey to all the Governments concerned the assurance that the friendly offices of the Government of the United States for the restoration of peace upon an honorable basis will be extended in case the belligerents shall exhibit a readiness to accept them.

Cordial relations continue with Brazil and the Argentine Republic, and trade with those countries is improving. A provision for regular and more frequent mail communication, in our own ships, between the ports of this country and the nations of South America

seems to me to deserve the attention of Congress as an essential precursor of an enlargement of our commerce with them and an extension of our carrying trade.

Page 1320

A recent revolution in Venezuela has been followed by the establishment of a provisional government. This government has not yet been formally recognized, and it is deemed desirable to await the proposed action of the people which is expected to give it the sanction of constitutional forms.

A naval vessel has been sent to the Samoan Islands to make surveys and take possession of the privileges ceded to the United States by Samoa in the harbor of Pago-Pago. A coaling station is to be established there, which will be convenient and useful to United States vessels.

The subject of opening diplomatic relations with Roumania and Servia, now become independent sovereignties, is at present under consideration, and is the subject of diplomatic correspondence.

There is a gratifying increase of trade with nearly all European and American countries, and it is believed that with judicious action in regard to its development it can and will be still more enhanced and that American products and manufactures will find new and expanding markets. The reports of diplomatic and consular officers upon this subject, under the system now adopted, have resulted in obtaining much valuable information, which has been and will continue to be laid before Congress and the public from time to time.

The third article of the treaty with Russia of March 30, 1867, by which Alaska was ceded to the United States, provides that the inhabitants of the ceded territory, with the exception of the uncivilized native tribes, shall be admitted to the enjoyment of all the rights of citizens of the United States and shall be maintained and protected in the free enjoyment of their liberty, property, and religion. The uncivilized tribes are subject to such laws and regulations as the United States may from time to time adopt in regard to the aboriginal tribes of that country.

Both the obligations of this treaty and the necessities of the people require that some organized form of government over the Territory of Alaska be adopted.

There appears to be no law for the arrest of persons charged with common-law offenses, such as assault, robbery, and murder, and no magistrate authorized to issue or execute process in such cases. Serious difficulties have already arisen from offenses of this character, not only among the original inhabitants, but among citizens of the United States and other countries who have engaged in mining, fishing, and other business operations within the territory. A bill authorizing the appointment of justices of the peace and constables and the arrest and detention of persons charged with criminal offenses, and providing for an appeal to United States courts for the district of Oregon in suitable cases, will at a proper time be submitted to Congress.

The attention of Congress is called to the annual report of the Secretary of the Treasury on the condition of the public finances.

Page 1321

The ordinary revenues from all sources for the fiscal year ended June 30, 1879, were $273,827,184.46; the ordinary expenditures for the same period were $266,947,883.53, leaving a surplus revenue for the year of $6,879,300.93.

The receipts for the present fiscal year, ending June 30, 1880, actual and estimated, are as follows: Actual receipts for the first quarter, commencing July 1, 1879, $79,843,663.61; estimated receipts for the remaining three quarters of the year, $208,156,336.39; total receipts for the current fiscal year, actual and estimated, $288,000,000.

The expenditures for the same period will be, actual and estimated, as follows: For the quarter commencing July 1, 1879, actual expenditures, $91,683,385.10; and for the remaining three quarters of the year the expenditures are estimated at $172,316,614.90, making the total expenditures $264,000,000, and leaving an estimated surplus revenue for the year ending June 30, 1880, of $24,000,000. The total receipts during the next fiscal year, ending June 30, 1881, estimated according to existing laws, will be $288,000,000, and the estimated ordinary expenditures for the same period will be $278,097,364.39, leaving a surplus of $9,902,635.61 for that year.

The large amount expended for arrears of pensions during the last and the present fiscal year, amounting to $21,747,249.60, has prevented the application of the full amount required by law to the sinking fund for the current year; but these arrears having been substantially paid, it is believed that the sinking fund can hereafter be maintained without any change of existing law.

The Secretary of War reports that the War Department estimates for the fiscal year ending June 30, 1881, are $40,380,428.93, the same being for a less sum of money than any annual estimate rendered to Congress from that Department during a period of at least twelve years.

He concurs with the General of the Army in recommending such legislation as will authorize the enlistment of the full number of 25,000 men for the line of the Army, exclusive of the 3,463 men required for detached duty, and therefore not available for service in the field.

He also recommends that Congress be asked to provide by law for the disposition of a large number of abandoned military posts and reservations, which, though very valuable in themselves, have been rendered useless for military purposes by the advance of civilization and settlement.

He unites with the Quartermaster-General in recommending that an appropriation be made for the construction of a cheap and perfectly fireproof building for the safe storage of a vast amount of money accounts, vouchers, claims, and other valuable records now

in the Quartermaster-General's Office, and exposed to great risk of total destruction by fire.

He also recommends, in conformity with the views of the Judge-Advocate-General, some declaratory legislation in reference to the military statute of limitations as applied to the crime of desertion. In these several recommendations I concur.

Page 1322

The Secretary of War further reports that the work for the improvement of the South Pass of the Mississippi River, under contract with Mr. James B. Eads, made in pursuance of an act of Congress, has been prosecuted during the past year with a greater measure of success in the attainment of results than during any previous year. The channel through the South Pass, which at the beginning of operations in June, 1875, had a depth of only 7 1/2 feet of water, had on the 8th of July, 1879, a minimum depth of 26 feet, having a width of not less than 200 feet and a central depth of 30 feet. Payments have been made in accordance with the statute, as the work progressed, amounting in the aggregate to $4,250,000; and further payments will become due, as provided by the statute, in the event of success in maintaining the channel now secured.

The reports of the General of the Army and of his subordinates present a full and detailed account of the military operations for the suppression of hostilities among the Indians of the Ute and Apache tribes, and praise is justly awarded to the officers and troops engaged for promptness, skill, and courage displayed.

The past year has been one of almost unbroken peace and quiet on the Mexican frontier, and there is reason to believe that the efforts of this Government and of Mexico to maintain order in that region will prove permanently successful.

This Department was enabled during the past year to find temporary, though crowded, accommodations and a safe depository for a portion of its records in the completed east wing of the building designed for the State, War, and Navy Departments. The construction of the north wing of the building, a part of the structure intended for the use of the War Department, is being carried forward with all possible dispatch, and the work should receive from Congress such liberal appropriations as will secure its speedy completion.

The report of the Secretary of the Navy shows continued improvement in that branch of the service during the last fiscal year. Extensive repairs have been made upon vessels, and two new ships have been completed and made ready for sea.

The total expenditures of the year ended June 30, 1879, including specific appropriations not estimated for by the Department, were $13,555,710.09. The expenses chargeable to the year, after deducting the amount of these specific appropriations, were $13,343,317.79; but this is subject to a reduction of $283,725.99, that amount having been drawn upon warrants, but not paid out during the year. The amount of appropriations applicable to the last fiscal year was $14,538,646.17. There was, therefore, a balance of $1,479,054.37 remaining unexpended and to the credit of the Department on June 30, 1879. The estimates for the fiscal year ending June 30, 1881, are $14,864,147.95, which exceeds the appropriations for the present fiscal year $361,897.28. The reason for this increase is explained in the Secretary's

Page 1323

report. The appropriations available for the present fiscal year are $14,502,250.67, which will, in the opinion of the Secretary, answer all the ordinary demands of the service. The amount drawn from the Treasury from July 1 to November 1, 1879 was $5,770,404.12, of which $1,095,440.33 has been refunded, leaving as the expenditure for that period $4,674,963.79. If the expenditures of the remaining two-thirds of the year do not exceed the proportion for these four months, there will remain unexpended at the end of the year $477,359.30 of the current appropriations. The report of the Secretary shows the gratifying fact that among all the disbursing officers of the Pay Corps of the Navy there is not one who is a defaulter to the extent of a single dollar. I unite with him in recommending the removal of the observatory to a more healthful location. That institution reflects credit upon the nation, and has obtained the approbation of scientific men in all parts of the world. Its removal from its present location would not only be conducive to the health of its officers and professors, but would greatly increase its usefulness.

The appropriation for judicial expenses, which has heretofore been made for the Department of Justice in gross, was subdivided at the last session of Congress, and no appropriation whatever was made for the payment of the fees of marshals and their deputies, either in the service of process or for the discharge of other duties; and since June 30 these officers have continued the performance of their duties without compensation from the Government, taking upon themselves the necessary incidental outlays, as well as rendering their own services. In only a few unavoidable instances has the proper execution of the process of the United States failed by reason of the absence of the requisite appropriation. This course of official conduct on the part of these officers, highly creditable to their fidelity, was advised by the Attorney-General, who informed them, however, that they would necessarily have to rely for their compensation upon the prospect of future legislation by Congress. I therefore especially recommend that immediate appropriation be made by Congress for this purpose.

The act making the principal appropriation for the Department of Justice at previous sessions has uniformly contained the following clause: And for defraying the expenses which my be incurred in the enforcement of the act approved February 28, 1871, entitled “An act to amend an act approved May 31, 1870, entitled ’An act to enforce the rights of citizens of the United States to vote in the several States of this Union, and for other purposes,’” or any acts amendatory thereof or supplementary thereto. No appropriation was made for this purpose for the current year. As no general election for Members of Congress occurred, the omission was a matter of little practical importance. Such election will, however, take place during the ensuing year, and the appropriation made for the pay of marshals and deputies should be sufficient to embrace compensation for the services they may be required to perform at such elections.

Page 1324

The business of the Supreme Court is at present largely in arrears. It can not be expected that more causes can be decided than are now disposed of in its annual session, or that by any assiduity the distinguished magistrates who compose the court can accomplish more than is now done. In the courts of many of the circuits also the business has increased to such an extent that the delay of justice will call the attention of Congress to an appropriate remedy. It is believed that all is done in each circuit which can fairly be expected from its judicial force. The evils arising from delay are less heavily felt by the United States than by private suitors, as its causes are advanced by the courts when it is seen that they involve the discussion of questions of a public character.

The remedy suggested by the Attorney-General is the appointment of additional circuit judges and the creation of an intermediate court of errors and appeals, which shall relieve the Supreme Court of a part of its jurisdiction, while a larger force is also obtained for the performance of circuit duties.

I commend this suggestion to the consideration of Congress. It would seem to afford a complete remedy, and would involve, if ten additional circuit judges are appointed, an expenditure, at the present rate of salaries, of not more than $60,000 a year, which would certainly be small in comparison with the objects to be attained.

The report of the Postmaster-General bears testimony to the general revival of business throughout the country. The receipts of the Post-Office Department for the fiscal year ended June 30, 1879, were $30,041,982.86, being $764,465.91 more than the revenues of the preceding year. The amount realized from the sale of postage stamps, stamped envelopes, and postal cards was $764,465.91 more than in the preceding year, and $2,387,559.23 more than in 1877. The expenditures of the Department were $33,449,899.45, of which the sum of $376,461.63 was paid on liabilities incurred in preceding years.

The expenditures during the year were $801,209.77 less than in the preceding year. This reduction is to be attributed mainly to the operation of the law passed June 17, 1878, changing the compensation of postmasters from a commission on the value of stamps sold to a commission on stamps canceled.

The amount drawn from the Treasury on appropriations, in addition to the revenues of the Department, was $3,031,454.96, being $2,276,197.86 less than in the preceding year.

The expenditures for the fiscal year ending June 30, 1881, are estimated at $39,920,900 and the receipts from all sources at $32,210,000, leaving a deficiency to be appropriated for out of the Treasury of $7,710,900.

Page 1325

The relations of the Department with railroad companies have been harmonized, notwithstanding the general reduction by Congress of their compensation by the appropriation for special facilities, and the railway post-office lines have been greatly extended, especially in the Southern States. The interests of the Railway Mail Service and of the public would be greatly promoted and the expenditures could be more readily controlled by the classification of the employees of the Railway Mail Service as recommended by the Postmaster-General, the appropriation for salaries, with respect to which the maximum limit is already fixed by law, to be made in gross.

The Postmaster-General recommends an amendment of the law regulating the increase of compensation for increased service and increased speed on star routes, so as to enable him to advertise for proposals for such increased service and speed. He also suggests the advantages to accrue to the commerce of the country from the enactment of a general law authorizing contracts with American-built steamers, carrying the American flag, for transporting the mail between ports of the United States and ports of the West Indies and South America, at a fixed maximum price per mile, the amount to be expended being regulated by annual appropriations, in like manner with the amount paid for the domestic star service.

The arrangement made by the Postmaster-General and the Secretary of the Treasury for the collection of duty upon books received in the mail from foreign countries has proved so satisfactory in its practical operation that the recommendation is now made that Congress shall extend the provisions of the act of March 3, 1879, under which this arrangement was made, so as to apply to all other dutiable articles received in the mails from foreign countries.

The reports of the Secretary of the Interior and of the Commissioner of Indian Affairs, setting forth the present state of our relations with the Indian tribes on our territory, the measures taken to advance their civilization and prosperity, and the progress already achieved by them, will be found of more than ordinary interest. The general conduct of our Indian population has been so satisfactory that the occurrence of two disturbances, which resulted in bloodshed and destruction of property, is all the more to be lamented.

The history of the outbreak on the White River Ute Reservation, in western Colorado, has become so familiar by elaborate reports in the public press that its remarkable incidents need not be stated here in detail. It is expected that the settlement of this difficulty will lead to such arrangements as will prevent further hostile contact between the Indians and the border settlements in western Colorado.

The other disturbance occurred at the Mescalero Agency, in New Mexico, where Victoria, at the head of a small band of marauders, after committing many atrocities, being vigorously chased by a military force, made his way across the Mexican border and is now on foreign soil.

Page 1326

While these occurrences, in which a comparatively small number of Indians were engaged, are most deplorable, a vast majority of our Indian population have fully justified the expectations of those who believe that by humane and peaceful influences the Indian can be led to abandon the habits of savage life and to develop a capacity for useful and civilized occupations. What they have already accomplished in the pursuit of agricultural and mechanical work, the remarkable success which has attended the experiment of employing as freighters a class of Indians hitherto counted among the wildest and most intractable, and the general and urgent desire expressed by them for the education of their children may be taken as sufficient proof that they will be found capable of accomplishing much more if they continue to be wisely and fairly guided. The “Indian policy” sketched in the report of the Secretary of the Interior, the object of which is to make liberal provision for the education of Indian youth, to settle the Indians upon farm lots in severalty, to give them title in fee to their farms, inalienable for a certain number of years, and when their wants are thus provided for to dispose by sale of the lands on their reservations not occupied and used by them, a fund to be formed out of the proceeds for the benefit of the Indians, which will gradually relieve the Government of the expenses now provided for by annual appropriations, must commend itself as just and beneficial to the Indians, and as also calculated to remove those obstructions which the existence of large reservations presents to the settlement and development of the country. I therefore earnestly recommend the enactment of a law enabling the Government to give Indians a title in fee, inalienable for twenty-five years, to the farm lands assigned to them by allotment. I also repeat the recommendation made in my first annual message, that a law be passed admitting Indians who can give satisfactory proof of having by their own labor supported their families for a number of years, and who are willing to detach themselves from their tribal relations, to the benefit of the homestead act, and to grant them patents containing the same provision of inalienability for a certain period.

The experiment of sending a number of Indian children of both sexes to the Hampton Normal and Agricultural Institute, in Virginia, to receive an elementary English education and practical instruction in farming and other useful industries, has led to results so promising that it was thought expedient to turn over the cavalry barracks at Carlisle, in Pennsylvania, to the Interior Department for the establishment of an Indian school on a larger scale. This school has now 158 pupils, selected from various tribes, and is in full operation. Arrangements are also made for the education of a number of Indian boys and girls belonging to tribes on the Pacific Slope in a similar manner, at Forest Grove, in Oregon. These institutions will commend themselves to the liberality of Congress and to the philanthropic munificence of the American people.

Page 1327

Last spring information was received of the organization of an extensive movement in the Western States, the object of which was the occupation by unauthorized persons of certain lands in the Indian Territory ceded by the Cherokees to the Government for the purpose of settlement by other Indian tribes.

On the 26th of April I issued a proclamation warning all persons against participation in such an attempt, and by the cooperation of a military force the invasion was promptly checked. It is my purpose to protect the rights of the Indian inhabitants of that Territory to the full extent of the executive power; but it would be unwise to ignore the fact that a territory so large and so fertile, with a population so sparse and with so great a wealth of unused resources, will be found more exposed to the repetition of such attempts as happened this year when the surrounding States are more densely settled and the westward movement of our population looks still more eagerly for fresh lands to occupy. Under such circumstances the difficulty of maintaining the Indian Territory in its present state will greatly increase, and the Indian tribes inhabiting it would do well to prepare for such a contingency. I therefore fully approve of the advice given to them by the Secretary of the Interior on a recent occasion, to divide among themselves in severalty as large a quantity of their lands as they can cultivate; to acquire individual title in fee instead of their present tribal ownership in common, and to consider in what manner the balance of their lands may be disposed of by the Government for their benefit. By adopting such a policy they would more certainly secure for themselves the value of their possessions, and at the same time promote their progress in civilization and prosperity, than by endeavoring to perpetuate the present state of things in the Territory.

The question whether a change in the control of the Indian service should be made was in the Forty-fifth Congress referred to a joint committee of both Houses for inquiry and report. In my last annual message I expressed the hope that the decision of that question, then in prospect, would “arrest further agitation of this subject, such agitation being apt to produce a disturbing effect upon the service as well as on the Indians themselves.” Since then, the committee having reported, the question has been decided in the negative by a vote in the House of Representatives.

For the reasons here stated, and in view of the fact that further uncertainty on this point will be calculated to obstruct other much-needed legislation, to weaken the discipline of the service, and to unsettle salutary measures now in progress for the government and improvement of the Indians, I respectfully recommend that the decision arrived at by Congress at its last session be permitted to stand.

Page 1328

The efforts made by the Department of the Interior to arrest the depredations on the timber lands of the United States have been continued, and have met with considerable success. A large number of cases of trespass have been prosecuted in the courts of the United States; others have been settled, the trespassers offering to make payment to the Government for the value of the timber taken by them. The proceeds of these prosecutions and settlements turned into the Treasury far exceed in amount the sums appropriated by Congress for this purpose. A more important result, however, consists in the fact that the destruction of our public forests by depredation, although such cases still occur, has been greatly reduced in extent, and it is probable that if the present policy is vigorously pursued and sufficient provision to that end is made by Congress such trespasses, at least those on a large scale, can be entirely suppressed, except in the Territories, where timber for the daily requirements of the population can not, under the present state of the law, be otherwise obtained. I therefore earnestly invite the attention of Congress to the recommendation made by the Secretary of the Interior, that a law be enacted enabling the Government to sell timber from the public lands without conveying the fee, where such lands are principally valuable for the timber thereon, such sales to be so regulated as to conform to domestic wants and business requirements, while at the same time guarding against a sweeping destruction of the forests. The enactment of such a law appears to become a more pressing necessity every day.

My recommendations in former messages are renewed in favor of enlarging the facilities of the Department of Agriculture. Agriculture is the leading interest and the permanent industry of our people. It is to the abundance of agricultural production, as compared with our home consumption, and the largely increased and highly profitable market abroad which we have enjoyed in recent years, that we are mainly indebted for our present prosperity as a people. We must look for its continued maintenance to the same substantial resource. There is no branch of industry in which labor, directed by scientific knowledge, yields such increased production in comparison with unskilled labor, and no branch of the public service to which the encouragement of liberal appropriations can be more appropriately extended. The omission to render such aid is not a wise economy, but, on the contrary, undoubtedly results in losses of immense sums annually that might be saved through well-directed efforts by the Government to promote this vital interest.

The results already accomplished with the very limited means heretofore placed at the command of the Department of Agriculture is an earnest of what may be expected with increased appropriations for the several purposes indicated in the report of the Commissioner, with a view to placing the Department upon a footing which will enable it to prosecute more effectively the objects for which it is established.

Page 1329

Appropriations are needed for a more complete laboratory, for the establishment of a veterinary division and a division of forestry, and for an increase of force.

The requirements for these and other purposes, indicated in the report of the Commissioner under the head of the immediate necessities of the Department, will not involve any expenditure of money that the country can not with propriety now undertake in the interests of agriculture.

It is gratifying to learn from the Bureau of Education the extent to which educational privileges throughout the United States have been advanced during the year. No more fundamental responsibility rests upon Congress than that of devising appropriate measures of financial aid to education, supplemental to local action in the States and Territories and in the District of Columbia. The wise forethought of the founders of our Government has not only furnished the basis for the support of the common-school systems of the newer States, but laid the foundations for the maintenance of their universities and colleges of agriculture and the mechanic arts. Measures in accordance with this traditional policy, for the further benefit of all these interests and the extension of the same advantages to every portion of the country, it is hoped will receive your favorable consideration.

To preserve and perpetuate the national literature should be among the foremost cares of the National Legislature. The library gathered at the Capitol still remains unprovided with any suitable accommodations for its rapidly increasing stores. The magnitude and importance of the collection, increased as it is by the deposits made under the law of copyright, by domestic and foreign exchanges, and by the scientific library of the Smithsonian Institution, call for building accommodations which shall be at once adequate and fireproof. The location of such a public building, which should provide for the pressing necessities of the present and for the vast increase of the nation's books in the future, is a matter which addresses itself to the discretion of Congress. It is earnestly recommended as a measure which should unite all suffrages and which should no longer be delayed.

The joint commission created by the act of Congress of August 2, 1876, for the purpose of supervising and directing the completion of the Washington National Monument, of which commission the President is a member, has given careful attention to this subject, and already the strengthening of the foundation has so far progressed as to insure the entire success of this part of the work. A massive layer of masonry has been introduced below the original foundation, widening the base, increasing the stability of the structure, and rendering it possible to carry the shaft to completion. It is earnestly recommended that such further appropriations be made for the continued prosecution of the work as may be necessary for the completion of this national monument at an early day.

Page 1330

In former messages, impressed with the importance of the subject, I have taken occasion to commend to Congress the adoption of a generous policy toward the District of Columbia. The report of the Commissioners of the District, herewith transmitted, contains suggestions and recommendations, to all of which I earnestly invite your careful attention. I ask your early and favorable consideration of the views which they express as to the urgent need of legislation for the reclamation of the marshes of the Potomac and its Eastern Branch within the limits of the city, and for the repair of the streets of the capital, heretofore laid with wooden blocks and now by decay rendered almost impassable and a source of imminent danger to the health of its citizens. The means at the disposal of the Commissioners are wholly inadequate for the accomplishment of these important works, and should be supplemented by timely appropriations from the Federal Treasury.

The filling of the flats in front of the city will add to the adjacent lands and parks now owned by the United States a large and valuable domain, sufficient, it is thought, to reimburse its entire cost, and will also, as an incidental result, secure the permanent improvement of the river for the purposes of navigation.

The Constitution having invested Congress with supreme and exclusive jurisdiction over the District of Columbia, its citizens must of necessity look to Congress alone for all needful legislation affecting their interests; and as the territory of this District is the common property of the people of the United States, who equally with its resident citizens are interested in the prosperity of their capital, I can not doubt that you will be amply sustained by the general voice of the country in any measures you may adopt for this purpose.

I also invite the favorable consideration of Congress to the wants of the public schools of this District, as exhibited in the report of the Commissioners. While the number of pupils is rapidly increasing, no adequate provision exists for a corresponding increase of school accommodation, and the Commissioners are without the means to meet this urgent need. A number of the buildings now used for school purposes are rented, and are in important particulars unsuited for the purpose. The cause of popular education in the District of Columbia is surely entitled to the same consideration at the hands of the National Government as in the several States and Territories, to which munificent grants of the public lands have been made for the endowment of schools and universities.

***

State of the Union Address
Rutherford B. Hayes
December 6, 1880

Fellow-Citizens of the Senate and House of Representatives:

Page 1331

I congratulate you on the continued and increasing prosperity of our country. By the favor of Divine Providence we have been blessed during the past year with health, with abundant harvests, with profitable employment for all our people, and with contentment at home, and with peace and friendship with other nations. The occurrence of the twenty-fourth election of Chief Magistrate has afforded another opportunity to the people of the United States to exhibit to the world a significant example of the peaceful and safe transmission of the power and authority of government from the public servants whose terms of office are about to expire to their newly chosen successors. This example can not fail to impress profoundly thoughtful people of other countries with the advantages which republican institutions afford. The immediate, general, and cheerful acquiescence of all good citizens in the result of the election gives gratifying assurance to our country and to its friends throughout the world that a government based on the free consent of an intelligent and patriotic people possesses elements of strength, stability, and permanency not found in any other form of government.

Continued opposition to the full and free enjoyment of the rights of citizenship conferred upon the colored people by the recent amendments to the Constitution still prevails in several of the late slaveholding States. It has, perhaps, not been manifested in the recent election to any large extent in acts of violence or intimidation. It has, however, by fraudulent practices in connection with the ballots, with the regulations as to the places and manner of voting, and with counting, returning, and canvassing the votes cast, been successful in defeating the exercise of the right preservative of all rights—the right of suffrage—which the Constitution expressly confers upon our enfranchised citizens.

It is the desire of the good people of the whole country that sectionalism as a factor in our politics should disappear. They prefer that no section of the country should be united in solid opposition to any other section. The disposition to refuse a prompt and hearty obedience to the equal-rights amendments to the Constitution is all that now stands in the way of a complete obliteration of sectional lines in our political contests. As long as either of these amendments is flagrantly violated or disregarded, it is safe to assume that the people who placed them in the Constitution, as embodying the legitimate results of the war for the Union, and who believe them to be wise and necessary, will continue to act together and to insist that they shall be obeyed. The paramount question still is as to the enjoyment of the fight by every American citizen who has the requisite qualifications to freely cast his vote and to have it honestly counted. With this question rightly settled, the country will be relieved of the contentions of the past; bygones will indeed be bygones, and political

Page 1332

and party issues, with respect to economy and efficiency of administration, internal improvements, the tariff, domestic taxation, education, finance, and other important subjects, will then receive their full share of attention; but resistance to and nullification of the results of the war will unite together in resolute purpose for their support all who maintain the authority of the Government and the perpetuity of the Union, and who adequately appreciate the value of the victory achieved. This determination proceeds from no hostile sentiment or feeling to any part of the people of our country or to any of their interests. The inviolability of the amendments rests upon the fundamental principle of our Government. They are the solemn expression of the will of the people of the United States.

The sentiment that the constitutional rights of all our citizens must be maintained does not grow weaker. It will continue to control the Government of the country. Happily, the history of the late election shows that in many parts of the country where opposition to the fifteenth amendment has heretofore prevailed it is diminishing, and is likely to cease altogether if firm and well-considered action is taken by Congress. I trust the House of Representatives and the Senate, which have the right to judge of the elections, returns, and qualifications of their own members, will see to it that every case of violation of the letter or spirit of the fifteenth amendment is thoroughly investigated, and that no benefit from such violation shall accrue to any person or party. It will be the duty of the Executive, with sufficient appropriations for the purpose, to prosecute unsparingly all who have been engaged in depriving citizens of the rights guaranteed to them by the Constitution.

It is not, however, to be forgotten that the best and surest guaranty of the primary rights of citizenship is to be found in that capacity for self-protection which can belong only to a people whose right to universal suffrage is supported by universal education. The means at the command of the local and State authorities are in many cases wholly inadequate to furnish free instruction to all who need it. This is especially true where before emancipation the education of the people was neglected or prevented, in the interest of slavery. Firmly convinced that the subject of popular education deserves the earnest attention of the people of the whole country, with a view to wise and comprehensive action by the Government of the United States, I respectfully recommend that Congress, by suitable legislation and with proper safeguards, supplement the local educational funds in the several States where the grave duties and responsibilities of citizenship have been devolved on uneducated people by devoting to the purpose grants of the public lands and, if necessary, by appropriations from the Treasury of the United States. Whatever Government can fairly do to promote free popular education ought to be done. Wherever general education is found, peace, virtue, and social order prevail and civil and religious liberty are secure.

Page 1333

In my former annual messages I have asked the attention of Congress to the urgent necessity of a reformation of the civil-service system of the Government. My views concerning the dangers of patronage, or appointments for personal or partisan considerations, have been strengthened by my observation and experience in the Executive office, and I believe these dangers threaten the stability of the Government. Abuses so serious in their nature can not be permanently tolerated. They tend to become more alarming with the enlargement of administrative service, as the growth of the country in population increases the number of officers and placemen employed.

The reasons are imperative for the adoption of fixed rules for the regulation of appointments, promotions, and removals, establishing a uniform method having exclusively in view in every instance the attainment of the best qualifications for the position in question. Such a method alone is consistent with the equal rights of all citizens and the most economical and efficient administration of the public business.

Competitive examinations in aid of impartial appointments and promotions have been conducted for some years past in several of the Executive Departments, and by my direction this system has been adopted in the custom-houses and post-offices of the larger cities of the country. In the city of New York over 2,000 positions in the civil service have been subject in their appointments and tenure of place to the operation of published rules for this purpose during the past two years. The results of these practical trials have been very satisfactory, and have confirmed my opinion in favor of this system of selection. All are subjected to the same tests, and the result is free from prejudice by personal favor or partisan influence. It secures for the position applied for the best qualifications attainable among the competing applicants. It is an effectual protection from the pressure of importunity, which under any other course pursued largely exacts the time and attention of appointing officers, to their great detriment in the discharge of other official duties preventing the abuse of the service for the mere furtherance of private or party purposes, and leaving the employee of the Government, freed from the obligations imposed by patronage, to depend solely upon merit for retention and advancement, and with this constant incentive to exertion and improvement.

These invaluable results have been attained in a high degree in the offices where the rules for appointment by competitive examination have been applied.

A method which has so approved itself by experimental tests at points where such tests may be fairly considered conclusive should be extended to all subordinate positions under the Government. I believe that a strong and growing public sentiment demands immediate measures for securing and enforcing the highest possible efficiency in the civil service and its protection from recognized abuses, and that the experience referred to has demonstrated the feasibility of such measures.

Page 1334

The examinations in the custom-houses and post-offices have been held under many embarrassments and without provision for compensation for the extra labor performed by the officers who have conducted them, and whose commendable interest in the improvement of the public service has induced this devotion of time and labor without pecuniary reward. A continuance of these labors gratuitously ought not to be expected, and without an appropriation by Congress for compensation it is not practicable to extend the system of examinations generally throughout the civil service. It is also highly important that all such examinations should be conducted upon a uniform system and under general supervision. Section 1753 of the Revised Statutes authorizes the President to prescribe the regulations for admission to the civil service of the United States, and for this purpose to employ suitable persons to conduct the requisite inquiries with reference to “the fitness of each candidate, in respect to age, health, character, knowledge, and ability for the branch of service into which he seeks to enter;” but the law is practically inoperative for want of the requisite appropriation.

I therefore recommend an appropriation of $25,000 per annum to meet the expenses of a commission, to be appointed by the President in accordance with the terms of this section, whose duty it shall be to devise a just, uniform, and efficient system of competitive examinations and to supervise the application of the same throughout the entire civil service of the Government. I am persuaded that the facilities which such a commission will afford for testing the fitness of those who apply for office will not only be as welcome a relief to members of Congress as it will be to the President and heads of Departments, but that it will also greatly tend to remove the causes of embarrassment which now inevitably and constantly attend the conflicting claims of patronage between the legislative and executive departments. The most effectual check upon the pernicious competition of influence and official favoritism in the bestowal of office will be the substitution of an open competition of merit between the applicants, in which everyone can make his own record with the assurance that his success will depend upon this alone.

I also recommend such legislation as, while leaving every officer as free as any other citizen to express his political opinions and to use his means for their advancement, shall also enable him to feel as safe as any private citizen in refusing all demands upon his salary for political purposes. A law which should thus guarantee true liberty and justice to all who are engaged in the public service, and likewise contain stringent provisions against the use of official authority to coerce the political action of private citizens or of official subordinates, is greatly to be desired.

Page 1335

The most serious obstacle, however, to an improvement of the civil service, and especially to a reform in the method of appointment and removal, has been found to be the practice, under what is known as the spoils system, by which the appointing power has been so largely encroached upon by members of Congress. The first step in the reform of the civil service must be a complete divorce between Congress and the Executive in the matter of appointments. The corrupting doctrine that “to the victors belong the spoils” is inseparable from Congressional patronage as the established rule and practice of parties in power. It comes to be understood by applicants for office and by the people generally that Representatives and Senators are entitled to disburse the patronage of their respective districts and States. It is not necessary to recite at length the evils resulting from this invasion of the Executive functions. The true principles of Government on the subject of appointments to office, as stated in the national conventions of the leading parties of the country, have again and again been approved by the American people, and have not been called in question in any quarter. These authentic expressions of public opinion upon this all-important subject are the statement of principles that belong to the constitutional structure of the Government. Under the Constitution the President and heads of Departments are to make nominations for office. The Senate is to advise and consent to appointments, and the House of Representatives is to accuse and prosecute faithless officers. The best interest of the public service demands that these distinctions be respected; that Senators and Representatives, who may be judges and accusers, should not dictate appointments to office. To this end the cooperation of the legislative department of the Government is required alike by the necessities of the case and by public opinion. Members of Congress will not be relieved from the demands made upon them with reference to appointments to office until by legislative enactment the pernicious practice is condemned and forbidden.

It is therefore recommended that an act be passed defining the relations of members of Congress with respect to appointment to office by the President; and I also recommend that the provisions of section 1767 and of the sections following of the Revised Statutes, comprising the tenure-of-office act of March 2, 1867, be repealed.

Believing that to reform the system and methods of the civil service in our country is one of the highest and most imperative duties of statesmanship, and that it can be permanently done only by the cooperation of the legislative and executive departments of the Government, I again commend the whole subject to your considerate attention.

Page 1336

It is the recognized duty and purpose of the people of the United States to suppress polygamy where it now exists in our Territories and to prevent its extension. Faithful and zealous efforts have been made by the United States authorities in Utah to enforce the laws against it. Experience has shown that the legislation upon this subject, to be effective, requires extensive modification and amendment. The longer action is delayed the more difficult it will be to accomplish what is desired. Prompt and decided measures are necessary. The Mormon sectarian organization which upholds polygamy has the whole power of making and executing the local legislation of the Territory. By its control of the grand and petit juries it possesses large influence over the administration of justice. Exercising, as the heads of this sect do, the local political power of the Territory, they are able to make effective their hostility to the law of Congress on the subject of polygamy, and, in fact, do prevent its enforcement. Polygamy will not be abolished if the enforcement of the law depends on those who practice and uphold the crime. It can only be suppressed by taking away the political power of the sect which encourages and sustains it.

The power of Congress to enact suitable laws to protect the Territories is ample. It is not a case for halfway measures. The political power of the Mormon sect is increasing. It controls now one of our wealthiest and most populous Territories. It is extending steadily into other Territories. Wherever it goes it establishes polygamy and sectarian political power. The sanctity of marriage and the family relation are the corner stone of our American society and civilization. Religious liberty and the separation of church and state are among the elementary ideas of free institutions. To reestablish the interests and principles which polygamy and Mormonism have imperiled, and to fully reopen to intelligent and virtuous immigrants of all creeds that part of our domain which has been in a great degree closed to general immigration by intolerant and immoral institutions, it is recommended that the government of the Territory of Utah be reorganized.

I recommend that Congress provide for the government of Utah by a governor and judges, or commissioners, appointed by the President and confirmed by the Senate—a government analogous to the provisional government established for the territory northwest of the Ohio by the ordinance of 1787. If, however, it is deemed best to continue the existing form of local government, I recommend that the right to vote, hold office, and sit on juries in the Territory of Utah be confined to those who neither practice nor uphold polygamy. If thorough measures are adopted, it is believed that within a few years the evils which now afflict Utah will be eradicated, and that this Territory will in good time become one of the most prosperous and attractive of the new States of the Union.

Page 1337

Our relations with all foreign countries have been those of undisturbed peace, and have presented no occasion for concern as to their continued maintenance.

My anticipation of an early reply from the British Government to the demand of indemnity to our fishermen for the injuries suffered by that industry at Fortune Bay in January, 1878, which I expressed in my last annual message, was disappointed. This answer was received only in the latter part of April in the present year, and when received exhibited a failure of accord between the two Governments as to the measure of the inshore fishing privilege secured to our fishermen by the treaty of Washington of so serious a character that I made it the subject of a communication to Congress, in which I recommended the adoption of the measures which seemed to me proper to be taken by this Government in maintenance of the rights accorded to our fishermen under the treaty and toward securing an indemnity for the injury these interests had suffered. A bill to carry out these recommendations was under consideration by the House of Representatives at the time of the adjournment of Congress in June last.

Within a few weeks I have received a communication from Her Majesty's Government renewing the consideration of the subject, both of the indemnity for the injuries at Fortune Bay and of the interpretation of the treaty in which the previous correspondence had shown the two Governments to be at variance. Upon both these topics the disposition toward a friendly agreement is manifested by a recognition of our right to an indemnity for the transaction at Fortune Bay, leaving the measure of such indemnity to further conference, and by an assent to the view of this Government, presented in the previous correspondence, that the regulation of conflicting interests of the shore fishery of the provincial seacoasts and the vessel fishery of our fishermen should be made the subject of conference and concurrent arrangement between the two Governments.

I sincerely hope that the basis may be found for a speedy adjustment of the very serious divergence of views in the interpretation of the fishery clauses of the treaty of Washington, which, as the correspondence between the two Governments stood at the close of the last session of Congress, seemed to be irreconcilable.

In the important exhibition of arts and industries which was held last year at Sydney, New South Wales, as well as in that now in progress at Melbourne, the United States have been efficiently and honorably represented. The exhibitors from this country at the former place received a large number of awards in some of the most considerable departments, and the participation of the United States was recognized by a special mark of distinction. In the exhibition at Melbourne the share taken by our country is no less notable, and an equal degree of success is confidently expected.

Page 1338

The state of peace and tranquillity now enjoyed by all the nations of the continent of Europe has its favorable influence upon our diplomatic and commercial relations with them. We have concluded and ratified a convention with the French Republic for the settlement of claims of the citizens of either country against the other. Under this convention a commission, presided over by a distinguished publicist, appointed in pursuance of the request of both nations by His Majesty the Emperor of Brazil, has been organized and has begun its sessions in this city. A congress to consider means for the protection of industrial property has recently been in session in Paris, to which I have appointed the ministers of the United States in France and in Belgium as delegates. The International Commission upon Weights and Measures also continues its work in Paris. I invite your attention to the necessity of an appropriation to be made in time to enable this Government to comply with its obligations under the metrical convention.

Our friendly relations with the German Empire continue without interruption. At the recent International Exhibition of Fish and Fisheries at Berlin the participation of the United States, notwithstanding the haste with which the commission was forced to make its preparations, was extremely successful and meritorious, winning for private exhibitors numerous awards of a high class and for the country at large the principal prize of honor offered by His Majesty the Emperor. The results of this great success can not but be advantageous to this important and growing industry. There have been some questions raised between the two Governments as to the proper effect and interpretation of our treaties of naturalization, but recent dispatches from our minister at Berlin show that favorable progress is making toward an understanding in accordance with the views of this Government, which makes and admits no distinction whatever between the rights of a native and a naturalized citizen of the United States. In practice the complaints of molestation suffered by naturalized citizens abroad have never been fewer than at present.

There is nothing of importance to note in our unbroken friendly relations with the Governments of Austria-Hungary, Russia, Portugal, Sweden and Norway, Switzerland, Turkey, and Greece.

During the last summer several vessels belonging to the merchant marine of this country, sailing in neutral waters of the West Indies, were fired at, boarded, and searched by an armed cruiser of the Spanish Government. The circumstances as reported involve not only a private injury to the persons concerned, but also seemed too little observant of the friendly relations existing for a century between this country and Spain. The wrong was brought to the attention of the Spanish Government in a serious protest and remonstrance, and the matter is undergoing investigation by the royal authorities with a view to such explanation or reparation as may be called for by the facts.

Page 1339

The commission sitting in this city for the adjudication of claims of our citizens against the Government of Spain is, I hope, approaching the termination of its labors.

The claims against the United States under the Florida treaty with Spain were submitted to Congress for its action at the late session, and I again invite your attention to this long-standing question, with a view to a final disposition of the matter.

At the invitation of the Spanish Government, a conference has recently been held at the city of Madrid to consider the subject of protection by foreign powers of native Moors in the Empire of Morocco. The minister of the United States in Spain was directed to take part in the deliberations of this conference, the result of which is a convention signed on behalf of all the powers represented. The instrument will be laid before the Senate for its consideration. The Government of the United States has also lost no opportunity to urge upon that of the Emperor of Morocco the necessity, in accordance with the humane and enlightened spirit of the age, of putting an end to the persecutions, which have been so prevalent in that country, of persons of a faith other than the Moslem, and especially of the Hebrew residents of Morocco.

The consular treaty concluded with Belgium has not yet been officially promulgated, owing to the alteration of a word in the text by the Senate of the United States, which occasioned a delay, during which the time allowed for ratification expired. The Senate will be asked to extend the period for ratification.

The attempt to negotiate a treaty of extradition with Denmark failed on account of the objection of the Danish Government to the usual clause providing that each nation should pay the expense of the arrest of the persons whose extradition it asks.

The provision made by Congress at its last session for the expense of the commission which had been appointed to enter upon negotiations with the Imperial Government of China on subjects of great interest to the relations of the two countries enabled the commissioners to proceed at once upon their mission. The Imperial Government was prepared to give prompt and respectful attention to the matters brought under negotiation, and the conferences proceeded with such rapidity and success that on the 17th of November last two treaties were signed at Peking, one relating to the introduction of Chinese into this country and one relating to commerce. Mr. Trescot, one of the commissioners, is now on his way home bringing the treaties, and it is expected that they will be received in season to be laid before the Senate early in January.

Our minister in Japan has negotiated a convention for the reciprocal relief of shipwrecked seamen. I take occasion to urge once more upon Congress the propriety of making provision for the erection of suitable fireproof buildings at the Japanese capital for the use of the American legation and the court-house and jail connected with

it. The Japanese Government, with great generosity and courtesy, has offered for this purpose an eligible piece of land.

Page 1340

In my last annual message I invited the attention of Congress to the subject of the indemnity funds received some years ago from China and Japan. I renew the recommendation then made that whatever portions of these funds are due to American citizens should be promptly paid and the residue returned to the nations, respectively, to which they justly and equitably belong.

The extradition treaty with the Kingdom of the Netherlands, Which has been for some time in course of negotiation, has during the past year been concluded and duly ratified.

Relations of friendship and amity have been established between the Government of the United States and that of Roumania. We have sent a diplomatic representative to Bucharest, and have received at this capital the special envoy who has been charged by His Royal Highness Prince Charles to announce the independent sovereignty of Roumania. We hope for a speedy development of commercial relations between the two countries.

In my last annual message I expressed the hope that the prevalence of quiet on the border between this country and Mexico would soon become so assured as to justify the modification of the orders then in force to our military commanders in regard to crossing the frontier, without encouraging such disturbances as would endanger the peace of the two countries. Events moved in accordance with these expectations, and the orders were accordingly withdrawn, to the entire satisfaction of our own citizens and the Mexican Government. Subsequently the peace of the border was again disturbed by a savage foray under the command of the Chief Victoria, but by the combined and harmonious action of the military forces of both countries his band has been broken up and substantially destroyed.

There is reason to believe that the obstacles which have so long prevented rapid and convenient communication between the United States and Mexico by railways are on the point of disappearing, and that several important enterprises of this character will soon be set on foot, which can not fail to contribute largely to the prosperity of both countries.

New envoys from Guatemala, Colombia, Bolivia, Venezuela, and Nicaragua have recently arrived at this capital, whose distinction and enlightenment afford the best guaranty of the continuance of friendly relations between ourselves and these sister Republics.

The relations between this Government and that of the United States of Colombia have engaged public attention during the past year, mainly by reason of the project of an interoceanic canal across the Isthmus of Panama, to be built by private capital under a concession from the Colombian Government for that purpose. The treaty obligations subsisting between the United States and Colombia, by which we guarantee the

neutrality of the transit and the sovereignty and property of Colombia in the Isthmus, make it necessary that the conditions under which so stupendous a change

Page 1341

in the region embraced in this guaranty should be effected—transforming, as it would, this Isthmus from a barrier between the Atlantic and Pacific oceans into a gateway and thoroughfare between them for the navies and the merchant ships of the world—should receive the approval of this Government, as being compatible with the discharge of these obligations on our part and consistent with our interests as the principal commercial power of the Western Hemisphere. The views which I expressed in a special message to Congress in March last in relation to this project I deem it my duty again to press upon your attention. Subsequent consideration has but confirmed the opinion "that it is the right and duty of the United States to assert and maintain such supervision and authority over any interoceanic canal across the isthmus that connects North and South America as will protect our national interest."

The war between the Republic of Chile on the one hand and the allied Republics of Peru and Bolivia on the other still continues. This Government has not felt called upon to interfere in a contest that is within the belligerent rights of the parties as independent states. We have, however, always held ourselves in readiness to aid in accommodating their difference, and have at different times reminded both belligerents of our willingness to render such service.

Our good offices in this direction were recently accepted by all the belligerents, and it was hoped they would prove efficacious; but I regret to announce that the measures which the ministers of the United States at Santiago and Lima were authorized to take with the view to bring about a peace were not successful. In the course of the war some questions have arisen affecting neutral rights. In all of these the ministers of the United States have, under their instructions, acted with promptness and energy in protection of American interests.

The relations of the United States with the Empire of Brazil continue to be most cordial, and their commercial intercourse steadily increases, to their mutual advantage.

The internal disorders with which the Argentine Republic has for some time past been afflicted, and which have more or less influenced its external trade, are understood to have been brought to a close. This happy result may be expected to redound to the benefit of the foreign commerce of that Republic, as well as to the development of its vast interior resources.

In Samoa the Government of King Malietoa, under the support and recognition of the consular representatives of the United States, Great Britain, and Germany, seems to have given peace and tranquillity to the islands. While it does not appear desirable to adopt as a whole the scheme of tripartite local government which has been proposed, the common interests of the three great treaty powers require harmony in their relations to the native frame of government, and this may be best secured by a simple diplomatic

agreement between them. It would be well if the consular jurisdiction of our representative at Apia were increased in extent and importance so as to guard American interests in the surrounding and outlying islands of Oceanica.

Page 1342

The obelisk generously presented by the Khedive of Egypt to the city of New York has safely arrived in this country, and will soon be erected in that metropolis. A commission for the liquidation of the Egyptian debt has lately concluded its work, and this Government, at the earnest solicitation of the Khedive, has acceded to the provisions adopted by it, which will be laid before Congress for its information. A commission for the revision of the judicial code of the reform tribunal of Egypt is now in session in Cairo. Mr. Farman, consul-general, and J. M. Batchelder, esq., have been appointed as commissioners to participate in this work. The organization of the reform tribunals will probably be continued for another period of five years.

In pursuance of the act passed at the last session of Congress, invitations have been extended to foreign maritime states to join in a sanitary conference in Washington, beginning the 1st of January. The acceptance of this invitation by many prominent powers gives promise of success in this important measure, designed to establish a system of international notification by which the spread of infectious or epidemic diseases may be more effectively checked or prevented. The attention of Congress is invited to the necessary appropriations for carrying into effect the provisions of the act referred to.

The efforts of the Department of State to enlarge the trade and commerce of the United States, through the active agency of consular officers and through the dissemination of information obtained from them, have been unrelaxed. The interest in these efforts, as developed in our commercial communities, and the value of the information secured by this means to the trade and manufactures of the country were recognized by Congress at its last session, and provision was made for the more frequent publication of consular and other reports by the Department of State. The first issue of this publication has now been prepared, and subsequent issues may regularly be expected. The importance and interest attached to the reports of consular officers are witnessed by the general demand for them by all classes of merchants and manufacturers engaged in our foreign trade. It is believed that the system of such publications is deserving of the approval of Congress, and that the necessary appropriations for its continuance and enlargement will commend itself to your consideration.

The prosperous energies of our domestic industries and their immense production of the subjects of foreign commerce invite, and even require, an active development of the wishes and interests of our people in that direction. Especially important is it that our commercial relations with the Atlantic and Pacific coasts of South America, with the West Indies and the Gulf of Mexico, should be direct, and not through the circuit of European systems, and should be carried on in our own bottoms. The full appreciation

Page 1343

of the opportunities which our front on the Pacific Ocean gives to commerce with Japan, China, and the East Indies, with Australia and the island groups which lie along these routes of navigation, should inspire equal efforts to appropriate to our own shipping and to administer by our own capital a due proportion of this trade. Whatever modifications of our regulations of trade and navigation may be necessary or useful to meet and direct these impulses to the enlargement of our exchanges and of our carrying trade I am sure the wisdom of Congress will be ready to supply. One initial measure, however, seems to me so dearly useful and efficient that I venture to press it upon your earnest attention. It seems to be very evident that the provision of regular steam postal communication by aid from government has been the forerunner of the commercial predominance of Great Britain on all these coasts and seas, a greater share in whose trade is now the desire and the intent of our people. It is also manifest that the efforts of other European nations to contend with Great Britain for a share of this commerce have been successful in proportion with their adoption of regular steam postal communication with the markets whose trade they sought. Mexico and the States of South America are anxious to receive such postal communication with this country and to aid in their development. Similar cooperation may be looked for in due time from the Eastern nations and from Australia. It is difficult to see how the lead in this movement can be expected from private interests. In respect of foreign commerce quite as much as in internal trade postal communication seems necessarily a matter of common and public administration, and thus pertaining to Government. I respectfully recommend to your prompt attention such just and efficient measures as may conduce to the development of our foreign commercial exchanges and the building up of our carrying trade.

In this connection I desire also to suggest the very great service which might be expected in enlarging and facilitating our commerce on the Pacific Ocean were a transmarine cable laid from San Francisco to the Sandwich Islands, and thence to Japan at the north and Australia at the south. The great influence of such means of communication on these routes of navigation in developing and securing the due share of our Pacific Coast in the commerce of the world needs no illustration or enforcement. It may be that such an enterprise, useful, and in the end profitable, as it would prove to private investment, may need to be accelerated by prudent legislation by Congress in its aid, and I submit the matter to your careful consideration.

Page 1344

An additional and not unimportant, although secondary, reason for fostering and enlarging the Navy may be found in the unquestionable service to the expansion of our commerce which would be rendered by the frequent circulation of naval ships in the seas and ports of all quarters of the globe. Ships of the proper construction and equipment to be of the greatest efficiency in case of maritime war might be made constant and active agents in time of peace in the advancement and protection of our foreign trade and in the nurture and discipline of young seamen, who would naturally in some numbers mix with and improve the crews of our merchant ships. Our merchants at home and abroad recognize the value to foreign commerce of an active movement of our naval vessels, and the intelligence and patriotic zeal of our naval officers in promoting every interest of their countrymen is a just subject of national pride.

The condition of the financial affairs of the Government, as shown by the report of the Secretary of the Treasury, is very satisfactory. It is believed that the present financial situation of the United States, whether considered with respect to trade, currency, credit, growing wealth, or the extent and variety of our resources, is more favorable than that of any other country of our time, and has never been surpassed by that of any country at any period of its history. All our industries are thriving; the rate of interest is low; new railroads are being constructed; a vast immigration is increasing our population, capital, and labor; new enterprises in great number are in progress, and our commercial relations with other countries are improving.

The ordinary revenues from all sources for the fiscal year ended June 30, 1880, were—

From customs — $186,522,064.60

From internal revenue — 124,009,373.92

From sales of public lands — 1,016,506.60

From tax on circulation and deposits of national banks — 7,014,971.44

From repayment of interest by Pacific Railway companies — 1,707,367.18

From sinking fund for Pacific Railway companies — 786,621.22

From customs fees, fines, penalties, etc — 1,148,800.16

From fees-consular, letters patent, and lands — 2,337,029.00

From proceeds of sales of Government property — 282,616.50

From profits on coinage, etc — 2,792,186.78

From revenues of the District of Columbia — 1,809,469.70

From miscellaneous sources — 4,099,603.88 —

***

State of the Union Address
Chester A. Arthur
December 6, 1881

To the Senate and House of Representatives of the United States:

An appalling calamity has befallen the American people since their chosen representatives last met in the halls where you are now assembled. We might else recall with unalloyed content the rare prosperity with which throughout the year the nation has been blessed. Its harvests have been plenteous; its varied industries have thriven; the health of its people has been preserved; it has maintained with foreign governments the undisturbed relations of amity and peace. For these manifestations of His favor we owe to Him who holds our destiny in His hands the tribute of our grateful devotion.

Page 1345

To that mysterious exercise of His will which has taken from us the loved and illustrious citizen who was but lately the head of the nation we bow in sorrow and submission.

The memory of his exalted character, of his noble achievements, and of his patriotic life will be treasured forever as a sacred possession of the whole people.

The announcement of his death drew from foreign governments and peoples tributes of sympathy and sorrow which history will record as signal tokens of the kinship of nations and the federation of mankind.

The feeling of good will between our own Government and that of Great Britain was never more marked than at present. In recognition of this pleasing fact I directed, on the occasion of the late centennial celebration at Yorktown, that a salute be given to the British flag.

Save for the correspondence to which I shall refer hereafter in relation to the proposed canal across the Isthmus of Panama, little has occurred worthy of mention in the diplomatic relations of the two countries.

Early in the year the Fortune Bay claims were satisfactorily settled by the British Government paying in full the sum of 15,000 pounds, most of which has been already distributed. As the terms of the settlement included compensation for injuries suffered by our fishermen at Aspee Bay, there has been retained from the gross award a sum which is deemed adequate for those claims.

The participation of Americans in the exhibitions at Melbourne and Sydney will be approvingly mentioned in the reports of the two exhibitions, soon to be presented to Congress. They will disclose the readiness of our countrymen to make successful competition in distant fields of enterprise.

Negotiations for an international copyright convention are in hopeful progress.

The surrender of Sitting Bull and his forces upon the Canadian frontier has allayed apprehension, although bodies of British Indians still cross the border in quest of sustenance. Upon this subject a correspondence has been opened which promises an adequate understanding. Our troops have orders to avoid meanwhile all collisions with alien Indians.

The presence at the Yorktown celebration of representatives of the French Republic and descendants of Lafayette and of his gallant compatriots who were our allies in the Revolution has served to strengthen the spirit of good will which has always existed between the two nations.

You will be furnished with the proceedings of the Bimetallic Conference held during the summer at the city of Paris. No accord was reached, but a valuable interchange of views was had, and the conference will next year be renewed.

At the Electrical Exhibition and Congress, also held at Paris, this country was creditably represented by eminent specialists, who, in the absence of an appropriation, generously lent their efficient aid at the instance of the State Department. While our exhibitors in this almost distinctively American field of achievement have won several valuable awards, I recommend that Congress provide for the repayment of the personal expenses incurred in the public interest by the honorary commissioners and delegates.

Page 1346

No new questions respecting the status of our naturalized citizens in Germany have arisen during the year, and the causes of complaint, especially in Alsace and Lorraine, have practically ceased through the liberal action of the Imperial Government in accepting our often-expressed views on the subject. The application of the treaty of 1868 to the lately acquired Rhenish provinces has received very earnest attention, and a definite and lasting agreement on this point is confidently expected. The participation of the descendants of Baron von Steuben in the Yorktown festivities, and their subsequent reception by their American kinsmen, strikingly evinced the ties of good will which unite the German people and our own.

Our intercourse with Spain has been friendly. An agreement concluded in February last fixes a term for the labors of the Spanish and American Claims Commission. The Spanish Government has been requested to pay the late awards of that Commission, and will, it is believed, accede to the request as promptly and courteously as on former occasions.

By recent legislation onerous fines have been imposed upon American shipping in Spanish and colonial ports for slight irregularities in manifests. One case of hardship is specially worthy of attention. The bark Masonic, bound for Japan, entered Manila in distress, and is there sought to be confiscated under Spanish revenue laws for an alleged shortage in her transshipped cargo. Though efforts for her relief have thus far proved unavailing, it is expected that the whole matter will be adjusted in a friendly spirit.

The Senate resolutions of condolence on the assassination of the Czar Alexander II were appropriately communicated to the Russian Government, which in turn has expressed its sympathy in our late national bereavement. It is desirable that our cordial relations with Russia should be strengthened by proper engagements assuring to peaceable Americans who visit the Empire the consideration which is due to them as citizens of a friendly state. This is especially needful with respect to American Israelites, whose classification with the native Hebrews has evoked energetic remonstrances from this Government.

A supplementary consular agreement with Italy has been sanctioned and proclaimed, which puts at rest conflicts of jurisdiction in the case of crimes on shipboard.

Several important international conferences have been held in Italy during the year. At the Geographical Congress of Venice, the Beneficence Congress of Milan, and the Hygienic Congress of Turin this country was represented by delegates from branches of the public service or by private citizens duly accredited in an honorary capacity. It is hoped that Congress will give such prominence to the results of their participation as they may seem to deserve.

The abolition of all discriminating duties against such colonial productions of the Dutch East Indies as are imported hither from Holland has been already considered by Congress. I trust that at the present session the matter may be favorably concluded.

Page 1347

The insecurity of life and property in many parts of Turkey has given rise to correspondence with the Porte looking particularly to the better protection of American missionaries in the Empire. The condemned murderer of the eminent missionary Dr. Justin W. Parsons has not yet been executed, although this Government has repeatedly demanded that exemplary justice be done.

The Swiss Government has again solicited the good offices of our diplomatic and consular agents for the protection of its citizens in countries where it is not itself represented. This request has, within proper limits, been granted.

Our agents in Switzerland have been instructed to protest against the conduct of the authorities of certain communes in permitting the emigration to this country of criminals and other objectionable persons. Several such persons, through the cooperation of the commissioners of emigration at New York, have been sent back by the steamers which brought them. A continuance of this course may prove a more effectual remedy than diplomatic remonstrance.

Treaties of commerce and navigation and for the regulation of consular privileges have been concluded with Roumania and Servia since their admission into the family of European States.

As is natural with contiguous states having like institutions and like aims of advancement and development, the friendship of the United States and Mexico has been constantly maintained. This Government has lost no occasion of encouraging the Mexican Government to a beneficial realization of the mutual advantages which will result from more intimate commercial intercourse and from the opening of the rich interior of Mexico to railway enterprise. I deem it important that means be provided to restrain the lawlessness unfortunately so common on the frontier and to suppress the forays of the reservation Indians on either side of the Rio Grande.

The neighboring States of Central America have preserved internal peace, and their outward relations toward us have been those of intimate friendship. There are encouraging signs of their growing disposition to subordinate their local interests to those which are common to them by reason of their geographical relations.

The boundary dispute between Guatemala and Mexico has afforded this Government an opportunity to exercise its good offices for preventing a rupture between those States and for procuring a peaceable solution of the question. I cherish strong hope that in view of our relations of amity with both countries our friendly counsels may prevail.

A special envoy of Guatemala has brought to me the condolences of his Government and people on the death of President Garfield.

Page 1348

The Costa Rican Government lately framed an engagement with Colombia for settling by arbitration the boundary question between those countries, providing that the post of arbitrator should be offered successively to the King of the Belgians, the King of Spain, and the President of the Argentine Confederation. The King of the Belgians has declined to act, but I am not as yet advised of the action of the King of Spain. As we have certain interests in the disputed territory which are protected by our treaty engagements with one of the parties, it is important that the arbitration should not without our consent affect our rights, and this Government has accordingly thought proper to make its views known to the parties to the agreement, as well as to intimate them to the Belgian and Spanish Governments.

The questions growing out of the proposed interoceanic waterway across the Isthmus of Panama are of grave national importance. This Government has not been unmindful of the solemn obligations imposed upon it by its compact of 1846 with Colombia, as the independent and sovereign mistress of the territory crossed by the canal, and has sought to render them effective by fresh engagements with the Colombian Republic looking to their practical execution. The negotiations to this end, after they had reached what appeared to be a mutually satisfactory solution here, were met in Colombia by a disavowal of the powers which its envoy had assumed and by a proposal for renewed negotiation on a modified basis.

Meanwhile this Government learned that Colombia had proposed to the European powers to join in a guaranty of the neutrality of the proposed Panama canal—a guaranty which would be in direct contravention of our obligation as the sole guarantor of the integrity of Colombian territory and of the neutrality of the canal itself. My lamented predecessor felt it his duty to place before the European powers the reasons which make the prior guaranty of the United States indispensable, and for which the interjection of any foreign guaranty might be regarded as a superfluous and unfriendly act.

Foreseeing the probable reliance of the British Government on the provisions of the Clayton-Bulwer treaty of 1850 as affording room for a share in the guaranties which the United States covenanted with Colombia four years before, I have not hesitated to supplement the action of my predecessor by proposing to Her Majesty's Government the modification of that instrument and the abrogation of such clauses thereof as do not comport with the obligations of the United States toward Colombia or with the vital needs of the two friendly parties to the compact.

This Government sees with great concern the continuance of the hostile relations between Chile, Bolivia, and Peru. An early peace between these Republics is much to be desired, not only that they may themselves be spared further misery and bloodshed, but because their continued antagonism threatens consequences which are, in my judgment, dangerous to the interests of republican government on this continent and calculated to destroy the best elements of our free and peaceful civilization.

Page 1349

As in the present excited condition of popular feeling in these countries there has been serious misapprehension of the position of the United States, and as separate diplomatic intercourse with each through independent ministers is sometimes subject, owing to the want of prompt reciprocal communication, to temporary misunderstanding, I have deemed it judicious at the present time to send a special envoy accredited to all and each of them, and furnished with general instructions which will, I trust, enable him to bring these powers into friendly relations.

The Government of Venezuela maintains its attitude of warm friendship and continues with great regularity its payment of the monthly quota of the diplomatic debt. Without suggesting the direction in which Congress should act, I ask its attention to the pending questions affecting the distribution of the sums thus far received.

The relations between Venezuela and France growing out of the same debt have been for some time past in an unsatisfactory state, and this Government, as the neighbor and one of the largest creditors of Venezuela, has interposed its influence with the French Government with the view of producing a friendly and honorable adjustment.

I regret that the commercial interests between the United States and Brazil, from which great advantages were hoped a year ago, have suffered from the withdrawal of the American lines of communication between the Brazilian ports and our own.

Through the efforts of our minister resident at Buenos Ayres and the United States minister at Santiago, a treaty has been concluded between the Argentine Republic and Chile, disposing of the long-pending Patagonian boundary question. It is a matter of congratulation that our Government has been afforded the opportunity of successfully exerting its good influence for the prevention of disagreements between these Republics of the American continent.

I am glad to inform you that the treaties lately negotiated with China have been duly ratified on both sides and the exchange made at Peking. Legislation is necessary to carry their provisions into effect. The prompt and friendly spirit with which the Chinese Government, at the request of the United States, conceded the modification of existing treaties should secure careful regard for the interests and susceptibilities of that Government in the enactment of any laws relating to Chinese immigration.

Those clauses of the treaties which forbid the participation of citizens or vessels of the United States in the opium trade will doubtless receive your approval. They will attest the sincere interest which our people and Government feel in the commendable efforts of the Chinese Government to put a stop to this demoralizing and destructive traffic.

In relation both to China and Japan some changes are desirable in our present system of consular jurisdiction. I hope at some future time to lay before you a scheme for its improvement in the entire East.

Page 1350

The intimacy between our own country and Japan, the most advanced of the Eastern nations, continues to be cordial. I am advised that the Emperor contemplates the establishment of full constitutional government, and that he has already summoned a parliamentary congress for the purpose of effecting the change. Such a remarkable step toward complete assimilation with the Western system can not fail to bring Japan into closer and more beneficial relationship with ourselves as the chief Pacific power.

A question has arisen in relation to the exercise in that country of the judicial functions conferred upon our ministers and consuls. The indictment, trial, and conviction in the consular court at Yokohama of John Ross, a merchant seaman on board an American vessel, have made it necessary for the Government to institute a careful examination into the nature and methods of this jurisdiction.

It appeared that Ross was regularly shipped under the flag of the United States, but was by birth a British subject. My predecessor felt it his duty to maintain the position that during his service as a regularly shipped seaman on board an American merchant vessel Ross was subject to the laws of that service and to the jurisdiction of the United States consular authorities.

I renew the recommendation which has been heretofore urged by the Executive upon the attention of Congress, that after the deduction of such amount as may be found due to American citizens the balance of the indemnity funds heretofore obtained from China and Japan, and which are now in the hands of the State Department, be returned to the Governments of those countries.

The King of Hawaii, in the course of his homeward return after a journey around the world, has lately visited this country. While our relations with that Kingdom are friendly, this Government has viewed with concern the efforts to seek replenishment of the diminishing population of the islands from outward sources, to a degree which may impair the native sovereignty and independence, in which the United States was among the first to testify a lively interest.

Relations of unimpaired amity have been maintained throughout the year with the respective Governments of Austria-Hungary, Belgium, Denmark, Hayti, Paraguay and Uruguay, Portugal, and Sweden and Norway. This may also be said of Greece and Ecuador, although our relations with those States have for some years been severed by the withdrawal of appropriations for diplomatic representatives at Athens and Quito. It seems expedient to restore those missions, even on a reduced scale, and I decidedly recommend such a course with respect to Ecuador, which is likely within the near future to play an important part among the nations of the Southern Pacific.

At its last extra session the Senate called for the text of the Geneva convention for the relief of the wounded in war. I trust that this action foreshadows such interest in the

subject as will result in the adhesion of the United States to that humane and commendable engagement.

Page 1351

I invite your attention to the propriety of adopting the new code of international rules for the prevention of collisions on the high seas and of conforming the domestic legislation of the United States thereto, so that no confusion may arise from the application of conflicting rules in the case of vessels of different nationalities meeting in tidal waters. These international rules differ but slightly from our own. They have been adopted by the Navy Department for the governance of the war ships of the United States on the high seas and in foreign waters, and, through the action of the State Department in disseminating the rules and in acquainting shipmasters with the option of conforming to them without the jurisdictional waters of the United States, they are now very generally known and obeyed.

The State Department still continues to publish to the country the trade and manufacturing reports received from its officers abroad. The success of this course warrants its continuance and such appropriation as may be required to meet the rapidly increasing demand for these publications. With special reference to the Atlanta Cotton Exposition, the October number of the reports was devoted to a valuable collection of papers on the cotton-goods trade of the world.

The International Sanitary Conference for which, in 1879, Congress made provision assembled in this city early in January last, and its sessions were prolonged until March. Although it reached no specific conclusions affecting the future action of the participant powers, the interchange of views proved to be most valuable. The full protocols of the sessions have been already presented to the Senate.

As pertinent to this general subject, I call your attention to the operations of the National Board of Health. Established by act of Congress approved March 3, 1879, its sphere of duty was enlarged by the act of June 2 in the same year. By the last-named act the board was required to institute such measures as might be deemed necessary for preventing the introduction of contagious or infectious diseases from foreign countries into the United States or from one State into another.

The execution of the rules and regulations prepared by the board and approved by my predecessor has done much to arrest the progress of epidemic disease, and has thus rendered substantial service to the nation.

The International Sanitary Conference, to which I have referred, adopted a form of a bill of health to be used by all vessels seeking to enter the ports of the countries whose representatives participated in its deliberations. This form has since been prescribed by the National Board of Health and incorporated with its rules and regulations, which have been approved by me in pursuance of law.

The health of the people is of supreme importance. All measures looking to their protection against the spread of contagious diseases and to the increase of our sanitary knowledge for such purposes deserve attention of Congress.

Page 1352

The report of the Secretary of the Treasury presents in detail a highly satisfactory exhibit of the state of the finances and the condition of the various branches of the public service administered by that Department.

The ordinary revenues from all sources for the fiscal year ending June 30, 1881, were:

From customs — $198,159,676.02

From internal revenue — 135,264,385.51

From sales of public lands — 2,201,863.17

From tax on circulation and deposits of national banks — 8,116,115.72

From repayment of interest by Pacific Railway companies — 810,833.80

From sinking fund for Pacific Railway companies — 805,180.54

From customs fees, fines, penalties, *etc*. — 1,225,514.86

From fees—consular, letters patent, and lands — 2,244,983.98

From proceeds of sales of Government property — 262,174.00

From profits on coinage — 3,468,485.61

From revenues of the District of Columbia — 2,016,199.23

From miscellaneous sources — 6,206,880.13

Total ordinary receipts — 360,782,292.57

The ordinary expenditures for the same period were:

For civil expenses — $17,941,177.19

For foreign intercourse — 1,093,954.92

For Indians — 6,514,161.09

For pensions — 50,059,279.62

For the military establishment, including river and harbor improvements and arsenals — 40,466,460.55

For the naval establishment, including vessels, machinery, and improvements at navy-yards — 15,686,671.66

For miscellaneous expenditures, including public buildings,
light-houses, and collecting the revenue — 41,837,280.57

For expenditures on account of the District of Columbia — 3,543,912.03

For interest on the public debt — 82,508,741.18

For premium on bonds purchased — 1,061,248.78

Total ordinary expenditures — 260,712,887.59

Leaving a surplus revenue of $100,069,404.98, which was applied as follows:

To the redemption of—

Bonds for the sinking fund — $74,371,200.00

Fractional currency for the sinking fund — 109,001.05

Loan of February, 1861 — 7,418,000.00

Ten-forties of 1864 — 2,016,150.00

Five-twenties of 1862 — 18,300.00

Five-twenties of 1864 — 3,400.00

Five-twenties of 1865 — 37,300.00

Consols of 1865 — 143,150.00

Consols of 1867 — 959,150.00

Consols of 1868 — 337,400.00

Texan indemnity stock — 1,000.00

Old demand, compound-interest, and other notes — 18,330.00

And to the increase of cash in the Treasury — 14,637,023.93 —

***

State of the Union Address
Chester A. Arthur
December 4, 1882

To the Senate and House of Representatives of the United States:

It is provided by the Constitution that the President shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient.

Page 1353

In reviewing the events of the year which has elapsed since the commencement of your sessions, I first call your attention to the gratifying condition of our foreign affairs. Our intercourse with other powers has continued to be of the most friendly character.

Such slight differences as have arisen during the year have been already settled or are likely to reach an early adjustment. The arrest of citizens of the United States in Ireland under recent laws which owe their origin to the disturbed condition of that country has led to a somewhat extended correspondence with the Government of Great Britain. A disposition to respect our rights has been practically manifested by the release of the arrested parties.

The claim of this nation in regard to the supervision and control of any interoceanic canal across the American Isthmus has continued to be the subject of conference.

It is likely that time will be more powerful than discussion in removing the divergence between the two nations whose friendship is so closely cemented by the intimacy of their relations and the community of their interests.

Our long-established friendliness with Russia has remained unshaken. It has prompted me to proffer the earnest counsels of this Government that measures be adopted for suppressing the proscription which the Hebrew race in that country has lately suffered. It has not transpired that any American citizen has been subjected to arrest or injury, but our courteous remonstrance has nevertheless been courteously received. There is reason to believe that the time is not far distant when Russia will be able to secure toleration to all faiths within her borders.

At an international convention held at Paris in 1880, and attended by representatives of the United States, an agreement was reached in respect to the protection of trade-marks, patented articles, and the rights of manufacturing firms and corporations. The formulating into treaties of the recommendations thus adopted is receiving the attention which it merits.

The protection of submarine cables is a subject now under consideration by an international conference at Paris. Believing that it is clearly the true policy of this Government to favor the neutralization of this means of intercourse, I requested our minister to France to attend the convention as a delegate. I also designated two of our eminent scientists to attend as our representatives at the meeting of an international committee at Paris for considering the adoption of a common unit to measure electric force.

In view of the frequent occurrence of conferences for the consideration of important matters of common interest to civilized nations, I respectfully suggest that the Executive be invested by Congress with discretionary powers to send delegates to such conventions, and that provision be made to defray the expenses incident thereto.

The difference between the United States and Spain as to the effect of a judgment and certificate of naturalization has not yet been adjusted, but it is hoped and believed that negotiations now in progress will result in the establishment of the position which seems to this Government so reasonable and just.

Page 1354

I have already called the attention of Congress to the fact that in the ports of Spain and its colonies onerous fines have lately been imposed upon vessels of the United States for trivial technical offenses against local regulations. Efforts for the abatement of these exactions have thus far proved unsuccessful.

I regret to inform you also that the fees demanded by Spanish consuls in American ports are in some cases so large, when compared with the value of the cargo, as to amount in effect to a considerable export duty, and that our remonstrances in this regard have not as yet received the attention which they seem to deserve.

The German Government has invited the United States to participate in an international exhibition of domestic cattle to be held at Hamburg in July, 1883. If this country is to be represented, it is important that in the early days of this session Congress should make a suitable appropriation for that purpose.

The death of Mr. Marsh, our late minister to Italy, has evoked from that Government expressions of profound respect for his exalted character and for his honorable career in the diplomatic service of his country. The Italian Government has raised a question as to the propriety of recognizing in his dual capacity the representative of this country recently accredited both as secretary of legation and as consul-general at Rome. He has been received as secretary, but his exequatur as consul-general has thus far been withheld.

The extradition convention with Belgium, which has been in operation since 1874, has been lately supplanted by another. The Senate has signified its approval, and ratifications have been duly exchanged between the contracting countries. To the list of extraditable crimes has been added that of the assassination or attempted assassination of the chief of the State.

Negotiations have been opened with Switzerland looking to a settlement by treaty of the question whether its citizens can renounce their allegiance and become citizens of the United States without obtaining the consent of the Swiss Government.

I am glad to inform you that the immigration of paupers and criminals from certain of the Cantons of Switzerland has substantially ceased and is no longer sanctioned by the authorities.

The consideration of this subject prompts the suggestion that the act of August 3, 1882, which has for its object the return of foreign convicts to their own country, should be so modified as not to be open to the interpretation that it affects the extradition of criminals on preferred charges of crime.

The Ottoman Porte has not yet assented to the interpretation which this Government has put upon the treaty of 1830 relative to its jurisdictional rights in Turkey. It may well

be, however, that this difference will be adjusted by a general revision of the system of jurisdiction of the United States in the countries of the East, a subject to which your attention has been already called by the Secretary of State.

Page 1355

In the interest of justice toward China and Japan, I trust that the question of the return of the indemnity fund to the Governments of those countries will reach at the present session the satisfactory solution which I have already recommended, and which has recently been foreshadowed by Congressional discussion.

The treaty lately concluded with Korea awaits the action of the Senate. During the late disturbance in Egypt the timely presence of American vessels served as a protection to the persons and property of many of our own citizens and of citizens of other countries, whose governments have expressed their thanks for this assistance.

The recent legislation restricting immigration of laborers from China has given rise to the question whether Chinese proceeding to or from another country may lawfully pass through our own.

Construing the act of May 6, 1882, in connection with the treaty of November 7, 1880, the restriction would seem to be limited to Chinese immigrants coming to the United States as laborers, and would not forbid a mere transit across our territory. I ask the attention of Congress to the subject, for such action, if any, as may be deemed advisable.

This Government has recently had occasion to manifest its interest in the Republic of Liberia by seeking to aid the amicable settlement of the boundary dispute now pending between that Republic and the British possession of Sierra Leone.

The reciprocity treaty with Hawaii will become terminable after September 9, 1883, on twelve months' notice by either party. While certain provisions of that compact may have proved onerous, its existence has fostered commercial relations which it is important to preserve. I suggest, therefore, that early consideration be given to such modifications of the treaty as seem to be demanded by the interests of our people.

In view of our increasing trade with both Hayti and Santo Domingo, I advise that provision be made for diplomatic intercourse with the latter by enlarging the scope of the mission at Port au Prince.

I regret that certain claims of American citizens against the Government of Hayti have thus far been urged unavailingly.

A recent agreement with Mexico provides for the crossing of the frontier by the armed forces of either country in pursuit of hostile Indians. In my message of last year I called attention to the prevalent lawlessness upon the borders and to the necessity of legislation for its suppression. I again invite the attention of Congress to the subject.

A partial relief from these mischiefs has been sought in a convention, which now awaits the approval of the Senate, as does also another touching the establishment of the

international boundary between the United States and Mexico. If the latter is ratified, the action of Congress will be required for establishing suitable commissions of survey. The boundary dispute between Mexico and Guatemala, which led this Government to proffer its friendly counsels to both parties, has been amicably settled.

Page 1356

No change has occurred in our relations with Venezuela. I again invoke your action in the matter of the pending awards against that Republic, to which reference was made by a special message from the Executive at your last session.

An invitation has been received from the Government of Venezuela to send representatives in July, 1883, to Caracas for participating in the centennial celebration of the birth of Bolivar, the founder of South American independence. In connection with this event it is designed to commence the erection at Caracas of a statue of Washington and to conduct an industrial exhibition which will be open to American products. I recommend that the United States be represented and that suitable provision be made therefor.

The elevation of the grade of our mission in Central America to the plenipotentiary rank, which was authorized by Congress at its late session, has been since effected.

The war between Peru and Bolivia on the one side and Chile on the other began more than three years ago. On the occupation by Chile in 1880 of all the littoral territory of Bolivia, negotiations for peace were conducted under the direction of the United States. The allies refused to concede any territory, but Chile has since become master of the whole coast of both countries and of the capital of Peru. A year since, as you have already been advised by correspondence transmitted to you in January last, this Government sent a special mission to the belligerent powers to express the hope that Chile would be disposed to accept a money indemnity for the expenses of the war and to relinquish her demand for a portion of the territory of her antagonist.

This recommendation, which Chile declined to follow, this Government did not assume to enforce; nor can it be enforced without resort to measures which would be in keeping neither with the temper of our people nor with the spirit of our institutions.

The power of Peru no longer extends over its whole territory, and in the event of our interference to dictate peace would need to be supplemented by the armies and navies of the United States. Such interference would almost inevitably lead to the establishment of a protectorate—a result utterly at odds with our past policy, injurious to our present interests, and full of embarrassments for the future.

For effecting the termination of hostilities upon terms at once just to the victorious nation and generous to its adversaries, this Government has spared no efforts save such as might involve the complications which I have indicated.

It is greatly to be deplored that Chile seems resolved to exact such rigorous conditions of peace and indisposed to submit to arbitration the terms of an amicable settlement. No peace is likely to be lasting that is not sufficiently equitable and just to command the approval of other nations.

Page 1357

About a year since invitations were extended to the nations of this continent to send representatives to a peace congress to assemble at Washington in November, 1882. The time of meeting was fixed at a period then remote, in the hope, as the invitation itself declared, that in the meantime the disturbances between the South American Republics would be adjusted. As that expectation seemed unlikely to be realized, I asked in April last for an expression of opinion from the two Houses of Congress as to the advisability of holding the proposed convention at the time appointed. This action was prompted in part by doubts which mature reflection had suggested whether the diplomatic usage and traditions of the Government did not make it fitting that the Executive should consult the representatives of the people before pursuing a line of policy somewhat novel in its character and far reaching in its possible consequences. In view of the fact that no action was taken by Congress in the premises and that no provision had been made for necessary expenses, I subsequently decided to postpone the convocation, and so notified the several Governments which had been invited to attend.

I am unwilling to dismiss this subject without assuring you of my support of any measures the wisdom of Congress may devise for the promotion of peace on this continent and throughout the world, and I trust that the time is nigh when, with the universal assent of civilized peoples, all international differences shall be determined without resort to arms by the benignant processes of arbitration.

Changes have occurred in the diplomatic representation of several foreign powers during the past year. New ministers from the Argentine Republic, Austria-Hungary, Brazil, Chile, China, France, Japan, Mexico, the Netherlands, and Russia have presented their credentials. The missions of Denmark and Venezuela at this capital have been raised in grade. Switzerland has created a plenipotentiary mission to this Government, and an embassy from Madagascar and a minister from Siam will shortly arrive.

Our diplomatic intercourse has been enlarged by the establishment of relations with the new Kingdom of Servia, by the creation of a mission to Siam, and by the restoration of the mission to Greece. The Shah of Persia has expressed his gratification that a charge d'affaires will shortly be sent to that country, where the rights of our citizens have been hitherto courteously guarded by the representatives of Great Britain.

I renew my recommendation of such legislation as will place the United States in harmony with other maritime powers with respect to the international rules for the prevention of collisions at sea.

In conformity with your joint resolution of the 3d of August last, I have directed the Secretary of State to address foreign governments in respect to a proposed conference for considering the subject of the universal adoption of a common prime meridian to be

used in the reckoning of longitude and in the regulation of time throughout the civilized world. Their replies will in due time be laid before you.

Page 1358

An agreement was reached at Paris in 1875 between the principal powers for the interchange of official publications through the medium of their respective foreign departments.

The admirable system which has been built up by the enterprise of the Smithsonian Institution affords a practical basis for our cooperation in this scheme, and an arrangement has been effected by which that institution will perform the necessary labor, under the direction of the Department of State. A reasonable compensation therefor should be provided by law.

A clause in the act making appropriations for the diplomatic and consular service contemplates the reorganization of both branches of such service on a salaried basis, leaving fees to inure to the benefit of the Treasury. I cordially favor such a project, as likely to correct abuses in the present system. The Secretary of State will present to you at an early day a plan for such reorganization.

A full and interesting exhibit of the operations of the Treasury Department is afforded by the report of the Secretary.

It appears that the ordinary revenues from all sources for the fiscal year ended June 30, 1882, were as follows:

From customs — $220,410,730.25

From internal revenue — 146,497,595.45

From sales of public lands — 4,753,140.37

From tax on circulation and deposits of national banks — 8,956,794.45

From repayment of interest by Pacific Railway companies — 840,554.37

From sinking fund for Pacific Railway companies — 796,271.42

From customs fees, fines, penalties, *etc*. — 1,343,348.00

From fees—consular, letters patent, and lands — 2,638,990.97

From proceeds of sales of Government property — 314,959.85

From profits on coinage, bullion deposits, and assays — 4,116,693.73

From Indian trust funds — 5,705,243.22

From deposits by individuals for surveying public lands — 2,052,306.36

From revenues of the District of Columbia — 1,715,176.41

From miscellaneous sources — 3,383,445.43

Total ordinary receipts — 403,525,250.28

The ordinary expenditures for the same period were—

For civil expenses — $18,042,386.42

For foreign intercourse — 1,307,583.19

For Indians — 9,736,747.40

For pensions — 61,345,193.95

For the military establishment, including river and harbor improvements, and arsenals — 43,570,494.19

For the naval establishment, including vessels, machinery, and improvements at navy-yards — 15,032,046.26

For miscellaneous expenditures, including public buildings, light-houses, and collecting the revenue — 34,539,237.50

For expenditures on account of the District of Columbia — 3,330,543.87

For interest on the public debt — 71,077,206.79

Total ordinary expenditures — 257,981,439.57

Page 1359

Leaving a surplus revenue of $145,543,810.71, which, with an amount drawn from the cash balance in the Treasury of $20,737,694.84, making $166,281,505.55, was applied to the redemption—

Of bonds for the sinking fund — $60,079,150.00

Of fractional currency for the sinking fund — 58,705.55

Of loan of July and August, 1861 — 62,572,050.00

Of loan of March, 1863 — 4,472,900.00

Of funded loan of 1881 — 37,194,450.00

Of loan of 1858 — 303,000.00

Of loan of February, 1861 — 1,000.00

Of five-twenties of 1862 — 2,100.00

Of five-twenties of 1864 — 7,400.00

Of five-twenties of 1865 — 6,500.00

Of ten-forties of 1864 — 254,550.00

Of consols of 1865 — 86,450.00

Of consols of 1867 — 408,250.00

Of consols of 1868 — 141,400.00

Of Oregon War debt — 675,250.00

Of old demand, compound-interest, and other notes — 18,350.00 —

***

State of the Union Address
Chester A. Arthur
December 4, 1883

To the Congress of the United States:

At the threshold of your deliberations I congratulate you upon the favorable aspect of the domestic and foreign affairs of this Government.

Our relations with other countries continue to be upon a friendly footing. With the Argentine Republic, Austria, Belgium, Brazil, Denmark, Hayti, Italy, Santo Domingo, and Sweden and Norway no incident has occurred which calls for special comment. The recent opening of new lines of telegraphic communication with Central America and Brazil permitted the interchange of messages of friendship with the Governments of those countries.

During the year there have been perfected and proclaimed consular and commercial treaties with Servia and a consular treaty with Roumania, thus extending our intercourse with the Danubian countries, while our Eastern relations have been put upon a wider basis by treaties with Korea and Madagascar. The new boundary-survey treaty with Mexico, a trade-marks convention and a supplementary treaty of extradition with Spain, and conventions extending the duration of the Franco-American Claims Commission have also been proclaimed.

Notice of the termination of the fisheries articles of the treaty of Washington was duly given to the British Government, and the reciprocal privileges and exemptions of the treaty will accordingly cease on July 1, 1885. The fisheries industries, pursued by a numerous class of our citizens on the northern coasts, both of the Atlantic and Pacific oceans, are worthy of the fostering care of Congress. Whenever brought into competition with the like industries of other countries, our fishermen, as well as our manufacturers of fishing appliances and preparers of fish products, have maintained a foremost place. I suggest that Congress create a commission to consider the general question of our rights in the fisheries and the means of opening to our citizens, under just and enduring conditions, the richly stocked fishing waters and sealing grounds of British North America.

Page 1360

Question has arisen touching the deportation to the United States from the British Islands, by governmental or municipal aid, of persons unable there to gain a living and equally a burden on the community here. Such of these persons as fall under the pauper class as defined by law have been sent back in accordance with the provisions of our statutes. Her Majesty's Government has insisted that precautions have been taken before shipment to prevent these objectionable visitors from coming hither without guaranty of support by their relatives in this country. The action of the British authorities in applying measures for relief has, however, in so many cases proved ineffectual, and especially so in certain recent instances of needy emigrants reaching our territory through Canada, that a revision of our legislation upon this subject may be deemed advisable.

Correspondence relative to the Clayton-Bulwer treaty has been continued and will be laid before Congress.

The legislation of France against the importation of prepared swine products from the United States has been repealed. That result is due no less to the friendly representations of this Government than to a growing conviction in France that the restriction was not demanded by any real danger to health.

Germany still prohibits the introduction of all swine products from America. I extended to the Imperial Government a friendly invitation to send experts to the United States to inquire whether the use of those products was dangerous to health. This invitation was declined. I have believed it of such importance, however, that the exact facts should be ascertained and promulgated that I have appointed a competent commission to make a thorough investigation of the subject. Its members have shown their public spirit by accepting their trust without pledge of compensation, but I trust that Congress will see in the national and international bearings of the matter a sufficient motive for providing at least for reimbursement of such expenses as they may necessarily incur.

The coronation of the Czar at Moscow afforded to this Government an occasion for testifying its continued friendship by sending a special envoy and a representative of the Navy to attend the ceremony.

While there have arisen during the year no grave questions affecting the status in the Russian Empire of American citizens of other faith than that held by the national church, this Government remains firm in its conviction that the rights of its citizens abroad should be in no wise affected by their religious belief.

It is understood that measures for the removal of the restrictions which now burden our trade with Cuba and Puerto Rico are under consideration by the Spanish Government.

The proximity of Cuba to the United States and the peculiar methods of administration which there prevail necessitate constant discussion and appeal on our part from the

proceedings of the insular authorities. I regret to say that the just protests of this Government have not as yet produced satisfactory results.

Page 1361

The commission appointed to decide certain claims of our citizens against the Spanish Government, after the recognition of a satisfactory rule as to the validity and force of naturalization in the United States, has finally adjourned. Some of its awards, though made more than two years ago, have not yet been paid. Their speedy payment is expected.

Claims to a large amount which were held by the late commission to be without its jurisdiction have been diplomatically presented to the Spanish Government. As the action of the colonial authorities which has given rise to these claims was admittedly illegal, full reparation for the injury sustained by our citizens should be no longer delayed.

The case of the Masonic has not yet reached a settlement. Manila court has found that the proceedings of which this Government has complained were unauthorized, and it is hoped that the Government of Spain will not withhold the speedy reparation which its sense of justice should impel it to offer for the unusual severity and unjust action of its subordinate colonial officers in the case of this vessel.

The Helvetian Confederation has proposed the inauguration of a class of international treaties for the referment to arbitration of grave questions between nations. This Government has assented to the proposed negotiation of such a treaty with Switzerland.

Under the treaty of Berlin liberty of conscience and civil rights are assured to all strangers in Bulgaria. As the United States have no distinct conventional relations with that country and are not a party to the treaty, they should, in my opinion, maintain diplomatic representation at Sofia for the improvement of intercourse and the proper protection of the many American citizens who resort to that country as missionaries and teachers. I suggest that I be given authority to establish an agency and consulate-general at the Bulgarian capital.

The United States are now participating in a revision of the tariffs of the Ottoman Empire. They have assented to the application of a license tax to foreigners doing business in Turkey, but have opposed the oppressive storage tax upon petroleum entering the ports of that country.

The Government of the Khedive has proposed that the authority of the mixed judicial tribunals in Egypt be extended so as to cover citizens of the United States accused of crime, who are now triable before consular courts. This Government is not indisposed to accept the change, but believes that its terms should be submitted for criticism to the commission appointed to revise the whole subject.

Page 1362

At no time in our national history has there been more manifest need of close and lasting relations with a neighboring state than now exists with respect to Mexico. The rapid influx of our capital and enterprise into that country shows, by what has already been accomplished, the vast reciprocal advantages which must attend the progress of its internal development. The treaty of commerce and navigation of 1848 has been terminated by the Mexican Government, and in the absence of conventional engagements the rights of our citizens in Mexico now depend upon the domestic statutes of that Republic. There have been instances of harsh enforcement of the laws against our vessels and citizens in Mexico and of denial of the diplomatic resort for their protection. The initial step toward a better understanding has been taken in the negotiation by the commission authorized by Congress of a treaty which is still before the Senate awaiting its approval.

The provisions for the reciprocal crossing of the frontier by the troops in pursuit of hostile Indians have been prolonged for another year. The operations of the forces of both Governments against these savages have been successful, and several of their most dangerous bands have been captured or dispersed by the skill and valor of United States and Mexican soldiers fighting in a common cause.

The convention for the resurvey of the boundary from the Rio Grande to the Pacific having been ratified and exchanged, the preliminary reconnoissance therein stipulated has been effected. It now rests with Congress to make provision for completing the survey and relocating the boundary monuments.

A convention was signed with Mexico on July 13, 1882, providing for the rehearing of the cases of Benjamin Well and the Abra Silver Mining Company, in whose favor awards were made by the late American and Mexican Claims Commission. That convention still awaits the consent of the Senate. Meanwhile, because of those charges of fraudulent awards which have made a new commission necessary, the Executive has directed the suspension of payments of the distributive quota received from Mexico.

Our geographical proximity to Central America and our political and commercial relations with the States of that country justify, in my judgment, such a material increase of our consular corps as will place at each capital a consul-general.

The contest between Bolivia, Chile, and Peru has passed from the stage of strategic hostilities to that of negotiation, in which the counsels of this Government have been exercised. The demands of Chile for absolute cession of territory have been maintained and accepted by the party of General Iglesias to the extent of concluding a treaty of peace with the Government of Chile in general conformity with the terms of the protocol signed in May last between the Chilean commander and General Iglesias. As a result of the conclusion of this treaty General Iglesias has been formally recognized

Page 1363

by Chile as President of Peru and his government installed at Lima, which has been evacuated by the Chileans. A call has been issued by General Iglesias for a representative assembly, to be elected on the 13th of January, and to meet at Lima on the 1st of March next. Meanwhile the provisional government of General Iglesias has applied for recognition to the principal powers of America and Europe. When the will of the Peruvian people shall be manifested, I shall not hesitate to recognize the government approved by them.

Diplomatic and naval representatives of this Government attended at Caracas the centennial celebration of the birth of the illustrious Bolivar. At the same time the inauguration of the statue of Washington in the Venezuelan capital testified to the veneration in which his memory is there held.

Congress at its last session authorized the Executive to propose to Venezuela a reopening of the awards of the mixed commission of Caracas. The departure from this country of the Venezuelan minister has delayed the opening of negotiations for reviving the commission. This Government holds that until the establishment of a treaty upon this subject the Venezuelan Government must continue to make the payments provided for in the convention of 1866.

There is ground for believing that the dispute growing out of the unpaid obligations due from Venezuela to France will be satisfactorily adjusted. The French cabinet has proposed a basis of settlement which meets my approval, but as it involves a recasting of the annual quotas of the foreign debt it has been deemed advisable to submit the proposal to the judgment of the cabinets of Berlin, Copenhagen, The Hague, London, and Madrid.

At the recent coronation of His Majesty King Kalakaua this Government was represented both diplomatically and by the formal visit of a vessel of war.

The question of terminating or modifying the existing reciprocity treaty with Hawaii is now before Congress. I am convinced that the charges of abuses and frauds under that treaty have been exaggerated, and I renew the suggestion of last year's message that the treaty be modified wherever its provisions have proved onerous to legitimate trade between the two countries. I am not disposed to favor the entire cessation of the treaty relations which have fostered good will between the countries and contributed toward the equality of Hawaii in the family of nations.

In pursuance of the policy declared by this Government of extending our intercourse with the Eastern nations, legations have during the past year been established in Persia, Siam, and Korea. It is probable that permanent missions of those countries will

ere long be maintained in the United States. A special embassy from Siam is now on its way hither.

Page 1364

Treaty relations with Korea were perfected by the exchange at Seoul, on the 19th of May last, of the ratifications of the lately concluded convention, and envoys from the King of Chosen have visited this country and received a cordial welcome. Korea, as yet unacquainted with the methods of Western civilization, now invites the attention of those interested in the advancement of our foreign trade, as it needs the implements and products which the United States are ready to supply. We seek no monopoly of its commerce and no advantages over other nations, but as the Chosenese, in reaching for a higher civilization, have confided in this Republic, we can not regard with indifference any encroachment on their rights.

China, by the payment of a money indemnity, has settled certain of the long-pending claims of our citizens, and I have strong hopes that the remainder will soon be adjusted.

Questions have arisen touching the rights of American and other foreign manufacturers in China under the provisions of treaties which permit aliens to exercise their industries in that country. On this specific point our own treaty is silent, but under the operation of the most-favored-nation clause we have like privileges with those of other powers. While it is the duty of the Government to see that our citizens have the full enjoyment of every benefit secured by treaty, I doubt the expediency of leading in a movement to constrain China to admit an interpretation which we have only an indirect treaty right to exact. The transference to China of American capital for the employment there of Chinese labor would in effect inaugurate a competition for the control of markets now supplied by our home industries.

There is good reason to believe that the law restricting the immigration of Chinese has been violated, intentionally or otherwise, by the officials of China upon whom is devolved the duty of certifying that the immigrants belong to the excepted classes.

Measures have been taken to ascertain the facts incident to this supposed infraction, and it is believed that the Government of China will cooperate with the United States in securing the faithful observance of the law.

The same considerations which prompted Congress at its last session to return to Japan the Simonoseki indemnity seem to me to require at its hands like action in respect to the Canton indemnity fund, now amounting to $300,000.

The question of the general revision of the foreign treaties of Japan has been considered in an international conference held at Tokyo, but without definite result as yet. This Government is disposed to concede the requests of Japan to determine its own tariff duties, to provide such proper judicial tribunals as may commend themselves to the Western powers for the trial of causes to which foreigners are parties, and to assimilate the terms and duration of its treaties to those of other civilized states.

Page 1365

Through our ministers at London and at Monrovia this Government has endeavored to aid Liberia in its differences with Great Britain touching the northwestern boundary of that Republic. There is a prospect of adjustment of the dispute by the adoption of the Mannah River as the line. This arrangement is a compromise of the conflicting territorial claims and takes from Liberia no country over which it has maintained effective jurisdiction.

The rich and populous valley of the Kongo is being opened to commerce by a society called the International African Association, of which the King of the Belgians is the president and a citizen of the United States the chief executive officer. Large tracts of territory have been ceded to the association by native chiefs, roads have been opened, steamboats placed on the river, and the nuclei of states established at twenty-two stations under one flag which offers freedom to commerce and prohibits the slave trade. The objects of the society are philanthropic. It does not aim at permanent political control, but seeks the neutrality of the valley. The United States can not be indifferent to this work nor to the interests of their citizens involved in it. It may become advisable for us to cooperate with other commercial powers in promoting the rights of trade and residence in the Kongo Valley free from the interference or political control of any one nation.

In view of the frequency of invitations from foreign governments to participate in social and scientific congresses for the discussion of important matters of general concern, I repeat the suggestion of my last message that provision be made for the exercise of discretionary power by the Executive in appointing delegates to such convocations. Able specialists are ready to serve the national interests in such capacity without personal profit or other compensation than the defrayment of expenses actually incurred, and this a comparatively small annual appropriation would suffice to meet.

I have alluded in my previous messages to the injurious and vexatious restrictions suffered by our trade in the Spanish West Indies. Brazil, whose natural outlet for its great national staple, coffee, is in and through the United States, imposes a heavy export duty upon that product. Our petroleum exports are hampered in Turkey and in other Eastern ports by restrictions as to storage and by onerous taxation. For these mischiefs adequate relief is not always afforded by reciprocity treaties like that with Hawaii or that lately negotiated with Mexico and now awaiting the action of the Senate. Is it not advisable to provide some measure of equitable retaliation in our relations with governments which discriminate against our own? If, for example, the Executive were empowered to apply to Spanish vessels and cargoes from Cuba and Puerto Rico the same rules of treatment and scale of penalties for technical faults which are applied to our vessels and cargoes in the Antilles, a resort to that course might not be barren of good results.

Page 1366

The report of the Secretary of the Treasury gives a full and interesting exhibit of the financial condition of the country.

It shows that the ordinary revenues from all sources for the fiscal year ended June 30, 1883, amounted to $398,287,581.95, whereof there was received—

From customs — $214,706,496.93

From internal revenue — 144,720,368.98

From sales of public lands — 7,955,864.42

From tax on circulation and deposits of national banks — 9,111,008.85

From profits on coinage, bullion deposits, and assays — 4,460,205.17

From other sources — 17,333,637.60

Total — 398,287,581.95

For the same period the ordinary expenditures were:

For civil expenses — $22,343,285.76

For foreign intercourse — 2,419,275.24

For Indians — 7,362,590.34

For Pensions — 66,012,573.64

For the military establishment, including river and harbor improvements and arsenals — 48,911,382.93

For the naval establishment, including vessels, machinery, and improvements at navy-yards — 15,283,437.17

For miscellaneous expenditures, including public buildings, light-houses, and collecting the revenue — 40,098,432.73

For expenditures on account of the District of Columbia — 3,817,028.48

For interest on the public debt — 59,160,131.25

Total — 265,408,137.54

Leaving a surplus revenue of $132,879,444.41, which, with an amount drawn from the cash balance in the Treasury of $1,299,312.55, making $134,178,756.96, was applied to the redemption—

Of bonds for the sinking fund — $44,850,700.00

Of fractional currency for the sinking fund — 46,556.96

Of funded loan of 1881, continued at 3 1\2 per cent — 65,380,250.00

Of loan of July and August, 1861, continued at 3 1/2 per cent — 20,594,600.00

Of funded loan of 1907 — 1,418,850.00

Of funded loan of 1881 — 719,150.00

Of loan of February, 1861 — 18,000.00

Of loan of July and August, 1861 — 266,600.00

Of loan of March, 1863 — 116,850.00

Of loan of July, 1882 — 47,650.00

Of five-twenties of 1862 — 10,300.00

Of five-twenties of 1864 — 7,050.00

Of five-twenties of 1865 — 9,600.00

Of ten-forties of 1864 — 133,550.00

Of consols of 1865 — 40,800.00

Of consols of 1867 — 235,700.00

Of consols of 1868 — 154,650.00

Of Oregon War debt — 5,450.00

Of refunding certificates — 109,150.00

Of old demand, compound-interest and other notes — 13,300.00

Total — 134,178,756.96

The revenue for the present fiscal year, actual and estimated, is as follows:

Source — For the quarter ended September 30, 1883 (actual) — For the remaining three quarters of the year (estimated)

Page 1367

From customs — $57,402,975.67 — $137,597,024.33

From internal revenue — 29,662,078.60 — 90,337,921.40

From sales of public lands — 2,932,635.17 — 5,067,634.83

From tax on circulation and deposits of national banks — 1,557,800.88 — 1,542,199.12

From repayment of interest and sinking fund, Pacific Railway companies — 521,059.51 — 1,478,940.49

From customs fees, fines, penalties, *etc*. — 298,696.78 — 901,303.22

From fees—consular, letters patent, and lands — 863,209.80 — 2,436,790.20

From proceeds of sales of Government property — 112,562.23 — 167,437.77

From profits on coinage, *etc*. — 950,229.46 — 3,149,770.54

From deposits for surveying public lands — 172,461.31 — 327,538.69

From revenues of the District of Columbia — 256,017.99 — 1,643,982.01

From miscellaneous sources — 1,237,189.63 — 2,382,810.37

Total receipts — 95,966,917.03 — 247,033,082.97

The actual and estimated expenses for the same period are:

Object — For the quarter ended September 30, 1883 (actual) — For the remaining three quarters of the year (estimated)

For civil and miscellaneous expenses, including public buildings, light-houses, and collecting the revenue — $15,385,799.42 — $51,114,200.58

For Indians — 2,623,390.54 — 4,126,609.46

For pensions — 16,285,261.98 — 53,714,738.02

For military establishment, including fortifications, river and harbor improvements, and arsenals — 13,512,204.33 — 26,487,795.67

For naval establishment, including vessels and machinery, and improvements at navy-yards — 4,199,299.69 — 12,300,700.31

For expenditures on account of the District of Columbia — 1,138,836.41 — 2,611,163.59

For interest on the public debt — 14,797,297.96 — 39,702,702.04

Total ordinary expenditures — 67,942,090.33 — 190,057,909.67

Total receipts, actual and estimated — $343,000,000.00

Total expenditures, actual and estimated — 258,000,000.00 —

***

State of the Union Address
Chester A. Arthur
December 1, 1884

To the Congress of the United States:

Since the close of your last session the American people, in the exercise of their highest right of suffrage, have chosen their Chief Magistrate for the four years ensuing.

When it is remembered that at no period in the country's history has the long political contest which customarily precedes the day of the national election been waged with greater fervor and intensity, it is a subject of general congratulation that after the controversy at the polls was over, and while the slight preponderance by which the issue had been determined was as yet unascertained, the public peace suffered no disturbance, but the people everywhere patiently and quietly awaited the result.

Page 1368

Nothing could more strikingly illustrate the temper of the American citizen, his love of order, and his loyalty to law. Nothing could more signally demonstrate the strength and wisdom of our political institutions.

Eight years have passed since a controversy concerning the result of a national election sharply called the attention of the Congress to the necessity of providing more precise and definite regulations for counting the electoral vote.

It is of the gravest importance that this question be solved before conflicting claims to the Presidency shall again distract the country, and I am persuaded that by the people at large any of the measures of relief thus far proposed would be preferred to continued inaction.

Our relations with all foreign powers continue to be amicable.

With Belgium a convention has been signed whereby the scope of present treaties has been so enlarged as to secure to citizens of either country within the jurisdiction of the other equal rights and privileges in the acquisition and alienation of property. A trade-marks treaty has also been concluded.

The war between Chile and Peru is at an end. For the arbitration of the claims of American citizens who during its continuance suffered through the acts of the Chilean authorities a convention will soon be negotiated.

The state of hostilities between France and China continues to be an embarrassing feature of our Eastern relations. The Chinese Government has promptly adjusted and paid the claims of American citizens whose property was destroyed in the recent riots at Canton. I renew the recommendation of my last annual message, that the Canton indemnity fund be returned to China.

The true interpretation of the recent treaty with that country permitting the restriction of Chinese immigration is likely to be again the subject of your deliberations. It may be seriously questioned whether the statute passed at the last session does not violate the treaty rights of certain Chinese who left this country with return certificates valid under the old law, and who now seem to be debarred from relanding for lack of the certificates required by the new.

The recent purchase by citizens of the United States of a large trading fleet heretofore under the Chinese flag has considerably enhanced our commercial importance in the East. In view of the large number of vessels built or purchased by American citizens in other countries and exclusively employed in legitimate traffic between foreign ports under the recognized protection of our flag, it might be well to provide a uniform rule for their registration and documentation, so that the bona fide property rights of our citizens therein shall be duly evidenced and properly guarded.

Pursuant to the advice of the Senate at the last session, I recognized the flag of the International Association of the Kongo as that of a friendly government, avoiding in so doing any prejudgment of conflicting territorial claims in that region. Subsequently, in execution of the expressed wish of the Congress, I appointed a commercial agent for the Kongo basin.

Page 1369

The importance of the rich prospective trade of the Kongo Valley has led to the general conviction that it should be open to all nations upon equal terms. At an international conference for the consideration of this subject called by the Emperor of Germany, and now in session at Berlin, delegates are in attendance on behalf of the United States. Of the results of the conference you will be duly advised.

The Government of Korea has generously aided the efforts of the United States minister to secure suitable premises for the use of the legation. As the conditions of diplomatic intercourse with Eastern nations demand that the legation premises be owned by the represented power, I advise that an appropriation be made for the acquisition of this property by the Government. The United States already possess valuable premises at Tangier as a gift from the Sultan of Morocco. As is stated hereafter, they have lately received a similar gift from the Siamese Government. The Government of Japan stands ready to present to us extensive grounds at Tokyo whereon to erect a suitable building for the legation, court-house, and jail, and similar privileges can probably be secured in China and Persia. The owning of such premises would not only effect a large saving of the present rentals, but would permit of the due assertion of extraterritorial rights in those countries, and would the better serve to maintain the dignity of the United States.

The failure of Congress to make appropriation for our representation at the autonomous court of the Khedive has proved a serious embarrassment in our intercourse with Egypt; and in view of the necessary intimacy of diplomatic relationship due to the participation of this Government as one of the treaty powers in all matters of administration there affecting the rights of foreigners, I advise the restoration of the agency and consulate-general at Cairo on its former basis. I do not conceive it to be the wish of Congress that the United States should withdraw altogether from the honorable position they have hitherto held with respect to the Khedive, or that citizens of this Republic residing or sojourning in Egypt should hereafter be without the aid and protection of a competent representative.

With France the traditional cordial relationship continues. The colossal statue of Liberty Enlightening the World, the generous gift of the people of France, is expected to reach New York in May next. I suggest that Congressional action be taken in recognition of the spirit which has prompted this gift and in aid of the timely completion of the pedestal upon which it is to be placed.

Our relations with Germany, a country which contributes to our own some of the best elements of citizenship, continue to be cordial. The United States have extradition treaties with several of the German States, but by reason of the confederation of those States under the imperial rule the application of such treaties is not as uniform and comprehensive as the interests of the two countries require. I propose, therefore, to open negotiations for a single convention of extradition to embrace all the territory of the Empire.

Page 1370

It affords me pleasure to say that our intercourse with Great Britain continues to be of a most friendly character.

The Government of Hawaii has indicated its willingness to continue for seven years the provisions of the existing reciprocity treaty. Such continuance, in view of the relations of that country to the American system of States, should, in my judgment, be favored.

The revolution in Hayti against the established Government has terminated. While it was in progress it became necessary to enforce our neutrality laws by instituting proceedings against individuals and vessels charged with their infringement. These prosecutions were in all cases successful.

Much anxiety has lately been displayed by various European Governments, and especially by the Government of Italy, for the abolition of our import duties upon works of art. It is well to consider whether the present discrimination in favor of the productions of American artists abroad is not likely to result, as they themselves seem very generally to believe it may, in the practical exclusion of our painters and sculptors from the rich fields for observation, study, and labor which they have hitherto enjoyed.

There is prospect that the long-pending revision of the foreign treaties of Japan may be concluded at a new conference to be held at Tokyo. While this Government fully recognizes the equal and independent station of Japan in the community of nations, it would not oppose the general adoption of such terms of compromise as Japan may be disposed to offer in furtherance of a uniform policy of intercourse with Western nations.

During the past year the increasing good will between our own Government and that of Mexico has been variously manifested. The treaty of commercial reciprocity concluded January 20, 1883, has been ratified and awaits the necessary tariff legislation of Congress to become effective. This legislation will, I doubt not, be among the first measures to claim your attention.

A full treaty of commerce, navigation, and consular rights is much to be desired, and such a treaty I have reason to believe that the Mexican Government stands ready to conclude.

Some embarrassment has been occasioned by the failure of Congress at its last session to provide means for the due execution of the treaty of July 29, 1882, for the resurvey of the Mexican boundary and the relocation of boundary monuments.

With the Republic of Nicaragua a treaty has been concluded which authorizes the construction by the United States of a canal, railway, and telegraph line across the Nicaraguan territory.

By the terms of this treaty 60 miles of the river San Juan, as well as Lake Nicaragua, an inland sea 40 miles in width, are to constitute a part of the projected enterprise.

This leaves for actual canal construction 17 miles on the Pacific side and 36 miles on the Atlantic. To the United States, whose rich territory on the Pacific is for the ordinary purposes of commerce practically cut off from communication by water with the Atlantic ports, the political and commercial advantages of such a project can scarcely be overestimated.

Page 1371

It is believed that when the treaty is laid before you the justice and liberality of its provisions will command universal approval at home and abroad.

The death of our representative at Russia while at his post at St. Petersburg afforded to the Imperial Government a renewed opportunity to testify its sympathy in a manner befitting the intimate friendliness which has ever marked the intercourse of the two countries.

The course of this Government in raising its representation at Bangkok to the diplomatic rank has evoked from Siam evidences of warm friendship and augurs well for our enlarged intercourse. The Siamese Government has presented to the United States a commodious mansion and grounds for the occupancy of the legation, and I suggest that by joint resolution Congress attest its appreciation of this generous gift.

This government has more than once been called upon of late to take action in fulfillment of its international obligations toward Spain. Agitation in the island of Cuba hostile to the Spanish Crown having been fomented by persons abusing the sacred rights of hospitality which our territory affords, the officers of this Government have been instructed to exercise vigilance to prevent infractions of our neutrality laws at Key West and at other points near the Cuban coast. I am happy to say that in the only instance where these precautionary measures were successfully eluded the offenders, when found in our territory, were subsequently tried and convicted.

The growing need of close relationship of intercourse and traffic between the Spanish Antilles and their natural market in the United States led to the adoption in January last of a commercial agreement looking to that end. This agreement has since been superseded by a more carefully framed and comprehensive convention, which I shall submit to the Senate for approval. It has been the aim of this negotiation to open such a favored reciprocal exchange of productions carried under the flag of either country as to make the intercourse between Cuba and Puerto Rico and ourselves scarcely less intimate than the commercial movement between our domestic ports, and to insure a removal of the burdens on shipping in the Spanish Indies, of which in the past our shipowners and shipmasters have so often had cause to complain.

The negotiation of this convention has for a time postponed the prosecution of certain claims of our citizens which were declared to be without the jurisdiction of the late Spanish-American Claims Commission, and which are therefore remitted to diplomatic channels for adjustment. The speedy settlement of these claims will now be urged by this Government.

Negotiations for a treaty of commercial reciprocity with the Dominican Republic have been successfully concluded, and the result will shortly be laid before the Senate.

Certain questions between the United States and the Ottoman Empire still remain unsolved. Complaints on behalf of our citizens are not satisfactorily adjusted. The Porte has sought to withhold from our commerce the right of favored treatment to which we are entitled by existing conventional stipulations, and the revision of the tariffs is unaccomplished.

Page 1372

The final disposition of pending questions with Venezuela has not as yet been reached, but I have good reason to expect an early settlement which will provide the means of reexamining the Caracas awards in conformity with the expressed desire of Congress, and which will recognize the justice of certain claims preferred against Venezuela.

The Central and South American Commission appointed by authority of the act of July 7, 1884, will soon proceed to Mexico. It has been furnished with instructions which will be laid before you. They contain a statement of the general policy of the Government for enlarging its commercial intercourse with American States. The commissioners have been actively preparing for their responsible task by holding conferences in the principal cities with merchants and others interested in Central and South American trade.

The International Meridian Conference lately convened in Washington upon the invitation of the Government of the United States was composed of representatives from twenty-five nations. The conference concluded its labors on the 1st of November, having with substantial unanimity agreed upon the meridian of Greenwich as the starting point whence longitude is to be computed through 180 degrees eastward and westward, and upon the adoption, for all purposes for which it may be found convenient, of a universal day which shall begin at midnight on the initial meridian and whose hours shall be counted from zero up to twenty-four.

The formal report of the transactions of this conference will be hereafter transmitted to the Congress.

This Government is in frequent receipt of invitations from foreign states to participate in international exhibitions, often of great interest and importance. Occupying, as we do, an advanced position in the world's production, and aiming to secure a profitable share for our industries in the general competitive markets, it is a matter of serious concern that the want of means for participation in these exhibitions should so often exclude our producers from advantages enjoyed by those of other countries. During the past year the attention of Congress was drawn to the formal invitations in this regard tendered by the Governments of England, Holland, Belgium, Germany, and Austria. The Executive has in some instances appointed honorary commissioners. This is, however, a most unsatisfactory expedient, for without some provision to meet the necessary working expenses of a commission it can effect little or nothing in behalf of exhibitors. An International Inventions Exhibition is to be held in London next May. This will cover a field of special importance, in which our country holds a foremost rank; but the Executive is at present powerless to organize a proper representation of our vast national interests in this direction.

I have in several previous messages referred to this subject. It seems to me that a statute giving to the Executive general discretionary authority to accept such invitations and to appoint honorary commissioners, without salary, and placing at the disposal of

the Secretary of State a small fund for defraying their reasonable expenses, would be of great public utility.

Page 1373

This Government has received official notice that the revised international regulations for preventing collisions at sea have been adopted by all the leading maritime powers except the United States, and came into force on the 1st of September last. For the due protection of our shipping interests the provisions of our statutes should at once be brought into conformity with these regulations.

The question of securing to authors, composers, and artists copyright privileges in this country in return for reciprocal rights abroad is one that may justly challenge your attention. It is true that conventions will be necessary for fully accomplishing this result; but until Congress shall by statute fix the extent to which foreign holders of copyright shall be here privileged it has been deemed inadvisable to negotiate such conventions. For this reason the United States were not represented at the recent conference at Berne.

I recommend that the scope of the neutrality laws of the United States be so enlarged as to cover all patent acts of hostility committed in our territory and aimed against the peace of a friendly nation. Existing statutes prohibit the fitting out of armed expeditions and restrict the shipment of explosives, though the enactments in the latter respect were not framed with regard to international obligations, but simply for the protection of passenger travel. All these statutes were intended to meet special emergencies that had already arisen. Other emergencies have arisen since, and modern ingenuity supplies means for the organization of hostilities without open resort to armed vessels or to filibustering parties.

I see no reason why overt preparations in this country for the commission of criminal acts such as are here under consideration should not be alike punishable whether such acts are intended to be committed in our own country or in a foreign country with which we are at peace.

The prompt and thorough treatment of this question is one which intimately concerns the national honor.

Our existing naturalization laws also need revision. Those sections relating to persons residing within the limits of the United States in 1795 and 1798 have now only a historical interest. Section 2172, recognizing the citizenship of the children of naturalized parents, is ambiguous in its terms and partly obsolete. There are special provisions of law favoring the naturalization of those who serve in the Army or in merchant vessels, while no similar privileges are granted those who serve in the Navy or the Marine Corps.

“An uniform rule of naturalization” such as the Constitution contemplates should, among other things, clearly define the status of persons born within the United States subject to a foreign power (section 1992) and of minor children of fathers who have declared their

intention to become citizens but have failed to perfect their naturalization. It might be wise to provide for a central bureau of registry,

Page 1374

wherein should be filed authenticated transcripts of every record of naturalization in the several Federal and State courts, and to make provision also for the vacation or cancellation of such record in cases where fraud had been practiced upon the court by the applicant himself or where he had renounced or forfeited his acquired citizenship. A just and uniform law in this respect would strengthen the hands of the Government in protecting its citizens abroad and would pave the way for the conclusion of treaties of naturalization with foreign countries.

The legislation of the last session effected in the diplomatic and consular service certain changes and reductions which have been productive of embarrassment. The population and commercial activity of our country are steadily on the increase, and are giving rise to new, varying, and often delicate relationships with other countries. Our foreign establishment now embraces nearly double the area of operations that it occupied twenty years ago. The confinement of such a service within the limits of expenditure then established is not, it seems to me, in accordance with true economy. A community of 60,000,000 people should be adequately represented in its intercourse with foreign nations.

A project for the reorganization of the consular service and for recasting the scheme of extraterritorial jurisdiction is now before you. If the limits of a short session will not allow of its full consideration, I trust that you will not fail to make suitable provision for the present needs of the service.

It has been customary to define in the appropriation acts the rank of each diplomatic office to which a salary is attached. I suggest that this course be abandoned and that it be left to the President, with the advice and consent of the Senate, to fix from time to time the diplomatic grade of the representatives of this Government abroad as may seem advisable, provision being definitely made, however, as now, for the amount of salary attached to the respective stations.

The condition of our finances and the operations of the various branches of the public service which are connected with the Treasury Department are very fully discussed in the report of the Secretary.

It appears that the ordinary revenues for the fiscal year ended June 30, 1884, were:

From customs — $195,067,489.76

From internal revenue — 121,586,072.51

From all other sources — 31,866,307.65

Total ordinary revenues — 348,519,869.92

The public expenditures during the same period were:

For civil expenses — $22,312,907.71

For foreign intercourse — 1,260,766.37

For Indians — 6,475,999.29

For pensions — 55,429,228.06

For the military establishment, including river and harbor improvements and arsenals — 39,429,603.36

For the naval establishment, including vessels, machinery, and improvements at navy-yards — 17,292,601.44

Page 1375

For miscellaneous expenditures, including public buildings, light-houses, and collecting the revenue — 43,939,710.00

For expenditures on account of the District of Columbia — 3,407,049.62

For interest on the public debt — 54,578,378.48

For the sinking fund — 46,790,229.50

Total ordinary expenditures — 290,926,473.83

Leaving a surplus of — 57,603,396.09

As compared with the preceding fiscal year, there was a net decrease of over $21,000,000 in the amount of expenditures. The aggregate receipts were less than those of the year previous by about $54,000,000. The falling off in revenue from customs made up nearly $20,000,000 of this deficiency, and about $23,000,000 of the remainder was due to the diminished receipts from internal taxation.

The Secretary estimates the total receipts for the fiscal year which will end June 30, 1885, at $330,000,000 and the total expenditures at $290,620,201.16, in which sum are included the interest on the debt and the amount payable to the sinking fund. This would leave a surplus for the entire year of about $39,000,000.

The value of exports from the United States to foreign countries during the year ending June 30, 1884, was as follows:

Domestic merchandise — $724,964,852

Foreign merchandise — 15,548,757

Total merchandise — 740,513,609

Specie — 67,133,383

Total exports of merchandise and specie — 807,646,992

The cotton and cotton manufactures included in this statement were valued at $208,900,415; the breadstuffs at $162,544,715; the provisions at $114,416,547, and the mineral oils at $47,103,248.

During the same period the imports were as follows:

Merchandise — $667,697,693

Gold and silver — 37,426,262

Total — 705,123,955

More than 63 per cent of the entire value of imported merchandise consisted of the following articles:

Sugar and molasses — $103,884,274

Wool and woolen manufactures — 53,842,292

Silk and its manufactures — 49,949,128

Coffee — 49,686,705

Iron and steel and manufactures thereof — 41,464,599

Chemicals — 38,464,965

Flax, hemp, jute, and like substances, and manufactures thereof — 33,463,398

Cotton and manufactures of cotton — 30,454,476

Hides and skins other than fur skins — 22,350,906

I concur with the Secretary of the Treasury in recommending the immediate suspension of the coinage of silver dollars and of the issuance of silver certificates. This is a matter to which in former communications I have more than once invoked the attention of the National Legislature.

It appears that annually for the past six years there have been coined, in Compliance with the requirements of the act of February 28, 1878, more than 27,000,000 silver dollars.

Page 1376

The number now outstanding is reported by the Secretary to be nearly 185,000,000, whereof but little more than 40,000,000, or less than 22 per cent, are in actual circulation. The mere existence of this fact seems to me to furnish of itself a cogent argument for the repeal of the statute which has made such fact possible.

But there are other and graver considerations that tend in the same direction.

The Secretary avows his conviction that unless this coinage and the issuance of silver certificates be suspended silver is likely at no distant day to become our sole metallic standard. The commercial disturbance and the impairment of national credit that would be thus occasioned can scarcely be overestimated.

I hope that the Secretary's suggestions respecting the withdrawal from circulation of the $1 and $2 notes will receive your approval. It is likely that a considerable portion of the silver now encumbering the vaults of the Treasury might thus find its way into the currency.

While trade dollars have ceased, for the present at least, to be an element of active disturbance in our currency system, some provision should be made for their surrender to the Government. In view of the circumstances under which they were coined and of the fact that they have never had a legal-tender quality, there should be offered for them only a slight advance over their bullion value.

The Secretary in the course of his report considers the propriety of beautifying the designs of our subsidiary silver coins and of so increasing their weight that they may bear their due ratio of value to the standard dollar. His conclusions in this regard are cordially approved.

In my annual message of 1882 I recommended the abolition of all excise taxes except those relating to distilled spirits. This recommendation is now renewed. In case these taxes shall be abolished the revenues that will still remain to the Government will, in my opinion, not only suffice to meet its reasonable expenditures, but will afford a surplus large enough to permit such tariff reduction as may seem to be advisable when the results of recent revenue laws and commercial treaties shall have shown in what quarters those reductions can be most judiciously effected.

One of the gravest of the problems which appeal to the wisdom of Congress for solution is the ascertainment of the most effective means for increasing our foreign trade and thus relieving the depression under which our industries are now languishing. The Secretary of the Treasury advises that the duty of investigating this subject be intrusted in the first instance to a competent commission. While fully recognizing the considerations that may be urged against this course, I am nevertheless of the opinion that upon the whole no other would be likely to effect speedier or better results.

Page 1377

That portion of the Secretary's report which concerns the condition of our shipping interests can not fail to command your attention. He emphatically recommends that as an incentive to the investment of American capital in American steamships the Government shall, by liberal payments for mail transportation or otherwise, lend its active assistance to individual enterprise, and declares his belief that unless that course be pursued our foreign carrying trade must remain, as it is to-day, almost exclusively in the hands of foreigners.

One phase of this subject is now especially prominent in view of the repeal by the act of June 26, 1884, of all statutory provisions arbitrarily compelling American vessels to carry the mails to and from the United States. As it is necessary to make provision to compensate the owners of such vessels for performing that service after April, 1885, it is hoped that the whole subject will receive early consideration that will lead to the enactment of such measures for the revival of our merchant marine as the wisdom of Congress may devise.

The 3 per cent bonds of the Government to the amount of more than $100,000,000 have since my last annual message been redeemed by the Treasury. The bonds of that issue still outstanding amount to little over $200,000,000, about one-fourth of which will be retired through the operations of the sinking fund during the coming year. As these bonds still constitute the chief basis for the circulation of the national banks, the question how to avert the contraction of the currency caused by their retirement is one of constantly increasing importance.

It seems to be generally conceded that the law governing this matter exacts from the banks excessive security, and that upon their present bond deposits a larger circulation than is now allowed may be granted with safety. I hope that the bill which passed the Senate at the last session, permitting the issue of notes equal to the face value of the deposited bonds, will commend itself to the approval of the House of Representatives.

In the expenses of the War Department the Secretary reports a decrease of more than $9,000,000. Of this reduction $5,600,000 was effected in the expenditures for rivers and harbors and $2,700,000 in expenditures for the Quartermaster's Department.

Outside of that Department the annual expenses of all the Army bureaus proper (except possibly the Ordnance Bureau) are substantially fixed charges, which can not be materially diminished without a change in the numerical strength of the Army. The expenditures in the Quartermaster's Department can readily be subjected to administrative discretion, and it is reported by the Secretary of War that as a result of exercising such discretion in reducing the number of draft and pack animals in the Army the annual cost of supplying and caring for such animals is now $1,108,085.90 less than it was in 1881.

The reports of military commanders show that the last year has been notable for its entire freedom from Indian outbreaks.

Page 1378

In defiance of the President's proclamation of July 1, 1884, certain intruders sought to make settlements in the Indian Territory. They were promptly removed by a detachment of troops.

During the past session of Congress a bill to provide a suitable fire-proof building for the Army Medical Museum and the library of the Surgeon-General's Office received the approval of the Senate. A similar bill, reported favorably to the House of Representatives by one of its committees, is still pending before that body. It is hoped that during the coming session the measure may become a law, and that thereafter immediate steps may be taken to secure a place of safe deposit for these valuable collections, now in a state of insecurity.

The funds with which the works for the improvement of rivers and harbors were prosecuted during the past year were derived from the appropriations of the act of August 2, 1882, together with such few balances as were on hand from previous appropriations. The balance in the Treasury subject to requisition July 1, 1883, was $10,021,649.55. The amount appropriated during the fiscal year 1884 was $1,319,634.62 and the amount drawn from the Treasury during the fiscal year was $8,228,703.54, leaving a balance of $3,112,580.63 in the Treasury subject to requisition July 1, 1884.

The Secretary of War submits the report of the Chief of Engineers as to the practicability of protecting our important cities on the seaboard by fortifications and other defenses able to repel modern methods of attack. The time has now come when such defenses can be prepared with confidence that they will not prove abortive, and when the possible result of delay in making such preparation is seriously considered delay seems inexcusable. For the most important cities—those whose destruction or capture would be a national humiliation—adequate defenses, inclusive of guns, may be made by the gradual expenditure of $60,000,000—a sum much less than a victorious enemy could levy as a contribution. An appropriation of about one-tenth of that amount is asked to begin the work, and I concur with the Secretary of War in urging that it be granted.

The War Department is proceeding with the conversion of 10-inch smoothbore guns into 8-inch rifles by lining the former with tubes of forged steel or of coil wrought iron. Fifty guns will be thus converted within the year. This, however, does not obviate the necessity of providing means for the construction of guns of the highest power both for the purposes of coast defense and for the armament of war vessels.

Page 1379

The report of the Gun Foundry Board, appointed April 2, 1883, in pursuance of the act of March 3, 1883, was transmitted to Congress in a special message of February 18, 1884. In my message of March 26, 1884, I called attention to the recommendation of the board that the Government should encourage the production at private steel works of the required material for heavy cannon, and that two Government factories, one for the Army and one for the Navy, should be established for the fabrication of guns from such material. No action having been taken, the board was subsequently reconvened to determine more fully the plans and estimates necessary for carrying out its recommendation. It has received information which indicates that there are responsible steel manufacturers in this country who, although not provided at present with the necessary plant, are willing to construct the same and to make bids for contracts with the Government for the supply of the requisite material for the heaviest guns adapted to modern warfare if a guaranteed order of sufficient magnitude, accompanied by a positive appropriation extending over a series of years, shall be made by Congress. All doubts as to the feasibility of the plan being thus removed, I renew my recommendation that such action be taken by Congress as will enable the Government to construct its own ordnance upon its own territory, and so to provide the armaments demanded by considerations of national safety and honor.

The report of the Secretary of the Navy exhibits the progress which has been made on the new steel cruisers authorized by the acts of August 5, 1882, and March 3, 1883. Of the four vessels under contract, one, the Chicago, of 4,500 tons, is more than half finished; the Atlanta, of 3,000 tons, has been successfully launched, and her machinery is now fitting; the Boston, also of 3,000 tons, is ready for launching, and the Dolphin, a dispatch steamer of 1,500 tons, is ready for delivery.

Certain adverse criticisms upon the designs of these cruisers are discussed by the Secretary, who insists that the correctness of the conclusions reached by the Advisory Board and by the Department has been demonstrated by recent developments in shipbuilding abroad.

The machinery of the double-turreted monitors Puritan, Terror, and Amphitrite, contracted for under the act of March 3, 1883, is in process of construction. No work has been done during the past year on their armor for lack of the necessary appropriations. A fourth monitor, the Monadnock, still remains unfinished at the navy-yard in California. It is recommended that early steps be taken to complete these vessels and to provide also an armament for the monitor Miantonomoh.

The recommendations of the Naval Advisory Board, approved by the Department, comprise the construction of one steel cruiser of 4,500 tons, one cruiser of 3,000 tons, two heavily armed gunboats, one light cruising gunboat, one dispatch vessel armed with Hotchkiss cannon, one armored ram, and three torpedo boats. The general designs, all of which are calculated to meet the existing wants of the service, are now well

advanced, and the construction of the vessels can be undertaken as soon as you shall grant the necessary authority.

Page 1380

The act of Congress approved August 7, 1882, authorized the removal to the United States of the bodies of Lieutenant-Commander George W. De Long and his companions of the Jeannette expedition. This removal has been successfully accomplished by Lieutenants Harber and Schuetze. The remains were taken from their grave in the Lena Delta in March, 1883, and were retained at Yakutsk until the following winter, the season being too far advanced to admit of their immediate transportation. They arrived at New York February 20, 1884, where they were received with suitable honors.

In pursuance of the joint resolution of Congress approved February 13, 1884, a naval expedition was fitted out for the relief of Lieutenant A. W. Greely, United States Army, and of the party who had been engaged under his command in scientific observations at Lady Franklin Bay. The fleet consisted of the steam sealer Thetis, purchased in England; the Bear, purchased at St. Johns, Newfoundland, and the Alert, which was generously provided by the British Government. Preparations for the expedition were promptly made by the Secretary of the Navy, with the active cooperation of the Secretary of War. Commander George W. Coffin was placed in command of the Alert and Lieutenant William H. Emory in command of the Bear. The Thetis was intrusted to Commander Winfield S. Schley, to whom also was assigned the superintendence of the entire expedition.

Immediately upon its arrival at Upernavik the fleet began the dangerous navigation of Melville Bay, and in spite of every obstacle reached Littleton Island on June 22, a fortnight earlier than any vessel had before attained that point. On the same day it crossed over to Cape Sabine, where Lieutenant Greely and the other survivors of his party were discovered. After taking on board the living and the bodies of the dead, the relief ships sailed for St. Johns, where they arrived on July 17. They were appropriately received at Portsmouth, N. H., on August 1 and at New York on August 8. One of the bodies was landed at the former place. The others were put on shore at Governors Island, and, with the exception of one, which was interred in the national cemetery, were forwarded thence to the destinations indicated by friends. The organization and conduct of this relief expedition reflects great credit upon all who contributed to its success.

In this the last of the stated messages that I shall have the honor to transmit to the Congress of the United States I can not too strongly urge upon its attention the duty of restoring our Navy as rapidly as possible to the high state of efficiency which formerly characterized it. As the long peace that has lulled us into a sense of fancied security may at any time be disturbed, it is plain that the policy of strengthening this arm of the service is dictated by considerations of wise economy, of just regard for our future tranquillity, and of true appreciation of the dignity and honor of the Republic.

Page 1381

The report of the Postmaster-General acquaints you with the present condition and needs of the postal service.

It discloses the gratifying fact that the loss of revenue from the reduction in the rate of letter postage recommended in my message of December 4, 1882, and effected by the act of March 3, 1883, has been much less than was generally anticipated. My recommendation of this reduction was based upon the belief that the actual falling off in receipts from letter postages for the year immediately succeeding the change of rate would be $3,000,000. It has proved to be only $2,275,000.

This is a trustworthy indication that the revenue will soon be restored to its former volume by the natural increase of sealed correspondence.

I confidently repeat, therefore, the recommendation of my last annual message that the single-rate postage upon drop letters be reduced to 1 cent wherever the payment of 2 cents is now required by law. The double rate is only exacted at offices where the carrier system is in operation, and it appears that at those offices the increase in the tax upon local letters defrays the cost not only of its own collection and delivery, but of the collection and delivery of all other mail matter. This is an inequality that ought no longer to exist.

I approve the recommendation of the Postmaster-General that the unit of weight in the rating of first-class matter should be 1 ounce instead of one-half ounce, as it now is. In view of the statistics furnished by the Department, it may well be doubted whether the change would result in any loss of revenue. That it would greatly promote the convenience of the public is beyond dispute.

The free-delivery system has been lately applied to five cities, and the total number of offices in which it is now in operation is 159. Experience shows that its adoption, under proper conditions, is equally an accommodation to the public and an advantage to the postal service. It is more than self-sustaining, and for the reasons urged by the Postmaster-General may properly be extended.

In the opinion of that officer it is important to provide means whereby exceptional dispatch in dealing with letters in free-delivery offices may be secured by payment of extraordinary postage. This scheme might be made effective by employment of a special stamp whose cost should be commensurate with the expense of the extra service.

In some of the large cities private express companies have undertaken to outstrip the Government mail carriers by affording for the prompt transmission of letters better facilities than have hitherto been at the command of the Post-Office.

It has always been the policy of the Government to discourage such enterprises, and in no better mode can that policy be maintained than in supplying the public with the most efficient mail service that, with due regard to its own best interests, can be furnished for its accommodation.

Page 1382

The Attorney-General renews the recommendation contained in his report of last year touching the fees of witnesses and jurors.

He favors radical changes in the fee bill, the adoption of a system by which attorneys and marshals of the United States shall be compensated solely by salaries, and the erection by the Government of a penitentiary for the confinement of offenders against its laws.

Of the varied governmental concerns in charge of the Interior Department the report of its Secretary presents an interesting summary. Among the topics deserving particular attention I refer you to his observations respecting our Indian affairs, the preemption and timber-culture acts, the failure of railroad companies to take title to lands granted by the Government, and the operations of the Pension Office, the Patent Office, the Census Bureau, and the Bureau of Education.

Allusion has been made already to the circumstance that, both as between the different Indian tribes and as between the Indians and the whites, the past year has been one of unbroken peace.

In this circumstance the President is glad to find justification for the policy of the Government in its dealing with the Indian question and confirmation of the views which were fully expressed in his first communication to the Forty-seventh Congress.

The Secretary urges anew the enactment of a statute for the punishment of crimes committed on the Indian reservations, and recommends the passage of the bill now pending in the House of Representatives for the purchase of a tract of 18,000 square miles from the Sioux Reservation. Both these measures are worthy of approval.

I concur with him also in advising the repeal of the preemption law, the enactment of statutes resolving the present legal complications touching lapsed grants to railroad companies, and the funding of the debt of the several Pacific railroads under such guaranty as shall effectually secure its ultimate payment.

The report of the Utah Commission will be read with interest.

It discloses the results of recent legislation looking to the prevention and punishment of polygamy in that Territory. I still believe that if that abominable practice can be suppressed by law it can only be by the most radical legislation consistent with the restraints of the Constitution.

I again recommend, therefore, that Congress assume absolute political control of the Territory of Utah and provide for the appointment of commissioners with such governmental powers as in its judgment may justly and wisely be put into their hands.

In the course of this communication reference has more than once been made to the policy of this Government as regards the extension of our foreign trade. It seems proper to declare the general principles that should, in my opinion, underlie our national efforts in this direction.

The main conditions of the problem may be thus stated:

Page 1383

We are a people apt in mechanical pursuits and fertile in invention. We cover a vast extent of territory rich in agricultural products and in nearly all the raw materials necessary for successful manufacture. We have a system of productive establishments more than sufficient to supply our own demands. The wages of labor are nowhere else so great. The scale of living of our artisan classes is such as tends to secure their personal comfort and the development of those higher moral and intellectual qualities that go to the making of good citizens. Our system of tax and tariff legislation is yielding a revenue which is in excess of the present needs of the Government.

These are the elements from which it is sought to devise a scheme by which, without unfavorably changing the condition of the workingman, our merchant marine shall be raised from its enfeebled condition and new markets provided for the sale beyond our borders of the manifold fruits of our industrial enterprises.

The problem is complex and can be solved by no single measure of innovation or reform.

The countries of the American continent and the adjacent islands are for the United States the natural marts of supply and demand. It is from them that we should obtain what we do not produce or do not produce in sufficiency, and it is to them that the surplus productions of our fields, our mills, and our workshops should flow, under conditions that will equalize or favor them in comparison with foreign competition.

Four paths of policy seem to point to this end:

First. A series of reciprocal commercial treaties with the countries of America which shall foster between us and them an unhampered movement of trade. The conditions of these treaties should be the free admission of such merchandise as this country does not produce, in return for the admission free or under a favored scheme of duties of our own products, the benefits of such exchange to apply only to goods carried under the flag of the parties to the contract; the removal on both sides from the vessels so privileged of all tonnage dues and national imposts, so that those vessels may ply unhindered between our ports and those of the other contracting parties, though without infringing on the reserved home coasting trade; the removal or reduction of burdens on the exported products of those countries coming within the benefits of the treaties, and the avoidance of the technical restrictions and penalties by which our intercourse with those countries is at present hampered.

Secondly. The establishment of the consular service of the United States on a salaried footing, thus permitting the relinquishment of consular fees not only as respects vessels under the national flag, but also as respects vessels of the treaty nations carrying goods entitled to the benefits of the treaties.

Thirdly. The enactment of measures to favor the construction and maintenance of a steam carrying marine under the flag of the United States.

Page 1384

Fourthly. The establishment of an uniform currency basis for the countries of America, so that the coined products of our mines may circulate on equal terms throughout the whole system of commonwealths. This would require a monetary union of America, whereby the output of the bullion-producing countries and the circulation of those which yield neither gold nor silver could be adjusted in conformity with the population, wealth, and commercial needs of each. As many of the countries furnish no bullion to the common stock, the surplus production of our mines and mints might thus be utilized and a step taken toward the general remonetization of silver.

To the accomplishment of these ends, so far as they can be attained by separate treaties, the negotiations already concluded and now in progress have been directed; and the favor which this enlarged policy has thus far received warrants the belief that its operations will ere long embrace all, or nearly all, the countries of this hemisphere.

It is by no means desirable, however, that the policy under consideration should be applied to these countries alone. The healthful enlargement of our trade with Europe, Asia, and Africa should be sought by reducing tariff burdens on such of their wares as neither we nor the other American States are fitted to produce, and thus enabling ourselves to obtain in return a better market for our supplies of food, of raw materials, and of the manufactures in which we excel.

It seems to me that many of the embarrassing elements in the great national conflict between protection and free trade may thus be turned to good account; that the revenue may be reduced so as no longer to overtax the people; that protective duties may be retained without becoming burdensome; that our shipping interests may be judiciously encouraged, the currency fixed on firm bases, and, above all, such an unity of interests established among the States of the American system as will be of great and ever-increasing advantage to them all.

All treaties in the line of this policy which have been negotiated or are in process of negotiation contain a provision deemed to be requisite under the clause of the Constitution limiting to the House of Representatives the authority to originate bills for raising revenue.

On the 29th of February last I transmitted to the Congress the first annual report of the Civil Service Commission, together with communications from the heads of the several Executive Departments of the Government respecting the practical workings of the law under which the Commission had been acting. The good results therein foreshadowed have been more than realized.

The system has fully answered the expectations of its friends in securing competent and faithful public servants and in protecting the appointing officers of the Government from the pressure of personal importunity and from the labor of examining the claims and pretensions of rival candidates for public employment.

Page 1385

The law has had the unqualified support of the President and of the heads of the several Departments, and the members of the Commission have performed their duties with zeal and fidelity. Their report will shortly be submitted, and will be accompanied by such recommendations for enlarging the scope of the existing statute as shall commend themselves to the Executive and the Commissioners charged with its administration.

In view of the general and persistent demand throughout the commercial community for a national bankrupt law, I hope that the differences of sentiment which have hitherto prevented its enactment may not outlast the present session.

The pestilence which for the past two years has been raging in the countries of the East recently made its appearance in European ports with which we are in constant communication.

The then Secretary of the Treasury, in pursuance of a proclamation of the President, issued certain regulations restricting and for a time prohibiting the importation of rags and the admission of baggage of immigrants and of travelers arriving from infected quarters. Lest this course may have been without strict warrant of law, I approve the recommendation of the present Secretary that the Congress take action in the premises, and I also recommend the immediate adoption of such measures as will be likely to ward off the dreaded epidemic and to mitigate its severity in case it shall unhappily extend to our shores.

The annual report of the Commissioners of the District of Columbia reviews the operations of the several departments of its municipal government. I ask your careful consideration of its suggestions in respect to legislation, especially commending such as relate to a revision of the civil and criminal code, the performance of labor by persons sentenced to imprisonment in the jail, the construction and occupation of wharves along the river front, and the erection of a suitable building for District offices.

I recommend that in recognition of the eminent services of Ulysses S. Grant, late General of the armies of the United States and twice President of this nation, the Congress confer upon him a suitable pension.

Certain of the measures that seem to me necessary and expedient I have now, in obedience to the Constitution, recommended for your adoption.

As respects others of no less importance I shall content myself with renewing the recommendations already made to the Congress, without restating the grounds upon which such recommendations were based.

The preservation of forests on the public domain, the granting of Government aid for popular education, the amendment of the Federal Constitution so as to make effective the disapproval by the President of particular items in appropriation bills, the enactment

of statutes in regard to the filling of vacancies in the Presidential office, and the determining of vexed questions respecting Presidential inability are measures which may justly receive your serious consideration.

Page 1386

As the time draws nigh when I am to retire from the public service, I can not refrain from expressing to the members of the National Legislature with whom I have been brought into personal and official intercourse my sincere appreciation of their unfailing courtesy and of their harmonious cooperation with the Executive in so many measures calculated to promote the best interests of the nation.

And to my fellow-citizens generally I acknowledge a deep sense of obligation for the support which they have accorded me in my administration of the executive department of this Government.

***

State of the Union Address
Grover Cleveland
December 8, 1885

To the Congress of the United States:

Your assembling is clouded by a sense of public bereavement, caused by the recent and sudden death of Thomas A. Hendricks, Vice-President of the United States. His distinguished public services, his complete integrity and devotion to every duty, and his personal virtues will find honorable record in his country's history.

Ample and repeated proofs of the esteem and confidence in which he was held by his fellow-countrymen were manifested by his election to offices of the most important trust and highest dignity; and at length, full of years and honors, he has been laid at rest amid universal sorrow and benediction.

The Constitution, which requires those chosen to legislate for the people to annually meet in the discharge of their solemn trust, also requires the President to give to Congress information of the state of the Union and recommend to their consideration such measures as he shall deem necessary and expedient. At the threshold of a compliance with these constitutional directions it is well for us to bear in mind that our usefulness to the people's interests will be promoted by a constant appreciation of the scope and character of our respective duties as they relate to Federal legislation. While the Executive may recommend such measures as he shall deem expedient, the responsibility for legislative action must and should rest upon those selected by the people to make their laws.

Contemplation of the grave and responsible functions assigned to the respective branches of the Government under the Constitution will disclose the partitions of power between our respective departments and their necessary independence, and also the need for the exercise of all the power intrusted to each in that spirit of comity and

cooperation which is essential to the proper fulfillment of the patriotic obligations which rest upon us as faithful servants of the people.

The jealous watchfulness of our constituencies, great and small, supplements their suffrages, and before the tribunal they establish every public servant should be judged.

It is gratifying to announce that the relations of the United States with all foreign powers continue to be friendly. Our position after nearly a century of successful constitutional government, maintenance of good faith in all our engagements, the avoidance of complications with other nations, and our consistent and amicable attitude toward the strong and weak alike furnish proof of a political disposition which renders professions of good will unnecessary. There are no questions of difficulty pending with any foreign government.

Page 1387

The Argentine Government has revived the long dormant question of the Falkland Islands by claiming from the United States indemnity for their loss, attributed to the action of the commander of the sloop of war Lexington in breaking up a piratical colony on those islands in 1831, and their subsequent occupation by Great Britain. In view of the ample justification for the act of the Lexington and the derelict condition of the islands before and after their alleged occupation by Argentine colonists, this Government considers the claim as wholly groundless.

Question has arisen with the Government of Austria-Hungary touching the representation of the United States at Vienna. Having under my constitutional prerogative appointed an estimable citizen of unimpeached probity and competence as minister at that court, the Government of Austria-Hungary invited this Government to take cognizance of certain exceptions, based upon allegations against the personal acceptability of Mr. Keiley, the appointed envoy, asking that in view thereof the appointment should be withdrawn. The reasons advanced were such as could not be acquiesced in without violation of my oath of office and the precepts of the Constitution, since they necessarily involved a limitation in favor of a foreign government upon the right of selection by the Executive and required such an application of a religious test as a qualification for office under the United States as would have resulted in the practical disfranchisement of a large class of our citizens and the abandonment of a vital principle in our Government. The Austro-Hungarian Government finally decided not to receive Mr. Keiley as the envoy of the United States, and that gentleman has since resigned his commission, leaving the post vacant. I have made no new nomination, and the interests of this Government at Vienna are now in the care of the secretary of legation, acting as charge d'affaires ad interim.

Early in March last war broke out in Central America, caused by the attempt of Guatemala to consolidate the several States into a single government. In these contests between our neighboring States the United States forebore to interfere actively, but lent the aid of their friendly offices in deprecation of war and to promote peace and concord among the belligerents, and by such counsel contributed importantly to the restoration of tranquillity in that locality.

Emergencies growing out of civil war in the United States of Colombia demanded of the Government at the beginning of this Administration the employment of armed forces to fulfill its guaranties under the thirty-fifth article of the treaty of 1846, in order to keep the transit open across the Isthmus of Panama. Desirous of exercising only the powers expressly reserved to us by the treaty, and mindful of the rights of Colombia, the forces sent to the Isthmus were instructed to confine their action to "positively and efficaciously" preventing the transit and its accessories from being "interrupted or embarrassed."

Page 1388

The execution of this delicate and responsible task necessarily involved police control where the local authority was temporarily powerless, but always in aid of the sovereignty of Colombia.

The prompt and successful fulfillment of its duty by this Government was highly appreciated by the Government of Colombia, and has been followed by expressions of its satisfaction.

High praise is due to the officers and men engaged in this service. The restoration of peace on the Isthmus by the reestablishment of the constituted Government there being thus accomplished, the forces of the United States were withdrawn.

Pending these occurrences a question of much importance was presented by decrees of the Colombian Government proclaiming the closure of certain ports then in the hands of insurgents and declaring vessels held by the revolutionists to be piratical and liable to capture by any power. To neither of these propositions could the United States assent. An effective closure of ports not in the possession of the Government, but held by hostile partisans, could not be recognized; neither could the vessels of insurgents against the legitimate sovereignty be deemed hostes humani generis within the precepts of international law, whatever might be the definition and penalty of their acts under the municipal law of the State against whose authority they were in revolt. The denial by this Government of the Colombian propositions did not, however, imply the admission of a belligerent status on the part of the insurgents.

The Colombian Government has expressed its willingness to negotiate conventions for the adjustment by arbitration of claims by foreign citizens arising out of the destruction of the city of Aspinwall by the insurrectionary forces.

The interest of the United States in a practicable transit for ships across the strip of land separating the Atlantic from the Pacific has been repeatedly manifested during the last half century.

My immediate predecessor caused to be negotiated with Nicaragua a treaty for the construction, by and at the sole cost of the United States, of a canal through Nicaraguan territory, and laid it before the Senate. Pending the action of that body thereon, I withdrew the treaty for reexamination. Attentive consideration of its provisions leads me to withhold it from resubmission to the Senate.

Maintaining, as I do, the tenets of a line of precedents from Washington’s day, which proscribe entangling alliances with foreign states, I do not favor a policy of acquisition of new and distant territory or the incorporation of remote interests with our own.

Page 1389

The laws of progress are vital and organic, and we must be conscious of that irresistible tide of commercial expansion which, as the concomitant of our active civilization, day by day is being urged onward by those increasing facilities of production, transportation, and communication to which steam and electricity have given birth; but our duty in the present instructs us to address ourselves mainly to the development of the vast resources of the great area committed to our charge and to the cultivation of the arts of peace within our own borders, though jealously alert in preventing the American hemisphere from being involved in the political problems and complications of distant governments. Therefore I am unable to recommend propositions involving paramount privileges of ownership or right outside of our own territory, when coupled with absolute and unlimited engagements to defend the territorial integrity of the state where such interests lie. While the general project of connecting the two oceans by means of a canal is to be encouraged, I am of opinion that any scheme to that end to be considered with favor should be free from the features alluded to.

The Tehuantepec route is declared by engineers of the highest repute and by competent scientists to afford an entirely practicable transit for vessels and cargoes, by means of a ship railway, from the Atlantic to the Pacific. The obvious advantages of such a route, if feasible, over others more remote from the axial lines of traffic between Europe and the pacific, and particularly between the Valley of the Mississippi and the western coast of North and South America, are deserving of consideration.

Whatever highway may be constructed across the barrier dividing the two greatest maritime areas of the world must be for the world's benefit—a trust for mankind, to be removed from the chance of domination by any single power, nor become a point of invitation for hostilities or a prize for warlike ambition. An engagement combining the construction, ownership, and operation of such a work by this Government, with an offensive and defensive alliance for its protection, with the foreign state whose responsibilities and rights we would share is, in my judgment, inconsistent with such dedication to universal and neutral use, and would, moreover, entail measures for its realization beyond the scope of our national polity or present means.

The lapse of years has abundantly confirmed the wisdom and foresight of those earlier Administrations which, long before the conditions of maritime intercourse were changed and enlarged by the progress of the age, proclaimed the vital need of interoceanic transit across the American Isthmus and consecrated it in advance to the common use of mankind by their positive declarations and through the formal obligation of treaties. Toward such realization the efforts of my Administration will be applied, ever bearing in mind the principles on which it must rest, and which were declared in no uncertain tones by Mr. Cass, who, while Secretary of State, in 1858, announced that "what the United States want in Central America, next to the happiness of its people, is the security and neutrality of the interoceanic routes which lead through it."

Page 1390

The construction of three transcontinental lines of railway, all in successful operation, wholly within our territory, and uniting the Atlantic and the Pacific oceans, has been accompanied by results of a most interesting and impressive nature, and has created new conditions, not in the routes of commerce only, but in political geography, which powerfully affect our relations toward and necessarily increase our interests in any transisthmian route which may be opened and employed for the ends of peace and traffic, or, in other contingencies, for uses inimical to both.

Transportation is a factor in the cost of commodities scarcely second to that of their production, and weighs as heavily upon the consumer.

Our experience already has proven the great importance of having the competition between land carriage and water carriage fully developed, each acting as a protection to the public against the tendencies to monopoly which are inherent in the consolidation of wealth and power in the hands of vast corporations.

These suggestions may serve to emphasize what I have already said on the score of the necessity of a neutralization of any interoceanic transit; and this can only be accomplished by making the uses of the route open to all nations and subject to the ambitions and warlike necessities of none.

The drawings and report of a recent survey of the Nicaragua Canal route, made by Chief Engineer Menocal, will be communicated for your information.

The claims of citizens of the United States for losses by reason of the late military operations of Chile in Peru and Bolivia are the subject of negotiation for a claims convention with Chile, providing for their submission to arbitration.

The harmony of our relations with China is fully sustained.

In the application of the acts lately passed to execute the treaty of 1880, restrictive of the immigration of Chinese laborers into the United States, individual cases of hardship have occurred beyond the power of the Executive to remedy, and calling for judicial determination.

The condition of the Chinese question in the Western States and Territories is, despite this restrictive legislation, far from being satisfactory. The recent outbreak in Wyoming Territory, where numbers of unoffending Chinamen, indisputably within the protection of the treaties and the law, were murdered by a mob, and the still more recent threatened outbreak of the same character in Washington Territory, are fresh in the minds of all, and there is apprehension lest the bitterness of feeling against the Mongolian race on the Pacific Slope may find vent in similar lawless demonstrations. All the power of this Government should be exerted to maintain the amplest good faith toward China in the

treatment of these men, and the inflexible sternness of the law in bringing the wrongdoers to justice should be insisted upon.

Every effort has been made by this Government to prevent these violent outbreaks and to aid the representatives of China in their investigation of these outrages; and it is but just to say that they are traceable to the lawlessness of men not citizens of the United States engaged in competition with Chinese laborers.

Page 1391

Race prejudice is the chief factor in originating these disturbances, and it exists in a large part of our domain, jeopardizing our domestic peace and the good relationship we strive to maintain with China.

The admitted right of a government to prevent the influx of elements hostile to its internal peace and security may not be questioned, even where there is no treaty stipulation on the subject. That the exclusion of Chinese labor is demanded in other countries where like conditions prevail is strongly evidenced in the Dominion of Canada, where Chinese immigration is now regulated by laws more exclusive than our own. If existing laws are inadequate to compass the end in view, I shall be prepared to give earnest consideration to any further remedial measures, within the treaty limits, which the wisdom of Congress may devise.

The independent State of the Kongo has been organized as a government under the sovereignty of His Majesty the King of the Belgians, who assumes its chief magistracy in his personal character only, without making the new State a dependency of Belgium. It is fortunate that a benighted region, owing all it has of quickening civilization to the beneficence and philanthropic spirit of this monarch, should have the advantage and security of his benevolent supervision.

The action taken by this Government last year in being the first to recognize the flag of the International Association of the Kongo has been followed by formal recognition of the new nationality which succeeds to its sovereign powers.

A conference of delegates of the principal commercial nations was held at Berlin last winter to discuss methods whereby the Kongo basin might be kept open to the world's trade. Delegates attended on behalf of the United States on the understanding that their part should be merely deliberative, without imparting to the results any binding character so far as the United States were concerned. This reserve was due to the indisposition of this Government to share in any disposal by an international congress of jurisdictional questions in remote foreign territories. The results of the conference were embodied in a formal act of the nature of an international convention, which laid down certain obligations purporting to be binding on the signatories, subject to ratification within one year. Notwithstanding the reservation under which the delegates of the United States attended, their signatures were attached to the general act in the same manner as those of the plenipotentiaries of other governments, thus making the United States appear, without reserve or qualification, as signatories to a joint international engagement imposing on the signers the conservation of the territorial integrity of distant regions where we have no established interests or control.

This Government does not, however, regard its reservation of liberty of action in the premises as at all impaired; and holding that an engagement to share in the obligation of enforcing neutrality in the remote valley of the Kongo would be an alliance whose

responsibilities we are not in a position to assume, I abstain from asking the sanction of the Senate to that general act.

Page 1392

The correspondence will be laid before you, and the instructive and interesting report of the agent sent by this Government to the Kongo country and his recommendations for the establishment of commercial agencies on the African coast are also submitted for your consideration.

The commission appointed by my predecessor last winter to visit the Central and South American countries and report on the methods of enlarging the commercial relations of the United States therewith has submitted reports, which will be laid before you.

No opportunity has been omitted to testify the friendliness of this Government toward Korea, whose entrance into the family of treaty powers the United States were the first to recognize. I regard with favor the application made by the Korean Government to be allowed to employ American officers as military instructors, to which the assent of Congress becomes necessary, and I am happy to say this request has the concurrent sanction of China and Japan.

The arrest and imprisonment of Julio R. Santos, a citizen of the United States, by the authorities of Ecuador gave rise to a contention with that Government, in which his right to be released or to have a speedy and impartial trial on announced charges and with all guaranties of defense stipulated by treaty was insisted upon by us. After an elaborate correspondence and repeated and earnest representations on our part Mr. Santos was, after an alleged trial and conviction, eventually included in a general decree of amnesty and pardoned by the Ecuadorian Executive and released, leaving the question of his American citizenship denied by the Ecuadorian Government, but insisted upon by our own.

The amount adjudged by the late French and American Claims Commission to be due from the United States to French claimants on account of injuries suffered by them during the War of Secession, having been appropriated by the last Congress, has been duly paid to the French Government.

The act of February 25, 1885, provided for a preliminary search of the records of French prize courts for evidence bearing on the claims of American citizens against France for spoliations committed prior to 1801. The duty has been performed, and the report of the agent will be laid before you.

I regret to say that the restrictions upon the importation of our pork into France continue, notwithstanding the abundant demonstration of the absence of sanitary danger in its use; but I entertain strong hopes that with a better understanding of the matter this vexatious prohibition will be removed. It would be pleasing to be able to say as much with respect to Germany, Austria, and other countries, where such food products are absolutely excluded, without present prospect of reasonable change.

The interpretation of our existing treaties of naturalization by Germany during the past year has attracted attention by reason of an apparent tendency on the part of the Imperial Government to extend the scope of the residential restrictions to which returning naturalized citizens of German origin are asserted to be liable under the laws of the Empire. The temperate and just attitude taken by this Government with regard to this class of questions will doubtless lead to a satisfactory understanding.

Page 1393

The dispute of Germany and Spain relative to the domination of the Caroline Islands has attracted the attention of this Government by reason of extensive interests of American citizens having grown up in those parts during the past thirty years, and because the question of ownership involves jurisdiction of matters affecting the status of our citizens under civil and criminal law. While standing wholly aloof from the proprietary issues raised between powers to both of which the United States are friendly, this Government expects that nothing in the present contention shall unfavorably affect our citizens carrying on a peaceful commerce or there domiciled, and has so informed the Governments of Spain and Germany.

The marked good will between the United States and Great Britain has been maintained during the past year.

The termination of the fishing clauses of the treaty of Washington, in pursuance of the joint resolution of March 3, 1883, must have resulted in the abrupt cessation on the 1st of July of this year, in the midst of their ventures, of the operations of citizens of the United States engaged in fishing in British American waters but for a diplomatic understanding reached with Her Majesty's Government in June last, whereby assurance was obtained that no interruption of those operations should take place during the current fishing season.

In the interest of good neighborhood and of the commercial intercourse of adjacent communities, the question of the North American fisheries is one of much importance. Following out the intimation given by me when the extensory arrangement above described was negotiated, I recommend that the Congress provide for the appointment of a commission in which the Governments of the United States and Great Britain shall be respectively represented, charged with the consideration and settlement, upon a just, equitable, and honorable basis, of the entire question of the fishing rights of the two Governments and their respective citizens on the coasts of the United States and British North America. The fishing interests being intimately related to other general questions dependent upon contiguity and intercourse, consideration thereof in all their equities might also properly come within the purview of such a commission, and the fullest latitude of expression on both sides should be permitted.

The correspondence in relation to the fishing rights will be submitted. The arctic exploring steamer Alert, which was generously given by Her Majesty's Government to aid in the relief of the Greely expedition, was, after the successful attainment of that humane purpose, returned to Great Britain, in pursuance of the authority conferred by the act of March 3, 1885.

Page 1394

The inadequacy of the existing engagements for extradition between the United States and Great Britain has been long apparent. The tenth article of the treaty of 1842, one of the earliest compacts in this regard entered into by us, stipulated for surrender in respect of a limited number of offenses. Other crimes no less inimical to the social welfare should be embraced and the procedure of extradition brought in harmony with present international practice. Negotiations with Her Majesty's Government for an enlarged treaty of extradition have been pending since 1870, and I entertain strong hopes that a satisfactory result may be soon attained.

The frontier line between Alaska and British Columbia, as defined by the treaty of cession with Russia, follows the demarcation assigned in a prior treaty between Great Britain and Russia. Modern exploration discloses that this ancient boundary is impracticable as a geographical fact. In the unsettled condition of that region the question has lacked importance, but the discovery of mineral wealth in the territory the line is supposed to traverse admonishes that the time has come when an accurate knowledge of the boundary is needful to avert jurisdictional complications. I recommend, therefore, that provision be made for a preliminary reconnoissance by officers of the United States, to the end of acquiring more precise information on the subject. I have invited Her Majesty's Government to consider with us the adoption of a more convenient line, to be established by meridian observations or by known geographical features without the necessity of an expensive survey of the whole.

The late insurrectionary movements in Hayti having been quelled, the Government of that Republic has made prompt provision for adjudicating the losses suffered by foreigners because of hostilities there, and the claims of certain citizens of the United States will be in this manner determined.

The long-pending claims of two citizens of the United States, Pelletier and Lazare, have been disposed of by arbitration, and an award in favor of each claimant has been made, which by the terms of the engagement is final. It remains for Congress to provide for the payment of the stipulated moiety of the expenses.

A question arose with Hayti during the past year by reason of the exceptional treatment of an American citizen, Mr. Van Bokkelen, a resident of Port-au-Prince, who, on suit by creditors residing in the United States, was sentenced to imprisonment, and, under the operation of a Haytian statute, was denied relief secured to a native Haytian. This Government asserted his treaty right to equal treatment with natives of Hayti in all suits at law. Our contention was denied by the Haytian Government, which, however, while still professing to maintain the ground taken against Mr. Van Bokkelen's right, terminated the controversy by setting him at liberty without explanation.

An international conference to consider the means of arresting the spread of cholera and other epidemic diseases was held at Rome in May last, and adjourned to meet

again on further notice. An expert delegate on behalf of the United States has attended its sessions and will submit a report.

Page 1395

Our relations with Mexico continue to be most cordial, as befits those of neighbors between whom the strongest ties of friendship and commercial intimacy exist, as the natural and growing consequence of our similarity of institutions and geographical propinquity.

The relocation of the boundary line between the United States and Mexico westward of the Rio Grande, under the convention of July 29, 1882, has been unavoidably delayed, but I apprehend no difficulty in securing a prolongation of the period for its accomplishment.

The lately concluded commercial treaty with Mexico still awaits the stipulated legislation to carry its provisions into effect, for which one year's additional time has been secured by a supplementary article signed in February last and since ratified on both sides.

As this convention, so important to the commercial welfare of the two adjoining countries, has been constitutionally confirmed by the treaty-making branch, I express the hope that legislation needed to make it effective may not be long delayed.

The large influx of capital and enterprise to Mexico from the United States continues to aid in the development of the resources and in augmenting the material well-being of our sister Republic. Lines of railway, penetrating to the heart and capital of the country, bring the two peoples into mutually beneficial intercourse, and enlarged facilities of transit add to profitable commerce, create new markets, and furnish avenues to otherwise isolated communities.

I have already adverted to the suggested construction of a ship railway across the narrow formation of the territory of Mexico at Tehuantepec.

With the gradual recovery of Peru from the effects of her late disastrous conflict with Chile, and with the restoration of civil authority in that distracted country, it is hoped that pending war claims of our citizens will be adjusted.

In conformity with notification given by the Government of Peru, the existing treaties of commerce and extradition between the United States and that country will terminate March 31, 1886.

Our good relationship with Russia continues.

An officer of the Navy, detailed for the purpose, is now on his way to Siberia bearing the testimonials voted by Congress to those who generously succored the survivors of the unfortunate Jeannette expedition.

It is gratifying to advert to the cordiality of our intercourse with Spain.

The long-pending claim of the owners of the ship Masonic for loss suffered through the admitted dereliction of the Spanish authorities in the Philippine Islands has been adjusted by arbitration and an indemnity awarded. The principle of arbitration in such cases, to which the United States have long and consistently adhered, thus receives a fresh and gratifying confirmation.

Other questions with Spain have been disposed of or are under diplomatic consideration with a view to just and honorable settlement.

Page 1396

The operation of the commercial agreement with Spain of January 2—February 13, 1884, has been found inadequate to the commercial needs of the United States and the Spanish Antilies, and the terms of the agreement are subjected to conflicting interpretations in those islands.

Negotiations have been instituted at Madrid for a full treaty not open to these objections and in the line of the general policy touching the neighborly intercourse of proximate communities, to which I elsewhere advert, and aiming, moreover, at the removal of existing burdens and annoying restrictions; and although a satisfactory termination is promised, I am compelled to delay its announcement.

An international copyright conference was held at Berne in September, on the invitation of the Swiss Government. The envoy of the United States attended as a delegate, but refrained from committing this Government to the results, even by signing the recommendatory protocol adopted. The interesting and important subject of international copyright has been before you for several years. Action is certainly desirable to effect the object in view; and while there may be question as to the relative advantage of treating it by legislation or by specific treaty, the matured views of the Berne conference can not fail to aid your consideration of the subject.

The termination of the commercial treaty of 1862 between the United States and Turkey has been sought by that Government. While there is question as to the sufficiency of the notice of termination given, yet as the commercial rights of our citizens in Turkey come under the favored-nation guaranties of the prior treaty of 1830, and as equal treatment is admitted by the Porte, no inconvenience can result from the assent of this Government to the revision of the Ottoman tariffs, in which the treaty powers have been invited to join.

Questions concerning our citizens in Turkey may be affected by the Porte's nonacquiescence in the right of expatriation and by the imposition of religious tests as a condition of residence, in which this Government can not concur. The United States must hold in their intercourse with every power that the status of their citizens is to be respected and equal civil privileges accorded to them without regard to creed, and affected by no considerations save those growing out of domiciliary return to the land of original allegiance or of unfulfilled personal obligations which may survive, under municipal laws, after such voluntary return.

The negotiation with Venezuela relative to the rehearing of the awards of the mixed commission constituted under the treaty of 1866 was resumed in view of the recent acquiescence of the Venezuelan envoy in the principal point advanced by this Government, that the effects of the old treaty could only be set aside by the operation of a new convention. A result in substantial accord with the advisory suggestions contained in the joint resolution of March 3, 1883, has been agreed upon and will shortly be submitted to the Senate for ratification.

Page 1397

Under section 3659 of the Revised Statutes all funds held in trust by the United States and the annual interest accruing thereon, when not otherwise required by treaty, are to be invested in stocks of the United States bearing a rate of interest not less than 5 per cent per annum. There being now no procurable stocks paying so high a rate of interest, the letter of the statute is at present inapplicable, but its spirit is subserved by continuing to make investments of this nature in current stocks bearing the highest interest now paid. The statute, however, makes no provision for the disposal of such accretions. It being contrary to the general rule of this Government to allow interest on claims, I recommend the repeal of the provision in question and the disposition, under a uniform rule, of the present accumulations from investment of trust funds.

The inadequacy of existing legislation touching citizenship and naturalization demands your consideration.

While recognizing the right of expatriation, no statutory provision exists providing means for renouncing citizenship by an American citizen, native born or naturalized, nor for terminating and vacating an improper acquisition of citizenship. Even a fraudulent decree of naturalization can not now be canceled. The privilege and franchise of American citizenship should be granted with care, and extended to those only who intend in good faith to assume its duties and responsibilities when attaining its privileges and benefits. It should be withheld from those who merely go through the forms of naturalization with the intent of escaping the duties of their original allegiance without taking upon themselves those of their new status, or who may acquire the rights of American citizenship for no other than a hostile purpose toward their original governments. These evils have had many flagrant illustrations.

I regard with favor the suggestion put forth by one of my predecessors that provision be made for a central bureau of record of the decrees of naturalization granted by the various courts throughout the United States now invested with that power.

The rights which spring from domicile in the United States, especially when coupled with a declaration of intention to become a citizen, are worthy of definition by statute. The stranger coming hither with intent to remain, establishing his residence in our midst, contributing to the general welfare, and by his voluntary act declaring his purpose to assume the responsibilities of citizenship, thereby gains an inchoate status which legislation may properly define. The laws of certain States and Territories admit a domiciled alien to the local franchise, conferring on him the rights of citizenship to a degree which places him in the anomalous position of being a citizen of a State and yet not of the United States within the purview of Federal and international law.

It is important within the scope of national legislation to define this right of alien domicile as distinguished from Federal naturalization.

Page 1398

The commercial relations of the United States with their immediate neighbors and with important areas of traffic near our shores suggest especially liberal intercourse between them and us.

Following the treaty of 1883 with Mexico, which rested on the basis of a reciprocal exemption from customs duties, other similar treaties were initiated by my predecessor.

Recognizing the need of less obstructed traffic with Cuba and Puerto Rico, and met by the desire of Spain to succor languishing interests in the Antilles, steps were taken to attain those ends by a treaty of commerce. A similar treaty was afterwards signed by the Dominican Republic. Subsequently overtures were made by Her Britannic Majesty's Government for a like mutual extension of commercial intercourse with the British West Indian and South American dependencies, but without result.

On taking office I withdrew for reexamination the treaties signed with Spain and Santo Domingo, then pending before the Senate. The result has been to satisfy me of the inexpediency of entering into engagements of this character not covering the entire traffic.

These treaties contemplated the surrender by the United States of large revenues for inadequate considerations. Upon sugar alone duties were surrendered to an amount far exceeding all the advantages offered in exchange. Even were it intended to relieve our consumers, it was evident that so long as the exemption but partially covered our importation such relief would be illusory. To relinquish a revenue so essential seemed highly improvident at a time when new and large drains upon the Treasury were contemplated. Moreover, embarrassing questions would have arisen under the favored-nation clauses of treaties with other nations.

As a further objection, it is evident that tariff regulation by treaty diminishes that independent control over its own revenues which is essential for the safety and welfare of any government. Emergency calling for an increase of taxation may at any time arise, and no engagement with a foreign power should exist to hamper the action of the Government.

By the fourteenth section of the shipping act approved June 26, 1884, certain reductions and contingent exemptions from tonnage dues were made as to vessels entering ports of the United States from any foreign port in North and Central America, the West India Islands, the Bahamas and Bermudas, Mexico, and the Isthmus as far as Aspinwall and Panama. The Governments of Belgium, Denmark, Germany, Portugal, and Sweden and Norway have asserted, under the favored-nation clause in their treaties with the United States, a claim to like treatment in respect of vessels coming to the United States from their home ports. This Government, however, holds that the privileges granted by the act are purely geographical, inuring to any vessel of any foreign power that may choose to engage in traffic between this country and any port within the

defined zone, and no warrant exists under the most-favored-nation clause for the extension of the privileges in question to vessels sailing to this country from ports outside the limitation of the act.

Page 1399

Undoubtedly the relations of commerce with our near neighbors, whose territories form so long a frontier line difficult to be guarded, and who find in our country, and equally offer to us, natural markets, demand special and considerate treatment. It rests with Congress to consider what legislative action may increase facilities of intercourse which contiguity makes natural and desirable.

I earnestly urge that Congress recast the appropriations for the maintenance of the diplomatic and consular service on a footing commensurate with the importance of our national interests. At every post where a representative is necessary the salary should be so graded as to permit him to live with comfort. With the assignment of adequate salaries the so-called notarial extra official fees, which our officers abroad are now permitted to treat as personal perquisites, should be done away with. Every act requiring the certification and seal of the officer should be taxable at schedule rates and the fee therefor returned to the Treasury. By restoring these revenues to the public use the consular service would be self-supporting, even with a liberal increase of the present low salaries.

In further prevention of abuses a system of consular inspection should be instituted.

The appointment of a limited number of secretaries of legation at large, to be assigned to duty wherever necessary, and in particular for temporary service at missions which for any cause may be without a head, should also be authorized.

I favor also authorization for the detail of officers of the regular service as military or naval attaches at legations.

Some foreign governments do not recognize the union of consular with diplomatic functions. Italy and Venezuela will only receive the appointee in one of his two capacities, but this does not prevent the requirement of a bond and submission to the responsibilities of an office whose duties he can not discharge. The superadded title of consul-general should be abandoned at all missions.

I deem it expedient that a well-devised measure for the reorganization of the extraterritorial courts in Oriental countries should replace the present system, which labors under the disadvantage of combining judicial and executive functions in the same office.

In several Oriental countries generous offers have been made of premises for housing the legations of the United States. A grant of land for that purpose was made some years since by Japan, and has been referred to in the annual messages of my predecessor. The Siamese Government has made a gift to the United States of commodious quarters in Bangkok. In Korea the late minister was permitted to purchase a building from the Government for legation use. In China the premises rented for the legation are favored as to local charges. At Tangier the house occupied by our

representative has been for many years the property; this Government, having been given for that

Page 1400

purpose in 1822 by the Sultan of Morocco. I approve the suggestion heretofore made, that, view of the conditions of life and administration in the Eastern countries, the legation buildings in China, Japan, Korea, Siam, and perhaps Persia, should be owned and furnished by the Government with a view to permanency and security. To this end I recommend that authority be given to accept the gifts adverted to in Japan and Siam, and to purchase in the other countries named, with provision for furniture and repairs. A considerable saving in rentals would result.

The World's Industrial Exposition, held at New Orleans last winter, with the assistance of the Federal Government, attracted a large number of foreign exhibits, and proved of great value in spreading among the concourse of visitors from Mexico and Central and South America a wider knowledge of the varied manufactures and productions of this country and their availability in exchange for the productions of those regions.

Past Congresses have had under consideration the advisability of abolishing the discrimination made by the tariff laws in favor of the works of American artists. The odium of the policy which subjects to a high rate of duty the paintings of foreign artists and exempts the productions of American artists residing abroad, and who receive gratuitously advantages and instruction, is visited upon our citizens engaged in art culture in Europe, and has caused them with practical unanimity to favor the abolition of such an ungracious distinction; and in their interest, and for other obvious reasons, I strongly recommend it.

The report of the Secretary of the Treasury fully exhibits the condition of the public finances and of the several branches of the Government connected with his Department. The suggestions of the Secretary relating to the practical operations of this important Department, and his recommendations in the direction of simplification and economy, particularly in the work of collecting customs duties, are especially urged upon the attention of Congress.

The ordinary receipts from all sources for the fiscal year ended June 30, 1885, were $322,690,706.38. Of this sum $181,471,939.34 was received from customs and $112,498,725.54 from internal revenue. The total receipts, as given above, were $24,829,163.54 less than those for the year ended June 30, 1884. This diminution embraces a falling off of $13,595,550.42 in the receipts from customs and $9,687,346.97 in the receipts from internal revenue.

The total ordinary expenditures of the Government for the fiscal year were $260,226,935.50, leaving a surplus in the Treasury at the close of the year of $63,463,771.27. This is $40,929,854.32 less than the surplus reported at the close of the previous year.

The expenditures are classified as follows:

The amount paid on the public debt during the fiscal year ended June 30, 1885, was $45,993,235.43, and there has been paid since that date and up to November 1, 1885, the sum of $369,828, leaving the amount of the debt at the last-named date $1,514,475,860.47. There was however, at that time in the Treasury, applicable to the general purposes of the Government, the sum of $66,818,292.38.

Page 1401

The total receipts for the current fiscal year ending June 30, 1886, ascertained to October 1, 1885, and estimated for the remainder of the year, are $315,000,000. The expenditures ascertained and estimated for the same time are $245,000,000, leaving a surplus at the close of the year estimated at $70,000,000.

The value of the exports from the United States to foreign countries during the last fiscal year was as follows:

Some of the principal exports, with their values and the percentage they respectively bear to the total exportation, are given as follows:

Our imports during the year were as follows:

The following are given as prominent articles of import during the year, with their values and the percentage they bear to the total importation:

Of the entire amount of duties collected 70 per cent was collected from the following articles of import:

The fact that our revenues are in excess of the actual needs of all economical administration of the Government justifies a reduction in the amount exacted from the people for its support. Our Government is but the means established by the will of a free people by which certain principles are applied which they have adopted for their benefit and protection; and it is never better administered and its true spirit is never better observed than when the people's taxation for its support is scrupulously limited to the actual necessity of expenditure and distributed according to a just and equitable plan.

The proposition with which we have to deal is the reduction of the revenue received by the Government, and indirectly paid by the people, from customs duties. The question of free trade is not involved, nor is there now any occasion for the general discussion of the wisdom or expediency of a protective system.

Justice and fairness dictate that in any modification of our present laws relating to revenue the industries and interests which have been encouraged by such laws, and in which our citizens have large investments, should not be ruthlessly injured or destroyed. We should also deal with the subject in such manner as to protect the interests of American labor, which is the capital of our workingmen. Its stability and proper remuneration furnish the most justifiable pretext for a protective policy.

Within these limitations a certain reduction should be made in our customs revenue. The amount of such reduction having been determined, the inquiry follows, Where can it best be remitted and what articles can best be released from duty in the interest of our citizens?

I think the reduction should be made in the revenue derived from a tax upon the imported necessaries of life. We thus directly lessen the cost of living in every family of the land and release to the people in every humble home a larger measure of the rewards of frugal industry.

During the year ended November 1, 1885, 145 national banks were organized, with an aggregate capital of $16,938,000, and circulating notes have been issued to them amounting to $4,274,910. The whole number of these banks in existence on the day above mentioned was 2,727.

Page 1402

The very limited amount of circulating notes issued by our national banks, compared with the amount the law permits them to issue upon a deposit of bonds for their redemption, indicates that the volume of our circulating medium may be largely increased through this instrumentality.

Nothing more important than the present condition of our currency and coinage can claim your attention.

Since February, 1878, the Government has, under the compulsory provisions of law, purchased silver bullion and coined the same at the rate of more than $2,000,000 every month. By this process up to the present date 215,759,431 silver dollars have been coined.

A reasonable appreciation of a delegation of power to the General Government would limit its exercise, without express restrictive words, to the people's needs and the requirements of the public welfare.

Upon this theory the authority to "coin money" given to Congress by the Constitution, if it permits the purchase by the Government of bullion for coinage in any event, does not justify such purchase and coinage to an extent beyond the amount needed for a sufficient circulating medium.

The desire to utilize the silver product of the country should not lead to a misuse or the perversion of this power.

The necessity for such an addition to the silver currency of the nation as is compelled by the silver-coinage act is negatived by the fact that up to the present time only about 50,000,000 of the silver dollars so coined have actually found their way into circulation, leaving more than 165,000,000 in the possession of the Government, the custody of which has entailed a considerable expense for the construction of vaults for it deposit. Against this latter amount there are outstanding silver certificates amounting to about $93,000,000.

Every month two millions of gold in the public Treasury are paid our for two millions or more of silver dollars, to be added to the idle mass already accumulated.

If continued long enough, this operation will result in the substitution of silver for all the gold the Government owns applicable to its general purposes. It will not do to rely upon the customs receipts of the Government to make good this drain of gold, because the silver thus coined having been made legal tender for all debts and dues, public and private, at times during the last six months 58 per cent of the receipts for duties has been in silver or silver certificates, while the average within that period has been 20 per cent. The proportion of silver and its certificates received by the Government will probably increase as time goes on, for the reason that the nearer the period approaches

when it will be obliged to offer silver in payment of its obligations the greater inducement there will be to hoard gold against depreciation in the value of silver or for the purpose of speculating.

This hoarding of gold has already begun.

Page 1403

When the time comes that gold has been withdrawn from circulation, then will be apparent the difference between the real value of the silver dollar and a dollar in gold, and the two coins will part company. Gold, still the standard of value and necessary in our dealings with other countries, will be at a premium over silver; banks which have substituted gold for the deposits of their customers may pay them with silver bought with such gold, thus making a handsome profit; rich speculators will sell their hoarded gold to their neighbors who need it to liquidate their foreign debts, at a ruinous premium over silver, and the laboring men and women of the land, most defenseless of all, will find that the dollar received for the wage of their toil has sadly shrunk in its purchasing power. It may be said that the latter result will be but temporary, and that ultimately the price of labor will be adjusted to the change; but even if this takes place the wage-worker can not possibly gain, but must inevitably lose, since the price he is compelled to pay for his living will not only be measured in a coin heavily depreciated and fluctuating and uncertain in its value, but this uncertainty in the value of the purchasing medium will be made the pretext for an advance in prices beyond that justified by actual depreciation.

The words uttered in 1834 by Daniel Webster in the Senate of the United States are true to-day: The very man of all others who has the deepest interest in a sound currency, and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil. The most distinguished advocate of bimetallism, discussing our silver coinage, has lately written: No American citizen's hand has yet felt the sensation of cheapness, either in receiving or expending the silver-act dollars. And those who live by labor or legitimate trade never will feel that sensation of cheapness. However plenty silver dollars may become, they will not be distributed as gifts among the people; and if the laboring man should receive four depreciated dollars where he now receives but two, he will pay in the depreciated coin more than double the price he now pays for all the necessaries and comforts of life.

Those who do not fear any disastrous consequences arising from the continued compulsory coinage of silver as now directed by law, and who suppose that the addition to the currency of the country intended as its result will be a public benefit, are reminded that history demonstrates that the point is easily reached in the attempt to float at the same time two sorts of money of different excellence when the better will cease to be in general circulation. The hoarding of gold which has already taken place indicates that we shall not escape the usual experience in such cases. So if this silver coinage be continued we may reasonably expect that gold and its equivalent will abandon the field of circulation to silver alone. This of course must produce a severe contraction of our circulating medium, instead of adding to it.

Page 1404

It will not be disputed that any attempt on the part of the Government to cause the circulation of silver dollars worth 80 cents side by side with gold dollars worth 100 cents, even within the limit that legislation does not run counter to the laws of trade, to be successful must be seconded by the confidence of the people that both coins will retain the same purchasing power and be interchangeable at will. A special effort has been made by the Secretary of the Treasury to increase the amount of our silver coin in circulation; but the fact that a large share of the limited amount thus put out has soon returned to the public Treasury in payment of duties leads to the belief that the people do not now desire to keep it in hand, and this, with the evident disposition to hoard gold, gives rise to the suspicion that there already exists a lack of confidence among the people touching our financial processes. There is certainly not enough silver now in circulation to cause uneasiness, and the whole amount coined and now on hand might after a time be absorbed by the people without apprehension; but it is the ceaseless stream that threatens to overflow the land which causes fear and uncertainty.

What has been thus far submitted upon this subject relates almost entirely to considerations of a home nature, unconnected with the bearing which the policies of other nations have upon the question. But it is perfectly apparent that a line of action in regard to our currency can not wisely be settled upon or persisted in without considering the attitude on the subject of other countries with whom we maintain intercourse through commerce, trade, and travel. An acknowledgment of this fact is found in the act by virtue of which our silver is compulsorily coined. It provides that—The President shall invite the governments of the countries composing the Latin Union, so called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between those metals. This conference absolutely failed, and a similar fate has awaited all subsequent efforts in the same direction. And still we continue our coinage of silver at a ratio different from that of any other nation. The most vital part of the silver-coinage act remains inoperative and unexecuted, and without an ally or friend we battle upon the silver field in an illogical and losing contest.

To give full effect to the design of Congress on this subject I have made careful and earnest endeavor since the adjournment of the last Congress.

To this end I delegated a gentleman well instructed in fiscal science to proceed to the financial centers of Europe and, in conjunction with our ministers to England, France, and Germany, to obtain a full knowledge of the attitude and intent of those governments in respect of the establishment of such an international ratio as would procure free coinage of both metals at the mints of those countries and our own. By my direction our consul-general at Paris has given close attention to the proceedings of the congress of the Latin Union, in order to indicate our interest in its objects and report its action.

Page 1405

It may be said in brief, as the result of these efforts, that the attitude of the leading powers remains substantially unchanged since the monetary conference of 1881, nor is it to be questioned that the views of these governments are in each instance supported by the weight of public opinion.

The steps thus taken have therefore only more fully demonstrated the uselessness of further attempts at present to arrive at any agreement on the subject with other nations.

In the meantime we are accumulating silver coin, based upon our own peculiar ratio, to such an extent, and assuming so heavy a burden to be provided for in any international negotiations, as will render us an undesirable party to any future monetary conference of nations.

It is a significant fact that four of the five countries composing the Latin Union mentioned in our coinage act, embarrassed with their silver currency, have just completed an agreement among themselves that no more silver shall be coined by their respective Governments and that such as has been already coined and in circulation shall be redeemed in gold by the country of its coinage. The resort to this expedient by these countries may well arrest the attention of those who suppose that we can succeed without shock or injury in the attempt to circulate upon its merits all the silver we may coin under the provisions of our silver-coinage act.

The condition in which our Treasury may be placed by a persistence in our present course is a matter of concern to every patriotic citizen who does not desire his Government to pay in silver such of its obligations as should be paid in gold. Nor should our condition be such as to oblige us, in a prudent management of our affairs, to discontinue the calling in and payment of interest-bearing obligations which we have the right now to discharge, and thus avoid the payment of further interest thereon.

The so-called debtor class, for whose benefit the continued compulsory coinage of silver is insisted upon, are not dishonest because they are in debt, and they should not be suspected of a desire to jeopardize the financial safety of the country in order that they may cancel their present debts by paying the same in depreciated dollars. Nor should it be forgotten that it is not the rich nor the money lender alone that must submit to such a readjustment, enforced by the Government and their debtors. The pittance of the widow and the orphan and the incomes of helpless beneficiaries of all kinds would be disastrously reduced. The depositors in savings banks and in other institutions which hold in trust the savings of the poor, when their little accumulations are scaled down to meet the new order of things, would in their distress painfully realize the delusion of the promise made to them that plentiful money would improve their condition.

We have now on hand all the silver dollars necessary to supply the present needs of the people and to satisfy those who from sentiment wish to see them in circulation, and if

their coinage is suspended they can be readily obtained by all who desire them. If the need of more is at anytime apparent, their coinage may be renewed.

Page 1406

That disaster has not already overtaken us furnishes no proof that danger does not wait upon a continuation of the present silver coinage. We have been saved by the most careful management and unusual expedients, by a combination of fortunate conditions, and by a confident expectation that the course of the Government in regard to silver coinage would be speedily changed by the action of Congress.

Prosperity hesitates upon our threshold because of the dangers and uncertainties surrounding this question. Capital timidly shrinks from trade, and investors are unwilling to take the chance of the questionable shape in which their money will be returned to them, while enterprise halts at a risk against which care and sagacious management do not protect.

As a necessary consequence, labor lacks employment and suffering and distress are visited upon a portion of our fellow-citizens especially entitled to the careful consideration of those charged with the duties of legislation. No interest appeals to us so strongly for a safe and stable currency as the vast army of the unemployed.

I recommend the suspension of the compulsory coinage of silver dollars, directed by the law passed in February, 1878.

The Steamboat-Inspection Service on the 30th day of June, 1885, was composed of 140 persons, including officers, clerks, and messengers. The expenses of the service over the receipts were $138,822.22 during the fiscal year. The special inspection of foreign steam vessels, organized under a law passed in 1882, was maintained during the year at an expense of $36,641.63. Since the close of the fiscal year reductions have been made in the force employed which will result in a saving during the current year of $17,000 without affecting the efficiency of the service.

The Supervising Surgeon-General reports that during the fiscal year 41,714 patients have received relief through the Marine-Hospital Service, of whom 12,803 were treated in hospitals and 28,911 at the dispensaries.

Active and effective efforts have been made through the medium of this service to protect the country against an invasion of cholera, which has prevailed in Spain and France, and the smallpox, which recently broke out in Canada.

The most gratifying results have attended the operations of the Life Saving Service during the last fiscal year. The observance of the provision of law requiring the appointment of the force employed in this service to be made “solely with reference to their fitness, and without reference to their political or party affiliation,” has secured the result which may confidently be expected in any branch of public employment where such a rule is applied. As a consequence, this service is composed of men well qualified for the performance of their dangerous and exceptionally important duties.

The number of stations in commission at the close of the year was 203. The number of disasters to vessels and craft of all kinds within their field of action was 371. The number of persons endangered in such disasters was 2,439, of whom 2,428 were saved and only 11 lost. Other lives which were imperiled, though not by disasters to shipping, were also rescued, and a large amount of property was saved through the aid of this service. The cost of its maintenance during the year was $828,474.43.

Page 1407

The work of the Coast and Geodetic Survey was during the last fiscal year carried on within the boundaries and off the coasts of thirty-two States, two Territories, and the District of Columbia. In July last certain irregularities were found to exist in the management of this Bureau, which led to a prompt investigation of its methods. The abuses which were brought to light by this examination and the reckless disregard of duty and the interests of the Government developed on the part of some of those connected with the service made a change of superintendency and a few of its other officers necessary. Since the Bureau has been in new hands an introduction of economies and the application of business methods have produced an important saving to the Government and a promise of more useful results.

This service has never been regulated by anything but the most indefinite legal enactments and the most unsatisfactory rules. It was many years ago sanctioned apparently for a purpose regarded as temporary and related to a survey of our coast. Having gained a place in the appropriations made by Congress, it has gradually taken to itself powers and objects not contemplated in its creation and extended its operations until it sadly needs legislative attention.

So far as a further survey of our coast is concerned, there seems to be a propriety in transferring that work to the Navy Department. The other duties now in charge of this establishment, if they can not be profitably attached to some existing Department or other bureau, should be prosecuted under a law exactly defining their scope and purpose, and with a careful discrimination between the scientific inquiries which may properly be assumed by the Government and those which should be undertaken by State authority or by individual enterprise.

It is hoped that the report of the Congressional committee heretofore appointed to investigate this and other like matters will aid in the accomplishment of proper legislation on this subject.

The report of the Secretary of War is herewith submitted. The attention of Congress is invited to the detailed account which it contains of the administration of his Department, and his recommendations and suggestions for the improvement of the service.

The Army consisted, at the date of the last consolidated returns, of 2,154 officers and 24,705 enlisted men.

The expenses of the Departments for the fiscal year ended June, 30, 1885, including $13,164,394.60 for public works and river and harbor improvements, were $45,850,999.54.

Besides the troops which were dispatched in pursuit of the small band of Indians who left their reservation in Arizona and committed murders and outrages, two regiments of cavalry and one of infantry were sent last July to the Indian Territory to prevent an

outbreak which seemed imminent. They remained to aid, if necessary, in the expulsion of intruders upon the reservation, who seemed to have caused the discontent among the Indians, but the Executive proclamation warning them to remove was complied with without their interference.

Page 1408

Troops were also sent to Rock Springs, in Wyoming Territory, after the massacre of Chinese there, to prevent further disturbance, and afterwards to Seattle, in Washington Territory, to avert a threatened attack upon Chinese laborers and domestic violence there. In both cases the mere presence of the troops had the desired effect.

It appears that the number of desertions has diminished, but that during the last fiscal year they numbered 2,927; and one instance is given by the Lieutenant-General of six desertions by the same recruit. I am convinced that this number of desertions can be much diminished by better discipline and treatment; but the punishment should be increased for repeated offenses.

These desertions might also be reduced by lessening the term of first enlistments, thus allowing a discontented recruit to contemplate a nearer discharge and the Army a profitable riddance. After one term of service a reenlistment would be quite apt to secure a contented recruit and a good soldier.

The Acting Judge-Advocate-General reports that the number of trials by general courts-martial during the year was 2,328, and that 11,851 trials took place before garrison and regimental courts-martial. The suggestion that probably more than half the Army have been tried for offenses, great and small, in one year may well arrest attention. Of course many of these trials before garrison and regimental courts-martial were for offenses almost frivolous, and there should, I think, be a way devised to dispose of these in a more summary and less inconvenient manner than by court-martial.

If some of the proceedings of courts-martial which I have had occasion to examine present the ideas of justice which generally prevail in these tribunals, I am satisfied that they should be much reformed if the honor and the honesty of the Army and Navy are by their instrumentality to be vindicated and protected.

The Board on Fortifications or other defenses, appointed in pursuance of the provisions of the act of Congress approved March 3, 1885, will in a short time present their report, and it is hoped that this may greatly aid the legislation so necessary to remedy the present defenseless condition of our seacoasts.

The work of the Signal Service has been prosecuted during the last year with results of increasing benefit to the country. The field of instruction has been enlarged with a view of adding to its usefulness. The number of stations in operation June 30, 1885, was 489. Telegraphic reports are received daily from 160 stations. Reports are also received from 25 Canadian stations, 375 volunteer observers, 52 army surgeons at military posts, and 333 foreign stations. The expense of the service during the fiscal year, after deducting receipts from military telegraph lines, was $792,592.97. In view of the fact referred to by the Secretary of War, that the work of this service ordinarily is of a scientific nature, and the further fact that it is assuming larger proportions constantly and becoming more and more unsuited to the fixed rules which must govern the Army, I

am inclined to agree with him in the opinion that it should be separately established. If this is done, the scope and extent of its operations should, as nearly as possible, be definitely prescribed by law and always capable of exact ascertainment.

Page 1409

The Military Academy at West Point is reported as being in a high state of efficiency and well equipped for the satisfactory accomplishment of the purposes of its maintenance.

The fact that the class which graduates next year is an unusually large one has constrained me to decline to make appointments to second lieutenancies in the Army from civil life, so that such vacancies as exist in these places may be reserved for such graduates; and yet it is not probable that there will be enough vacancies to provide positions for them all when they leave the military school. Under the prevailing law and usage those not thus assigned to duty never actively enter the military service. It is suggested that the law on this subject be changed so that such of these young men as are not at once assigned to duty after graduation may be retained as second lieutenants in the Army if they desire it, subject to assignment when opportunity occurs, and under proper rules as to priority of selection.

The expenditures on account of the Military Academy for the last fiscal year, exclusive of the sum taken for its purposes from appropriations for the support of the Army, were $290,712.07.

The act approved March 3, 1885, designed to compensate officers and enlisted men for loss of private property while in the service of the United States, is so indefinite in its terms and apparently admits so many claims the adjustment of which could not have been contemplated that if it is to remain upon the statute book it needs amendment.

There should be a general law of Congress prohibiting the construction of bridges over navigable waters in such manner as to obstruct navigation, with provisions for preventing the same. It seems that under existing statutes the Government can not intervene to prevent such a construction when entered upon without its consent, though when such consent is asked and granted upon condition the authority to insist upon such condition is clear. Thus it is represented that while the officers of the Government are with great care guarding against the obstruction of navigation by a bridge across the Mississippi River at St. Paul a large pier for a bridge has been built just below this place directly in the navigable channel of the river. If such things are to be permitted, a strong argument is presented against the appropriation of large sums of money to improve the navigation of this and other important highways of commerce.

The report of the Secretary of the Navy gives a history of the operations of his Department and the present condition of the work committed to his charge.

Page 1410

He details in full the course pursued by him to protect the rights of the Government in respect of certain vessels unfinished at the time of his accession to office, and also concerning the dispatch boat Dolphin, claimed to be completed and awaiting the acceptance of the Department. No one can fail to see from recitals contained in this report that only the application of business principles has been insisted upon in the treatment of these subjects, and that whatever controversy has arisen was caused by the exaction on the part of the Department of contract obligations as they were legally construed. In the case of the Dolphin, with entire justice to the contractor, an agreement has been entered into providing for the ascertainment by a judicial inquiry of the complete or partial compliance with the contract in her construction, and further providing for the assessment of any damages to which the Government may be entitled on account of a partial failure to perform such contract, or the payment of the sum still remaining unpaid upon her price in case a full performance is adjudged.

The contractor, by reason of his failure in business, being unable to complete the other three vessels, they were taken possession of by the Government in their unfinished state under a clause in the contract permitting such a course, and are now in process of completion in the yard of the contractor, but under the supervision of the Navy Department.

Congress at its last session authorized the construction of two additional new cruisers and two gunboats, at a cost not exceeding in the aggregate $2,995,000. The appropriation for this purpose having become available on the 1st day of July last, steps were at once taken for the procurement of such plans for the construction of these vessels as would be likely to insure their usefulness when completed. These are of the utmost importance, considering the constant advance in the art of building vessels of this character, and the time is not lost which is spent in their careful consideration and selection.

All must admit the importance of an effective navy to a nation like ours, having such an extended seacoast to protect; and yet we have not a single vessel of war that could keep the seas against a first-class vessel of any important power. Such a condition ought not longer to continue. The nation that can not resist aggression is constantly exposed to it. Its foreign policy is of necessity weak and its negotiations are conducted with disadvantage because it is not in condition to enforce the terms dictated by its sense of right and justice.

Page 1411

Inspired, as I am, by the hope, shared by all patriotic citizens, that the day is not very far distant when our Navy will be such as befits our standing among the nations of the earth, and rejoiced at every step that leads in the direction of such a consummation, I deem it my duty to especially direct the attention of Congress to the close of the report of the Secretary of the Navy, in which the humiliating weakness of the present organization of his Department is exhibited and the startling abuses and waste of its present methods are exposed. The conviction is forced upon us with the certainty of mathematical demonstration that before we proceed further in the restoration of a Navy we need a thoroughly reorganized Navy Department. The fact that within seventeen years more than $75,000,000 have been spent in the construction, repair, equipment, and armament of vessels, and the further fact that instead of an effective and creditable fleet we have only the discontent and apprehension of a nation undefended by war vessels, added to the disclosures now made, do not permit us to doubt that every attempt to revive our Navy has thus far for the most part been misdirected, and all our efforts in that direction have been little better than blind gropings and expensive, aimless follies.

Unquestionably if we are content with the maintenance of a Navy Department simply as a shabby ornament to the Government, a constant watchfulness may prevent some of the scandal and abuse which have found their way into our present organization, and its incurable waste may be reduced to the minimum. But if we desire to build ships for present usefulness instead of naval reminders of the days that are past, we must have a Department organized for the work, supplied with all the talent and ingenuity our country affords, prepared to take advantage of the experience of other nations, systematized so that all effort shall unite and lead in one direction, and fully imbued with the conviction that war vessels, though new, are useless unless they combine all that the ingenuity of man has up to this day brought forth relating to their construction.

I earnestly commend the portion of the Secretary's report devoted to this subject to the attention of Congress, in the hope that his suggestions touching the reorganization of his Department may be adopted as the first step toward the reconstruction of our Navy.

The affairs of the postal service are exhibited by the report of the Postmaster-General, which will be laid before you.

The postal revenue, whose ratio of gain upon the rising prosperity of 1882 and 1883 outstripped the increasing expenses of our growing service, was checked by the reduction in the rate of letter postage which took effect with the beginning of October in the latter year, and it diminished during the two past fiscal years $2,790,000, in about the proportion of $2,270,000 in 1884 to $520,000 in 1885. Natural growth and

Page 1412

development have meantime increased expenditure, resulting in a deficiency in the revenue to meet the expenses of the Department of five and a quarter million dollars for the year 1884 and eight and a third million in the last fiscal year. The anticipated and natural revival of the revenue has been oppressed and retarded by the unfavorable business condition of the country, of which the postal service is a faithful indicator. The gratifying fact is shown, however, by the report that our returning prosperity is marked by a gain of $380,000 in the revenue of the latter half of the last year over the corresponding period of the preceding year.

The change in the weight of first-class matter which may be carried for a single rate of postage from a half ounce to an ounce, and the reduction by one-half of the rate of newspaper postage, which, under recent legislation, began with the current year, will operate to restrain the augmentation of receipts which otherwise might have been expected to such a degree that the scale of expense may gain upon the revenue and cause an increased deficiency to be shown at its close. Yet, after no long period of reawakened prosperity, by proper economy it is confidently anticipated that even the present low rates, now as favorable as any country affords, will be adequate to sustain the cost of the service.

The operation of the Post-Office Department is for the convenience and benefit of the people, and the method by which they pay the charges of this useful arm of their public service, so that it be just and impartial, is of less importance to them than the economical expenditure of the means they provide for its maintenance and the due improvement of its agencies, so that they may enjoy its highest usefulness.

A proper attention has been directed to the prevention of waste or extravagance, and good results appear from the report to have already been accomplished.

I approve the recommendation of the Postmaster-General to reduce the charges on domestic money orders of $5 and less from 8 to 5 cents. This change will materially aid those of our people who most of all avail themselves of this instrumentality, but to whom the element of cheapness is of the greatest importance. With this reduction the system would still remain self-supporting.

The free-delivery system has been extended to 19 additional cities during the year, and 178 now enjoy its conveniences. Experience has commended it to those who enjoy its benefits, and further enlargement of its facilities is due to other communities to which it is adapted. In the cities where it has been established, taken together the local postage exceeds its maintenance by nearly $1,300,000. The limit to which this system is now confined by law has been nearly reached, and the reasons given justify its extension, which is proposed.

Page 1413

It was decided, with my approbation, after a sufficient examination, to be inexpedient for the Post-Office Department to contract for carrying our foreign mails under the additional authority given by the last Congress. The amount limited was inadequate to pay all within the purview of the law the full rate of 50 cents per mile, and it would have been unjust and unwise to have given it to some and denied it to others. Nor could contracts have been let under the law to all at a rate to have brought the aggregate within the appropriation without such practical prearrangement of terms as would have violated it.

The rate of sea and inland postage which was proffered under another statute clearly appears to be a fair compensation for the desired service, being three times the price necessary to secure transportation by other vessels upon any route, and much beyond the charges made to private persons for services not less burdensome.

Some of the steamship companies, upon the refusal of the Postmaster-General to attempt, by the means provided, the distribution of the sum appropriated as an extra compensation, withdrew the services of their vessels and thereby occasioned slight inconvenience, though no considerable injury, the mails having been dispatched by other means.

Whatever may be thought of the policy of subsidizing any line of public conveyance or travel, I am satisfied that it should not be done under cover of an expenditure incident to the administration of a Department, nor should there be any uncertainty as to the recipients of the subsidy or any discretion left to an executive officer as to its distribution. If such gifts of the public money are to be made for the purpose of aiding any enterprise in the supposed interest of the public, I can not but think that the amount to be paid and the beneficiary might better be determined by Congress than in any other way.

The international congress of delegates from the Postal Union countries convened at Lisbon, in Portugal, in February last, and after a session of some weeks the delegates signed a convention amendatory of the present postal-union convention in some particulars designed to advance its purposes. This additional act has had my approval and will be laid before you with the departmental report.

I approve the recommendation of the postmaster-General that another assistant be provided for his Department. I invite your consideration to the several other recommendations contained in his report.

The report of the Attorney-General contains a history of the conduct of the Department of Justice during the last year and a number of valuable suggestions as to needed legislation, and I invite your careful attention to the same.

Page 1414

The condition of business in the courts of the United States is such that there seems to be an imperative necessity for remedial legislation on the subject. Some of these courts are so overburdened with pending causes that the delays in determining litigation amount often to a denial of justice. Among the plans suggested for relief is one submitted by the Attorney-General. Its main features are: The transfer of all the original jurisdiction of the circuit courts to the district courts and an increase of judges for the latter where necessary; an addition of judges to the circuit courts, and constituting them exclusively courts of appeal, and reasonably limiting appeals thereto; further restrictions of the right to remove causes from the State to Federal courts; permitting appeals to the Supreme Court from the courts of the District of Columbia and the Territories only in the same cases as they are allowed from State courts, and guarding against an unnecessary number of appeals from the circuit courts.

I approve the plan thus outlined, and recommend the legislation necessary for its application to our judicial system.

The present mode of compensating United States marshals and district attorneys should, in my opinion, be changed. They are allowed to charge against the Government certain fees for services, their income being measured by the amount of such fees within a fixed limit as to their annual aggregate. This is a direct inducement for them to make their fees in criminal cases as large as possible in an effort to reach the maximum sum permitted. As an entirely natural consequence, unscrupulous marshals are found encouraging frivolous prosecutions, arresting people on petty charges of crime and transporting them to distant places for examination and trial, for the purpose of earning mileage and other fees; and district attorneys uselessly attend criminal examinations far from their places of residence for the express purpose of swelling their accounts against the Government. The actual expenses incurred in these transactions are also charged against the Government.

Thus the rights and freedom of our citizens are outraged and public expenditures increased for the purpose of furnishing public officers pretexts for increasing the measure of their compensation.

I think marshals and district attorneys should be paid salaries, adjusted by a rule which will make them commensurate with services fairly rendered.

In connection with this subject I desire to suggest the advisability, if it be found not obnoxious to constitutional objection, of investing United States commissioners with the power to try and determine certain violations of law within the grade of misdemeanors. Such trials might be made to depend upon the option of the accused. The multiplication of small and technical offenses, especially under the provisions of our internal-revenue law, render some change in our present system very desirable in the interests

Page 1415

of humanity as well as economy. The district courts are now crowded with petty prosecutions, involving a punishment in case of conviction, of only a slight fine, while the parties accused are harassed by an enforced attendance upon courts held hundreds of miles from their homes. If poor and friendless, they are obliged to remain in jail during months, perhaps, that elapse before a session of the court is held, and are finally brought to trial surrounded by strangers and with but little real opportunity for defense. In the meantime frequently the marshal has charged against the Government his fees for an arrest, the transportation of the accused and the expense of the same, and for summoning witnesses before a commissioner, a grand jury, and a court; the witnesses have been paid from the public funds large fees and traveling expenses, and the commissioner and district attorney have also made their charges against the Government.

This abuse in the administration of our criminal law should be remedied; and if the plan above suggested is not practicable, some other should be devised.

The report of the Secretary of the Interior, containing an account of the operations of this important Department and much interesting information, will be submitted for your consideration.

The most intricate and difficult subject in charge of this Department is the treatment and management of the Indians. I am satisfied that some progress may be noted in their condition as a result of a prudent administration of the present laws and regulations for their control.

But it is submitted that there is lack of a fixed purpose or policy on this subject, which should be supplied. It is useless to dilate upon the wrongs of the Indians, and as useless to indulge in the heartless belief that because their wrongs are revenged in their own atrocious manner, therefore they should be exterminated.

They are within the care of our Government, and their rights are, or should be, protected from invasion by the most solemn obligations. They are properly enough called the wards of the Government; and it should be borne in mind that this guardianship involves on our part efforts for the improvement of their condition and the enforcement of their rights. There seems to be general concurrence in the proposition that the ultimate object of their treatment should be their civilization and citizenship. Fitted by these to keep pace in the march of progress with the advanced civilization about them, they will readily assimilate with the mass of our population, assuming the responsibilities and receiving the protection incident to this condition.

The difficulty appears to be in the selection of the means to be at present employed toward the attainment of this result.

Page 1416

Our Indian population, exclusive of those in Alaska, is reported as numbering 260,000, nearly all being located on lands set apart for their use and occupation, aggregating over 134,000,000 acres. These lands are included in the boundaries of 171 reservations of different dimensions, scattered in 21 States and Territories, presenting great variations in climate and in the kind and quality of their soils. Among the Indians upon these several reservations there exist the most marked differences in natural traits and disposition and in their progress toward civilization. While some are lazy, vicious, and stupid, others are industrious, peaceful, and intelligent; while a portion of them are self-supporting and independent, and have so far advanced in civilization that they make their own laws, administered through officers of their own choice, and educate their children in schools of their own establishment and maintenance, others still retain, in squalor and dependence, almost the savagery of their natural state.

In dealing with this question the desires manifested by the Indians should not be ignored. Here again we find a great diversity. With some the tribal relation is cherished with the utmost tenacity, while its hold upon others is considerably relaxed; the love of home is strong with all, and yet there are those whose attachment to a particular locality is by no means unyielding; the ownership of their lands in severalty is much desired by some, while by others, and sometimes among the most civilized, such a distribution would be bitterly opposed.

The variation of their wants, growing out of and connected with the character of their several locations, should be regarded. Some are upon reservations most fit for grazing, but without flocks or herds; and some on arable land, have no agricultural implements. While some of the reservations are double the size necessary to maintain the number of Indians now upon them, in a few cases, perhaps, they should be enlarged.

Add to all this the difference in the administration of the agencies. While the same duties are devolved upon all, the disposition of the agents and the manner of their contact with the Indians have much to do with their condition and welfare. The agent who perfunctorily performs his duty and slothfully neglects all opportunity to advance their moral and physical improvement and fails to inspire them with a desire for better things will accomplish nothing in the direction of their civilization, while he who feels the burden of an important trust and has an interest in his work will, by consistent example, firm yet considerate treatment, and well-directed aid and encouragement, constantly lead those under his charge toward the light of their enfranchisement.

The history of all the progress which has been made in the civilization of the Indian I think will disclose the fact that the beginning has been religious teaching, followed by or accompanying secular education. While the self-sacrificing and pious men and women who have aided in this good work by their independent endeavor have for their reward the beneficent results of their labor and the consciousness of Christian duty well performed, their valuable services should be fully acknowledged by all who under the law are charged with the control and management of our Indian wards.

Page 1417

What has been said indicates that in the present condition of the Indians no attempt should be made to apply a fixed and unyielding plan of action to their varied and varying needs and circumstances.

The Indian Bureau, burdened as it is with their general oversight and with the details of the establishment, can hardly possess itself of the minute phases of the particular cases needing treatment; and thus the propriety of creating an instrumentality auxiliary to those already established for the care of the Indians suggests itself.

I recommend the passage of a law authorizing the appointment of six commissioners, three of whom shall be detailed from the Army, to be charged with the duty of a careful inspection from time to time of all the Indians upon our reservations or subject to the care and control of the Government, with a view of discovering their exact condition and needs and determining what steps shall be taken on behalf of the Government to improve their situation in the direction of their self-support and complete civilization; that they ascertain from such inspection what, if any, of the reservations may be reduced in area, and in such cases what part not needed for Indian occupation may be purchased by the Government from the Indians and disposed of for their benefit; what, if any, Indians may, with their consent, be removed to other reservations, with a view of their concentration and the sale on their behalf of their abandoned reservations; what Indian lands now held in common should be allotted in severalty; in what manner and to what extent the Indians upon the reservations can be placed under the protection of our laws and subjected to their penalties, and which, if any, Indians should be invested with the right of citizenship. The powers and functions of the commissioners in regard to these subjects should be clearly defined, though they should, in conjunction with the Secretary of the Interior, be given all the authority to deal definitely with the questions presented deemed safe and consistent.

They should be also charged with the duty of ascertaining the Indians who might properly be furnished with implements of agriculture, and of what kind; in what cases the support of the Government should be withdrawn; where the present plan of distributing Indian supplies should be changed; where schools may be established and where discontinued; the conduct, methods, and fitness of agents in charge of reservations; the extent to which such reservations are occupied or intruded upon by unauthorized persons, and generally all matters related to the welfare and improvement of the Indian.

They should advise with the Secretary of the Interior concerning these matters of detail in management, and he should be given power to deal with them fully, if he is not now invested with such power.

This plan contemplates the selection of persons for commissioners who are interested in the Indian question and who have practical ideas upon the subject of their treatment.

Page 1418

The expense of the Indian Bureau during the last fiscal year was more than six and a halt million dollars. I believe much of this expenditure might be saved under the plan proposed; that its economical effects would be increased with its continuance; that the safety of our frontier settlers would be subserved under its operation, and that the nation would be saved through its results from the imputation of inhumanity, injustice, and mismanagement.

In order to carry out the policy of allotment of Indian lands in severalty, when deemed expedient, it will be necessary to have surveys completed of the reservations, and, I hope that provision will be made for the prosecution of this work.

In May of the present year a small portion of the Chiricahua Apaches on the White Mountain Reservation, in Arizona, left the reservation and committed a number of murders and depredations upon settlers in that neighborhood. Though prompt and energetic action was taken by the military, the renegades eluded capture and escaped into Mexico. The formation of the country through which these Indians passed, their thorough acquaintance with the same, the speed of their escape, and the manner in which they scattered and concealed themselves among the mountains near the scene of their outrages put our soldiers at a great disadvantage in their efforts to capture them, though the expectation is still entertained that they will be ultimately taken and punished for their crimes.

The threatening and disorderly conduct of the Cheyennes in the Indian Territory early last summer caused considerable alarm and uneasiness. Investigation proved that their threatening attitude was due in a great measure to the occupation of the land of their reservation by immense herds of cattle, which their owners claimed were rightfully there under certain leases made by the Indians. Such occupation appearing upon examination to be unlawful notwithstanding these leases, the intruders were ordered to remove with their cattle from the lands of the Indians by Executive proclamation. The enforcement of this proclamation had the effect of restoring peace and order among the Indians, and they are now quiet and well behaved.

By an Executive order issued on February 27, 1885, by my predecessor, a portion of the tract of country in the territory known as the Old Winnebago and Crow Creek reservations was directed to be restored to the public domain and opened to settlement under the land laws of the United States, and a large number of persons entered upon those lands. This action alarmed the Sioux Indians, who claimed the territory as belonging to their reservation under the treaty of 1868. This claim was determined, after careful investigation, to be well rounded, and consequently the Executive order referred to was by proclamation of April 17, 1885, declared to be inoperative and of no effect, and all persons upon the land were warned to leave. This warning has been substantially complied with.

Page 1419

The public domain had its origin in cessions of land by the States to the General Government. The first cession was made by the State of New York, and the largest, which in area exceeded all the others, by the State of Virginia. The territory the proprietorship of which became thus vested in the General Government extended from the western line of Pennsylvania to the Mississippi River. These patriotic donations of the States were encumbered with no condition except that they should the held and used “for the common benefit of the United States.” By purchase with the common fund of all the people additions were made to this domain until it extended to the northern line of Mexico, the Pacific Ocean, and the Polar Sea. The original trust, “for the common benefit of the United States,” attached to all. In the execution of that trust the policy of many homes, rather than large estates, was adopted by the Government. That these might be easily obtained, and be the abode of security and contentment, the laws for their acquisition were few, easily understood, and general in their character. But the pressure of local interests, combined with a speculative spirit, have in many instances procured the passage of laws which marred the harmony of the general plan and encumbered the system with a multitude of general and special enactments which render the land laws complicated, subject the titles to uncertainty, and the purchasers often to oppression and wrong. Laws which were intended for the “common benefit” have been perverted so that large quantities of land are vesting in single ownerships. From the multitude and character of the laws, this consequence seems incapable of correction by mere administration.

It is not for the “common benefit of the United States” that a large area of the public lands should be acquired, directly or through fraud, in the hands of a single individual. The nation’s strength is in the people. The nation’s prosperity is in their prosperity. The nation’s glory is in the equality of her justice. The nation’s perpetuity is in the patriotism of all her people. Hence, as far as practicable, the plan adopted in the disposal of the public lands should have in view the original policy, which encouraged many purchases of these lands for homes and discouraged the massing of large areas. Exclusive of Alaska, about three-fifths of the national domain has been sold or subjected to contract or grant. Of the remaining two-fifths a considerable portion is either mountain or desert. A rapidly increasing population creates a growing demand for homes, and the accumulation of wealth inspires an eager competition to obtain the public land for speculative purposes. In the future this collision of interests will be more marked than in the past, and the execution of the nation’s trust in behalf of our settlers will be more difficult. I therefore commend to your attention the recommendations contained in the report of the Secretary of the Interior with reference to the repeal and modification of certain of our land laws.

Page 1420

The nation has made princely grants and subsidies to a system of railroads projected as great national highways to connect the Pacific States with the East. It has been charged that these donations from the people have been diverted to private gain and corrupt uses, and thus public indignation has been aroused and suspicion engendered. Our great nation does not begrudge its generosity, but it abhors speculation and fraud; and the favorable regard of our people for the great corporations to which these grants were made can only be revived by a restoration of confidence, to be secured by their constant, unequivocal, and clearly manifested integrity. A faithful application of the undiminished proceeds of the grants to the construction and perfecting of their roads, an honest discharge of their obligations, and entire justice to all the people in the enjoyment of their rights on these highways of travel are all the public asks, and it will be content with no less. To secure these things should be the common purpose of the officers of the Government, as well as of the corporations. With this accomplishment prosperity would be permanently secured to the roads, and national pride would take the place of national complaint.

It appears from the report of the Commissioner of Pensions that there were on the 1st day of July, 1885, 345,125 persons borne upon the pension rolls, who were classified as follows: Army invalids, 241,456; widows, minor children, and dependent relatives of deceased soldiers, 78,841; navy invalids, 2,745; navy widows, minor children, and dependents, 1,926; survivors of the War of 1812, 2,945; and widows of those who served in that war, 17,212. About one man in ten of all those who enlisted in the late war are reported as receiving pensions, exclusive of the dependents of deceased soldiers. On the 1st of July, 1875, the number of pensioners was 234,821, and the increase within the ten years next thereafter was 110,304.

While there is no expenditure of the public funds which the people more cheerfully approve than that made in recognition of the services of our soldiers living and dead, the sentiment underlying the subject should not be vitiated by the introduction of any fraudulent practices. Therefore it is fully as important that the rolls should be cleansed of all those who by fraud have secured a place thereon as that meritorious claims should be speedily examined and adjusted. The reforms in the methods of doing the business of this Bureau which have lately been inaugurated promise better results in both these directions.

The operations of the Patent Office demonstrate the activity of the inventive genius of the country. For the year ended June 30, 1885, the applications for patents, including reissues, and for the registration of trade-marks and labels, numbered 35,688. During the same period there were 22,928 patents granted and reissued and 1,429 trade-marks and labels registered. The number of patents issued in the year 1875 was 14,387. The receipts during the last fiscal year were $ 1,074,974.35, and the total expenditures, not including contingent expenses, $934,123.11.

Page 1421

There were 9,788 applications for patents pending on the 1st day of July, 1884, and 5,786 on the same date in the year 1885. There has been considerable improvement made in the prompt determination of applications and a consequent relief to expectant inventors.

A number of suggestions and recommendations are contained in the report of the Commissioner of patents which are well entitled to the consideration of Congress.

In the Territory of Utah the law of the United States passed for the Suppression of polygamy has been energetically and faithfully executed during the past year, with measurably good results. A number of convictions have been secured for unlawful cohabitation, and in some cases pleas of guilty have been entered and a slight punishment imposed, upon a promise by the accused that they would not again offend against the law, nor advise, counsel, aid, or abet in any way its violation by others.

The Utah commissioners express the opinion, based upon such information as they are able to obtain, that but few polygamous marriages have taken place in the Territory during the last year. They further report that while there can not be found upon the registration lists of voters the name of a man actually guilty of polygamy, and while none of that class are holding office, yet at the last election in the Territory all the officers elected, except in one county, were men who, though not actually living in the practice of polygamy, subscribe to the doctrine of polygamous marriages as a divine revelation and a law unto all higher and more binding upon the conscience than any human law, local or national. Thus is the strange spectacle presented of a community protected by a republican form of government, to which they owe allegiance, sustaining by their suffrages a principle and a belief which set at naught that obligation of absolute obedience to the law of the land which lies at the foundation of republican institutions.

The strength, the perpetuity, and the destiny of the nation rest upon our homes, established by the law of God, guarded by parental care, regulated by parental authority, and sanctified by parental love.

These are not the homes of polygamy.

The mothers of our land, who rule the nation as they mold the characters and guide the actions of their sons, live according to God's holy ordinances, and each, secure and happy in the exclusive love of the father of her children, sheds the warm light of true womanhood, unperverted and unpolluted, upon all within her pure and wholesome family circle.

These are not the cheerless, crushed, and unwomanly mothers of polygamy.

The fathers of our families are the best citizens of the Republic. Wife and children are the sources of patriotism, and conjugal and parental affection beget devotion to the

country. The man who, undefiled with plural marriage, is surrounded in his single home with his wife and children has a stake in the country which inspires him with respect for its laws and courage for its defense.

Page 1422

These are not the fathers of polygamous families.

There is no feature of this practice or the system which sanctions it which is not opposed to all that is of value in our institutions.

There should be no relaxation in the firm but just execution of the law now in operation, and I should be glad to approve such further discreet legislation as will rid the country of this blot upon its fair fame.

Since the people upholding polygamy in our Territories are reenforced by immigration from other lands, I recommend that a law be passed to prevent the importation of Mormons into the country.

The agricultural interest of the country demands just recognition and liberal encouragement. It sustains with certainty and unfailing strength our nation's prosperity by the products of its steady toil, and bears its full share of the burden of taxation without complaint. Our agriculturists have but slight personal representation in the councils of the nation, and are generally content with the humbler duties of citizenship and willing to trust to the bounty of nature for a reward of their labor. But the magnitude and value of this industry are appreciated when the statement is made that of our total annual exports more than three-fourths are the products of agriculture, and of our total population nearly one-half are exclusively engaged in that occupation.

The Department of Agriculture was created for the purpose of acquiring and diffusing among the people useful information respecting the subjects it has in charge, and aiding in the cause of intelligent and progressive farming, by the collection of statistics, by testing the value and usefulness of new seeds and plants, and distributing such as are found desirable among agriculturists. This and other powers and duties with which this Department is invested are of the utmost importance, and if wisely exercised must be of great benefit to the country. The aim of our beneficent Government is the improvement of the people in every station and the amelioration of their condition. Surely our agriculturists should not be neglected. The instrumentality established in aid of the farmers of the land should not only be well equipped for the accomplishment of its purpose, but those for whose benefit it has been adopted should be encouraged to avail themselves fully of its advantages.

The prohibition of the importation into several countries of certain of our animals and their products, based upon the suspicion that health is endangered in their use and consumption, suggests the importance of such precautions for the protection of our stock of all kinds against disease as will disarm suspicion of danger and cause the removal of such an injurious prohibition.

If the laws now in operation are insufficient to accomplish this protection, I recommend their amendment to meet the necessities of the situation; and I commend to the

consideration of Congress the suggestions contained in the report of the Commissioner of Agriculture calculated to increase the value and efficiency of this Department.

Page 1423

The report of the Civil Service Commission, which will be submitted, contains an account of the manner in which the civil-service law has been executed during the last year and much valuable information on this important subject.

I am inclined to think that there is no sentiment more general in the minds of the people of our country than a conviction of the correctness of the principle upon which the law enforcing civil-service reform is based. In its present condition the law regulates only a part of the subordinate public positions throughout the country. It applies the test of fitness to applicants for these places by means of a competitive examination, and gives large discretion to the Commissioners as to the character of the examination and many other matters connected with its execution. Thus the rules and regulations adopted by the Commission have much to do with the practical usefulness of the statute and with the results of its application.

The people may well trust the Commission to execute the law with perfect fairness and with as little irritation as is possible. But of course no relaxation of the principle which underlies it and no weakening of the safeguards which surround it can be expected. Experience in its administration will probably suggest amendment of the methods of its execution, but I venture to hope that we shall never again be remitted to the system which distributes public positions purely as rewards for partisan service. Doubts may well be entertained whether our Government could survive the strain of a continuance of this system, which upon every change of Administration inspires an immense army of claimants for office to lay siege to the patronage of Government, engrossing the time of public officers with their importunities, spreading abroad the contagion of their disappointment, and filling the air with the tumult of their discontent.

The allurements of an immense number of offices and places exhibited to the voters of the land, and the promise of their bestowal in recognition of partisan activity; debauch the suffrage and rob political action of its thoughtful and deliberative character. The evil would increase with the multiplication of offices consequent upon our extension, and the mania for office holding, growing from its indulgence, would pervade our population so generally that patriotic purpose, the support of principle, the desire for the public good, and solicitude for the nation's welfare would be nearly banished from the activity of our party contests and cause them to degenerate into ignoble, selfish, and disgraceful struggles for the possession of office and public place.

Civil-service reform enforced by law came none too soon to check the progress of demoralization.

One of its effects, not enough regarded, is the freedom it brings to the political action of those conservative and sober men who, in fear of the confusion and risk attending an arbitrary and sudden change in all the public offices with a change of party rule, cast their ballots against such a chance.

Page 1424

Parties seem to be necessary, and will long continue to exist; nor can it be now denied that there are legitimate advantages, not disconnected with office holding, which follow party supremacy. While partisanship continues bitter and pronounced and supplies so much of motive to sentiment and action, it is not fair to hold public officials in charge of important trusts responsible for the best results in the performance of their duties, and yet insist that they shall rely in confidential and important places upon the work of those not only opposed to them in political affiliation, but so steeped in partisan prejudice and rancor that they have no loyalty to their chiefs and no desire for their success. Civil-service reform does not exact this, nor does it require that those in subordinate positions who fail in yielding their best service or who are incompetent should be retained simply because they are in place. The whining of a clerk discharged for indolence or incompetency, who, though he gained his place by the worst possible operation of the spoils system, suddenly discovers that he is entitled to protection under the sanction of civil-service reform, represents an idea no less absurd than the clamor of the applicant who claims the vacant position as his compensation for the most questionable party work.

The civil-service law does not prevent the discharge of the indolent or incompetent clerk, but it does prevent supplying his place with the unfit party worker. Thus in both these phases is seen benefit to the public service. And the people who desire good government, having secured this statute, will not relinquish its benefits without protest. Nor are they unmindful of the fact that its full advantages can only be gained through the complete good faith of those having its execution in charge. And this they will insist upon.

I recommend that the salaries of the Civil Service Commissioners be increased to a sum more nearly commensurate to their important duties.

It is a source of considerable and not unnatural discontent that no adequate provision has yet been made for accommodating the principal library of the Government. Of the vast collection of books and pamphlets gathered at the Capitol, numbering some 700,000, exclusive of manuscripts, maps, and the products of the graphic arts, also of great volume and value, only about 300,000 volumes, or less than half the collection, are provided with shelf room. The others, which are increasing at the rate of from twenty-five to thirty thousand volumes a year, are not only inaccessible to the public, but are subject to serious damage and deterioration from other causes in their present situation.

A consideration of the facts that the library of the Capitol has twice been destroyed or damaged by fire, its daily increasing value, and its importance as a place of deposit of books under the law relating to copyright makes manifest the necessity of prompt action to insure its proper accommodation and protection.

Page 1425

My attention has been called to a controversy which has arisen from the condition of the law relating to railroad facilities in the city of Washington, which has involved the Commissioners of the District in much annoyance and trouble. I hope this difficulty will be promptly settled by appropriate legislation.

The Commissioners represent that enough of the revenues of the District are now on deposit in the Treasury of the United States to repay the sum advanced by the Government for sewer improvements under the act of June 30, 1884. They desire now an advance of the share which ultimately should be borne by the District of the cost of extensive improvements to the streets of the city. The total expense of these contemplated improvements is estimated at $1,000,000, and they are of the opinion that a considerable sum could be saved if they had all the money in hand, so that contracts for the whole work could be made at the same time. They express confidence that if the advance asked for should be made the Government would be reimbursed the same within a reasonable time. I have no doubt that these improvements could be made much cheaper if undertaken together and prosecuted according to a general plan.

The license law now in force within the District is deficient and uncertain in some of its provisions and ought to be amended. The Commissioners urge, with good reason, the necessity of providing a building for the use of the District government which shall better secure the safety and preservation of its valuable books and records.

The present condition of the law relating to the succession to the Presidency in the event of the death, disability, or removal of both the President and Vice-President is such as to require immediate amendment. This subject has repeatedly been considered by Congress, but no result has been reached. The recent lamentable death of the Vice-President, and vacancies at the same time in all other offices the incumbents of which might immediately exercise the functions of the presidential office, has caused public anxiety and a just demand that a recurrence of such a condition of affairs should not be permitted.

In conclusion I commend to the wise care and thoughtful attention of Congress the needs, the welfare, and the aspirations of an intelligent and generous nation. To subordinate these to the narrow advantages of partisanship or the accomplishment of selfish aims is to violate the people’s trust and betray the people’s interests; but an individual sense of responsibility on the part of each of us and a stern determination to perform our duty well must give us place among those who have added in their day and generation to the glory and prosperity of our beloved land.

***

State of the Union Address
Grover Cleveland
December 6, 1886

To the Congress of the United States:

In discharge of a constitutional duty, and following a well-established precedent in the Executive office, I herewith transmit to the Congress at its reassembling certain information concerning the state of the Union, together with such recommendations for legislative consideration as appear necessary and expedient.

Page 1426

Our Government has consistently maintained its relations of friendship toward all other powers and of neighborly interest toward those whose possessions are contiguous to our own. Few questions have arisen during the past year with other governments, and none of those are beyond the reach of settlement in friendly counsel.

We are as yet without provision for the settlement of claims of citizens of the United States against Chile for injustice during the late war with Peru and Bolivia. The mixed commissions organized under claims conventions concluded by the Chilean Government with certain European States have developed an amount of friction which we trust can be avoided in the convention which our representative at Santiago is authorized to negotiate.

The cruel treatment of inoffensive Chinese has, I regret to say, been repeated in some of the far Western States and Territories, and acts of violence against those people, beyond the power of the local constituted authorities to prevent and difficult to punish, are reported even in distant Alaska. Much of this violence can be traced to race prejudice and competition of labor, which can not, however, justify the oppression of strangers whose safety is guaranteed by our treaty with China equally with the most favored nations.

In opening our vast domain to alien elements the purpose of our lawgivers was to invite assimilation, and not to provide an arena for endless antagonism. The paramount duty of maintaining public order and defending the interests of our own people may require the adoption of measures of restriction, but they should not tolerate the oppression of individuals of a special race. I am not without assurance that the Government of China, whose friendly disposition toward us I am most happy to recognize, will meet us halfway in devising a comprehensive remedy by which an effective limitation of Chinese emigration, joined to protection of those Chinese subjects who remain in this country, may be secured.

Legislation is needed to execute the provisions of our Chinese convention of 1880 touching the opium traffic.

While the good will of the Colombian Government toward our country is manifest, the situation of American interests on the Isthmus of Panama has at times excited concern and invited friendly action looking to the performance of the engagements of the two nations concerning the territory embraced in the interoceanic transit. With the subsidence of the Isthmian disturbances and the erection of the State of Panama into a federal district under the direct government of the constitutional administration at Bogota, a new order of things has been inaugurated, which, although as yet somewhat experimental and affording scope for arbitrary exercise of power by the delegates of the national authority, promises much improvement.

The sympathy between the people of the United States and France, born during our colonial struggle for independence and continuing today, has received a fresh impulse in the successful completion and dedication of the colossal statue of “Liberty Enlightening the World” in New York Harbor—the gift of Frenchmen to Americans.

Page 1427

A convention between the United States and certain other powers for the protection of submarine cables was signed at Paris on March 14, 1884, and has been duly ratified and proclaimed by this Government. By agreement between the high contracting parties this convention is to go into effect on the 1st of January next, but the legislation required for its execution in the United States has not yet been adopted. I earnestly recommend its enactment.

Cases have continued to occur in Germany giving rise to much correspondence in relation to the privilege of sojourn of our naturalized citizens of German origin revisiting the land of their birth, yet I am happy to state that our relations with that country have lost none of their accustomed cordiality.

The claims for interest upon the amount of tonnage dues illegally exacted from certain German steamship lines were favorably reported in both Houses of Congress at the last session, and I trust will receive final and favorable action at an early day.

The recommendations contained in my last annual message in relation to a mode of settlement of the fishery rights in the waters of British North America, so long a subject of anxious difference between the United States and Great Britain, was met by an adverse vote of the Senate on April 13 last, and thereupon negotiations were instituted to obtain an agreement with Her Britannic Majesty's Government for the promulgation of such joint interpretation and definition of the article of the convention of 1818 relating to the territorial waters and inshore fisheries of the British Provinces as should secure the Canadian rights from encroachment by the United States fishermen and at the same time insure the enjoyment by the latter of the privileges guaranteed to them by such convention.

The questions involved are of long standing, of grave consequence, and from time to time for nearly three-quarters of a century have given rise to earnest international discussions, not unaccompanied by irritation.

Temporary arrangements by treaties have served to allay friction, which, however, has revived as each treaty was terminated. The last arrangement, under the treaty of 1871, was abrogated after due notice by the United States on June 30, 1885, but I was enabled to obtain for our fishermen for the remainder of that season enjoyment of the full privileges accorded by the terminated treaty.

The joint high commission by whom the treaty had been negotiated, although invested with plenary power to make a permanent settlement, were content with a temporary arrangement, after the termination of which the question was relegated to the stipulations of the treaty of 1818, as to the first article of which no construction satisfactory to both countries has ever been agreed upon.

The progress of civilization and growth of population in the British Provinces to which the fisheries in question are contiguous and the expansion of commercial intercourse between them and the United States present to-day a condition of affairs scarcely realizable at the date of the negotiations of 1818.

Page 1428

New and vast interests have been brought into existence; modes of intercourse between the respective countries have been invented and multiplied; the methods of conducting the fisheries have been wholly changed; and all this is necessarily entitled to candid and careful consideration in the adjustment of the terms and conditions of intercourse and commerce between the United States and their neighbors along a frontier of over 3,500 miles.

This propinquity, community of language and occupation, and similarity of political and social institutions indicate the practicability and obvious wisdom of maintaining mutually beneficial and friendly relations.

Whilst I am unfeignedly desirous that such relations should exist between us and the inhabitants of Canada, yet the action of their officials during the past season toward our fishermen has been such as to seriously threaten their continuance.

Although disappointed in my efforts to secure a satisfactory settlement of the fishery question, negotiations are still pending, with reasonable hope that before the close of the present session of Congress announcement may be made that an acceptable conclusion has been reached.

As at an early day there may be laid before Congress the correspondence of the Department of State in relation to this important subject, so that the history of the past fishing season may be fully disclosed and the action and the attitude of the Administration clearly comprehended, a more extended reference is not deemed necessary in this communication.

The recommendation submitted last year that provision be made for a preliminary reconnoissance of the conventional boundary line between Alaska and British Columbia is renewed.

I express my unhesitating conviction that the intimacy of our relations with Hawaii should be emphasized. As a result of the reciprocity treaty of 1875, those islands, on the highway of Oriental and Australasian traffic, are virtually an outpost of American commerce and a stepping-stone to the growing trade of the Pacific. The Polynesian Island groups have been so absorbed by other and more powerful governments that the Hawaiian Islands are left almost alone in the enjoyment of their autonomy, which it is important for us should be preserved. Our treaty is now terminable on one year's notice, but propositions to abrogate it would be, in my judgment, most ill advised. The paramount influence we have there acquired, once relinquished, could only with difficulty be regained, and a valuable ground of vantage for ourselves might be converted into a stronghold for our commercial competitors. I earnestly recommend that the existing treaty stipulations be extended for a further term of seven years. A recently signed treaty to this end is now before the Senate.

The importance of telegraphic communication between those islands and the United States should not be overlooked.

The question of a general revision of the treaties of Japan is again under discussion at Tokyo. As the first to open relations with that Empire, and as the nation in most direct commercial relations with Japan, the United States have lost no opportunity to testify their consistent friendship by supporting the just claims of Japan to autonomy and independence among nations.

Page 1429

A treaty of extradition between the United States and Japan, the first concluded by that Empire, has been lately proclaimed.

The weakness of Liberia and the difficulty of maintaining effective sovereignty over its outlying districts have exposed that Republic to encroachment. It can not be forgotten that this distant community is an offshoot of our own system, owing its origin to the associated benevolence of American citizens, whose praiseworthy efforts to create a nucleus of civilization in the Dark Continent have commanded respect and sympathy everywhere, especially in this country. Although a formal protectorate over Liberia is contrary to our traditional policy, the moral right and duty of the United States to assist in all proper ways in the maintenance of its integrity is obvious, and has been consistently announced during nearly half a century. I recommend that in the reorganization of our Navy a small vessel, no longer found adequate to our needs, be presented to Liberia, to be employed by it in the protection of its coastwise revenues.

The encouraging development of beneficial and intimate relations between the United States and Mexico, which has been so marked within the past few years, is at once the occasion of congratulation and of friendly solicitude. I urgently renew my former representation of the need or speedy legislation by Congress to carry into effect the reciprocity commercial convention of January 20, 1883.

Our commercial treaty of 1831 with Mexico was terminated, according to its provisions, in 1881, upon notification given by Mexico in pursuance of her announced policy of recasting all her commercial treaties. Mexico has since concluded with several foreign governments new treaties of commerce and navigation, defining alien rights of trade, property, and residence, treatment of shipping, consular privileges, and the like. Our yet unexecuted reciprocity convention of 1883 covers none of these points, the settlement of which is so necessary to good relationship. I propose to initiate with Mexico negotiations for a new and enlarged treaty of commerce and navigation.

In compliance with a resolution of the Senate, I communicated to that body on August 2 last, and also to the House of Representatives, the correspondence in the case of A. K. Cutting, an American citizen, then imprisoned in Mexico, charged with the commission of a penal offense in Texas, of which a Mexican citizen was the object.

After demand had been made for his release the charge against him was amended so as to include a violation of Mexican law within Mexican territory.

This joinder of alleged offenses, one within and the other exterior to Mexico, induced me to order a special investigation of the case, pending which Mr. Cutting was released.

The incident has, however, disclosed a claim of jurisdiction by Mexico novel in our history, whereby any offense committed anywhere by a foreigner, penal in the place of

its commission, and of which a Mexican is the object, may, if the offender be found in Mexico, be there tried and punished in conformity with Mexican laws.

Page 1430

This jurisdiction was sustained by the courts of Mexico in the Cutting case, and approved by the executive branch of that Government, upon the authority of a Mexican statute. The appellate court in releasing Mr. Cutting decided that the abandonment of the complaint by the Mexican citizen aggrieved by the alleged crime (a libelous publication) removed the basis of further prosecution, and also declared justice to have been satisfied by the enforcement of a small part of the original sentence.

The admission of such a pretension would be attended with serious results, invasive of the jurisdiction of this Government and highly dangerous to our citizens in foreign lands. Therefore I have denied it and protested against its attempted exercise as unwarranted by the principles of law and international usages.

A sovereign has jurisdiction of offenses which take effect within his territory, although concocted or commenced outside of it; but the right is denied of any foreign sovereign to punish a citizen of the United States for an offense consummated on our soil in violation of our laws, even though the offense be against a subject or citizen of such sovereign. The Mexican statute in question makes the claim broadly, and the principle, if conceded, would create a dual responsibility in the citizen and lead to inextricable confusion, destructive of that certainty in the law which is an essential of liberty.

When citizens of the United States voluntarily go into a foreign country, they must abide by the laws there in force, and will not be protected by their own Government from the consequences of an offense against those laws committed in such foreign country; but watchful care and interest of this Government over its citizens are not relinquished because they have gone abroad, and if charged with crime committed in the foreign land a fair and open trial, conducted with decent regard for justice and humanity, will be demanded for them. With less than that this Government will not be content when the life or liberty of its citizens is at stake.

Whatever the degree to which extraterritorial criminal jurisdiction may have been formerly allowed by consent and reciprocal agreement among certain of the European States, no such doctrine or practice was ever known to the laws of this country or of that from which our institutions have mainly been derived.

In the case of Mexico there are reasons especially strong for perfect harmony in the mutual exercise of jurisdiction. Nature has made us irrevocably neighbors, and wisdom and kind feeling should make us friends.

The overflow of capital and enterprise from the United States is a potent factor in assisting the development of the resources of Mexico and in building up the prosperity of both countries.

To assist this good work all grounds of apprehension for the security of person and property should be removed; and I trust that in the interests of good neighborhood the

statute referred to will be so modified as to eliminate the present possibilities of danger to the peace of the two countries.

Page 1431

The Government of the Netherlands has exhibited concern in relation to certain features of our tariff laws, which are supposed by them to be aimed at a class of tobacco produced in the Dutch East Indies. Comment would seem unnecessary upon the unwisdom of legislation appearing to have a special national discrimination for its object, which, although unintentional, may give rise to injurious retaliation.

The establishment, less than four years ago, of a legation at Teheran is bearing fruit in the interest exhibited by the Shah's Government in the industrial activity of the United States and the opportunities of beneficial interchanges.

Stable government is now happily restored in Peru by the election of a constitutional president, and a period of rehabilitation is entered upon; but the recovery is necessarily slow from the exhaustion caused by the late war and civil disturbances. A convention to adjust by arbitration claims of our citizens has been proposed and is under consideration.

The naval officer who bore to Siberia the testimonials bestowed by Congress in recognition of the aid given to the Jeannette survivors has successfully accomplished his mission. His interesting report will be submitted. It is pleasant to know that this mark of appreciation has been welcomed by the Russian Government and people as befits the traditional friendship of the two countries.

Civil perturbations in the Samoan Islands have during the past few years been a source of considerable embarrassment to the three Governments-Germany, Great Britain, and the United States—whose relations and extraterritorial rights in that important group are guaranteed by treaties. The weakness of the native administration and the conflict of opposing interests in the islands have led King Malietoa to seek alliance or protection in some one quarter, regardless of the distinct engagements whereby no one of the three treaty powers may acquire any paramount or exclusive interest. In May last Malietoa offered to place Samoa under the protection of the United States, and the late consul, without authority, assumed to grant it. The proceeding was promptly disavowed and the overzealous official recalled. Special agents of the three Governments have been deputed to examine the situation in the islands. With a change in the representation of all three powers and a harmonious understanding between them, the peace, prosperity, autonomous administration, and neutrality of Samoa can hardly fail to be secured.

It appearing that the Government of Spain did not extend to the flag of the United States in the Antilles the full measure of reciprocity requisite under our statute for the continuance of the suspension of discriminations against the Spanish flag in our ports, I was constrained in October last to rescind my predecessor's proclamation of February 14, 1884, permitting such suspension. An arrangement was, however, speedily

Page 1432

reached, and upon notification from the Government of Spain that all differential treatment of our vessels and their cargoes, from the United States or from any foreign country, had been completely and absolutely relinquished, I availed myself of the discretion conferred by law and issued on the 27th of October my proclamation declaring reciprocal suspension in the United States. It is most gratifying to bear testimony to the earnest spirit in which the Government of the Queen Regent has met our efforts to avert the initiation of commercial discriminations and reprisals, which are ever disastrous to the material interests and the political good will of the countries they may affect.

The profitable development of the large commercial exchanges between the United States and the Spanish Antilles is naturally an object of solicitude. Lying close at our doors, and finding here their main markets of supply and demand, the welfare of Cuba and Puerto Rico and their production and trade are scarcely less important to us than to Spain. Their commercial and financial movements are so naturally a part of our system that no obstacle to fuller and freer intercourse should be permitted to exist. The standing instructions of our representatives at Madrid and Havana have for years been to leave no effort unessayed to further these ends, and at no time has the equal good desire of Spain been more hopefully manifested than now.

The Government of Spain, by removing the consular tonnage fees on cargoes shipped to the Antilles and by reducing passport fees, has shown its recognition of the needs of less trammeled intercourse.

An effort has been made during the past year to remove the hindrances to the proclamation of the treaty of naturalization with the Sublime Porte, signed in 1874, which has remained inoperative owing to a disagreement of interpretation of the clauses relative to the effects of the return to and sojourn of a naturalized citizen in the land of origin. I trust soon to be able to announce a favorable settlement of the differences as to this interpretation.

It has been highly satisfactory to note the improved treatment of American missionaries in Turkey, as has been attested by their acknowledgments to our late minister to that Government of his successful exertions in their behalf.

The exchange of ratifications of the convention of December 5, 1885, with Venezuela, for the reopening of the awards of the Caracas Commission under the claims convention of 1866, has not yet been effected, owing to the delay of the Executive of that Republic in ratifying the measure. I trust that this postponement will be brief; but should it much longer continue, the delay may well be regarded as a rescission of the compact and a failure on the part of Venezuela to complete an arrangement so persistently sought by her during many years and assented to by this Government in a

spirit of international fairness, although to the detriment of holders of bona fide awards of the impugned commission.

Page 1433

I renew the recommendation of my last annual message that existing legislation concerning citizenship and naturalization be revised. We have treaties with many states providing for the renunciation of citizenship by naturalized aliens, but no statute is found to give effect to such engagements, nor any which provides a needed central bureau for the registration of naturalized citizens.

Experience suggests that our statutes regulating extradition might be advantageously amended by a provision for the transit across our territory, now a convenient thoroughfare of travel from one foreign country to another, of fugitives surrendered by a foreign government to a third state. Such provisions are not unusual in the legislation of other countries, and tend to prevent the miscarriage of justice. It is also desirable, in order to remove present uncertainties, that authority should be conferred on the Secretary of State to issue a certificate, in case of an arrest for the purpose of extradition, to the officer before whom the proceeding is pending, showing that a requisition for the surrender of the person charged has been duly made. Such a certificate, if required to be received before the prisoner's examination, would prevent a long and expensive judicial inquiry into a charge which the foreign government might not desire to press. I also recommend that express provision be made for the immediate discharge from custody of persons committed for extradition where the President is of opinion that surrender should not be made.

The drift of sentiment in civilized communities toward full recognition of the rights of property in the creations of the human intellect has brought about the adoption by many important nations of an international copyright convention, which was signed at Berne on the 18th of September, 1885.

Inasmuch as the Constitution gives to the Congress the power "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries," this Government did not feel warranted in becoming a signatory pending the action of Congress upon measures of international copyright now before it; but the right of adhesion to the Berne convention hereafter has been reserved. I trust the subject will receive at your hands the attention it deserves, and that the just claims of authors, so urgently pressed, will be duly heeded.

Representations continue to be made to me of the injurious effect upon American artists studying abroad and having free access to the art collections of foreign countries of maintaining a discriminating duty against the introduction of the works of their brother artists of other countries, and I am induced to repeat my recommendation for the abolition of that tax.

Page 1434

Pursuant to a provision of the diplomatic and consular appropriation act approved July 1, 1886, the estimates submitted by the Secretary of State for the maintenance of the consular service have been recast on the basis of salaries for all officers to whom such allowance is deemed advisable. Advantage has been taken of this to redistribute the salaries of the offices now appropriated for, in accordance with the work performed, the importance of the representative duties of the incumbent, and the cost of living at each post. The last consideration has been too often lost sight of in the allowances heretofore made. The compensation which may suffice for the decent maintenance of a worthy and capable officer in a position of onerous and representative trust at a post readily accessible, and where the necessaries of life are abundant and cheap, may prove an inadequate pittance in distant lands, where the better part of a year's pay is consumed in reaching the post of duty, and where the comforts of ordinary civilized existence can only be obtained with difficulty and at exorbitant cost. I trust that in considering the submitted schedules no mistaken theory of economy will perpetuate a system which in the past has virtually closed to deserving talent many offices where capacity and attainments of a high order are indispensable, and in not a few instances has brought discredit on our national character and entailed embarrassment and even suffering on those deputed to uphold our dignity and interests abroad.

In connection with this subject I earnestly reiterate the practical necessity of supplying some mode of trustworthy inspection and report of the manner in which the consulates are conducted. In the absence of such reliable information efficiency can scarcely be rewarded or its opposite corrected.

Increasing competition in trade has directed attention to the value of the consular reports printed by the Department of State, and the efforts of the Government to extend the practical usefulness of these reports have created a wider demand for them at home and a spirit of emulation abroad. Constituting a record at the changes occurring in trade and of the progress of the arts and invention in foreign countries, they are much sought for by all interested in the subjects which they embrace.

The report of the Secretary of the Treasury exhibits in detail the condition of the public finances and of the several branches of the Government related to his Department. I especially direct the attention of the Congress to the recommendations contained in this and the last preceding report of the Secretary touching the simplification and amendment of the laws relating to the collection of our revenues, and in the interest of economy and justice to the Government I hope they may be adopted by appropriate legislation.

Page 1435

The ordinary receipts of the Government for the fiscal year ended June 30, 1886, were $336,439,727.06. Of this amount $192,905,023.41 was received from customs and $116,805,936.48 from internal revenue. The total receipts, as here stated, were $13,749,020.68 greater than for the previous year, but the increase from customs was $11,434,084.10 and from internal revenue $4,407,210.94, making a gain in these items for the last year of $15,841,295.04, a falling off in other resources reducing the total increase to the smaller amount mentioned.

The expense at the different custom-houses of collecting this increased customs revenue was less than the expense attending the collection of such revenue for the preceding year by $490,608, and the increased receipts of internal revenue were collected at a cost to the Internal-Revenue Bureau $155,944.99 less than the expense of such collection for the previous year.

The total ordinary expenses of the Government for the fiscal year ended June 30, 1886, were $242,483,138.50, being less by $17,788,797 than such expenditures for the year preceding, and leaving a surplus in the Treasury at the close of the last fiscal year of $93,956,588.56, as against $63,463,771.27 at the close of the previous year, being an increase in such surplus of $30,492,817.29.

The expenditures are compared with those of the preceding fiscal year and classified as follows:

For the current year to end June 30, 1887, the ascertained receipts up to October 1, 1886, with such receipts estimated for the remainder of the year, amount to $356,000,000.

The expenditures ascertained and estimated for the same period are $266,000,000, indicating an anticipated surplus at the close of the year of $90,000,000.

The total value of the exports from the United States to foreign countries during the fiscal year is stated and compared with the preceding year as follows:

The value of some of our leading exports during the last fiscal year, as compared with the value of the same for the year immediately preceding, is here given, and furnishes information both interesting and suggestive:

Our imports during the last fiscal year, as compared with the previous year, were as follows:

In my last annual message to the Congress attention was directed to the fact that the revenues of the Government exceeded its actual needs, and it was suggested that legislative action should be taken to relieve the people from the unnecessary burden of taxation thus made apparent.

In view of the pressing importance of the subject I deem it my duty to again urge its consideration.

Page 1436

The income of the Government, by its increased volume and through economies in its collection, is now more than ever in excess of public necessities. The application of the surplus to the payment of such portion of the public debt as is now at our option subject to extinguishment, if continued at the rate which has lately prevailed, would retire that class of indebtedness within less than one year from this date. Thus a continuation of our present revenue system would soon result in the receipt of an annual income much greater than necessary to meet Government expenses, with no indebtedness upon which it could be applied. We should then be confronted with a vast quantity of money, the circulating medium of the people, hoarded in the Treasury when it should be in their hands, or we should be drawn into wasteful public extravagance, with all the corrupting national demoralization which follows in its train.

But it is not the simple existence of this surplus and its threatened attendant evils which furnish the strongest argument against our present scale of Federal taxation. Its worst phase is the exaction of such a surplus through a perversion of the relations between the people and their Government and a dangerous departure from the rules which limit the right of Federal taxation.

Good government, and especially the government of which every American citizen boasts, has for its objects the protection of every person within its care in the greatest liberty consistent with the good order of society and his perfect security in the enjoyment of his earnings with the least possible diminution for public needs. When more of the people's substance is exacted through the form of taxation than is necessary to meet the just obligations of the Government and the expense of its economical administration, such exaction becomes ruthless extortion and a violation of the fundamental principles of a free government.

The indirect manner in which these exactions are made has a tendency to conceal their true character and their extent. But we have arrived at a stage of superfluous revenue which has aroused the people to a realization of the fact that the amount raised professedly for the support of the Government is paid by them as absolutely if added to the price of the things which supply their daily wants as if it was paid at fixed periods into the hand of the tax gatherer.

Those who toil for daily wages are beginning to understand that capital, though sometimes vaunting its importance and clamoring for the protection and favor of the Government, is dull and sluggish till, touched by the magical hand of labor, it springs into activity, furnishing an occasion for Federal taxation and gaining the value which enables it to bear its burden. And the laboring man is thoughtfully inquiring whether in these circumstances, and considering the tribute he constantly pays into the public Treasury as he supplies his daily wants, he receives his fair share of advantages.

Page 1437

There is also a suspicion abroad that the surplus of our revenues indicates abnormal and exceptional business profits, which, under the system which produces such surplus, increase without corresponding benefit to the people at large the vast accumulations of a few among our citizens, whose fortunes, rivaling the wealth of the most favored in antidemocratic nations, are not the natural growth of a steady, plain, and industrious republic.

Our farmers, too, and those engaged directly and indirectly in supplying the products of agriculture, see that day by day, and as often as the daily wants of their households recur, they are forced to pay excessive and needless taxation, while their products struggle in foreign markets with the competition of nations, which, by allowing a freer exchange of productions than we permit, enable their people to sell for prices which distress the American farmer.

As every patriotic citizen rejoices in the constantly increasing pride of our people in American citizenship and in the glory of our national achievements and progress, a sentiment prevails that the leading strings useful to a nation in its infancy may well be to a great extent discarded in the present stage of American ingenuity, courage, and fearless self-reliance; and for the privilege of indulging this sentiment with true American enthusiasm our citizens are quite willing to forego an idle surplus in the public Treasury.

And all the people know that the average rate of Federal taxation upon imports is to-day, in time of peace, but little less, while upon some articles of necessary consumption it is actually more, than was imposed by the grievous burden willingly borne at a time when the Government needed millions to maintain by war the safety and integrity of the Union.

It has been the policy of the Government to collect the principal part of its revenues by a tax upon imports, and no change in this policy is desirable. But the present condition of affairs constrains our people to demand that by a revision of our revenue laws the receipts of the Government shall be reduced to the necessary expense of its economical administration; and this demand should be recognized and obeyed by the people's representatives in the legislative branch of the Government.

In readjusting the burdens of Federal taxation a sound public policy requires that such of our citizens as have built up large and important industries under present conditions should not be suddenly and to their injury deprived of advantages to which they have adapted their business; but if the public good requires it they should be content with such consideration as shall deal fairly and cautiously with their interests, while the just demand of the people for relief from needless taxation is honestly answered.

A reasonable and timely submission to such a demand should certainly be possible without disastrous shock to any interest; and a cheerful concession sometimes averts abrupt and heedless action, often the outgrowth of impatience and delayed justice.

Page 1438

Due regard should be also accorded in any proposed readjustment to the interests of American labor so far as they are involved. We congratulate ourselves that there is among us no laboring class fixed within unyielding bounds and doomed under all conditions to the inexorable fate of daily toil. We recognize in labor a chief factor in the wealth of the Republic, and we treat those who have it in their keeping as citizens entitled to the most careful regard and thoughtful attention. This regard and attention should be awarded them, not only because labor is the capital of our workingmen, justly entitled to its share of Government favor, but for the further and not less important reason that the laboring man, surrounded by his family in his humble home, as a consumer is vitally interested in all that cheapens the cost of living and enables him to bring within his domestic circle additional comforts and advantages.

This relation of the workingman to the revenue laws of the country and the manner in which it palpably influences the question of wages should not be forgotten in the justifiable prominence given to the proper maintenance of the supply and protection of well-paid labor. And these considerations suggest such an arrangement of Government revenues as shall reduce the expense of living, while it does not curtail the opportunity for work nor reduce the compensation of American labor and injuriously affect its condition and the dignified place it holds in the estimation of our people.

But our farmers and agriculturists—those who from the soil produce the things consumed by all—are perhaps more directly and plainly concerned than any other of our citizens in a just and careful system of Federal taxation. Those actually engaged in and more remotely connected with this kind of work number nearly one-half of our population. None labor harder or more continuously than they. No enactments limit their hours of toil and no interposition of the Government enhances to any great extent the value of their products. And yet for many of the necessaries and comforts of life, which the most scrupulous economy enables them to bring into their homes, and for their implements of husbandry, they are obliged to pay a price largely increased by an unnatural profit, which by the action of the Government is given to the more favored manufacturer.

I recommend that, keeping in view all these considerations, the increasing and unnecessary surplus of national income annually accumulating be released to the people by an amendment to our revenue laws which shall cheapen the price of the necessaries of life and give freer entrance to such imported materials as by American labor may be manufactured into marketable commodities.

Nothing can be accomplished, however, in the direction of this much-needed reform unless the subject is approached in a patriotic spirit of devotion to the interests of the entire country and with a willingness to yield something for the public good.

Page 1439

The sum paid upon the public debt during the fiscal year ended June 30, 1886, was $44,551,043.36.

During the twelve months ended October 31,1886, 3 per cent bonds were called for redemption amounting to $127,283,100, of which $80,643,200 was so called to answer the requirements of the law relating to the sinking fund and $46,639,900 for the purpose of reducing the public debt by application of a part of the surplus in the Treasury to that object. Of the bonds thus called $102,269,450 became subject under such calls to redemption prior to November 1, 1886. The remainder, amounting to $25,013,650, matured under the calls after that date.

In addition to the amount subject to payment and cancellation prior to November 1, there were also paid before that day certain of these bonds, with the interest thereon, amounting to $5,072,350, which were anticipated as to their maturity, of which $2,664,850 had not been called, Thus $107,341,800 had been actually applied prior to the 1st of November, 1886, to the extinguishment of our bonded and interest-bearing debt, leaving on that day still outstanding the sum of $1,153,443,112. Of this amount $86,848,700 were still represented by 3 per cent bonds. They however, have been since November 1, or will at once be, further reduced by $22,606,150, being bonds which have been called, as already stated, but not redeemed and canceled before the latter date.

During the fiscal year ended June 30, 1886, there were coined, under the compulsory silver-coinage act of 1878,29,838,905 silver dollars, and the cost of the silver used in such coinage was $23,448,960.01. There had been coined up to the close of the previous fiscal year under the provisions of the law 203,882,554 silver dollars, and on the 1st day of December, 1886, the total amount of such coinage was $247,131,549.

The Director of the Mint reports that at the time of the passage of the law of 1878 directing this coinage the intrinsic value of the dollars thus coined was 94 1/4 cents each, and that on the 31st day of July, 1886, the price of silver reached the lowest stage ever known, so that the intrinsic or bullion price of our standard silver dollar at that date was less than 72 cents. The price of silver on the 30th day of November last was such as to make these dollars intrinsically worth 78 cents each.

These differences in value of the coins represent the fluctuations in the price of silver, and they certainly do not indicate that compulsory coinage by the Government enhances the price of that commodity or secures uniformity in its value.

Page 1440

Every fair and legal effort has been made by the Treasury Department to distribute this currency among the people. The withdrawal of United States Treasury notes of small denominations and the issuing of small silver certificates have been resorted to in the endeavor to accomplish this result, in obedience to the will and sentiments of the representatives of the people in the Congress. On the 27th day of November, 1886, the people held of these coins, or certificates representing them, the nominal sum of $166,873,041, and we still had $79,464,345 in the Treasury as against about $142,894,055 so in the hands of the people and $72,865,376 remaining in the Treasury one year ago. The Director of the Mint again urges the necessity of more vault room for the purpose of storing these silver dollars which are not needed for circulation by the people.

I have seen no reason to change the views expressed in my last annual message on the subject of this compulsory coinage, and I again urge its suspension on all the grounds contained in my former recommendation, reenforced by the significant increase of our gold exportations during the last year, as appears by the comparative statement herewith presented, and for the further reasons that the more this currency is distributed among the people the greater becomes our duty to protect it from disaster, that we now have abundance for all our needs, and that there seems but little propriety in building vaults to store such currency when the only pretense for its coinage is the necessity of its use by the people as a circulating medium.

The great number of suits now pending in the United States courts for the southern district of New York growing out of the collection of customs revenue at the port of New York and the number of such suits that are almost daily instituted are certainly worthy the attention of the Congress. These legal controversies, based upon conflicting views by importers and the collector as to the interpretation of our present complex and indefinite revenue laws, might be largely obviated by an amendment of those laws.

But pending such amendment the present condition of this litigation should be relieved. There are now pending about 2,500 of these suits. More than 1,100 have been commenced within the past eighteen months, and many of the others have been at issue for more than twenty-five years. These delays subject the Government to loss of evidence and prevent the preparation necessary to defeat unjust and fictitious claims, while constantly accruing interest threatens to double the demands involved.

In the present condition of the dockets of the courts, well filled with private suits, and of the force allowed the district attorney, no greater than is necessary for the ordinary and current business of his office, these revenue litigations can not be considered.

In default of the adoption by the Congress of a plan for the general reorganization of the Federal courts, as has been heretofore recommended, I urge the propriety of passing a law permitting the appointment of an additional Federal judge in the district where these

Government suits have accumulated, so that by continuous sessions of the courts devoted to the trial of these cases they may be determined.

Page 1441

It is entirely plain that a great saving to the Government would be accomplished by such a remedy, and the suitors who have honest claims would not be denied justice through delay.

The report of the Secretary of War gives a detailed account of the administration of his Department and contains sundry recommendations for the improvement of the service, which I fully approve.

The Army consisted at the date of the last consolidated return of 2,103 officers and 24,946 enlisted men.

The expenses of the Department for the last fiscal year were $36,990,903.38, including $6,294,305.43 for public works and river and harbor improvements.

I especially direct the attention of the Congress to the recommendation that officers be required to submit to an examination as a preliminary to their promotion. I see no objection, but many advantages, in adopting this feature, which has operated so beneficially in our Navy Department, as well as in some branches of the Army.

The subject of coast defenses and fortifications has been fully and carefully treated by the Board on Fortifications, whose report was submitted at the last session of Congress; but no construction work of the kind recommended by the board has been possible during the last year from the lack of appropriations for such purpose.

The defenseless condition of our seacoast and lake frontier is perfectly palpable. The examinations made must convince us all that certain of our cities named in the report of the board should be fortified and that work on the most important of these fortifications should be commenced at once. The work has been thoroughly considered and laid out, the Secretary of War reports, but all is delayed in default of Congressional action.

The absolute necessity, judged by all standards of prudence and foresight, of our preparation for an effectual resistance against the armored ships and steel guns and mortars of modern construction which may threaten the cities on our coasts is so apparent that I hope effective steps will be taken in that direction immediately.

The valuable and suggestive treatment of this question by the Secretary of War is earnestly commended to the consideration of the Congress.

In September and October last the hostile Apaches who, under the leadership of Geronimo, had for eighteen months been on the war path, and during that time had committed many murders and been the cause of constant terror to the settlers of Arizona, surrendered to General Miles, the military commander who succeeded General Crook in the management and direction of their pursuit.

Page 1442

Under the terms of their surrender as then reported, and in view of the understanding which these murderous savages seemed to entertain of the assurances given them, it was considered best to imprison them in such manner as to prevent their ever engaging in such outrages again, instead of trying them for murder. Fort Pickens having been selected as a safe place of confinement, all the adult males were sent thither and will be closely guarded as prisoners. In the meantime the residue of the band, who, though still remaining upon the reservation, were regarded as unsafe and suspected of furnishing aid to those on the war path, had been removed to Fort Marion. The women and larger children of the hostiles were also taken there, and arrangements have been made for putting the children of proper age in Indian schools.

The report of the Secretary of the Navy contains a detailed exhibit of the condition of his Department, with such a statement of the action needed to improve the same as should challenge the earnest attention of the Congress.

The present Navy of the United States, aside from the ships in course of construction, consists of—

First. Fourteen single-turreted monitors, none of which are in commission nor at the present time serviceable. The batteries of these ships are obsolete, and they can only be relied upon as auxiliary ships in harbor defense, and then after such an expenditure upon them as might not be deemed justifiable.

Second. Five fourth-rate vessels of small tonnage, only one of which was designed as a war vessel, and all of which are auxiliary merely.

Third. Twenty-seven cruising ships, three of which are built of iron, of small tonnage, and twenty-four of wood. Of these wooden vessels it is estimated by the Chief Constructor of the Navy that only three will be serviceable beyond a period of six years, at which time it may be said that of the present naval force nothing worthy the name will remain.

All the vessels heretofore authorized are under contract or in course of construction except the armored ships, the torpedo and dynamite boats, and one cruiser. As to the last of these, the bids were in excess of the limit fixed by Congress. The production in the United States of armor and gun steel is a question which it seems necessary to settle at an early day if the armored war vessels are to be completed with those materials of home manufacture. This has been the subject of investigation by two boards and by two special committees of Congress within the last three years. The report of the Gun Foundry Board in 1884, of the Board on Fortifications made in January last, and the reports of the select committees of the two Houses made at the last session of Congress have entirely exhausted the subject, so far as preliminary investigation is involved, and in their recommendations they are substantially agreed.

Page 1443

In the event that the present invitation of the Department for bids to furnish such of this material as is now authorized shall fail to induce domestic manufacturers to undertake the large expenditures required to prepare for this new manufacture, and no other steps are taken by Congress at its coming session, the Secretary contemplates with dissatisfaction the necessity of obtaining abroad the armor and the gun steel for the authorized ships. It would seem desirable that the wants of the Army and the Navy in this regard should be reasonably met, and that by uniting their contracts such inducement might be offered as would result in securing the domestication of these important interests.

The affairs of the postal service show marked and gratifying improvement during the past year. A particular account of its transactions and condition is given in the report of the Postmaster-General, which will be laid before you.

The reduction of the rate of letter postage in 1883, rendering the postal revenues inadequate to sustain the expenditures, and business depression also contributing, resulted in an excess of cost for the fiscal year ended June 30, 1885, of eight and one-third millions of dollars. An additional check upon receipts by doubling the measure of weight in rating sealed correspondence and diminishing one-half the charge for newspaper carriage was imposed by legislation which took effect with the beginning of the past fiscal year, while the constant demand of our territorial development and growing population for the extension and increase of mail facilities and machinery necessitates steady annual advance in outlay, and the careful estimate of a year ago upon the rates of expenditure then existing contemplated the unavoidable augmentation of the deficiency in the last fiscal year by nearly $2,000,000. The anticipated revenue for the last year failed of realization by about $64,000, but proper measures of economy have so satisfactorily limited the growth of expenditure that the total deficiency in fact fell below that of 1885, and at this time the increase of revenue is in a gaining ratio over the increase of cost, demonstrating the sufficiency of the present rates of postage ultimately to sustain the service. This is the more pleasing because our people enjoy now both cheaper postage proportionably to distances and a vaster and more costly service than any other upon the globe.

Retrenchment has been effected in the cost of supplies, some expenditures unwarranted by law have ceased, and the outlays for mail carriage have been subjected to beneficial scrutiny. At the close of the last fiscal year the expense of transportation on star routes stood at an annual rate of cost less by over $560,000 than at the close of the previous year and steamboat and mail-messenger service at nearly $200,000 less.

The service has been in the meantime enlarged and extended by the establishment of new offices, increase of routes of carriage, expansion of carrier-delivery conveniences, and additions to the railway mail facilities, in accordance with the growing exigencies of the country and the long-established policy of the Government.

Page 1444

The Postmaster-General calls attention to the existing law for compensating railroads and expresses the opinion that a method may be devised which will prove more just to the carriers and beneficial to the Government; and the subject appears worthy of your early consideration.

The differences which arose during the year with certain of the ocean steamship companies have terminated by the acquiescence of all in the policy of the Government approved by the Congress in the postal appropriation at its last session, and the Department now enjoys the utmost service afforded by all vessels which sail from our ports upon either ocean—a service generally adequate to the needs of our intercourse. Petitions have, however, been presented to the Department by numerous merchants and manufacturers for the establishment of a direct service to the Argentine Republic and for semimonthly dispatches to the Empire of Brazil, and the subject is commended to your consideration. It is an obvious duty to provide the means of postal communication which our commerce requires, and with prudent forecast of results the wise extension of it may lead to stimulating intercourse and become the harbinger of a profitable traffic which will open new avenues for the disposition of the products of our industry. The circumstances of the countries at the far south of our continent are such as to invite our enterprise and afford the promise of sufficient advantages to justify an unusual effort to bring about the closer relations which greater freedom of communication would tend to establish.

I suggest that, as distinguished from a grant or subsidy for the mere benefit of any line of trade or travel, whatever outlay may be required to secure additional postal service, necessary and proper and not otherwise attainable, should be regarded as within the limit of legitimate compensation for such service.

The extension of the free-delivery service as suggested by the Postmaster-General has heretofore received my sanction, and it is to be hoped a suitable enactment may soon be agreed upon.

The request for an appropriation sufficient to enable the general inspection of fourth-class offices has my approbation.

I renew my approval of the recommendation of the Postmaster-General that another assistant be provided for the Post-Office Department, and I invite your attention to the several other recommendations in his report.

The conduct of the Department of Justice for the last fiscal year is fully detailed in the report of the Attorney-General, and I invite the earnest attention of the Congress to the same and due consideration of the recommendations therein contained.

In the report submitted by this officer to the last session of the Congress he strongly recommended the erection of a penitentiary for the confinement of prisoners convicted

and sentenced in the United States courts, and he repeats the recommendation in his report for the last year.

Page 1445

This is a matter of very great importance and should at once receive Congressional action. United States prisoners are now confined in more than thirty different State prisons and penitentiaries scattered in every part of the country. They are subjected to nearly as many different modes of treatment and discipline and are far too much removed from the control and regulation of the Government. So far as they are entitled to humane treatment and an opportunity for improvement and reformation, the Government is responsible to them and society that these things are forthcoming. But this duty can scarcely be discharged without more absolute control and direction than is possible under the present system.

Many of our good citizens have interested themselves, with the most beneficial results, in the question of prison reform. The General Government should be in a situation, since there must be United States prisoners, to furnish important aid in this movement, and should be able to illustrate what may be practically done in the direction of this reform and to present an example in the treatment and improvement of its prisoners worthy of imitation.

With prisons under its own control the Government could deal with the somewhat vexed question of convict labor, so far as its convicts were concerned, according to a plan of its own adoption, and with due regard to the rights and interests of our laboring citizens, instead of sometimes aiding in the operation of a system which causes among them irritation and discontent.

Upon consideration of this subject it might be thought wise to erect more than one of these institutions, located in such places as would best subserve the purposes of convenience and economy in transportation. The considerable cost of maintaining these convicts as at present, in State institutions, would be saved by the adoption of the plan proposed, and by employing them in the manufacture of such articles as were needed for use by the Government quite a large pecuniary benefit would be realized in partial return for our outlay.

I again urge a change in the Federal judicial system to meet the wants of the people and obviate the delays necessarily attending the present condition of affairs in our courts. All are agreed that something should be done, and much favor is shown by those well able to advise to the plan suggested by the Attorney-General at the last session of the Congress and recommended in my last annual message. This recommendation is here renewed, together with another made at the same time, touching a change in the manner of compensating district attorneys and marshals; and the latter subject is commended to the Congress for its action in the interest of economy to the Government, and humanity, fairness, and justice to our people.

The report of the Secretary of the Interior presents a comprehensive summary of the work of the various branches of the public service connected with his Department, and

the suggestions and recommendations which it contains for the improvement of the service should receive your careful consideration.

Page 1446

The exhibit made of the condition of our Indian population and the progress of the work for their enlightenment, notwithstanding the many embarrassments which hinder the better administration of this important branch of the service, is a gratifying and hopeful one.

The funds appropriated for the Indian service for the fiscal year just passed, with the available income from Indian land and trust moneys, amounting in all to $7,850,775.12, were ample for the service under the conditions and restrictions of laws regulating their expenditure. There remained a balance on hand on June 30, 1886, of $1,660,023.30, of which $ 1,337,768.21 are permanent funds for fulfillment of treaties and other like purposes, and the remainder, $322,255.09, is subject to be carried to the surplus fund as required by law.

The estimates presented for appropriations for the ensuing fiscal year amount to $5,608,873.64, or $442,386.20 less than those laid before the Congress last year.

The present system of agencies, while absolutely necessary and well adapted for the management of our Indian affairs and for the ends in view when it was adopted, is in the present stage of Indian management inadequate, standing alone, for the accomplishment of an object which has become pressing in its importance—the more rapid transition from tribal organizations to citizenship of such portions of the Indians as are capable of civilized life.

When the existing system was adopted, the Indian race was outside of the limits of organized States and Territories and beyond the immediate reach and operation of civilization, and all efforts were mainly directed to the maintenance of friendly relations and the preservation of peace and quiet on the frontier. All this is now changed. There is no such thing as the Indian frontier. Civilization, with the busy hum of industry and the influences of Christianity, surrounds these people at every point. None of the tribes are outside of the bounds of organized government and society, except that the Territorial system has not been extended over that portion of the country known as the Indian Territory. As a race the Indians are no longer hostile, but may be considered as submissive to the control of the Government. Few of them only are troublesome. Except the fragments of several bands, all are now gathered upon reservations.

It is no longer possible for them to subsist by the chase and the spontaneous productions of the earth.

With an abundance of land, if furnished with the means and implements for profitable husbandry, their life of entire dependence upon Government rations from day to day is no longer defensible. Their inclination, long fostered by a defective system of control, is to cling to the habits and customs of their ancestors and struggle with persistence against the change of life which their altered circumstances press upon them. But

barbarism and civilization can not live together. It is impossible that such incongruous conditions should coexist on the same soil.

Page 1447

They are a portion of our people, are under the authority of our Government, and have a peculiar claim upon and are entitled to the fostering care and protection of the nation. The Government can not relieve itself of this responsibility until they are so far trained and civilized as to be able wholly to manage and care for themselves. The paths in which they should walk must be clearly marked out for them, and they must be led or guided until they are familiar with the way and competent to assume the duties and responsibilities of our citizenship.

Progress in this great work will continue only at the present slow pace and at great expense unless the system and methods of management are improved to meet the changed conditions and urgent demands of the service.

The agents, having general charge and supervision in many cases of more than 5,000 Indians, scattered over large reservations, and burdened with the details of accountability for funds and supplies, have time to look after the industrial training and improvement of a few Indians only. The many are neglected and remain idle and dependent, conditions not favorable for progress and civilization.

The compensation allowed these agents and the conditions of the service are not calculated to secure for the work men who are fitted by ability and skill to properly plan and intelligently direct the methods best adapted to produce the most speedy results and permanent benefits.

Hence the necessity for a supplemental agency or system directed to the end of promoting the general and more rapid transition of the tribes from habits and customs of barbarism to the ways of civilization.

With an anxious desire to devise some plan of operation by which to secure the welfare of the Indians and to relieve the Treasury as far as possible from the support of an idle and dependent population, I recommended in my previous annual message the passage of a law authorizing the appointment of a commission as an instrumentality auxiliary to those already established for the care of the Indians. It was designed that this commission should be composed of six intelligent and capable persons—three to be detailed from the Army—having practical ideas upon the subject of the treatment of Indians and interested in their welfare, and that it should be charged, under the direction of the Secretary of the Interior, with the management of such matters of detail as can not with the present organization be properly and successfully conducted, and which present different phases, as the Indians themselves differ in their progress, needs, disposition, and capacity for improvement or immediate self-support.

By the aid of such a commission much unwise and useless expenditure of money, waste of materials, and unavailing efforts might be avoided; and it is hoped that this or some measure which the wisdom of Congress may better devise to supply the

deficiency of the present system may receive your consideration and the appropriate legislation be provided.

Page 1448

The time is ripe for the work of such an agency.

There is less opposition to the education and training of the Indian youth, as shown by the increased attendance upon the schools, and there is a yielding tendency for the individual holding of lands. Development and advancement in these directions are essential, and should have every encouragement. As the rising generation are taught the language of civilization and trained in habits of industry they should assume the duties, privileges, and responsibilities of citizenship.

No obstacle should hinder the location and settlement of any Indian willing to take land in severalty; on the contrary, the inclination to do so should be stimulated at all times when proper and expedient. But there is no authority of law for making allotments on some of the reservations, and on others the allotments provided for are so small that the Indians, though ready and desiring to settle down, are not willing to accept such small areas when their reservations contain ample lands to afford them homesteads of sufficient size to meet their present and future needs.

These inequalities of existing special laws and treaties should be corrected and some general legislation on the subject should be provided, so that the more progressive members of the different tribes may be settled upon homesteads, and by their example lead others to follow, breaking away from tribal customs and substituting therefor the love of home, the interest of the family, and the rule of the state.

The Indian character and nature are such that they are not easily led while brooding over unadjusted wrongs. This is especially so regarding their lands. Matters arising from the construction and operation of railroads across some of the reservations, and claims of title and right of occupancy set up by white persons to some of the best land within other reservations require legislation for their final adjustment.

The settlement of these matters will remove many embarrassments to progress in the work of leading the Indians to the adoption of our institutions and bringing them under the operation, the influence, and the protection of the universal laws of our country.

The recommendations of the Secretary of the Interior and the Commissioner of the General Land Office looking to the better protection of public lands and of the public surveys, the preservation of national forests, the adjudication of grants to States and corporations and of private land claims, and the increased efficiency of the public-land service are commended to the attention of Congress. To secure the widest distribution of public lands in limited quantities among settlers for residence and cultivation, and thus make the greatest number of individual homes, was the primary object of the public-land legislation in the early days of the Republic. This system was a simple one. It commenced with an admirable scheme of public surveys,

Page 1449

by which the humblest citizen could identify the tract upon which he wished to establish his home. The price of lands was placed within the reach of all the enterprising, industrious, and honest pioneer citizens of the country. It was soon, however, found that the object of the laws was perverted, under the system of cash sales, from a distribution of land among the people to an accumulation of land capital by wealthy and speculative persons. To check this tendency a preference right of purchase was given to settlers on the land, a plan which culminated in the general preemption act of 1841. The foundation of this system was actual residence and cultivation. Twenty years later the homestead law was devised to more surely place actual homes in the possession of actual cultivators of the soil. The land was given without price, the sole conditions being residence, improvement, and cultivation. Other laws have followed, each designed to encourage the acquirement and use of land in limited individual quantities. But in later years these laws, through vicious administrative methods and under changed conditions of communication and transportation, have been so evaded and violated that their beneficent purpose is threatened with entire defeat. The methods of such evasions and violations are set forth in detail in the reports of the Secretary of the Interior and Commissioner of the General Land Office. The rapid appropriation of our public lands without bona fide settlements or cultivation, and not only without intention of residence, but for the purpose of their aggregation in large holdings, in many cases in the hands of foreigners, invites the serious and immediate attention of the Congress.

The energies of the Land Department have been devoted during the present Administration to remedy defects and correct abuses in the public-land service. The results of these efforts are so largely in the nature of reforms in the processes and methods of our land system as to prevent adequate estimate; but it appears by a compilation from the reports of the Commissioner of the General Land Office that the immediate effect in leading cases which have come to a final termination has been the restoration to the mass of public lands of 2,750,000 acres; that 2,370,000 acres are embraced in investigations now pending before the Department or the courts, and that the action of Congress has been asked to effect the restoration of 2,790,000 acres additional; besides which 4,000,000 acres have been withheld from reservation and the rights of entry thereon maintained.

I recommend the repeal of the preemption and timber-culture acts, and that the homestead laws be so amended as to better secure compliance with their requirements of residence, improvement, and cultivation for the period of five years from date of entry, without commutation or provision for speculative relinquishment. I also recommend the repeal of the desert-land laws unless it shall be the pleasure of the Congress to

Page 1450

so amend these laws as to render them less liable to abuses. As the chief motive for an evasion of the laws and the principal cause of their result in land accumulation instead of land distribution is the facility with which transfers are made of the right intended to be secured to settlers, it may be deemed advisable to provide by legislation some guards and checks upon the alienation of homestead rights and lands covered thereby until patents issue.

Last year an Executive proclamation was issued directing the removal of fences which inclosed the public domain. Many of these have been removed in obedience to such order, but much of the public land still remains within the lines of these unlawful fences. The ingenious methods resorted to in order to continue these trespasses and the hardihood of the pretenses by which in some cases such inclosures are justified are fully detailed in the report of the Secretary of the Interior.

The removal of the fences still remaining which inclose public lands will be enforced with all the authority and means with which the executive branch of the Government is or shall be invested by the Congress for that purpose.

The report of the Commissioner of Pensions contains a detailed and most satisfactory exhibit of the operations of the Pension Bureau during the last fiscal year. The amount of work done was the largest in any year since the organization of the Bureau, and it has been done at less cost than during the previous year in every division.

On the 30th day of June, 1886, there were 365,783 pensioners on the rolls of the Bureau.

Since 1861 there have been 1,018,735 applications for pensions filed, of which 78,834 were based upon service in the War of 1812. There were 621,754 of these applications allowed, including 60,178 to the soldiers of 1812 and their widows.

The total amount paid for pensions since 1861 is $808,624,811.57.

The number of new pensions allowed during the year ended June 30, 1886, is 40,857, a larger number than has been allowed in any year save one since 1861. The names of 2,229 pensioners which had been previously dropped from the rolls were restored during the year, and after deducting those dropped within the same time for various causes a net increase remains for the year of 20,658 names.

From January 1, 1861, to December 1, 1885, 1,967 private pension acts had been passed. Since the last-mentioned date, and during the last session of the Congress, 644 such acts became laws.

It seems to me that no one can examine our pension establishment and its operations without being convinced that through its instrumentality justice can be very nearly done to all who are entitled under present laws to the pension bounty of the Government.

Page 1451

But it is undeniable that cases exist, well entitled to relief, in which the Pension Bureau is powerless to aid. The really worthy cases of this class are such as only lack by misfortune the kind or quantity of proof which the law and regulations of the Bureau require, or which, though their merit is apparent, for some other reason can not be justly dealt with through general laws. These conditions fully justify application to the Congress and special enactments. But resort to the Congress for a special pension act to overrule the deliberate and careful determination of the Pension Bureau on the merits or to secure favorable action when it could not be expected under the most liberal execution of general laws, it must be admitted opens the door to the allowance of questionable claims and presents to the legislative and executive branches of the Government applications concededly not within the law and plainly devoid of merit, but so surrounded by sentiment and patriotic feeling that they are hard to resist. I suppose it will not be denied that many claims for pension are made without merit and that many have been allowed upon fraudulent representations. This has been declared from the Pension Bureau, not only in this but in prior Administrations.

The usefulness and the justice of any system for the distribution of pensions depend upon the equality and uniformity of its operation.

It will be seen from the report of the Commissioner that there are now paid by the Government 131 different rates of pension.

He estimates from the best information he can obtain that 9,000 of those who have served in the Army and Navy of the United States are now supported, in whole or in part, from public funds or by organized charities, exclusive of those in soldiers' homes under the direction and control of the Government. Only 13 per cent of these are pensioners, while of the entire number of men furnished for the late war something like 20 per cent, including their widows and relatives, have been or now are in receipt of pensions.

The American people, with a patriotic and grateful regard for our ex-soldiers, too broad and too sacred to be monopolized by any special advocates, are not only willing but anxious that equal and exact justice should be done to all honest claimants for pensions. In their sight the friendless and destitute soldier, dependent on public charity, if otherwise entitled, has precisely the same right to share in the provision made for those who fought their country's battles as those better able, through friends and influence, to push their claims. Every pension that is granted under our present plan upon any other grounds than actual service and injury or disease incurred in such service, and every instance of the many in which pensions are increased on other grounds than the merits of the claim, work an injustice to the brave and crippled, but poor and friendless, soldier, who is entirely neglected or who must be content with the smallest sum allowed under general laws.

Page 1452

There are far too many neighborhoods in which are found glaring cases of inequality of treatment in the matter of pensions, and they are largely due to a yielding in the Pension Bureau to importunity on the part of those, other than the pensioner, who are especially interested, or they arise from special acts passed for the benefit of individuals.

The men who fought side by side should stand side by side when they participate in a grateful nation's kind remembrance.

Every consideration of fairness and justice to our ex-soldiers and the protection of the patriotic instinct of our citizens from perversion and violation point to the adoption of a pension system broad and comprehensive enough to cover every contingency, and which shall make unnecessary an objectionable volume of special legislation.

As long as we adhere to the principle of granting pensions for service, and disability as the result of the service, the allowance of pensions should be restricted to cases presenting these features.

Every patriotic heart responds to a tender consideration for those who, having served their country long and well, are reduced to destitution and dependence, not as an incident of their service, but with advancing age or through sickness or misfortune. We are all tempted by the contemplation of such a condition to supply relief, and are often impatient of the limitations of public duty. Yielding to no one in the desire to indulge this feeling of consideration, I can not rid myself of the conviction that if these ex-soldiers are to be relieved they and their cause are entitled to the benefit of an enactment under which relief may be claimed as a right, and that such relief should be granted under the sanction of law, not in evasion of it; nor should such worthy objects of care, all equally entitled, be remitted to the unequal operation of sympathy or the tender mercies of social and political influence, with their unjust discriminations.

The discharged soldiers and sailors of the country are our fellow-citizens, and interested with us in the passage and faithful execution of wholesome laws. They can not be swerved from their duty of citizenship by artful appeals to their spirit of brotherhood born of common peril and suffering, nor will they exact as a test of devotion to their welfare a willingness to neglect public duty in their behalf.

On the 4th of March, 1885, the current business of the Patent Office was, on an average, five and a half months in arrears, and in several divisions more than twelve months behind. At the close of the last fiscal year such current work was but three months in arrears, and it is asserted and believed that in the next few months the delay in obtaining an examination of an application for a patent will be but nominal.

The number of applications for patents during the last fiscal year, including reissues, designs, trade-marks, and labels, equals 40,678, which is considerably in excess of the number received during any preceding year.

Page 1453

The receipts of the Patent Office during the year aggregate $1,205,167.80, enabling the office to turn into the Treasury a surplus revenue, over and above all expenditures, of about $163,710.30.

The number of patents granted during the last fiscal year, including reissues, trade-marks, designs, and labels, was 25,619, a number also quite largely in excess of that of any preceding year.

The report of the Commissioner shows the office to be in a prosperous condition and constantly increasing in its business. No increase of force is asked for.

The amount estimated for the fiscal year ending June 30, 1886, was $890,760. The amount estimated for the year ending June 30, 1887, was $853,960. The amount estimated for the fiscal year ending June 30, 1888, is $778,770.

The Secretary of the Interior suggests a change in the plan for the payment of the indebtedness of the Pacific subsidized roads to the Government. His suggestion has the unanimous indorsement of the persons selected by the Government to act as directors of these roads and protect the interests of the United States in the board of direction. In considering the plan proposed the sole matters which should be taken into account, in my opinion, are the situation of the Government as a creditor and the surest way to secure the payment of the principal and interest of its debt.

By a recent decision of the Supreme Court of the United States it has been adjudged that the laws of the several States are inoperative to regulate rates of transportation upon railroads if such regulation interferes with the rate of carriage from one State into another. This important field of control and regulation having been thus left entirely unoccupied, the expediency of Federal action upon the subject is worthy of consideration.

The relations of labor to capital and of laboring men to their employers are of the utmost concern to every patriotic citizen. When these are strained and distorted, unjustifiable claims are apt to be insisted upon by both interests, and in the controversy which results the welfare of all and the prosperity of the country are jeopardized. Any intervention of the General Government, within the limits of its constitutional authority, to avert such a condition should be willingly accorded.

In a special message transmitted to the Congress at its last session I suggested the enlargement of our present Labor Bureau and adding to its present functions the power of arbitration in cases where differences arise between employer and employed. When these differences reach such a stage as to result in the interruption of commerce between the States, the application of this remedy by the General Government might be regarded as entirely within its constitutional powers. And I think we might reasonably hope that such arbitrators, if carefully selected and if entitled to the confidence of the

parties to be affected, would be voluntarily called to the settlement of controversies of less extent and not necessarily within the domain of Federal regulation.

Page 1454

I am of the opinion that this suggestion is worthy the attention of the Congress.

But after all has been done by the passage of laws, either Federal or State, to relieve a situation full of solicitude, much more remains to be accomplished by the reinstatement and cultivation of a true American sentiment which recognizes the equality of American citizenship. This, in the light of our traditions and in loyalty to the spirit of our institutions, would teach that a hearty cooperation on the part of all interests is the surest path to national greatness and the happiness of all our people; that capital should, in recognition of the brotherhood of our citizenship and in a spirit of American fairness, generously accord to labor its just compensation and consideration, and that contented labor is capital's best protection and faithful ally. It would teach, too, that the diverse situations of our people are inseparable from our civilization; that every citizen should in his sphere be a contributor to the general good; that capital does not necessarily tend to the oppression of labor, and that violent disturbances and disorders alienate from their promoters true American sympathy and kindly feeling.

The Department of Agriculture, representing the oldest and largest of our national industries, is subserving well the purposes of its organization. By the introduction of new subjects of farming enterprise and by opening new sources of agricultural wealth and the dissemination of early information concerning production and prices it has contributed largely to the country's prosperity. Through this agency advanced thought and investigation touching the subjects it has in charge should, among other things, be practically applied to the home production at a low cost of articles of food which are now imported from abroad. Such an innovation will necessarily, of course, in the beginning be within the domain of intelligent experiment, and the subject in every stage should receive all possible encouragement from the Government.

The interests of millions of our citizens engaged in agriculture are involved in an enlargement and improvement of the results of their labor, and a zealous regard for their welfare should be a willing tribute to those whose productive returns are a main source of our progress and power.

The existence of pleuro-pneumonia among the cattle of various States has led to burdensome and in some cases disastrous restrictions in an important branch of our commerce, threatening to affect the quantity and quality of our food supply. This is a matter of such importance and of such far-reaching consequences that I hope it will engage the serious attention of the Congress, to the end that such a remedy may be applied as the limits of a constitutional delegation of power to the General Government will permit.

I commend to the consideration of the Congress the report of the Commissioner and his suggestions concerning the interest intrusted to his care.

Page 1455

The continued operation of the law relating to our civil service has added the most convincing proofs of its necessity and usefulness. It is a fact worthy of note that every public officer who has a just idea of his duty to the people testifies to the value of this reform. Its staunchest, friends are found among those who understand it best, and its warmest supporters are those who are restrained and protected by its requirements.

The meaning of such restraint and protection is not appreciated by those who want places under the Government regardless of merit and efficiency, nor by those who insist that the selection of such places should rest upon a proper credential showing active partisan work. They mean to public officers, if not their lives, the only opportunity afforded them to attend to public business, and they mean to the good people of the country the better performance of the work of their Government.

It is exceedingly strange that the scope and nature of this reform are so little understood and that so many things not included within its plan are called by its name. When cavil yields more fully to examination, the system will have large additions to the number of its friends.

Our civil-service reform may be imperfect in some of its details; it may be misunderstood and opposed; it may not always be faithfully applied; its designs may sometimes miscarry through mistake or willful intent; it may sometimes tremble under the assaults of its enemies or languish under the misguided zeal of impracticable friends; but if the people of this country ever submit to the banishment of its underlying principle from the operation of their Government they will abandon the surest guaranty of the safety and success of American institutions.

I invoke for this reform the cheerful and ungrudging support of the Congress. I renew my recommendation made last year that the salaries of the Commissioners be made equal to other officers of the Government having like duties and responsibilities, and I hope that such reasonable appropriations may be made as will enable them to increase the usefulness of the cause they have in charge.

I desire to call the attention of the Congress to a plain duty which the Government owes to the depositors in the Freedman's Savings and Trust Company.

This company was chartered by the Congress for the benefit of the most illiterate and humble of our people, and with the intention of encouraging in them industry and thrift. Most of its branches were presided over by officers holding the commissions and clothed in the uniform of the United States. These and other circumstances reasonably, I think, led these simple people to suppose that the invitation to deposit their hard-earned savings in this institution implied an undertaking on the part of their Government that their money should be safely kept for them.

Page 1456

When this company failed, it was liable in the sum of $2,939,925.22 to 61,131 depositors. Dividends amounting in the aggregate to 62 per cent have been declared, and the sum called for and paid of such dividends seems to be $1,648,181.72. This sum deducted from the entire amount of deposits leaves $1,291,744.50 still unpaid. Past experience has shown that quite a large part of this sum will not be called for. There are assets still on hand amounting to the estimated sum of $16,000.

I think the remaining 38 per cent of such of these deposits as have claimants should be paid by the Government, upon principles of equity and fairness.

The report of the commissioner, soon to be laid before Congress, will give more satisfactory details on this subject.

The control of the affairs of the District of Columbia having been placed in the hands of purely executive officers, while the Congress still retains all legislative authority relating to its government, it becomes my duty to make known the most pressing needs of the District and recommend their consideration.

The laws of the District appear to be in an uncertain and unsatisfactory condition, and their codification or revision is much needed.

During the past year one of the bridges leading from the District to the State of Virginia became unfit for use, and travel upon it was forbidden. This leads me to suggest that the improvement of all the bridges crossing the Potomac and its branches from the city of Washington is worthy the attention of Congress.

The Commissioners of the District represent that the laws regulating the sale of liquor and granting licenses therefor should be at once amended, and that legislation is needed to consolidate, define, and enlarge the scope and powers of charitable and penal institutions within the District.

I suggest that the Commissioners be clothed with the power to make, within fixed limitations, police regulations. I believe this power granted and carefully guarded would tend to subserve the good order of the municipality.

It seems that trouble still exists growing out of the occupation of the streets and avenues by certain railroads having their termini in the city. It is very important that such laws should be enacted upon this subject as will secure to the railroads all the facilities they require for the transaction of their business and at the same time protect citizens from injury to their persons or property.

The Commissioners again complain that the accommodations afforded them for the necessary offices for District business and for the safe-keeping of valuable books and papers are entirely insufficient. I recommend that this condition of affairs be remedied

by the Congress, and that suitable quarters be furnished for the needs of the District government.

In conclusion I earnestly invoke such wise action on the part of the people's legislators as will subserve the public good and demonstrate during the remaining days of the Congress as at present organized its ability and inclination to so meet the people's needs that it shall be gratefully remembered by an expectant constituency.

Page 1457

***

State of the Union Address
Grover Cleveland
December 6, 1887

To the Congress of the United States:

You are confronted at the threshold of your legislative duties with a condition of the national finances which imperatively demands immediate and careful consideration.

The amount of money annually exacted, through the operation of present laws, from the industries and necessities of the people largely exceeds the sum necessary to meet the expenses of the Government.

When we consider that the theory of our institutions guarantees to every citizen the full enjoyment of all the fruits of his industry and enterprise, with only such deduction as may be his share toward the careful and economical maintenance of the Government which protects him, it is plain that the exaction of more than this is indefensible extortion and a culpable betrayal of American fairness and justice. This wrong inflicted upon those who bear the burden of national taxation, like other wrongs, multiplies a brood of evil consequences. The public Treasury, which should only exist as a conduit conveying the people's tribute to its legitimate objects of expenditure, becomes a hoarding place for money needlessly withdrawn from trade and the people's use, thus crippling our national energies, suspending our country's development, preventing investment in productive enterprise, threatening financial disturbance, and inviting schemes of public plunder.

This condition of our Treasury is not altogether new, and it has more than once of late been submitted to the people's representatives in the Congress, who alone can apply a remedy. And yet the situation still continues, with aggravated incidents, more than ever presaging financial convulsion and widespread disaster.

It will not do to neglect this situation because its dangers are not now palpably imminent and apparent. They exist none the less certainly, and await the unforeseen and unexpected occasion when suddenly they will be precipitated upon us.

On the 30th day of June, 1885, the excess of revenues over public expenditures, after complying with the annual requirement of the sinking-fund act, was $17,859,735.84; during the year ended June 30, 1886, such excess amounted to $49,405,545.20, and during the year ended June 30, 1887, it reached the sum of $55,567,849.54.

The annual contributions to the sinking fund during the three years above specified, amounting in the aggregate to $138,058,320.94, and deducted from the surplus as

stated, were made by calling in for that purpose outstanding 3 per cent bonds of the Government. During the six months prior to June 30, 1887, the surplus revenue had grown so large by repeated accumulations, and it was feared the withdrawal of this great sum of money needed by the people would so affect the business of the country, that the sum of $79,864,100 of such surplus was applied to the payment of the principal

Page 1458

and interest of the 3 per cent bonds still outstanding, and which were then payable at the option of the Government. The precarious condition of financial affairs among the people still needing relief, immediately after the 30th day of June, 1887, the remainder of the 3 per cent bonds then outstanding, amounting with principal and interest to the sum of $18,877,500, were called in and applied to the sinking-fund contribution for the current fiscal year. Notwithstanding these operations of the Treasury Department, representations of distress in business circles not only continued, but increased, and absolute peril seemed at hand. In these circumstances the contribution to the sinking fund for the current fiscal year was at once completed by the expenditure of $27,684,283.55 in the purchase of Government bonds not yet due bearing 4 and 41/2 per cent interest, the premium paid thereon averaging about 24 per cent for the former and 8 per cent for the latter. In addition to this, the interest accruing during the current year upon the outstanding bonded indebtedness of the Government was to some extent anticipated, and banks selected as depositories of public money were permitted to somewhat increase their deposits.

While the expedients thus employed to release to the people the money lying idle in the Treasury served to avert immediate danger, our surplus revenues have continued to accumulate, the excess for the present year amounting on the 1st day of December to $55,258,701.19, and estimated to reach the sum of $113,000,000 on the 30th of June next, at which date it is expected that this sum, added to prior accumulations, will swell the surplus in the Treasury to $140,000,000.

There seems to be no assurance that, with such a withdrawal from use of the people's circulating medium, our business community may not in the near future be subjected to the same distress which was quite lately produced from the same cause. And while the functions of our National Treasury should be few and simple, and while its best condition would be reached, I believe, by its entire disconnection with private business interests, yet when, by a perversion of its purposes, it idly holds money uselessly subtracted from the channels of trade, there seems to be reason for the claim that some legitimate means should be devised by the Government to restore in an emergency, without waste or extravagance, such money to its place among the people.

If such an emergency arises, there now exists no clear and undoubted executive power of relief. Heretofore the redemption of 3 per cent bonds, which were payable at the option of the Government, has afforded a means for the disbursement of the excess of our revenues; but these bonds have all been retired, and there are no bonds outstanding the payment of which we have a right to insist upon. The contribution to the sinking fund which furnishes the occasion for expenditure in the purchase of bonds has been already made for the current year, so that there is no outlet in that direction.

Page 1459

In the present state of legislation the only pretense of any existing executive power to restore at this time any part of our surplus revenues to the people by its expenditure consists in the supposition that the Secretary of the Treasury may enter the market and purchase the bonds of the Government not yet due, at a rate of premium to be agreed upon. The only provision of law from which such a power could be derived is found in an appropriation bill passed a number of years ago, and it is subject to the suspicion that it was intended as temporary and limited in its application, instead of conferring a continuing discretion and authority. No condition ought to exist which would justify the grant of power to a single official, upon his judgment of its necessity, to withhold from or release to the business of the people, in an unusual manner, money held in the Treasury, and thus affect at his will the financial situation of the country; and if it is deemed wise to lodge in the Secretary of the Treasury the authority in the present juncture to purchase bonds, it should be plainly vested, and provided, as far as possible, with such checks and limitations as will define this official's right and discretion and at the same time relieve him from undue responsibility.

In considering the question of purchasing bonds as a means of restoring to circulation the surplus money accumulating in the Treasury, it should be borne in mind that premiums must of course be paid upon such purchase, that there may be a large part of these bonds held as investments which can not be purchased at any price, and that combinations among holders who are willing to sell may unreasonably enhance the cost of such bonds to the Government.

It has been suggested that the present bonded debt might be refunded at a less rate of interest and the difference between the old and new security paid in cash, thus finding use for the surplus in the Treasury. The success of this plan, it is apparent, must depend upon the volition of the holders of the present bonds; and it is not entirely certain that the inducement which must be offered them would result in more financial benefit to the Government than the purchase of bonds, while the latter proposition would reduce the principal of the debt by actual payment instead of extending it.

The proposition to deposit the money held by the Government in banks throughout the country for use by the people is, it seems to me, exceedingly objectionable in principle, as establishing too close a relationship between the operations of the Government Treasury and the business of the country and too extensive a commingling of their money, thus fostering an unnatural reliance in private business upon public funds. If this scheme should be adopted, it should only be done as a temporary expedient to meet an urgent necessity. Legislative and executive effort should generally be in the opposite direction, and should have a tendency to divorce, as much and as fast as can be safely done, the Treasury Department from private enterprise.

Page 1460

Of course it is not expected that unnecessary and extravagant appropriations will be made for the purpose of avoiding the accumulation of an excess of revenue. Such expenditure, besides the demoralization of all just conceptions of public duty which it entails, stimulates a habit of reckless improvidence not in the least consistent with the mission of our people or the high and beneficent purposes of our Government.

I have deemed it my duty to thus bring to the knowledge of my countrymen, as well as to the attention of their representatives charged with the responsibility of legislative relief, the gravity of our financial situation. The failure of the Congress heretofore to provide against the dangers which it was quite evident the very nature of the difficulty must necessarily produce caused a condition of financial distress and apprehension since your last adjournment which taxed to the utmost all the authority and expedients within executive control; and these appear now to be exhausted. If disaster results from the continued inaction of Congress, the responsibility must rest where it belongs.

Though the situation thus far considered is fraught with danger which should be fully realized, and though it presents features of wrong to the people as well as peril to the country, it is but a result growing out of a perfectly palpable and apparent cause, constantly reproducing the same alarming circumstances—a congested National Treasury and a depleted monetary condition in the business of the country. It need hardly be stated that while the present situation demands a remedy, we can only be saved from a like predicament in the future by the removal of its cause.

Our scheme of taxation, by means of which this needless surplus is taken from the people and put into the public Treasury, consists of a tariff or duty levied upon importations from abroad and internal-revenue taxes levied upon the consumption of tobacco and spirituous and malt liquors. It must be conceded that none of the things subjected to internal-revenue taxation are, strictly speaking, necessaries. There appears to be no just complaint of this taxation by the consumers of these articles, and there seems to be nothing so well able to bear the burden without hardship to any portion of the people.

But our present tariff laws, the vicious, inequitable, and illogical source of unnecessary taxation, ought to be at once revised and amended. These laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty by precisely the sum paid for such duties. Thus the amount of the duty measures the tax paid by those who purchase for use these imported articles. Many of these things, however, are raised or manufactured in our own country, and the duties now levied upon foreign goods and products are called protection to these home manufactures, because they render it possible for those of our people who are manufacturers to make

Page 1461

these taxed articles and sell them for a price equal to that demanded for the imported goods that have paid customs duty. So it happens that while comparatively a few use the imported articles, millions of our people, who never used and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay therefor nearly or quite the same enhanced price which the duty adds to the imported articles. Those who buy imports pay the duty charged thereon into the public Treasury, but the great majority of our citizens, who buy domestic articles of the same class, pay a sum at least approximately equal to this duty to the home manufacturer. This reference to the operation of our tariff laws is not made by way of instruction, but in order that we may be constantly reminded of the manner in which they impose a burden upon those who consume domestic products as well as those who consume imported articles, and thus create a tax upon all our people.

It is not proposed to entirely relieve the country of this taxation. It must be extensively continued as the source of the Government's income; and in a readjustment of our tariff the interests of American labor engaged in manufacture should be carefully considered, as well as the preservation of our manufacturers. It may be called protection or by any other name, but relief from the hardships and dangers of our present tariff laws should be devised with especial precaution against imperiling the existence of our manufacturing interests. But this existence should not mean a condition which, without regard to the public welfare or a national exigency, must always insure the realization of immense profits instead of moderately profitable returns. As the volume and diversity of our national activities increase, new recruits are added to those who desire a continuation of the advantages which they conceive the present system of tariff taxation directly affords them. So stubbornly have all efforts to reform the present condition been resisted by those of our fellow-citizens thus engaged that they can hardly complain of the suspicion, entertained to a certain extent, that there exists an organized combination all along the line to maintain their advantage.

We are in the midst of centennial celebrations, and with becoming pride we rejoice in American skill and ingenuity, in American energy and enterprise, and in the wonderful natural advantages and resources developed by a century's national growth. Yet when an attempt is made to justify a scheme which permits a tax to be laid upon every consumer in the land for the benefit of our manufacturers, quite beyond a reasonable demand for governmental regard, it suits the purposes of advocacy to call our manufactures infant industries still needing the highest and greatest degree of favor and fostering care that can be wrung from Federal legislation.

Page 1462

It is also said that the increase in the price of domestic manufactures resulting from the present tariff is necessary in order that higher wages may be paid to our workingmen employed in manufactories than are paid for what is called the pauper labor of Europe. All will acknowledge the force of an argument which involves the welfare and liberal compensation of our laboring people. Our labor is honorable in the eyes of every American citizen; and as it lies at the foundation of our development and progress, it is entitled, without affectation or hypocrisy, to the utmost regard. The standard of our laborers' life should not be measured by that of any other country less favored, and they are entitled to their full share of all our advantages.

By the last census it is made to appear that of the 17,392,099 of our population engaged in all kinds of industries 7,670,493 are employed in agriculture, 4,074,238 in professional and personal service (2,934,876 of whom are domestic servants and laborers), while 1,810,256 are employed in trade and transportation and 3,837,112 are classed as employed in manufacturing and mining.

For present purposes, however, the last number given should be considerably reduced. Without attempting to enumerate all, it will be conceded that there should be deducted from those which it includes 375,143 carpenters and joiners, 285,401 milliners, dressmakers, and seamstresses, 172,726 blacksmiths, 133,756 tailors and tailoresses, 102,473 masons, 76,241 butchers, 41,309 bakers, 22,083 plasterers, and 4,891 engaged in manufacturing agricultural implements, amounting in the aggregate to 1,214,023, leaving 2,623,089 persons employed in such manufacturing industries as are claimed to be benefited by a high tariff.

To these the appeal is made to save their employment and maintain their wages by resisting a change. There should be no disposition to answer such suggestions by the allegation that they are in a minority among those who labor, and therefore should forego an advantage in the interest of low prices for the majority. Their compensation, as it may be affected by the operation of tariff laws, should at all times be scrupulously kept in view; and yet with slight reflection they will not overlook the fact that they are consumers with the rest; that they too have their own wants and those of their families to supply from their earnings, and that the price of the necessaries of life, as well as the amount of their wages, will regulate the measure of their welfare and comfort.

But the reduction of taxation demanded should be so measured as not to necessitate or justify either the loss of employment by the workingman or the lessening of his wages; and the profits still remaining to the manufacturer after a necessary readjustment should furnish no excuse for the sacrifice of the interests of his employees, either in their opportunity to work or in the diminution of their compensation. Nor

Page 1463

can the worker in manufactures fail to understand that while a high tariff is claimed to be necessary to allow the payment of remunerative wages, it certainly results in a very large increase in the price of nearly all sorts of manufactures, which, in almost countless forms, he needs for the use of himself and his family. He receives at the desk of his employer his wages, and perhaps before he reaches his home is obliged, in a purchase for family use of an article which embraces his own labor, to return in the payment of the increase in price which the tariff permits the hard-earned compensation of many days of toil.

The farmer and the agriculturist, who manufacture nothing, but who pay the increased price which the tariff imposes upon every agricultural implement, upon all he wears, and upon all he uses and owns, except the increase of his flocks and herds and such things as his husbandry produces from the soil, is invited to aid in maintaining the present situation; and he is told that a high duty on imported wool is necessary for the benefit of those who have sheep to shear, in order that the price of their wool may be increased. They, of course, are not reminded that the farmer who has no sheep is by this scheme obliged, in his purchases of clothing and woolen goods, to pay a tribute to his fellow-farmer as well as to the manufacturer and merchant, nor is any mention made of the fact that the sheep owners themselves and their households must wear clothing and use other articles manufactured from the wool they sell at tariff prices, and thus as consumers must return their share of this increased price to the tradesman.

I think it may be fairly assumed that a large proportion of the sheep owned by the farmers throughout the country are found in small flocks, numbering from twenty-five to fifty. The duty on the grade of imported wool which these sheep yield is 10 cents each pound if of the value of 30 cents or less and 12 cents if of the value of more than 30 cents. If the liberal estimate of 6 pounds be allowed for each fleece, the duty thereon would be 60 or 72 cents; and this may be taken as the utmost enhancement of its price to the farmer by reason of this duty. Eighteen dollars would thus represent the increased price of the wool from twenty-five sheep and $36 that from the wool of fifty sheep; and at present values this addition would amount to about one-third of its price. If upon its sale the farmer receives this or a less tariff profit, the wool leaves his hands charged with precisely that sum, which in all its changes will adhere to it until it reaches the consumer. When manufactured into cloth and other goods and material for use, its cost is not only increased to the extent of the farmer's tariff profit, but a further sum has been added for the benefit of the manufacturer under the operation of other tariff laws. In the meantime the day arrives when the farmer finds it necessary to purchase woolen goods and material to clothe himself and family

Page 1464

for the winter. When he faces the tradesman for that purpose, he discovers that he is obliged not only to return in the way of increased prices his tariff profit on the wool he sold, and which then perhaps lies before him in manufactured form, but that he must add a considerable sum thereto to meet a further increase in cost caused by a tariff duty on the manufacture. Thus in the end he is aroused to the fact that he has paid upon a moderate purchase, as a result of the tariff scheme, which when he sold his wool seemed so profitable, an increase in price more than sufficient to sweep away all the tariff profit he received upon the wool he produced and sold.

When the number of farmers engaged in wool raising is compared with all the farmers in the country and the small proportion they bear to our population is considered; when it is made apparent that in the case of a large part of those who own sheep the benefit of the present tariff on wool is illusory; and, above all, when it must be conceded that the increase of the cost of living caused by such tariff becomes a burden upon those with moderate means and the poor, the employed and unemployed, the sick and well, and the young and old, and that it constitutes a tax which with relentless grasp is fastened upon the clothing of every man, woman, and child in the land, reasons are suggested why the removal or reduction of this duty should be included in a revision of our tariff laws.

In speaking of the increased cost to the consumer of our home manufactures resulting from a duty laid upon imported articles of the same description, the fact is not ever looked that competition among our domestic producers sometimes has the effect of keeping the price of their products below the highest limit allowed by such duty. But it is notorious that this competition is too often strangled by combinations quite prevalent at this time, and frequently called trusts, which have for their object the regulation of the supply and price of commodities made and sold by members of the combination. The people can hardly hope for any consideration in the operation of these selfish schemes.

If, however, in the absence of such combination, a healthy and free competition reduces the price of any particular dutiable article of home production below the limit which it might otherwise reach under our tariff laws, and if with such reduced price its manufacture continues to thrive, it is entirely evident that one thing has been discovered which should be carefully scrutinized in an effort to reduce taxation.

The necessity of combination to maintain the price of any commodity to the tariff point furnishes proof that someone is willing to accept lower prices for such commodity and that such prices are remunerative; and lower prices produced by competition prove the same thing. Thus where either of these conditions exists a case would seem to be presented for an easy reduction of taxation.

Page 1465

The considerations which have been presented touching our tariff laws are intended only to enforce an earnest recommendation that the surplus revenues of the Government be prevented by the reduction of our customs duties, and at the same time to emphasize a suggestion that in accomplishing this purpose we may discharge a double duty to our people by granting to them a measure of relief from tariff taxation in quarters where it is most needed and from sources where it can be most fairly and justly accorded.

Nor can the presentation made of such considerations be with any degree of fairness regarded as evidence of unfriendliness toward our manufacturing interests or of any lack of appreciation of their value and importance.

These interests constitute a leading and most substantial element of our national greatness and furnish the proud proof of our country's progress. But if in the emergency that presses upon us our manufacturers are asked to surrender something for the public good and to avert disaster, their patriotism, as well as a grateful recognition of advantages already afforded, should lead them to willing cooperation. No demand is made that they shall forego all the benefits of governmental regard; but they can not fail to be admonished of their duty, as well as their enlightened self-interest and safety, when they are reminded of the fact that financial panic and collapse, to which the present condition tends, afford no greater shelter or protection to our manufactures than to other important enterprises. Opportunity for safe, careful, and deliberate reform is now offered; and none of us should be unmindful of a time when an abused and irritated people, heedless of those who have resisted timely and reasonable relief, may insist upon a radical and sweeping rectification of their wrongs.

The difficulty attending a wise and fair revision of our tariff laws is not underestimated. It will require on the part of the Congress great labor and care, and especially a broad and national contemplation of the subject and a patriotic disregard of such local and selfish claims as are unreasonable and reckless of the welfare of the entire country.

Under our present laws more than 4,000 articles are subject to duty. Many of these do not in any way compete with our own manufactures, and many are hardly worth attention as subjects of revenue. A considerable reduction can be made in the aggregate by adding them to the free list. The taxation of luxuries presents no features of hardship; but the necessaries of life used and consumed by all the people, the duty upon which adds to the cost of living in every home, should be greatly cheapened.

Page 1466

The radical reduction of the duties imposed upon raw material used in manufactures, or its free importation, is of course an important factor in any effort to reduce the price of these necessaries. It would not only relieve them from the increased cost caused by the tariff on such material, but the manufactured product being thus cheapened that part of the tariff now laid upon such product, as a compensation to our manufacturers for the present price of raw material, could be accordingly modified. Such reduction or free importation would serve besides to largely reduce the revenue. It is not apparent how such a change can have any injurious effect upon our manufacturers. On the contrary, it would appear to give them a better chance in foreign markets with the manufacturers of other countries, who cheapen their wares by free material. Thus our people might have the opportunity of extending their sales beyond the limits of home consumption, saving them from the depression, interruption in business, and loss caused by a glutted domestic market and affording their employees more certain and steady labor, with its resulting quiet and contentment.

The question thus imperatively presented for solution should be approached in a spirit higher than partisanship and considered in the light of that regard for patriotic duty which should characterize the action of those intrusted with the weal of a confiding people. But the obligation to declared party policy and principle is not wanting to urge prompt and effective action. Both of the great political parties now represented in the Government have by repeated and authoritative declarations condemned the condition of our laws which permit the collection from the people of unnecessary revenue, and have in the most solemn manner promised its correction; and neither as citizens nor partisans are our countrymen in a mood to condone the deliberate violation of these pledges.

Our progress toward a wise conclusion will not be improved by dwelling upon the theories of protection and free trade. This savors too much of bandying epithets. It is a condition which confronts us, not a theory. Relief from this condition may involve a slight reduction of the advantages which we award our home productions, but the entire withdrawal of such advantages should not be contemplated. The question of free trade is absolutely irrelevant, and the persistent claim made in certain quarters that all the efforts to relieve the people from unjust and unnecessary taxation are schemes of so-called free traders is mischievous and far removed from any consideration for the public good.

The simple and plain duty which we owe the people is to reduce taxation to the necessary expenses of an economical operation of the Government and to restore to the business of the country the money which we hold in the Treasury through the perversion of governmental powers. These things can and should be done with safety to all our industries, without danger to the opportunity for remunerative labor which our workingmen need, and with benefit to them and all our people by cheapening their means of subsistence and increasing the measure of their comforts.

Page 1467

The Constitution provides that the President “shall from time to time give to the Congress information of the state of the Union.” It has been the custom of the Executive, in compliance with this provision, to annually exhibit to the Congress, at the opening of its session, the general condition of the country, and to detail with some particularity the operations of the different Executive Departments. It would be especially agreeable to follow this course at the present time and to call attention to the valuable accomplishments of these Departments during the last fiscal year; but I am so much impressed with the paramount importance of the subject to which this communication has thus far been devoted that I shall forego the addition of any other topic, and only urge upon your immediate consideration the “state of the Union” as shown in the present condition of our Treasury and our general fiscal situation, upon which every element of our safety and prosperity depends.

The reports of the heads of Departments, which will be submitted, contain full and explicit information touching the transaction of the business intrusted to them and such recommendations relating to legislation in the public interest as they deem advisable. I ask for these reports and recommendations the deliberate examination and action of the legislative branch of the Government.

There are other subjects not embraced in the departmental reports demanding legislative consideration, and which I should be glad to submit. Some of them, however, have been earnestly presented in previous messages, and as to them I beg leave to repeat prior recommendations.

As the law makes no provision for any report from the Department of State, a brief history of the transactions of that important Department, together with other matters which it may hereafter be deemed essential to commend to the attention of the Congress, may furnish the occasion for a future communication.

***

State of the Union Address
Grover Cleveland
December 3, 1888

To the Congress of the United States:

As you assemble for the discharge of the duties you have assumed as the representatives of a free and generous people, your meeting is marked by an interesting and impressive incident. With the expiration of the present session of the Congress the first century of our constitutional existence as a nation will be completed.

Our survival for one hundred years is not sufficient to assure us that we no longer have dangers to fear in the maintenance, with all its promised blessings, of a government

rounded upon the freedom of the people. The time rather admonishes us to soberly inquire whether in the past we have always closely kept in the course of safety, and whether we have before us a way plain and clear which leads to happiness and perpetuity.

When the experiment of our Government was undertaken, the chart adopted for our guidance was the Constitution. Departure from the lines there laid down is failure. It is only by a strict adherence to the direction they indicate and by restraint within the limitations they fix that we can furnish proof to the world of the fitness of the American people for self-government.

Page 1468

The equal and exact justice of which we boast as the underlying principle of our institutions should not be confined to the relations of our citizens to each other. The Government itself is under bond to the American people that in the exercise of its functions and powers it will deal with the body of our citizens in a manner scrupulously honest and fair and absolutely just. It has agreed that American citizenship shall be the only credential necessary to justify the claim of equality before the law, and that no condition in life shall give rise to discrimination in the treatment of the people by their Government.

The citizen of our Republic in its early days rigidly insisted upon full compliance with the letter of this bond, and saw stretching out before him a clear field for individual endeavor. His tribute to the support of his Government was measured by the cost of its economical maintenance, and he was secure in the enjoyment of the remaining recompense of his steady and contented toil. In those days the frugality of the people was stamped upon their Government, and was enforced by the free, thoughtful, and intelligent suffrage of the citizen. Combinations, monopolies, and aggregations of capital were either avoided or sternly regulated and restrained. The pomp and glitter of governments less free offered no temptation and presented no delusion to the plain people who, side by side, in friendly competition, wrought for the ennoblement and dignity of man, for the solution of the problem of free government, and for the achievement of the grand destiny awaiting the land which God had given them.

A century has passed. Our cities are the abiding places of wealth and luxury; our manufactories yield fortunes never dreamed of by the fathers of the Republic; our business men are madly striving in the race for riches, and immense aggregations of capital outrun the imagination in the magnitude of their undertakings.

We view with pride and satisfaction this bright picture of our country's growth and prosperity, while only a closer scrutiny develops a somber shading. Upon more careful inspection we find the wealth and luxury of our cities mingled with poverty and wretchedness and unremunerative toil. A crowded and constantly increasing urban population suggests the impoverishment of rural sections and discontent with agricultural pursuits. The farmer's son, not satisfied with his father's simple and laborious life, joins the eager chase for easily acquired wealth.

We discover that the fortunes realized by our manufacturers are no longer solely the reward of sturdy industry and enlightened foresight, but that they result from the discriminating favor of the Government and are largely built upon undue exactions from the masses of our people. The gulf between employers and the employed is constantly widening, and classes are rapidly forming, one comprising the very rich and powerful, while in another are found the toiling poor.

Page 1469

As we view the achievements of aggregated capital, we discover the existence of trusts, combinations, and monopolies, while the citizen is struggling far in the rear or is trampled to death beneath an iron heel. Corporations, which should be the carefully restrained creatures of the law and the servants of the people, are fast becoming the people's masters.

Still congratulating ourselves upon the wealth and prosperity of our country and complacently contemplating every incident of change inseparable from these conditions, it is our duty as patriotic citizens to inquire at the present stage of our progress how the bond of the Government made with the people has been kept and performed.

Instead of limiting the tribute drawn from our citizens to the necessities of its economical administration, the Government persists in exacting from the substance of the people millions which, unapplied and useless, lie dormant in its Treasury. This flagrant injustice and this breach of faith and obligation add to extortion the danger attending the diversion of the currency of the country from the legitimate channels of business.

Under the same laws by which these results are produced the Government permits many millions more to be added to the cost of the living of our people and to be taken from our consumers, which unreasonably swell the profits of a small but powerful minority.

The people must still be taxed for the support of the Government under the operation of tariff laws. But to the extent that the mass of our citizens are inordinately burdened beyond any useful public purpose and for the benefit of a favored few, the Government, under pretext of an exercise of its taxing power, enters gratuitously into partnership with these favorites, to their advantage and to the injury of a vast majority of our people.

This is not equality before the law.

The existing situation is injurious to the health of our entire body politic. It stifles in those for whose benefit it is permitted all patriotic love of country, and substitutes in its place selfish greed and grasping avarice. Devotion to American citizenship for its own sake and for what it should accomplish as a motive to our nation's advancement and the happiness of all our people is displaced by the assumption that the Government, instead of being the embodiment of equality, is but an instrumentality through which especial and individual advantages are to be gained.

The arrogance of this assumption is unconcealed. It appears in the sordid disregard of all but personal interests, in the refusal to abate for the benefit of others one iota of selfish advantage, and in combinations to perpetuate such advantages through efforts to control legislation and improperly influence the suffrages of the people.

Page 1470

The grievances of those not included within the circle of these beneficiaries, when fully realized, will surely arouse irritation and discontent. Our farmers, long suffering and patient, struggling in the race of life with the hardest and most unremitting toil, will not fail to see, in spite of misrepresentations and misleading fallacies, that they are obliged to accept such prices for their products as are fixed in foreign markets where they compete with the farmers of the world; that their lands are declining in value while their debts increase, and that without compensating favor they are forced by the action of the Government to pay for the benefit of others such enhanced prices for the things they need that the scanty returns of their labor fail to furnish their support or leave no margin for accumulation.

Our workingmen, enfranchised from all delusions and no longer frightened by the cry that their wages are endangered by a just revision of our tariff laws, will reasonably demand through such revision steadier employment, cheaper means of living in their homes, freedom for themselves and their children from the doom of perpetual servitude, and an open door to their advancement beyond the limits of a laboring class. Others of our citizens, whose comforts and expenditures are measured by moderate salaries and fixed incomes, will insist upon the fairness and justice of cheapening the cost of necessaries for themselves and their families.

When to the selfishness of the beneficiaries of unjust discrimination under our laws there shall be added the discontent of those who suffer from such discrimination, we will realize the fact that the beneficent purposes of our Government, dependent upon the patriotism and contentment of our people, are endangered.

Communism is a hateful thing and a menace to peace and organized government; but the communism of combined wealth and capital, the outgrowth of overweening cupidity and selfishness, which insidiously undermines the justice and integrity of free institutions, is not less dangerous than the communism of oppressed poverty and toil, which, exasperated by injustice and discontent, attacks with wild disorder the citadel of rule.

He mocks the people who proposes that the Government shall protect the rich and that they in turn will care for the laboring poor. Any intermediary between the people and their Government or the least delegation of the care and protection the Government owes to the humblest citizen in the land makes the boast of free institutions a glittering delusion and the pretended boon of American citizenship a shameless imposition.

Page 1471

A just and sensible revision of our tariff laws should be made for the relief of those of our countrymen who suffer under present conditions. Such a revision should receive the support of all who love that justice and equality due to American citizenship; of all who realize that in this justice and equality our Government finds its strength and its power to protect the citizen and his property; of all who believe that the contented competence and comfort of many accord better with the spirit of our institutions than colossal fortunes unfairly gathered in the hands of a few; of all who appreciate that the forbearance and fraternity among our people, which recognize the value of every American interest, are the surest guaranty of our national progress, and of all who desire to see the products of American skill and ingenuity in every market of the world, with a resulting restoration of American commerce.

The necessity of the reduction of our revenues is so apparent as to be generally conceded, but the means by which this end shall be accomplished and the sum of direct benefit which shall result to our citizens present a controversy of the utmost importance. There should be no scheme accepted as satisfactory by which the burdens of the people are only apparently removed. Extravagant appropriations of public money, with all their demoralizing consequences, should not be tolerated, either as a means of relieving the Treasury of its present surplus or as furnishing pretext for resisting a proper reduction in tariff rates. Existing evils and injustice should be honestly recognized, boldly met, and effectively remedied. There should be no cessation of the struggle until a plan is perfected, fair and conservative toward existing industries, but which will reduce the cost to consumers of the necessaries of life, while it provides for our manufacturers the advantage of freer raw materials and permits no injury to the interests of American labor.

The cause for which the battle is waged is comprised within lines clearly and distinctly defined. It should never be compromised. It is the people's cause.

It can not be denied that the selfish and private interests which are so persistently heard when efforts are made to deal in a just and comprehensive manner with our tariff laws are related to, if they are not responsible for, the sentiment largely prevailing among the people that the General Government is the fountain of individual and private aid; that it may be expected to relieve with paternal care the distress of citizens and communities, and that from the fullness of its Treasury it should, upon the slightest possible pretext of promoting the general good, apply public funds to the benefit of localities and individuals. Nor can it be denied that there is a growing assumption that, as against the Government and in favor of private claims and interests, the usual rules and limitations of business principles and just dealing should be waived.

Page 1472

These ideas have been unhappily much encouraged by legislative acquiescence. Relief from contracts made with the Government is too easily accorded in favor of the citizen; the failure to support claims against the Government by proof is often supplied by no better consideration than the wealth of the Government and the poverty of the claimant; gratuities in the form of pensions are granted upon no other real ground than the needy condition of the applicant, or for reasons less valid; and large sums are expended for public buildings and other improvements upon representations scarcely claimed to be related to public needs and necessities.

The extent to which the consideration of such matters subordinate and postpone action upon subjects of great public importance, but involving no special private or partisan interest, should arrest attention and lead to reformation.

A few of the numerous illustrations of this condition may be stated.

The crowded condition of the calendar of the Supreme Court, and the delay to suitors and denial of justice resulting therefrom, has been strongly urged upon the attention of the Congress, with a plan for the relief of the situation approved by those well able to judge of its merits. While this subject remains without effective consideration, many laws have been passed providing for the holding of terms of inferior courts at places to suit the convenience of localities, or to lay the foundation of an application for the erection of a new public building.

Repeated recommendations have been submitted for the amendment and change of the laws relating to our public lands so that their spoliation and diversion to other uses than as homes for honest settlers might be prevented. While a measure to meet this conceded necessity of reform remains awaiting the action of the Congress, many claims to the public lands and applications for their donation, in favor of States and individuals, have been allowed.

A plan in aid of Indian management, recommended by those well informed as containing valuable features in furtherance of the solution of the Indian problem, has thus far failed of legislative sanction, while grants of doubtful expediency to railroad corporations, permitting them to pass through Indian reservations, have greatly multiplied.

The propriety and necessity of the erection of one or more prisons for the confinement of United States convicts, and a post-office building in the national capital, are not disputed. But these needs yet remain answered, while scores of public buildings have been erected where their necessity for public purposes is not apparent.

A revision of our pension laws could easily be made which would rest upon just principles and provide for every worthy applicant. But while our general pension laws

remain confused and imperfect, hundreds of private pension laws are annually passed, which are the sources of unjust discrimination and popular demoralization.

Page 1473

Appropriation bills for the support of the Government are defaced by items and provisions to meet private ends, and it is freely asserted by responsible and experienced parties that a bill appropriating money for public internal improvement would fail to meet with favor unless it contained items more for local and private advantage than for public benefit.

These statements can be much emphasized by an ascertainment of the proportion of Federal legislation which either bears upon its face its private character or which upon examination develops such a motive power.

And yet the people wait and expect from their chosen representatives such patriotic action as will advance the welfare of the entire country; and this expectation can only be answered by the performance of public duty with unselfish purpose. Our mission among the nations of the earth and our success in accomplishing the work God has given the American people to do require of those intrusted with the making and execution of our laws perfect devotion, above all other things, to the public good.

This devotion will lead us to strongly resist all impatience of constitutional limitations of Federal power and to persistently check the increasing tendency to extend the scope of Federal legislation into the domain of State and local jurisdiction upon the plea of subserving the public welfare. The preservation of the partitions between proper subjects of Federal and local care and regulation is of such importance under the Constitution, which is the law of our very existence, that no consideration of expediency or sentiment should tempt us to enter upon doubtful ground. We have undertaken to discover and proclaim the richest blessings of a free government, with the Constitution as our guide. Let us follow the way it points out; it will not mislead us. And surely no one who has taken upon himself the solemn obligation to support and preserve the Constitution can find justification or solace for disloyalty in the excuse that he wandered and disobeyed in search of a better way to reach the public welfare than the Constitution offers.

What has been said is deemed not inappropriate at a time when, from a century's height, we view the way already trod by the American people and attempt to discover their future path.

The seventh President of the United States—the soldier and statesman and at all times the firm and brave friend of the people—in vindication of his course as the protector of popular rights and the champion of true American citizenship, declared: The ambition which leads me on is an anxious desire and a fixed determination to restore to the people unimpaired the sacred trust they have confided to my charge; to, heal the wounds of the Constitution and to preserve it from further violation; to persuade my countrymen, so far as I may, that it is not in a splendid government supported by powerful monopolies and aristocratical establishments that they will find

Page 1474

happiness or their liberties protection, but in a plain system, void of pomp, protecting all and granting favors to none, dispensing its blessings like the dews of heaven, unseen and unfelt save in the freshness and beauty they contribute to produce. It is such a government that the genius of our people requires—such an one only under which our States may remain for ages to come united, prosperous, and free. In pursuance of a constitutional provision requiring the President from time to time to give to the Congress information of the state of the Union, I have the satisfaction to announce that the close of the year finds the United States in the enjoyment of domestic tranquillity and at peace with all the nations.

Since my last annual message our foreign relations have been strengthened and improved by performance of international good offices and by new and renewed treaties of amity, commerce, and reciprocal extradition of criminals.

Those international questions which still await settlement are all reasonably within the domain of amicable negotiation, and there is no existing subject of dispute between the United States and any foreign power that is not susceptible of satisfactory adjustment by frank diplomatic treatment.

The questions between Great Britain and the United States relating to the rights of American fishermen, under treaty and international comity, in the territorial waters of Canada and Newfoundland, I regret to say, are not yet satisfactorily adjusted.

These matters were fully treated in my message to the Senate of February 20 1888, together with which a convention, concluded under my authority with Her Majesty's Government on the 15th of February last, for the removal of all causes of misunderstanding, was submitted by me for the approval of the Senate.

This treaty having been rejected by the Senate, I transmitted a message to the Congress on the 23d of August last reviewing the transactions and submitting for consideration certain recommendations for legislation concerning the important questions involved.

Afterwards, on the 12th of September, in response to a resolution of the Senate, I again communicated fully all the information in my possession as to the action of the government of Canada affecting the commercial relations between the Dominion and the United States, including the treatment of American fishing vessels in the ports and waters of British North America.

These communications have all been published, and therefore opened to the knowledge of both Houses of Congress, although two were addressed to the Senate alone.

Page 1475

Comment upon or repetition of their contents would be superfluous, and I am not aware that anything has since occurred which should be added to the facts therein stated. Therefore I merely repeat, as applicable to the present time, the statement which will be found in my message to the Senate of September 12 last, that—Since March 3, 1887, no case has been reported to the Department of State wherein complaint was made of unfriendly or unlawful treatment of American fishing vessels on the part of the Canadian authorities in which reparation was not promptly and satisfactorily obtained by the United States consul-general at Halifax. Having essayed in the discharge of my duty to procure by negotiation the settlement of a long-standing cause of dispute and to remove a constant menace to the good relations of the two countries, and continuing to be of opinion that the treaty of February last, which failed to receive the approval of the Senate, did supply “a satisfactory, practical, and final adjustment, upon a basis honorable and just to both parties, of the difficult and vexed question to which it related,” and having subsequently and unavailingly recommended other legislation to Congress which I hoped would suffice to meet the exigency created by the rejection of the treaty, I now again invoke the earnest and immediate attention of the Congress to the condition of this important question as it now stands before them and the country, and for the settlement of which I am deeply solicitous.

Near the close of the month of October last occurrences of a deeply regrettable nature were brought to my knowledge, which made it my painful but imperative duty to obtain with as little delay as possible a new personal channel of diplomatic intercourse in this country with the Government of Great Britain.

The correspondence in relation to this incident will in due course be laid before you, and will disclose the unpardonable conduct of the official referred to in his interference by advice and counsel with the suffrages of American citizens in the very crisis of the Presidential election then near at hand, and also in his subsequent public declarations to justify his action, superadding impugnment of the Executive and Senate of the United States in connection with important questions now pending in controversy between the two Governments.

The offense thus committed was most grave, involving disastrous possibilities to the good relations of the United States and Great Britain, constituting a gross breach of diplomatic privilege and an invasion of the purely domestic affairs and essential sovereignty of the Government to which the envoy was accredited.

Having first fulfilled the just demands of international comity by affording full opportunity for Her Majesty’s Government to act in relief of the situation, I considered prolongation of discussion to be unwarranted, and thereupon declined to further recognize the diplomatic character of the person whose continuance in such function would destroy that mutual confidence which is essential to the good understanding of the two Governments and was inconsistent with the welfare and self-respect of the Government of the United States.

Page 1476

The usual interchange of communication has since continued through Her Majesty's legation in this city.

My endeavors to establish by international cooperation measures for the prevention of the extermination of fur seals in Bering Sea have not been relaxed, and I have hopes of being enabled shortly to submit an effective and satisfactory conventional projet with the maritime powers for the approval of the Senate.

The coastal boundary between our Alaskan possessions and British Columbia, I regret to say, has not received the attention demanded by its importance, and which on several occasions heretofore I have had the honor to recommend to the Congress.

The admitted impracticability, if not impossibility, of making an accurate and precise survey and demarcation of the boundary line as it is recited in the treaty with Russia under which Alaska was ceded to the United States renders it absolutely requisite for the prevention of international jurisdictional complications that adequate appropriation for a reconnoissance and survey to obtain proper knowledge of the locality and the geographical features of the boundary should be authorized by Congress with as little delay as possible.

Knowledge to be only thus obtained is an essential prerequisite for negotiation for ascertaining a common boundary, or as preliminary to any other mode of settlement.

It is much to be desired that some agreement should be reached with Her Majesty's Government by which the damages to life and property on the Great Lakes may be alleviated by removing or humanely regulating the obstacles to reciprocal assistance to wrecked or stranded vessels.

The act of June 19, 1878, which offers to Canadian vessels free access to our inland waters in aid of wrecked or disabled vessels, has not yet become effective through concurrent action by Canada.

The due protection of our citizens of French origin or descent from claim of military service in the event of their returning to or visiting France has called forth correspondence which was laid before you at the last session.

In the absence of conventional agreement as to naturalization, which is greatly to be desired, this Government sees no occasion to recede from the sound position it has maintained not only with regard to France, but as to all countries with which the United States have not concluded special treaties.

Twice within the last year has the imperial household of Germany been visited by death; and I have hastened to express the sorrow of this people, and their appreciation of the

lofty character of the late aged Emperor William, and their sympathy with the heroism under suffering of his son the late Emperor Frederick.

I renew my recommendation of two years ago for the passage of a bill for the refunding to certain German steamship lines of the interest upon tonnage dues illegally exacted.

On the 12th [2d] of April last I laid before the House of Representatives full information respecting our interests in Samoa; and in the subsequent correspondence on the same subject, which will be laid before you in due course, the history of events in those islands will be found.

Page 1477

In a message accompanying my approval, on the 1st day of October last, of a bill for the exclusion of Chinese laborers, I laid before Congress full information and all correspondence touching the negotiation of the treaty with China concluded at this capital on the 12th day of March, 1888, and which, having been confirmed by the Senate with certain amendments, was rejected by the Chinese Government. This message contained a recommendation that a sum of money be appropriated as compensation to Chinese subjects who had suffered injuries at the hands of lawless men within our jurisdiction. Such appropriation having been duly made, the fund awaits reception by the Chinese Government.

It is sincerely hoped that by the cessation of the influx of this class of Chinese subjects, in accordance with the expressed wish of both Governments, a cause of unkind feeling has been permanently removed.

On the 9th of August, 1887, notification was given by the Japanese minister at this capital of the adjournment of the conference for the revision of the treaties of Japan with foreign powers, owing to the objection of his Government to the provision in the draft jurisdictional convention which required the submission of the criminal code of the Empire to the powers in advance of its becoming operative. This notification was, however, accompanied with an assurance of Japan's intention to continue the work of revision.

Notwithstanding this temporary interruption of negotiations, it is hoped that improvements may soon be secured in the jurisdictional system as respects foreigners in Japan, and relief afforded to that country from the present undue and oppressive foreign control in matters of commerce.

I earnestly recommend that relief be provided for the injuries accidentally caused to Japanese subjects in the island Ikisima by the target practice of one of our vessels.

A diplomatic mission from Korea has been received, and the formal intercourse between the two countries contemplated by the treaty of 1882 is now established.

Legislative provision is hereby recommended to organize and equip consular courts in Korea.

Persia has established diplomatic representation at this capital, and has evinced very great interest in the enterprise and achievements of our citizens. I am therefore hopeful that beneficial commercial relations between the two countries may be brought about.

I announce with sincere regret that Hayti has again become the theater of insurrection, disorder, and bloodshed. The titular government of president Saloman has been forcibly overthrown and he driven out of the country to France, where he has since died.

The tenure of power has been so unstable amid the war of factions that has ensued since the expulsion of President Saloman that no government constituted by the will of the Haytian people has been recognized as administering responsibly the affairs of that country. Our representative has been instructed to abstain from interference between the warring factions, and a vessel of our Navy has been sent to Haytian waters to sustain our minister and for the protection of the persons and property of American citizens.

Page 1478

Due precautions have been taken to enforce our neutrality laws and prevent our territory from becoming the base of military supplies for either of the warring factions.

Under color of a blockade, of which no reasonable notice had been given, and which does not appear to have been efficiently maintained, a seizure of vessels under the American flag has been reported, and in consequence measures to prevent and redress any molestation of our innocent merchantmen have been adopted.

Proclamation was duly made on the 9th day of November, 1887, of the conventional extensions of the treaty of June 3, 1875, with Hawaii, under which relations of such special and beneficent intercourse have been created.

In the vast field of Oriental commerce now unfolded from our Pacific borders no feature presents stronger recommendations for Congressional action than the establishment of communication by submarine telegraph with Honolulu.

The geographical position of the Hawaiian group in relation to our Pacific States creates a natural interdependency and mutuality of interest which our present treaties were intended to foster, and which make close communication a logical and commercial necessity.

The wisdom of concluding a treaty of commercial reciprocity with Mexico has been heretofore stated in my messages to Congress, and the lapse of time and growth of commerce with that close neighbor and sister Republic confirm the judgment so expressed.

The precise relocation of our boundary line is needful, and adequate appropriation is now recommended.

It is with sincere satisfaction that I am enabled to advert to the spirit of good neighborhood and friendly cooperation and conciliation that has marked the correspondence and action of the Mexican authorities in their share of the task of maintaining law and order about the line of our common boundary.

The long-pending boundary dispute between Costa Rica and Nicaragua was referred to my arbitration, and by an award made on the 22d of March last the question has been finally settled to the expressed satisfaction of both of the parties in interest.

The Empire of Brazil, in abolishing the last vestige of slavery among Christian nations, called forth the earnest congratulations of this Government in expression of the cordial sympathies of our people.

The claims of nearly all other countries against Chile growing out of her late war with Bolivia and Peru have been disposed of, either by arbitration or by a lump settlement.

Similar claims of our citizens will continue to be urged upon the Chilean Government, and it is hoped will not be subject to further delays.

A comprehensive treaty of amity and commerce with Peru was proclaimed on November 7 last, and it is expected that under its operation mutual prosperity and good understanding will be promoted.

In pursuance of the policy of arbitration, a treaty to settle the claim of Santos, an American citizen, against Ecuador has been concluded under my authority, and will be duly submitted for the approval of the Senate.

Page 1479

Like disposition of the claim of Carlos Butterfield against Denmark and of Van Bokkelen against Hayti will probably be made, and I trust the principle of such settlements may be extended in practice under the approval of the Senate.

Through unforeseen causes, foreign to the will of both Governments, the ratification of the convention of December 5, 1885, with Venezuela, for the rehearing of claims of citizens of the United States under the treaty of 1866, failed of exchange within the term provided, and a supplementary convention, further extending the time for exchange of ratifications and explanatory of an ambiguous provision of the prior convention, now awaits the advice and consent of the Senate.

Although this matter, in the stage referred to, concerns only the concurrent treaty-making power of one branch of Congress, I advert to it in view of the interest repeatedly and conspicuously shown by you in your legislative capacity in favor of a speedy and equitable adjustment of the questions growing out of the discredited judgments of the previous mixed commission of Caracas. With every desire to do justice to the representations of Venezuela in this regard, the time seems to have come to end this matter, and I trust the prompt confirmation by both parties of the supplementary action referred to will avert the need of legislative or other action to prevent the longer withholding of such rights of actual claimants as may be shown to exist.

As authorized by the Congress, preliminary steps have been taken for the assemblage at this capital during the coming year of the representatives of South and Central American States, together with those of Mexico, Hayti, and San Domingo, to discuss sundry important monetary and commercial topics.

Excepting in those cases where, from reasons of contiguity of territory and the existence of a common border line incapable of being guarded, reciprocal commercial treaties may be found expedient, it is believed that commercial policies inducing freer mutual exchange of products can be most advantageously arranged by independent but cooperative legislation.

In the mode last mentioned the control of our taxation for revenue will be always retained in our own hands unrestricted by conventional agreements with other governments.

In conformity also with Congressional authority, the maritime powers have been invited to confer in Washington in April next upon the practicability of devising uniform rules and measures for the greater security of life and property at sea. A disposition to accept on the part of a number of the powers has already been manifested, and if the cooperation of the nations chiefly interested shall be secured important results may be confidently anticipated.

The act of June 26, 1884, and the acts amendatory thereof, in relation to tonnage duties, have given rise to extended correspondence with foreign nations with whom we have existing treaties of navigation and commerce, and have caused wide and regrettable divergence of opinion in relation to the imposition of the duties referred to. These questions are important, and I shall make them the subject of a special and more detailed communication at the present session.

Page 1480

With the rapid increase of immigration to our shores and the facilities of modern travel, abuses of the generous privileges afforded by our naturalization laws call for their careful revision.

The easy and unguarded manner in which certificates of American citizenship can now be obtained has induced a class, unfortunately large, to avail themselves of the opportunity to become absolved from allegiance to their native land, and yet by a foreign residence to escape any just duty and contribution of service to the country of their proposed adoption. Thus, while evading the duties of citizenship to the United States, they may make prompt claim for its national protection and demand its intervention in their behalf. International complications of a serious nature arise, and the correspondence of the State Department discloses the great number and complexity of the questions which have been raised.

Our laws regulating the issue of passports should be carefully revised, and the institution of a central bureau of registration at the capital is again strongly recommended. By this means full particulars of each case of naturalization in the United States would be secured and properly indexed and recorded, and thus many cases of spurious citizenship would be detected and unjust responsibilities would be avoided.

The reorganization of the consular service is a matter of serious importance to our national interests. The number of existing principal consular offices is believed to be greater than is at all necessary for the conduct of the public business. It need not be our policy to maintain more than a moderate number of principal offices, each supported by a salary sufficient to enable the incumbent to live in comfort, and so distributed as to secure the convenient supervision, through subordinate agencies, of affairs over a considerable district.

I repeat the recommendations heretofore made by me that the appropriations for the maintenance of our diplomatic and consular service should be recast; that the so-called notarial or unofficial fees, which our representatives abroad are now permitted to treat as personal perquisites, should be forbidden; that a system of consular inspection should be instituted, and that a limited number of secretaries of legation at large should be authorized.

Preparations for the centennial celebration, on April 30, 1889, of the inauguration of George Washington as President of the United States, at the city of New York, have been made by a voluntary organization of the citizens of that locality, and believing that an opportunity should be afforded for the expression of the interest felt throughout the country in this event, I respectfully recommend fitting and cooperative action by Congress on behalf of the people of the United States.

The report of the Secretary of the Treasury exhibits in detail the condition of our national finances and the operations of the several branches of the Government related to his Department.

Page 1481

The total ordinary revenues of the Government for the fiscal year ended June 30, 1888, amounted to $379,266,074.76, of which $219,091,173.63 was received from customs duties and $124,296,871.98 from internal revenue taxes.

The total receipts from all sources exceeded those for the fiscal year ended June 30, 1887, by $7,862,797.10.

The ordinary expenditures of the Government for the fiscal year ending June 30, 1888, were $259,653,958.67, leaving a surplus of $119,612,116.09.

The decrease in these expenditures as compared with the fiscal year ended June 30, 1887, was $8,278,221.30, notwithstanding the payment of more than $5,000,000 for pensions in excess of what was paid for that purpose in the latter-mentioned year.

The revenues of the Government for the year ending June 30, 1889, ascertained for the quarter ended September 30, 1888, and estimated for the remainder of the time, amount to $377,000,000, and the actual and estimated ordinary expenditures for the same year are $273,000,000, leaving an estimated surplus of $104,000,000.

The estimated receipts for the year ending June 30, 1890, are $377,000,000, and the estimated ordinary expenditures for the same time are $275,767,488.34, showing a surplus of $101,232,511.66.

The foregoing statements of surplus do not take into account the sum necessary to be expended to meet the requirements of the sinking-fund act, amounting to more than $47,000,000 annually.

The cost of collecting the customs revenues for the last fiscal year was 2.44 per cent; for the year 1885 it was 3.77 per cent.

The excess of internal-revenue taxes collected during the last fiscal year over those collected for the year ended June 30, 1887, was $5,489,174.26, and the cost of collecting this revenue decreased from 3.4 per cent in 1887 to less than 3.2 per cent for the last year. The tax collected on oleomargarine was $723,948.04 for the year ending June 30, 1887, and $864,139.88 for the following year.

The requirements of the sinking-fund act have been met for the year ended June 30, 1888, and for the current year also, by the purchase of bonds. After complying with this law as positively required, and bonds sufficient for that purpose had been bought at a premium, it was not deemed prudent to further expend the surplus in such purchases until the authority to do so should be more explicit. A resolution, however, having been passed by both Houses of Congress removing all doubt as to Executive authority, daily purchases of bonds were commenced on the 23d day of April, 1888, and have continued until the present time. By this plan bonds of the Government not yet due

have been purchased up to and including the 30th day of November, 1888, amounting to $94,700,400, the premium paid thereon amounting to $17,508,613.08.

The premium added to the principal of these bonds represents an investment yielding about 2 per cent interest for the time they still had to run, and the saving to the Government represented by the difference between the amount of interest at 2 per cent upon the sum paid for principal and premium and what it would have paid for interest at the rate specified in the bonds if they had run to their maturity is about $27,165,000.

Page 1482

At first sight this would seem to be a profitable and sensible transaction on the part of the Government, but, as suggested by the Secretary of the Treasury, the surplus thus expended for the purchase of bonds was money drawn from the people in excess of any actual need of the Government and was so expended rather than allow it to remain idle in the Treasury. If this surplus, under the operation of just and equitable laws, had been left in the hands of the people, it would have been worth in their business at least 6 per cent per annum. Deducting from the amount of interest upon the principal and premium of these bonds for the time they had to run at the rate of 6 per cent the saving of 2 per cent made for the people by the purchase of such bonds, the loss will appear to be $55,760,000.

This calculation would seem to demonstrate that if excessive and unnecessary taxation is continued and the Government is forced to pursue this policy of purchasing its own bonds at the premiums which it will be necessary to pay, the loss to the people will be hundreds of millions of dollars.

Since the purchase of bonds was undertaken as mentioned nearly all that have been offered were at last accepted. It has been made quite apparent that the Government was in danger of being subjected to combinations to raise their price, as appears by the instance cited by the Secretary of the offering of bonds of the par value of only $326,000 so often that the aggregate of the sums demanded for their purchase amounted to more than $ 19,700,000.

Notwithstanding the large sums paid out in the purchase of bonds, the surplus in the Treasury on the 30th day of November, 1888, was $52,234,610.01, after deducting about $20,000,000 just drawn out for the payment of pensions.

At the close of the fiscal year ended June 30, 1887, there had been coined under the compulsory silver-coinage act $266,988,280 in silver dollars, $55,504,310 of which were in the hands of the people.

On the 30th day of June, 1888, there had been coined $299,708,790; and of this $55,829,303 was in circulation in coin, and $200,387,376 in silver certificates, for the redemption of which silver dollars to that amount were held by the Government.

On the 30th day of November, 1888, $312,570,990 had been coined, $60,970,990 of the silver dollars were actually in circulation, and $237,418,346 in certificates.

The Secretary recommends the suspension of the further coinage of silver, and in such recommendation I earnestly concur.

For further valuable information and timely recommendations I ask the careful attention of the Congress to the Secretary's report.

The Secretary of War reports that the Army at the date of the last consolidated returns consisted of 2,189 officers and 24,549 enlisted men.

The actual expenditures of the War Department for the fiscal year ended June 30, 1888, amounted to $41,165,107.07, of which sum $9,158,516.63 was expended for public works, including river and harbor improvements.

Page 1483

“The Board of Ordnance and Fortifications” provided for under the act approved September 22 last was convened October 30, 1888, and plans and specifications for procuring forgings for 8, 10, and 12 inch guns, under provisions of section 4, and also for procuring 12-inch breech-loading mortars, cast iron, hooped with steel, under the provisions of section 5 of the said act, were submitted to the Secretary of War for reference to the board, by the Ordnance Department, on the same date.

These plans and specifications having been promptly approved by the board and the Secretary of War, the necessary authority to publish advertisements inviting proposals in the newspapers throughout the country was granted by the Secretary on November 12, and on November 13 the advertisements were sent out to the different newspapers designated. The bids for the steel forgings are to be opened on December 20, 1888, and for the mortars on December 15, 1888.

A board of ordnance officers was convened at the Watervliet Arsenal on October 4, 1888, to prepare the necessary plans and specifications for the establishment of an army gun factory at that point. The preliminary report of this board, with estimates for shop buildings and officers’ quarters, was approved by the Board of Ordnance and Fortifications November 6 and 8. The specifications and form of advertisement and instructions to bidders have been prepared, and advertisements inviting proposals for the excavations for the shop building and for erecting the two sets of officers’ quarters have been published. The detailed drawings and specifications for the gun-factory building are well in hand, and will be finished within three or four months, when bids will be invited for the erection of the building. The list of machines, *etc*., is made out, and it is expected that the plans for the large lathes, *etc*., will be completed within about four months, and after approval by the Board of Ordnance and Fortifications bids for furnishing the same will be invited. The machines and other fixtures will be completed as soon as the shop is in readiness to receive them, probably about July, 1890.

Under the provisions of the Army bill for the procurement of pneumatic dynamite guns, the necessary specifications are now being prepared, and advertisements for proposals will issue early in December. The guns will probably be of 15 inches caliber and fire a projectile that will carry a charge each of about 500 pounds of explosive gelatine with full-caliber projectiles. The guns will probably be delivered in from six to ten months from the date of the contract, so that all the guns of this class that can be procured under the provisions of the law will be purchased during the year 1889.

I earnestly request that the recommendations contained in the Secretary’s report, all of which are, in my opinion, calculated to increase the usefulness and discipline of the Army, may receive the consideration of the Congress. Among these the proposal that there should be provided a plan for the examination of officers to test their fitness for promotion is of the utmost importance. This reform has been before recommended in the reports of the Secretary, and its expediency is so fully demonstrated by the argument he presents in its favor that its adoption should no longer be neglected.

Page 1484

The death of General Sheridan in August last was a national affliction. The Army then lost the grandest of its chiefs. The country lost a brave and experienced soldier, a wise and discreet counselor, and a modest and sensible man. Those who in any manner came within the range of his personal association will never fail to pay deserved and willing homage to his greatness and the glory of his career, but they will cherish with more tender sensibility the loving memory of his simple, generous, and considerate nature.

The Apache Indians, whose removal from their reservation in Arizona followed the capture of those of their number who engaged in a bloody and murderous raid during a part of the years 1885 and 1886, are now held as prisoners of war at Mount Vernon Barracks, in the State of Alabama. They numbered on the 31st day of October, the date of the last report, 83 men, 170 women, 70 boys, and 59 girls; in all, 382 persons. The commanding officer states that they are in good health and contented, and that they are kept employed as fully as is possible in the circumstances. The children, as they arrive at a suitable age, are sent to the Indian schools at Carlisle and Hampton.

Last summer some charitable and kind people asked permission to send two teachers to these Indians for the purpose of instructing the adults as well as such children as should be found there. Such permission was readily granted, accommodations were provided for the teachers, and some portions of the buildings at the barracks were made available for school purposes. The good work contemplated has been commenced, and the teachers engaged are paid by the ladies with whom the plan originated.

I am not at all in sympathy with those benevolent but injudicious people who are constantly insisting that these Indians should be returned to their reservation. Their removal was an absolute necessity if the lives and property of citizens upon the frontier are to be at all regarded by the Government. Their continued restraint at a distance from the scene of their repeated and cruel murders and outrages is still necessary. It is a mistaken philanthropy, every way injurious, which prompts the desire to see these savages returned to their old haunts. They are in their present location as the result of the best judgment of those having official responsibility in the matter, and who are by no means lacking in kind consideration for the Indians. A number of these prisoners have forfeited their lives to outraged law and humanity. Experience has proved that they are dangerous and can not be trusted. This is true not only of those who on the warpath have heretofore actually been guilty of atrocious murder, but of their kindred and friends, who, while they remained upon their reservation, furnished aid and comfort to those absent with bloody intent.

These prisoners should be treated kindly and kept in restraint far from the locality of their former reservation; they should be subjected to efforts calculated to lead to their improvement and the softening of their savage and cruel instincts, but their return to their old home should be persistently resisted.

Page 1485

The Secretary in his report gives a graphic history of these Indians, and recites with painful vividness their bloody deeds and the unhappy failure of the Government to manage them by peaceful means. It will be amazing if a perusal of this history will allow the survival of a desire for the return of these prisoners to their reservation upon sentimental or any other grounds.

The report of the Secretary of the Navy demonstrates very intelligent management in that important Department, and discloses the most satisfactory progress in the work of reconstructing the Navy made during the past year. Of the ships in course of construction five, viz, the Charleston, Baltimore, Yorktown, Vesuvius, and the Petrel, have in that time been launched and are rapidly approaching completion; and in addition to the above, the Philadelphia, the San Francisco, the Newark, the Bennington, the Concord, and the Herreshoff torpedo boat are all under contract for delivery to the Department during the next year. The progress already made and being made gives good ground for the expectation that these eleven vessels will be incorporated as part of the American Navy within the next twelve months.

The report shows that notwithstanding the large expenditures for new construction and the additional labor they involve the total ordinary or current expenditures of the Department for the three years ending June 30, 1888, are less by more than 20 per cent than such expenditures for the three years ending June 30, 1884.

The various steps which have been taken to improve the business methods of the Department are reviewed by the Secretary. The purchasing of supplies has been consolidated and placed under a responsible bureau head. This has resulted in the curtailment of open purchases, which in the years 1884 and 1885 amounted to over 50 per cent of all the purchases of the Department, to less than 11 per cent; so that at the present time about 90 per cent of the total departmental purchases are made by contract and after competition. As the expenditures on this account exceed an average of $2,000,000 annually, it is evident that an important improvement in the system has been inaugurated and substantial economies introduced.

The report of the Postmaster-General shows a marked increase of business in every branch of the postal service.

The number of post-offices on July 1, 1888, was 57,376, an increase of 6,124 in three years and of 2,219 for the last fiscal year. The latter-mentioned increase is classified as follows:

New England States —

Middle States — 181

Southern States and Indian Territory (41) — 1,406

The States and Territories of the Pacific Coast — 190

The ten States and Territories of the West and Northwest — 435

District of Columbia — 2 —

***

State of the Union Address
Benjamin Harrison
December 3, 1889

Page 1486

To the Senate and House of Representatives:

There are few transactions in the administration of the Government that are even temporarily held in the confidence of those charged with the conduct of the public business. Every step taken is under the observation of an intelligent and watchful people. The state of the Union is known from day to day, and suggestions as to needed legislation find an earlier voice than that which speaks in these annual communications of the President to Congress.

Good will and cordiality have characterized our relations and correspondence with other governments, and the year just closed leaves few international questions of importance remaining unadjusted. No obstacle is believed to exist that can long postpone the consideration and adjustment of the still pending questions upon satisfactory and honorable terms. The dealings of this Government with other states have been and should always be marked by frankness and sincerity, our purposes avowed, and our methods free from intrigue. This course has borne rich fruit in the past, and it is our duty as a nation to preserve the heritage of good repute which a century of right dealing with foreign governments has secured to us.

It is a matter of high significance and no less of congratulation that the first year of the second century of our constitutional existence finds as honored guests within our borders the representatives of all the independent States of North and South America met together in earnest conference touching the best methods of perpetuating and expanding the relations of mutual interest and friendliness existing among them. That the opportunity thus afforded for promoting closer international relations and the increased prosperity of the States represented will be used for the mutual good of all I can not permit myself to doubt. Our people will await with interest and confidence the results to flow from so auspicious a meeting of allied and in large part identical interests.

The recommendations of this international conference of enlightened statesmen will doubtless have the considerate attention of Congress and its cooperation in the removal of unnecessary barriers to beneficial intercourse between the nations of America. But while the commercial results which it is hoped will follow this conference are worthy of pursuit and of the great interests they have excited, it is believed that the crowning benefit will be found in the better securities which may be devised for the maintenance of peace among all American nations and the settlement of all contentions by methods that a Christian civilization can approve. While viewing with interest our national resources and products, the delegates will, I am sure, find a higher satisfaction in the evidences of unselfish friendship which everywhere attend their intercourse with our people.

Page 1487

Another international conference having great possibilities for good has lately assembled and is now in session in this capital. An invitation was extended by the Government, under the act of Congress of July 9, 1888, to all maritime nations to send delegates to confer touching the revision and amendment of the rules and regulations governing vessels at sea and to adopt a uniform system of marine signals. The response to this invitation has been very general and very cordial. Delegates from twenty-six nations are present in the conference, and they have entered upon their useful work with great zeal and with an evident appreciation of its importance. So far as the agreement to be reached may require legislation to give it effect, the cooperation of Congress is confidently relied upon.

It is an interesting, if not, indeed, an unprecedented, fact that the two international conferences have brought together here the accredited representatives of thirty-three nations.

Bolivia, Ecuador, and Honduras are now represented by resident envoys of the plenipotentiary grade. All the States of the American system now maintain diplomatic representation at this capital.

In this connection it may be noted that all the nations of the Western Hemisphere, with one exception, send to Washington envoys extraordinary and ministers plenipotentiary, being the highest grade accredited to this Government. The United States, on the contrary, sends envoys of lower grades to some of our sister Republics. Our representative in Paraguay and Uruguay is a minister resident, while to Bolivia we send a minister resident and consul-general. In view of the importance of our relations with the States of the American system, our diplomatic agents in those countries should be of the uniform rank of envoy extraordinary and minister plenipotentiary. Certain missions were so elevated by the last Congress with happy effect, and I recommend the completion of the reform thus begun, with the inclusion also of Hawaii and Hayti, in view of their relations to the American system of states.

I also recommend that timely provision be made for extending to Hawaii an invitation to be represented in the international conference now sitting at this capital.

Our relations with China have the attentive consideration which their magnitude and interest demand. The failure of the treaty negotiated under the Administration of my predecessor for the further and more complete restriction of Chinese labor immigration, and with it the legislation of the last session of Congress dependent thereon, leaves some questions open which Congress should now approach in that wise and just spirit which should characterize the relations of two great and friendly powers. While our supreme interests demand the exclusion of a laboring element which experience has shown to be incompatible with our social life, all steps to compass this imperative need should be accompanied with a recognition of the claim of those strangers now lawfully among us to humane and just treatment.

Page 1488

The accession of the young Emperor of China marks, we may hope, an era of progress and prosperity for the great country over which he is called to rule.

The present state of affairs in respect to the Samoan Islands is encouraging. The conference which was held in this city in the summer of 1887 between the representatives of the United States, Germany, and Great Britain having been adjourned because of the persistent divergence of views which was developed in its deliberations, the subsequent course of events in the islands gave rise to questions of a serious character. On the 4th of February last the German minister at this capital, in behalf of his Government, proposed a resumption of the conference at Berlin. This proposition was accepted, as Congress in February last was informed.

Pursuant to the understanding thus reached, commissioners were appointed by me, by and with the advice and consent of the Senate, who proceeded to Berlin, where the conference was renewed. The deliberations extended through several weeks, and resulted in the conclusion of a treaty which will be submitted to the Senate for its approval. I trust that the efforts which have been made to effect an adjustment of this question will be productive of the permanent establishment of law and order in Samoa upon the basis of the maintenance of the rights and interests of the natives as well as of the treaty powers.

The questions which have arisen during the past few years between Great Britain and the United States are in abeyance or in course of amicable adjustment.

On the part of the government of the Dominion of Canada an effort has been apparent during the season just ended to administer the laws and regulations applicable to the fisheries with as little occasion for friction as was possible, and the temperate representations of this Government in respect of cases of undue hardship or of harsh interpretations have been in most cases met with measures of transitory relief. It is trusted that the attainment of our just rights under existing treaties and in virtue of the concurrent legislation of the two contiguous countries will not be long deferred and that all existing causes of difference may be equitably adjusted.

I recommend that provision be made by an international agreement for visibly marking the water boundary between the United States and Canada in the narrow channels that join the Great Lakes. The conventional line therein traced by the northwestern boundary survey years ago is not in all cases readily ascertainable for the settlement of jurisdictional questions.

A just and acceptable enlargement of the list of offenses for which extradition may be claimed and granted is most desirable between this country and Great Britain. The territory of neither should become a secure harbor for the evil doers of the other through any avoidable shortcoming in this regard. A new treaty on this subject between the two powers has been recently negotiated and will soon be laid before the Senate.

Page 1489

The importance of the commerce of Cuba and Puerto Rico with the United States, their nearest and principal market, justifies the expectation that the existing relations may be beneficially expanded. The impediments resulting from varying dues on navigation and from the vexatious treatment of our vessels on merely technical grounds of complaint in West India ports should be removed.

The progress toward an adjustment of pending claims between the United States and Spain is not as rapid as could be desired.

Questions affecting American interests in connection with railways constructed and operated by our citizens in Peru have claimed the attention of this Government. It is urged that other governments in pressing Peru to the payment of their claims have disregarded the property rights of American citizens. The matter will be carefully investigated with a view to securing a proper and equitable adjustment.

A similar issue is now pending with Portugal. The Delagoa Bay Railway, in Africa, was constructed under a concession by Portugal to an American citizen. When nearly completed the road was seized by the agents of the Portuguese Government. Formal protest has been made through our minister at Lisbon against this act, and no proper effort will be spared to secure proper relief.

In pursuance of the charter granted by Congress and under the terms of its contract with the Government of Nicaragua the Interoceanic Canal Company has begun the construction of the important waterway between the two oceans which its organization contemplates. Grave complications for a time seemed imminent, in view of a supposed conflict of jurisdiction between Nicaragua and Costa Rica in regard to the accessory privileges to be conceded by the latter Republic toward the construction of works on the San Juan River, of which the right bank is Costa Rican territory. I am happy to learn that a friendly arrangement has been effected between the two nations. This Government has held itself ready to promote in every proper way the adjustment of all questions that might present obstacles to the completion of a work of such transcendent importance to the commerce of this country, and, indeed, to the commercial interests of the world.

The traditional good feeling between this country and the French Republic has received additional testimony in the participation of our Government and people in the international exposition held at Paris during the past summer. The success of our exhibitors has been gratifying. The report of the commission will be laid before Congress in due season.

This Government has accepted, under proper reserve as to its policy in foreign territories, the invitation of the Government of Belgium to take part in an international congress, which opened at Brussels on the 16th of November, for the purpose of devising measures to promote the abolition of the slave trade in Africa and to prevent

the shipment of slaves by sea. Our interest in the extinction of this crime against humanity in the regions where it yet survives has been increased by the results of emancipation within our own borders.

Page 1490

With Germany the most cordial relations continue. The questions arising from the return to the Empire of Germans naturalized in this country are considered and disposed of in a temperate spirit to the entire satisfaction of both Governments.

It is a source of great satisfaction that the internal disturbances of the Republic of Hayti are at last happily ended, and that an apparently stable government has been constituted. It has been duly recognized by the United States.

A mixed commission is now in session in this capital for the settlement of long-standing claims against the Republic of Venezuela, and it is hoped that a satisfactory conclusion will be speedily reached. This Government has not hesitated to express its earnest desire that the boundary dispute now pending between Great Britain and Venezuela may be adjusted amicably and in strict accordance with the historic title of the parties.

The advancement of the Empire of Japan has been evidenced by the recent promulgation of a new constitution, containing valuable guaranties of liberty and providing for a responsible ministry to conduct the Government.

It is earnestly recommended that our judicial rights and processes in Korea be established on a firm basis by providing the machinery necessary to carry out treaty stipulations in that regard.

The friendliness of the Persian Government continues to be shown by its generous treatment of Americans engaged in missionary labors and by the cordial disposition of the Shah to encourage the enterprise of our citizens in the development of Persian resources.

A discussion is in progress touching the jurisdictional treaty rights of the United States in Turkey. An earnest effort will be made to define those rights to the satisfaction of both Governments.

Questions continue to arise in our relations with several countries in respect to the rights of naturalized citizens. Especially is this the case with France, Italy, Russia, and Turkey, and to a less extent with Switzerland. From time to time earnest efforts have been made to regulate this subject by conventions with those countries. An improper use of naturalization should not be permitted, but it is most important that those who have been duly naturalized should everywhere be accorded recognition of the rights pertaining to the citizenship of the country of their adoption. The appropriateness of special conventions for that purpose is recognized in treaties which this Government has concluded with a number of European States, and it is advisable that the difficulties which now arise in our relations with other countries on the same subject should be similarly adjusted.

The recent revolution in Brazil in favor of the establishment of a republican form of government is an event of great interest to the United States. Our minister at Rio de Janeiro was at once instructed to maintain friendly diplomatic relations with the Provisional Government, and the Brazilian representatives at this capital were instructed by the Provisional Government to continue their functions. Our friendly intercourse with Brazil has therefore suffered no interruption.

Page 1491

Our minister has been further instructed to extend on the part of this Government a formal and cordial recognition of the new Republic so soon as the majority of the people of Brazil shall have signified their assent to its establishment and maintenance.

Within our own borders a general condition of prosperity prevails. The harvests of the last summer were exceptionally abundant, and the trade conditions now prevailing seem to promise a successful season to the merchant and the manufacturer and general employment to our working people.

The report of the Secretary of the Treasury for the fiscal year ending June 30, 1889, has been prepared and will be presented to Congress. It presents with clearness the fiscal operations of the Government, and I avail myself of it to obtain some facts for use here.

The aggregate receipts from all sources for the year were $387,050,058.84, derived as follows:

From customs — $223, 832, 741.69

From internal revenue — 130,881,513.92

From miscellaneous sources — 32,335,803.23

The ordinary expenditures for the same period were $281,996,615.60, and the total expenditures, including the sinking fund, were $329,579,929.25. The excess of receipts over expenditures was, after providing for the sinking fund, $57,470,129.59.

For the current fiscal year the total revenues, actual and estimated are $385,000,000, and the ordinary expenditures, actual and estimated, are $293,000,000, making with the sinking fund a total expenditure of $341,321,116.99, leaving an estimated surplus of $43,678,883.01.

During the fiscal year there was applied to the purchase of bonds, in addition to those for the sinking fund, $90,456,172.35, and during the first quarter of the current year the sum of $37,838,937.77, all of which were credited to the sinking fund. The revenues for the fiscal year ending June 30, 1891, are estimated by the Treasury Department at $385,000,000, and the expenditures for the same period, including the sinking fund, at $341,430,477.70. This shows an estimated surplus for that year of $43,569,522.30, which is more likely to be increased than reduced when the actual transactions are written up.

The existence of so large an actual and anticipated surplus should have the immediate attention of Congress, with a view to reducing the receipts of the Treasury to the needs of the Government as closely as may be. The collection of moneys not needed for public uses imposes an unnecessary burden upon our people, and the presence of so large a surplus in the public vaults is a disturbing element in the conduct of private

business. It has called into use expedients for putting it into circulation of very questionable propriety. We should not collect revenue for the purpose of anticipating our bonds beyond the requirements of the sinking fund, but any unappropriated surplus in the Treasury should be so used, as there is no other lawful way of returning the money to circulation, and the profit realized by the Government offers a substantial advantage.

Page 1492

The loaning of public funds to the banks without interest Upon the security of Government bonds I regard as an unauthorized and dangerous expedient. It results in a temporary and unnatural increase of the banking capital of favored localities and compels a cautious and gradual recall of the deposits to avoid injury to the commercial interests. It is not to be expected that the banks having these deposits will sell their bonds to the Treasury so long as the present highly beneficial arrangement is continued. They now practically get interest both upon the bonds and their proceeds. No further use should be made of this method of getting the surplus into circulation, and the deposits now outstanding should be gradually withdrawn and applied to the purchase of bonds. It is fortunate that such a use can be made of the existing surplus, and for some time to come of any casual surplus that may exist after Congress has taken the necessary steps for a reduction of the revenue. Such legislation should be promptly but very considerately enacted.

I recommend a revision of our tariff law both in its administrative features and in the schedules. The need of the former is generally conceded, and an agreement upon the evils and inconveniences to be remedied and the best methods for their correction will probably not be difficult. Uniformity of valuation at all our ports is essential, and effective measures should be taken to secure it. It is equally desirable that questions affecting rates and classifications should be promptly decided.

The preparation of a new schedule of customs duties is a matter of great delicacy because of its direct effect upon the business of the country, and of great difficulty by reason of the wide divergence of opinion as to the objects that may properly be promoted by such legislation. Some disturbance of business may perhaps result from the consideration of this subject by Congress, but this temporary ill effect will be reduced to the minimum by prompt action and by the assurance which the country already enjoys that any necessary changes will be so made as not to impair the just and reasonable protection of our home industries. The inequalities of the law should be adjusted, but the protective principle should be maintained and fairly applied to the products of our farms as well as of our shops. These duties necessarily have relation to other things besides the public revenues. We can not limit their effects by fixing our eyes on the public Treasury alone. They have a direct relation to home production, to work, to wages, and to the commercial independence of our country, and the wise and patriotic legislator should enlarge the field of his vision to include all of these. The necessary reduction in our public revenues can, I am sure, be made without making the smaller burden more onerous than the larger by reason of the disabilities and limitations which the process of reduction puts upon both capital and labor. The free list can

Page 1493

very safely be extended by placing thereon articles that do not offer injurious competition to such domestic products as our home labor can supply. The removal of the internal tax upon tobacco would relieve an important agricultural product from a burden which was imposed only because our revenue from customs duties was insufficient for the public needs. If safe provision against fraud can be devised, the removal of the tax upon spirits used in the arts and in manufactures would also offer an unobjectionable method of reducing the surplus.

A table presented by the Secretary of the Treasury showing the amount of money of all kinds in circulation each year from 1878 to the present time is of interest. It appears that the amount of national-bank notes in circulation has decreased during that period $114,109,729, of which $37,799,229 is chargeable to the last year. The withdrawal of bank circulation will necessarily continue under existing conditions. It is probable that the adoption of the suggestions made by the Comptroller of the Currency, namely, that the minimum deposit of bonds for the establishment of banks be reduced and that an issue of notes to the par value of the bonds be allowed, would help to maintain the bank circulation. But while this withdrawal of bank notes has been going on there has been a large increase in the amount of gold and silver coin in circulation and in the issues of gold and silver certificates.

The total amount of money of all kinds in circulation on March 1, 1878, was $805,793,807, while on October 1, 1889, the total was $1,405,018,000. There was an increase of $293,417,552 in gold coin, of $57,554,100 in standard silver dollars, of $72,311,249 in gold certificates, of $276,619,715 in silver certificates, and of $14,073,787 in United States notes, making a total of $713,976,403. There was during the same period a decrease of $114,109,729 in bank circulation and of $642,481 in subsidiary silver. The net increase was $599,224,193. The circulation per capita has increased about $5 during the time covered by the table referred to.

The total coinage of silver dollars was on November 1, 1889, $343,638,001, of which $283,539,521 were in the Treasury vaults and $60,098,480 were in circulation. Of the amount in the vaults $277,319,944 were represented by outstanding silver certificates, leaving $6,219,577 not in circulation and not represented by certificates.

The law requiring the purchase by the Treasury of $2,000,000 worth of silver bullion each month, to be coined into silver dollars of 412 1/2 grains, has been observed by the Department, but neither the present Secretary nor any of his predecessors has deemed it safe to exercise the discretion given by law to increase the monthly purchases to $4,000,000. When the law was enacted (February 28, 1878) the price of silver in the market was $1.204 per ounce, making the bullion value of the dollar 93 cents. Since that time the price has fallen as low as 91.2 cents per ounce, reducing the bullion value of the dollar to 70.6 cents. Within the last few months the market price has somewhat

advanced, and on the 1st day of November last the bullion value of the silver dollar was 72 cents.

Page 1494

The evil anticipations which have accompanied the coinage and use of the silver dollar have not been realized. As a coin it has not had general use, and the public Treasury has been compelled to store it. But this is manifestly owing to the fact that its paper representative is more convenient. The general acceptance and the use of the silver certificate show that silver has not been otherwise discredited. Some favorable conditions have contributed to maintain this practical equality in their commercial use between the gold and silver dollars; but some of these are trade conditions that statutory enactments do not control and of the continuance of which we can not be certain.

I think it is clear that if we should make the coinage of silver at the present ratio free we must expect that the difference in the bullion values of the gold and silver dollars will be taken account of in commercial transactions; and I fear the same result would follow any considerable increase of the present rate of coinage. Such a result would be discreditable to our financial management and disastrous to all business interests. We should not tread the dangerous edge of such a peril. And, indeed, nothing more harmful could happen to the silver interests. Any safe legislation upon this subject must secure the equality of the two coins in their commercial uses.

I have always been an advocate of the use of silver in our currency. We are large producers of that metal, and should not discredit it. To the plan which will be presented by the Secretary of the Treasury for the issuance of notes or certificates upon the deposit of silver bullion at its market value I have been able to give only a hasty examination, owing to the press of other matters and to the fact that it has been so recently formulated. The details of such a law require careful consideration, but the general plan suggested by him seems to satisfy the purpose—to continue the use of silver in connection with our currency and at the same time to obviate the danger of which I have spoken. At a later day I may communicate further with Congress upon this subject.

The enforcement of the Chinese exclusion act has been found to be very difficult on the northwestern frontier. Chinamen landing at Victoria find it easy to pass our border, owing to the impossibility with the force at the command of the customs officers of guarding so long an inland line. The Secretary of the Treasury has authorized the employment of additional officers, who will be assigned to this duty, and every effort will be made to enforce the law. The Dominion exacts a head tax of $50 for each Chinaman landed, and when these persons, in fraud of our law, cross into our territory and are apprehended our officers do not know what to do with them, as the Dominion authorities will not suffer them to be sent back without a second payment of the tax. An effort will be made to reach an understanding that will remove this difficulty.

Page 1495

The proclamation required by section 3 of the act of March 2, 1889, relating to the killing of seals and other fur-bearing animals, was issued by me on the 21st day of March, and a revenue vessel was dispatched to enforce the laws and protect the interests of the United States. The establishment of a refuge station at Point Barrow, as directed by Congress, was successfully accomplished.

Judged by modern standards, we are practically without coast defenses. Many of the structures we have would enhance rather than diminish the perils of their garrisons if subjected to the fire of improved guns, and very few are so located as to give full effect to the greater range of such guns as we are now making for coast-defense uses. This general subject has had consideration in Congress for some years, and the appropriation for the construction of large rifled guns made one year ago was, I am sure, the expression of a purpose to provide suitable works in which these guns might be mounted. An appropriation now made for that purpose would not advance the completion of the works beyond our ability to supply them with fairly effective guns.

The security of our coast cities against foreign attacks should not rest altogether in the friendly disposition of other nations. There should be a second line wholly in our own keeping. I very urgently recommend an appropriation at this session for the construction of such works in our most exposed harbors.

I approve the suggestion of the Secretary of War that provision be made for encamping companies of the National Guard in our coast works for a specified time each year and for their training in the use of heavy guns. His suggestion that an increase of the artillery force of the Army is desirable is also, in this connection, commended to the consideration of Congress.

The improvement of our important rivers and harbors should be promoted by the necessary appropriations. Care should be taken that the Government is not committed to the prosecution of works not of public and general advantage and that the relative usefulness of works of that class is not overlooked. So far as this work can ever be said to be completed, I do not doubt that the end would be sooner and more economically reached if fewer separate works were undertaken at the same time, and those selected for their greater general interest were more rapidly pushed to completion. A work once considerably begun should not be subjected to the risks and deterioration which interrupted or insufficient appropriations necessarily occasion.

The assault made by David S. Terry upon the person of Justice Field, of the Supreme Court of the United States, at Lathtop, Cal., in August last, and the killing of the assailant by a deputy United States marshal who had been deputed to accompany Justice Field and to protect him from anticipated violence at the hands of Terry, in connection with the legal proceedings which have followed, suggest questions which, in my judgment, are worthy of the attention of Congress.

Page 1496

I recommend that more definite provision be made by law not only for the protection of Federal officers, but for a full trial of such cases in the United States courts. In recommending such legislation I do not at all impeach either the general adequacy of the provision made by the State laws for the protection of all citizens or the general good disposition of those charged with the execution of such laws to give protection to the officers of the United States. The duty of protecting its officers, as such, and of punishing those who assault them on account of their official acts should not be devolved expressly or by acquiescence upon the local authorities.

Events which have been brought to my attention happening in other parts of the country have also suggested the propriety of extending by legislation fuller protection to those who may be called as witnesses in the courts of the United States. The law compels those who are supposed to have knowledge of public offenses to attend upon our courts and grand juries and to give evidence. There is a manifest resulting duty that these witnesses shall be protected from injury on account of their testimony. The investigations of criminal offenses are often rendered futile and the punishment of crime impossible by the intimidation of witnesses.

The necessity of providing some more speedy method for disposing of the cases which now come for final adjudication to the Supreme Court becomes every year more apparent and urgent. The plan of providing some intermediate courts having final appellate jurisdiction of certain classes of questions and cases has, I think, received a more general approval from the bench and bar of the country than any other. Without attempting to discuss details, I recommend that provision be made for the establishment of such courts.

The salaries of the judges of the district courts in many of the districts are, in my judgment, inadequate. I recommend that all such salaries now below $5,000 per annum be increased to that amount. It is quite true that the amount of labor performed by these judges is very unequal, but as they can not properly engage in other pursuits to supplement their incomes the salary should be such in all cases as to provide an independent and comfortable support.

Earnest attention should be given by Congress to a consideration of the question how far the restraint of those combinations of capital commonly called “trusts” is matter of Federal jurisdiction. When organized, as they often are, to crush out all healthy competition and to monopolize the production or sale of an article of commerce and general necessity, they are dangerous conspiracies against the public good, and should be made the subject of prohibitory and even penal legislation.

The subject of an international copyright has been frequently commended to the attention of Congress by my predecessors. The enactment of such a law would be eminently wise and just.

Page 1497

Our naturalization laws should be so revised as to make the inquiry into the moral character and good disposition toward our Government of the persons applying for citizenship more thorough. This can only be done by taking fuller control of the examination, by fixing the times for hearing such applications, and by requiring the presence of some one who shall represent the Government in the inquiry. Those who are the avowed enemies of social order or who come to our shores to swell the injurious influence and to extend the evil practices of any association that defies our laws should not only be denied citizenship, but a domicile.

The enactment of a national bankrupt law of a character to be a permanent part of our general legislation is desirable. It should be simple in its methods and inexpensive in its administration.

The report of the Postmaster-General not only exhibits the operations of the Department for the last fiscal year, but contains many valuable suggestions for the improvement and extension of the service, which are commended to your attention. No other branch of the Government has so close a contact with the daily life of the people. Almost everyone uses the service it offers, and every hour gained in the transmission of the great commercial mails has an actual and possible value that only those engaged in trade can understand.

The saving of one day in the transmission of the mails between New York and San Francisco, which has recently been accomplished, is an incident worthy of mention.

The plan suggested of a supervision of the post-offices in separate districts that shall involve instruction and suggestion and a rating of the efficiency of the postmasters would, I have no doubt, greatly improve the service.

A pressing necessity exists for the erection of a building for the joint use of the Department and of the city post-office. The Department was partially relieved by renting .outside quarters for a part of its force, but it is again overcrowded. The building used by the city office never was fit for the purpose, and is now inadequate and unwholesome.

The unsatisfactory condition of the law relating to the transmission through the mails of lottery advertisements and remittances is clearly stated by the Postmaster-General, and his suggestion as to amendments should have your favorable consideration.

The report of the Secretary of the Navy shows a reorganization of the bureaus of the Department that will, I do not doubt, promote the efficiency of each.

In general, satisfactory progress has been made in the construction of the new ships of war authorized by Congress. The first vessel of the new Navy, the Dolphin, was subjected to very severe trial tests and to very much adverse criticism; but it is gratifying

to be able to state that a cruise around the world, from which she has recently returned, has demonstrated that she is a first-class vessel of her rate.

Page 1498

The report of the Secretary shows that while the effective force of the Navy is rapidly increasing by reason of the improved build and armament of the new ships, the number of our ships fit for sea duty grows very slowly. We had on the 4th of March last 37 serviceable ships, and though 4 have since been added to the list, the total has not been increased, because in the meantime 4 have been lost or condemned. Twenty-six additional vessels have been authorized and appropriated for; but it is probable that when they are completed our list will only be increased to 42—a gain of 5. The old wooden ships are disappearing almost as fast as the new vessels are added. These facts carry their own argument. One of the new ships may in fighting strength be equal to two of the old, but it can not do the cruising duty of two. It is important, therefore, that we should have a more rapid increase in the number of serviceable ships. I concur in the recommendation of the Secretary that the construction of 8 armored ships, 3 gunboats, and 5 torpedo boats be authorized.

An appalling calamity befell three of our naval vessels on duty at the Samoan Islands, in the harbor of Apia, in March last, involving the loss of 4 officers and 47 seamen, of two vessels, the Trenton and the Vandalia, and the disabling of a third, the Nipsic. Three vessels of the German navy, also in the harbor, shared with our ships the force of the hurricane and suffered even more heavily. While mourning the brave officers and men who died facing with high resolve perils greater than those of battle, it is most gratifying to state that the credit of the American Navy for seamanship, courage, and generosity was magnificently sustained in the storm-beaten harbor of Apia.

The report of the Secretary of the Interior exhibits the transactions of the Government with the Indian tribes. Substantial progress has been made in the education of the children of school age and in the allotment of lands to adult Indians. It is to be regretted that the policy of breaking up the tribal relation and of dealing with the Indian as an individual did not appear earlier in our legislation. Large reservations held in common and the maintenance of the authority of the chiefs and headmen have deprived the individual of every incentive to the exercise of thrift, and the annuity has contributed an affirmative impulse toward a state of confirmed pauperism.

Our treaty stipulations should be observed with fidelity and our legislation should be highly considerate of the best interests of an ignorant and helpless people. The reservations are now generally surrounded by white settlements. We can no longer push the Indian back into the wilderness, and it remains only by every suitable agency to push him upward into the estate of a self-supporting and responsible citizen. For the adult the first step is to locate him upon a farm, and for the child to place him in a school.

Page 1499

School attendance should be promoted by every moral agency, and those failing should be compelled. The national schools for Indians have been very successful and should be multiplied, and as far as possible should be so organized and conducted as to facilitate the transfer of the schools to the States or Territories in which they are located when the Indians in a neighborhood have accepted citizenship and have become otherwise fitted for such a transfer. This condition of things will be attained slowly, but it will be hastened by keeping it in mind; and in the meantime that cooperation between the Government and the mission schools which has wrought much good should be cordially and impartially maintained.

The last Congress enacted two distinct laws relating to negotiations with the Sioux Indians of Dakota for a relinquishment of a portion of their lands to the United States and for dividing the remainder into separate reservations. Both were approved on the same day—March 2. The one submitted to the Indians a specific proposition; the other (section 3 of the Indian appropriation act) authorized the President to appoint three commissioners to negotiate with these Indians for the accomplishment of the same general purpose, and required that any agreements made should be submitted to Congress for ratification.

On the 16th day of April last I appointed Hon. Charles Foster, of Ohio, Hon. William Warner, of Missouri, and Major-General George Crook, of the United States Army, commissioners under the last-named law. They were, however, authorized and directed first to submit to the Indians the definite proposition made to them by the act first mentioned, and only in the event of a failure to secure the assent of the requisite number to that proposition to open negotiations for modified terms under the other act. The work of the commission was prolonged and arduous, but the assent of the requisite number was, it is understood, finally obtained to the proposition made by Congress, though the report of the commission has not yet been submitted. In view of these facts, I shall not, as at present advised, deem it necessary to submit the agreement to Congress for ratification, but it will in due course be submitted for information. This agreement releases to the United States about 9,000,000 acres of land.

The commission provided for by section 14 of the Indian appropriation bill to negotiate with the Cherokee Indians and all other Indians owning or claiming lands lying west of the ninety-sixth degree of longitude for the cession to the United States of all such lands was constituted by the appointment of Hon. Lucius Fairchild, of Wisconsin, Hon. John F. Hartranft, of Pennsylvania, and Hon. Alfred M. Wilson, of Arkansas, and organized on June 29 last. Their first conference with the representatives of the Cherokees was held at Tahlequah July 29, with no definite results. General John F. Hartranft, of Pennsylvania, was prevented by ill health from taking part in the conference. His death, which occurred recently, is justly and generally lamented by a people he had served with conspicuous gallantry in war and with great fidelity in peace. The vacancy thus created was filled by the appointment of Hon. Warren G. Sayre, of Indiana.

Page 1500

A second conference between the commission and the Cherokees was begun November 6, but no results have yet been obtained, nor is it believed that a conclusion can be immediately expected. The cattle syndicate now occupying the lands for grazing purposes is clearly one of the agencies responsible for the obstruction of our negotiations with the Cherokees. The large body of agricultural lands constituting what is known as the “Cherokee Outlet” ought not to be, and, indeed, can not long be, held for grazing and for the advantage of a few against the public interests and the best advantage of the Indians themselves. The United States has now under the treaties certain rights in these lands. These will not be used oppressively, but it can not be allowed that those who by sufferance occupy these lands shall interpose to defeat the wise and beneficent purposes of the Government. I can not but believe that the advantageous character of the offer made by the United States to the Cherokee Nation for a full release of these lands as compared with other suggestions now made to them will yet obtain for it a favorable consideration.

Under the agreement made between the United States and the Muscogee (or Creek) Nation of Indians on the 19th day of January, 1889, an absolute title was secured by the United States to about 3,500,000 acres of land. Section 12 of the general Indian appropriation act approved March 2, 1889, made provision for the purchase by the United States from the Seminole tribe of a certain portion of their lands. The delegates of the Seminole Nation, having first duly evidenced to me their power to act in that behalf, delivered a proper release or conveyance to the United States of all the lands mentioned in the act, which was accepted by me and certified to be in compliance with the statute.

By the terms of both the acts referred to all the lands so purchased were declared to be a part of the public domain and open to settlement under the homestead law. But of the lands embraced in these purchases, being in the aggregate about 5,500,000 acres, 3,500,000 acres had already, under the terms of the treaty of 1866, been acquired by the United States for the purpose of settling other Indian tribes thereon and had been appropriated to that purpose. The land remaining and available for settlement consisted of 1,887,796 acres, surrounded on all sides by lands in the occupancy of Indian tribes. Congress had provided no civil government for the people who were to be invited by my proclamation to settle upon these lands, except as the new court which had been established at Muscogee or the United States courts in some of the adjoining States had power to enforce the general laws of the United States.

Page 1501

In this condition of things I was quite reluctant to open the lands to settlement; but in view of the fact that several thousand persons, many of them with their families, had gathered upon the borders of the Indian Territory with a view to securing homesteads on the ceded lands, and that delay would involve them in much loss and suffering, I did on the 23d day of March last issue a proclamation declaring that the lands therein described would be open to settlement under the provisions of the law on the 22d day of April following at 12 o'clock noon. Two land districts had been established and the offices were opened for the transaction of business when the appointed time arrived.

It is much to the credit of the settlers that they very generally observed the limitation as to the time when they might enter the Territory. Care will be taken that those who entered in violation of the law do not secure the advantage they unfairly sought. There was a good deal of apprehension that the strife for locations would result in much violence and bloodshed, but happily these anticipations were not realized. It is estimated that there are now in the Territory about 60,000 people, and several considerable towns have sprung up, for which temporary municipal governments have been organized. Guthrie is said to have now a population of almost 8,000. Eleven schools and nine churches have been established, and three daily and five weekly newspapers are published in this city, whose charter and ordinances have only the sanction of the voluntary acquiescence of the people from day to day.

Oklahoma City has a population of about 5,000, and is proportionately as well provided as Guthrie with churches, schools, and newspapers. Other towns and villages having populations of from 100 to 1,000 are scattered over the Territory.

In order to secure the peace of this new community in the absence of civil government, I directed General Merritt, commanding the Department of the Missouri, to act in conjunction with the marshals of the United States to preserve the peace, and upon their requisition to use the troops to aid them in executing warrants and in quieting any riots or breaches of the peace that might occur. He was further directed to use his influence to promote good order and to avoid any conflicts between or with the settlers. Believing that the introduction and sale of liquors where no legal restraints or regulations existed would endanger the public peace, and in view of the fact that such liquors must first be introduced into the Indian reservations before reaching the white settlements, I further directed the general commanding to enforce the laws relating to the introduction of ardent spirits into the Indian country.

Page 1502

The presence of the troops has given a sense of security to the well-disposed citizens and has tended to restrain the lawless. In one instance the officer in immediate command of the troops went further than I deemed justifiable in supporting the de facto municipal government of Guthrie, and he was so informed, and directed to limit the interference of the military to the support of the marshals on the lines indicated in the original order. I very urgently recommend that Congress at once provide a Territorial government for these people. Serious questions, which may at any time lead to violent outbreaks, are awaiting the institution of courts for their peaceful adjustment. The American genius for self-government has been well illustrated in Oklahoma; but it is neither safe nor wise to leave these people longer to the expedients which have temporarily served them.

Provision should be made for the acquisition of title to town lots in the towns now established in Alaska, for locating town sites, and for the establishment of municipal governments. Only the mining laws have been extended to that Territory, and no other form of title to lands can now be obtained. The general land laws were framed with reference to the disposition of agricultural lands, and it is doubtful if their operation in Alaska would be beneficial.

We have fortunately not extended to Alaska the mistaken policy of establishing reservations for the Indian tribes, and can deal with them from the beginning as individuals with, I am sure, better results; but any disposition of the public lands and any regulations relating to timber and to the fisheries should have a kindly regard to their interests. Having no power to levy taxes, the people of Alaska are wholly dependent upon the General Government, to whose revenues the seal fisheries make a large annual contribution. An appropriation for education should neither be overlooked nor stinted.

The smallness of the population and the great distances between the settlements offer serious obstacles to the establishment of the usual Territorial form of government. Perhaps the organization of several sub-districts with a small municipal council of limited powers for each would be safe and useful.

Attention is called in this connection to the suggestions of the Secretary of the Treasury relating to the establishment of another port of entry in Alaska and of other needed customs facilities and regulations.

In the administration of the land laws the policy of facilitating in every proper way the adjustment of the honest claims of individual settlers upon the public lands has been pursued. The number of pending cases had during the preceding Administration been greatly increased under the operation of orders for a time suspending final action in a large part of the cases originating in the West and Northwest, and by the subsequent use of unusual methods of examination. Only those who are familiar with the conditions under which our agricultural lands have been settled can appreciate the serious and

often fatal consequences to the settler of a policy that puts his title under suspicion or delays the issuance of his patent. While care is taken to prevent and to expose fraud, it should not be imputed without reason.

Page 1503

The manifest purpose of the homestead and preemption laws was to promote the settlement of the public domain by persons having a bona fide intent to make a home upon the selected lands. Where this intent is well established and the requirements of the law have been substantially complied with, the claimant is entitled to a prompt and friendly consideration of his case; but where there is reason to believe that the claimant is the mere agent of another who is seeking to evade a law intended to promote small holdings and to secure by fraudulent methods large tracts of timber and other lands, both principal and agent should not only be thwarted in their fraudulent purpose, but should be made to feel the full penalties of our criminal statutes. The laws should be so administered as not to confound these two classes and to visit penalties only upon the latter.

The unsettled state of the titles to large bodies of lands in the Territories of New Mexico and Arizona has greatly retarded the development of those Territories. Provision should be made by law for the prompt trial and final adjustment before a judicial tribunal or commission of all claims based upon Mexican grants. It is not just to an intelligent and enterprising people that their peace should be disturbed and their prosperity retarded by these old contentions. I express the hope that differences of opinion as to methods may yield to the urgency of the case.

The law now provides a pension for every soldier and sailor who was mustered into the service of the United States during the Civil War and is now suffering from wounds or disease having an origin in the service and in the line of duty. Two of the three necessary facts, viz, muster and disability, are usually susceptible of easy proof; but the third, origin in the service, is often difficult and in many deserving cases impossible to establish. That very many of those who endured the hardships of our most bloody and arduous campaigns are now disabled from diseases that had a real but not traceable origin in the service I do not doubt. Besides these there is another class composed of men many of whom served an enlistment of three full years and of reenlisted veterans who added a fourth year of service, who escaped the casualties of battle and the assaults of disease, who were always ready for any detail, who were in every battle line of their command, and were mustered out in sound health, and have since the close of the war, while fighting with the same indomitable and independent spirit the contests of civil life, been overcome by disease or casualty.

Page 1504

I am not unaware that the pension roll already involves a very large annual expenditure; neither am I deterred by that fact from recommending that Congress grant a pension to such honorably discharged soldiers and sailors of the Civil War as, having rendered substantial service during the war, are now dependent upon their own labor for a maintenance and by disease or casualty are incapacitated from earning it. Many of the men who would be included in this form of relief are now dependent upon public aid, and it does not, in my judgment, consist with the national honor that they shall continue to subsist upon the local relief given indiscriminately to paupers instead of upon the special and generous provision of the nation they served so gallantly and unselfishly. Our people will, I am sure, very generally approve such legislation. And I am equally sure that the survivors of the Union Army and Navy will feel a grateful sense of relief when this worthy and suffering class of their comrades is fairly cared for.

There are some manifest inequalities in the existing law that should be remedied. To some of these the Secretary of the Interior has called attention.

It is gratifying to be able to state that by the adoption of new and better methods in the War Department the calls of the Pension Office for information as to the military and hospital records of pension claimants are now promptly answered and the injurious and vexatious delays that have heretofore occurred are entirely avoided. This will greatly facilitate the adjustment of all pending claims.

The advent of four new States—South Dakota, North Dakota, Montana, and Washington—into the Union under the Constitution in the same month, and the admission of their duly chosen representatives to our National Congress at the same session, is an event as unexampled as it is interesting.

The certification of the votes cast and of the constitutions adopted in each of the States was filed with me, as required by the eighth section of the act of February 22, 1889, by the governors of said Territories, respectively. Having after a careful examination found that the several constitutions and governments were republican in form and not repugnant to the Constitution of the United States, that all the provisions of the act of Congress had been complied with, and that a majority of the votes cast in each of said proposed States was in favor of the adoption of the constitution submitted therein, I did so declare by a separate proclamation as to each—as to North Dakota and South Dakota on Saturday, November 2; as to Montana on Friday, November 8, and as to Washington on Monday, November 11.

Each of these States has within it resources the development of which will employ the energies of and yield a comfortable subsistence to a great population. The smallest of these new States, Washington, stands twelfth, and the largest, Montana, third, among the forty-two in area. The people of these States are already well-trained, intelligent, and patriotic American citizens, having common interests and sympathies with those of

the older States and a common purpose to defend the integrity and uphold the honor of the nation.

Page 1505

The attention of the Interstate Commerce Commission has been called to the urgent need of Congressional legislation for the better protection of the lives and limbs of those engaged in operating the great interstate freight lines of the country, and especially of the yardmen and brakemen. A petition signed by nearly 10,000 railway brakemen was presented to the Commission asking that steps might be taken to bring about the use of automatic brakes and couplers on freight cars.

At a meeting of State railroad commissioners and their accredited representatives held at Washington in March last upon the invitation of the Interstate Commerce Commission a resolution was unanimously adopted urging the Commission “to consider what can be done to prevent the loss of life and limb in coupling and uncoupling freight cars and in handling the brakes of such cars.” During the year ending June 30, 1888, over 2,000 railroad employees were killed in service and more than 20,000 injured. It is competent, I think, for Congress to require uniformity in the construction of cars used in interstate commerce and the use of improved safety appliances upon such trains. Time will be necessary to make the needed changes, but an earnest and intelligent beginning should be made at once. It is a reproach to our civilization that any class of American workmen should in the pursuit of a necessary and useful vocation be subjected to a peril of life and limb as great as that of a soldier in time of war.

The creation of an Executive Department to be known as the Department of Agriculture by the act of February 9 last was a wise and timely response to a request which had long been respectfully urged by the farmers of the country; but much remains to be done to perfect the organization of the Department so that it may fairly realize the expectations which its creation excited. In this connection attention is called to the suggestions contained in the report of the Secretary, which is herewith submitted. The need of a law officer for the Department such as is provided for the other Executive Departments is manifest. The failure of the last Congress to make the usual provision for the publication of the annual report should be promptly remedied. The public interest in the report and its value to the farming community, I am sure, will not be diminished under the new organization of the Department.

I recommend that the weather service be separated from the War Department and established as a bureau in the Department of Agriculture. This will involve an entire reorganization both of the Weather Bureau and of the Signal Corps, making of the first a purely civil organization and of the other a purely military staff corps. The report of the Chief Signal Officer shows that the work of the corps on its military side has been deteriorating.

Page 1506

The interests of the people of the District of Columbia should not be lost sight of in the pressure for consideration of measures affecting the whole country. Having no legislature of its own, either municipal or general, its people must look to Congress for the regulation of all those concerns that in the States are the subject of local control. Our whole people have an interest that the national capital should be made attractive and beautiful, and, above all, that its repute for social order should be well maintained. The laws regulating the sale of intoxicating drinks in the District should be revised with a view to bringing the traffic under stringent limitations and control.

In execution of the power conferred upon me by the act making appropriations for the expenses of the District of Columbia for the year ending June 30, 1890, I did on the 17th day of August last appoint Rudolph Hering, of New York, Samuel M. Gray, of Rhode Island, and Frederick P. Stearns, of Massachusetts, three eminent sanitary engineers, to examine and report upon the system of sewerage existing in the District of Columbia. Their report, which is not yet completed, will be in due course submitted to Congress.

The report of the Commissioners of the District is herewith transmitted, and the attention of Congress is called to the suggestions contained therein.

The proposition to observe the four hundredth anniversary of the discovery of America by the opening of a world's fair or exposition in some one of our great cities will be presented for the consideration of Congress. The value and interest of such an exposition may well claim the promotion of the General Government.

On the 4th of March last the Civil Service Commission had but a single member. The vacancies were filled on the 7th day of May, and since then the Commissioners have been industriously, though with an inadequate force, engaged in executing the law. They were assured by me that a cordial support would be given them in the faithful and impartial enforcement of the statute and of the rules and regulations adopted in aid of it.

Heretofore the book of eligibles has been closed to everyone, except as certifications were made upon the requisition of the appointing officers. This secrecy was the source of much suspicion and of many charges of favoritism in the administration of the law. What is secret is always suspected; what is open can be judged. The Commission, with the full approval of all its members, has now opened the list of eligibles to the public. The eligible lists for the classified post-offices and custom-houses are now publicly posted in the respective offices, as are also the certifications for appointments. The purpose of the civil-service law was absolutely to exclude any other consideration in connection with appointments under it than that of merit as tested by the examinations. The business proceeds upon the theory that both the examining boards and the appointing officers are absolutely ignorant as to the political views and associations of all persons on the civil-service lists. It is not too much to say, however, that some recent Congressional investigations have somewhat shaken public confidence in the impartiality of the selections for appointment.

Page 1507

The reform of the civil service will make no safe or satisfactory advance until the present law and its equal administration are well established in the confidence of the people. It will be my pleasure, as it is my duty, to see that the law is executed with firmness and impartiality. If some of its provisions have been fraudulently evaded by appointing officers, our resentment should not suggest the repeal of the law, but reform in its administration. We should have one view of the matter, and hold it with a sincerity that is not affected by the consideration that the party to which we belong is for the time in power.

My predecessor, on the 4th day of January, 1889, by an Executive order to take effect March 15, brought the Railway Mail Service under the operation of the civil-service law. Provision was made that the order should take effect sooner in any State where an eligible list was sooner obtained. On the 11th day of March Mr. Lyman, then the only member of the Commission, reported to me in writing that it would not be possible to have the list of eligibles ready before May 1, and requested that the taking effect of the order be postponed until that time, which was done, subject to the same provision contained in the original order as to States in which an eligible list was sooner obtained.

As a result of the revision of the rules, of the new classification, and of the inclusion of the Railway Mail Service, the work of the Commission has been greatly increased, and the present clerical force is found to be inadequate. I recommend that the additional clerks asked by the Commission be appropriated for.

The duty of appointment is devolved by the Constitution or by the law, and the appointing officers are properly held to a high responsibility in its exercise. The growth of the country and the consequent increase of the civil list have magnified this function of the Executive disproportionally. It can not be denied, however, that the labor connected with this necessary work is increased, often to the point of actual distress, by the sudden and excessive demands that are made upon an incoming Administration for removals and appointments. But, on the other hand, it is not true that incumbency is a conclusive argument for continuance in office. Impartiality, moderation, fidelity to public duty, and a good attainment in the discharge of it must be added before the argument is complete. When those holding administrative offices so conduct themselves as to convince just political opponents that no party consideration or bias affects in any way the discharge of their public duties, we can more easily stay the demand for removals.

I am satisfied that both in and out of the classified service great benefit would accrue from the adoption of some system by which the officer would receive the distinction and benefit that in all private employments comes from exceptional faithfulness and efficiency in the performance of duty.

Page 1508

I have suggested to the heads of the Executive Departments that they consider whether a record might not be kept in each bureau of all those elements that are covered by the terms “faithfulness” and “efficiency,” and a rating made showing the relative merits of the clerks of each class, this rating to be regarded as a test of merit in making promotions.

I have also suggested to the Postmaster-General that he adopt some plan by which he can, upon the basis of the reports to the Department and of frequent inspections, indicate the relative merit of postmasters of each class. They will be appropriately indicated in the Official Register and in the report of the Department. That a great stimulus would thus be given to the whole service I do not doubt, and such a record would be the best defense against inconsiderate removals from office.

The interest of the General Government in the education of the people found an early expression, not only in the thoughtful and sometimes warning utterances of our ablest statesmen, but in liberal appropriations from the common resources for the support of education in the new States. No one will deny that it is of the gravest national concern that those who hold the ultimate control of all public affairs should have the necessary intelligence wisely to direct and determine them. National aid to education has heretofore taken the form of land grants, and in that form the constitutional power of Congress to promote the education of the people is not seriously questioned. I do not think it can be successfully questioned when the form is changed to that of a direct grant of money from the public Treasury.

Such aid should be, as it always has been, suggested by some exceptional conditions. The sudden emancipation of the slaves of the South, the bestowal of the suffrage which soon followed, and the impairment of the ability of the States where these new citizens were chiefly found to adequately provide educational facilities presented not only exceptional but unexampled conditions. That the situation has been much ameliorated there is no doubt. The ability and interest of the States have happily increased.

But a great work remains to be done, and I think the General Government should lend its aid. As the suggestion of a national grant in aid of education grows chiefly out of the condition and needs of the emancipated slave and his descendants, the relief should as far as possible, while necessarily proceeding upon some general lines, be applied to the need that suggested it. It is essential, if much good is to be accomplished, that the sympathy and active interest of the people of the States should be enlisted, and that the methods adopted should be such as to stimulate and not to supplant local taxation for school purposes.

As one Congress can not bind a succeeding one in such a case and as the effort must in some degree be experimental, I recommend that any appropriation made for this purpose be so limited in annual amount and as to the time over which it is to extend as will on the one hand give the local school authorities opportunity to make the best use of

the first year's allowance, and on the other deliver them from the temptation to unduly postpone the assumption of the whole burden themselves.

Page 1509

The colored people did not intrude themselves upon us. They were brought here in chains and held in the communities where they are now chiefly found by a cruel slave code. Happily for both races, they are now free. They have from a standpoint of ignorance and poverty—which was our shame, not theirs—made remarkable advances in education and in the acquisition of property. They have as a people shown themselves to be friendly and faithful toward the white race under temptations of tremendous strength. They have their representatives in the national cemeteries, where a grateful Government has gathered the ashes of those who died in its defense. They have furnished to our Regular Army regiments that have won high praise from their commanding officers for courage and soldierly qualities and for fidelity to the enlistment oath. In civil life they are now the toilers of their communities, making their full contribution to the widening streams of prosperity which these communities are receiving. Their sudden withdrawal would stop production and bring disorder into the household as well as the shop. Generally they do not desire to quit their homes, and their employers resent the interference of the emigration agents who seek to stimulate such a desire.

But notwithstanding all this, in many parts of our country where the colored population is large the people of that race are by various devices deprived of any effective exercise of their political rights and of many of their civil rights. The wrong does not expend itself upon those whose votes are suppressed. Every constituency in the Union is wronged.

It has been the hope of every patriot that a sense of justice and of respect for the law would work a gradual cure of these flagrant evils. Surely no one supposes that the present can be accepted as a permanent condition. If it is said that these communities must work out this problem for themselves, we have a right to ask whether they are at work upon it. Do they suggest any solution? When and under what conditions is the black man to have a free ballot? When is he in fact to have those full civil rights which have so long been his in law? When is that equality of influence which our form of government was intended to secure to the electors to be restored? This generation should courageously face these grave questions, and not leave them as a heritage of woe to the next. The consultation should proceed with candor, calmness, and great patience, upon the lines of justice and humanity, not of prejudice and cruelty. No question in our country can be at rest except upon the firm base of justice and of the law.

Page 1510

I earnestly invoke the attention of Congress to the consideration of such measures within its well-defined constitutional powers as will secure to all our people a free exercise of the right of suffrage and every other civil right under the Constitution and laws of the United States. No evil, however deplorable, can justify the assumption either on the part of the Executive or of Congress of powers not granted, but both will be highly blamable if all the powers granted are not wisely but firmly used to correct these evils. The power to take the whole direction and control of the election of members of the House of Representatives is clearly given to the General Government. A partial and qualified supervision of these elections is now provided for by law, and in my opinion this law may be so strengthened and extended as to secure on the whole better results than can be attained by a law taking all the processes of such election into Federal control. The colored man should be protected in all of his relations to the Federal Government, whether as litigant, juror, or witness in our courts, as an elector for members of Congress, or as a peaceful traveler upon our interstate railways.

There is nothing more justly humiliating to the national pride and nothing more hurtful to the national prosperity than the inferiority of our merchant marine compared with that of other nations whose general resources, wealth, and seacoast lines do not suggest any reason for their supremacy on the sea. It was not always so, and our people are agreed, I think, that it shall not continue to be so. It is not possible in this communication to discuss the causes of the decay of our shipping interests or the differing methods by which it is proposed to restore them. The statement of a few well-authenticated facts and some general suggestions as to legislation is all that is practicable. That the great steamship lines sailing under the flags of England, France, Germany, Spain, and Italy, and engaged in foreign commerce, were .promoted and have since been and now are liberally aided by grants of public money in one form or another is generally known. That the American lines of steamships have been abandoned by us to an unequal contest with the aided lines of other nations until they have been withdrawn, or in the few cases where they are still maintained are subject to serious disadvantages, is matter of common knowledge.

The present situation is such that travelers and merchandise find Liverpool often a necessary intermediate port between New York and some of the South American capitals. The fact that some of the delegates from South American States to the conference of American nations now in session at Washington reached our shores by reversing that line of travel is very conclusive of the need of such a conference and very suggestive as to the first and most necessary step in the direction of fuller and more beneficial intercourse with nations that are now our neighbors upon the lines of latitude, but not upon the lines of established commercial intercourse.

Page 1511

I recommend that such appropriations be made for ocean mail service in American steamships between our ports and those of Central and South America, China, Japan, and the important islands in both of the great oceans as will be liberally remunerative for the service rendered and as will encourage the establishment and in some fair degree equalize the chances of American steamship lines in the competitions which they must meet. That the American States lying south of us will cordially cooperate in establishing and maintaining such lines of steamships to their principal ports I do not doubt.

We should also make provision for a naval reserve to consist of such merchant ships of American construction and of a specified tonnage and speed as the owners will consent to place at the use of the Government in case of need as armed cruisers. England has adopted this policy, and as a result can now upon necessity at once place upon her naval list some of the fastest steamships in the world. A proper supervision of the construction of such vessels would make their conversion into effective ships of war very easy.

I am an advocate of economy in our national expenditures, but it is a misuse of terms to make this word describe a policy that withholds an expenditure for the purpose of extending our foreign commerce. The enlargement and improvement of our merchant marine, the development of a sufficient body of trained American seamen, the promotion of rapid and regular mail communication between the ports of other countries and our own, and the adaptation of large and swift American merchant steamships to naval uses in time of war are public purposes of the highest concern. The enlarged participation of our people in the carrying trade, the new and increased markets that will be opened for the products of our farms and factories, and the fuller and better employment of our mechanics which will result from a liberal promotion of our foreign commerce insure the widest possible diffusion of benefit to all the States and to all our people. Everything is most propitious for the present inauguration of a liberal and progressive policy upon this subject, and we should enter upon it with promptness and decision.

The legislation which I have suggested, it is sincerely believed, will promote the peace and honor of our country and the prosperity and security of the people. I invoke the diligent and serious attention of Congress to the consideration of these and such other measures as may be presented having the same great end in view.

BENJ. HARRISON

***

State of the Union Address
Benjamin Harrison
December 1, 1890

To the Senate and House of Representatives:

The reports of the several Executive Departments, which will be laid before Congress in the usual course, will exhibit in detail the operations of the Government for the last fiscal year. Only the more important incidents and results, and chiefly such as may be the foundation of the recommendations I shall submit, will be referred to in this annual message.

Page 1512

The vast and increasing business of the Government has been transacted by the several Departments during the year with faithfulness, energy, and success.

The revenues, amounting to above $450,000,000, have been collected and disbursed without revealing, so far as I can ascertain, a single case of defalcation or embezzlement. An earnest effort has been made to stimulate a sense of responsibility and public duty in all officers and employees of every grade, and the work done by them has almost wholly escaped unfavorable criticism. I speak of these matters with freedom because the credit of this good work is not mine, but is shared by the heads of the several Departments with the great body of faithful officers and employees who serve under them. The closest scrutiny of Congress is invited to all the methods of administration and to every item of expenditure.

The friendly relations of our country with the nations of Europe and of the East have been undisturbed, while the ties of good will and common interest that bind us to the States of the Western Hemisphere have been notably strengthened by the conference held in this capital to consider measures for the general welfare. Pursuant to the invitation authorized by Congress, the representatives of every independent State of the American continent and of Hayti met in conference in this capital in October, 1889, and continued in session until the 19th of last April. This important convocation marks a most interesting and influential epoch in the history of the Western Hemisphere. It is noteworthy that Brazil, invited while under an imperial form of government, shared as a republic in the deliberations and results of the conference. The recommendations of this conference were all transmitted to Congress at the last session.

The International Marine Conference, which sat at Washington last winter, reached a very gratifying result. The regulations suggested have been brought to the attention of all the Governments represented, and their general adoption is confidently expected. The legislation of Congress at the last session is in conformity with the propositions of the conference, and the proclamation therein provided for will be issued when the other powers have given notice of their adhesion.

The Conference of Brussels, to devise means for suppressing the slave trade in Africa, afforded an opportunity for a new expression of the interest the American people feel in that great work. It soon became evident that the measure proposed would tax the resources of the Kongo Basin beyond the revenues available under the general act of Berlin of 1884. The United States, not being a party to that act, could not share in its revision, but by a separate act the Independent State of the Kongo was freed from the restrictions upon a customs revenue. The demoralizing and destructive traffic in ardent spirits among the tribes also claimed the earnest attention of the conference, and the delegates

Page 1513

of the United States were foremost in advocating measures for its repression. An accord was reached the influence of which will be very helpful and extend over a wide region. As soon as these measures shall receive the sanction of the Netherlands, for a time withheld, the general acts will be submitted for ratification by the Senate. Meanwhile negotiations have been opened for a new and completed treaty of friendship, commerce, and navigation between the United States and the Independent State of the Kongo.

Toward the end of the past year the only independent monarchical government on the Western Continent, that of Brazil, ceased to exist, and was succeeded by a republic. Diplomatic relations were at once established with the new Government, but it was not completely recognized until an opportunity had been afforded to ascertain that it had popular approval and support. When the course of events had yielded assurance of this fact, no time was lost in extending to the new Government a full and cordial welcome into the family of American Commonwealths. It is confidently believed that the good relations of the two countries will be preserved and that the future will witness an increased intimacy of intercourse and an expansion of their mutual commerce.

The peace of Central America has again been disturbed through a revolutionary change in Salvador, which was not recognized by other States, and hostilities broke out between Salvador and Guatemala, threatening to involve all Central America in conflict and to undo the progress which had been made toward a union of their interests. The efforts of this Government were promptly and zealously exerted to compose their differences, and through the active efforts of the representative of the United States a provisional treaty of peace was signed August 26, whereby the right of the Republic of Salvador to choose its own rulers was recognized. General Ezeta, the chief of the Provisional Government, has since been confirmed in the Presidency by the Assembly, and diplomatic recognition duly followed.

The killing of General Barrundia on board the Pacific mail steamer Acapulco, while anchored in transit in the port of San Jose de Guatemala, demanded careful inquiry. Having failed in a revolutionary attempt to invade Guatemala from Mexican territory, General Barrundia took passage at Acapulco for Panama. The consent of the representatives of the United States was sought to effect his seizure, first at Champerico, where the steamer touched, and afterwards at San Jose. The captain of the steamer refused to give up his passenger without a written order from the United States minister. The latter furnished the desired letter, stipulating as the condition of his action that General Barrundia's life should be spared and that he should be tried only for offenses growing out of his insurrectionary movements. This letter was produced to the captain of the Acapulco by the military commander at San Jose as his warrant to take

Page 1514

the passenger from the steamer. General Barrundia resisted capture and was killed. It being evident that the minister, Mr. Mizner, had exceeded the bounds of his authority in intervening, in compliance with the demands of the Guatemalan authorities, to authorize and effect, in violation of precedent, the seizure on a vessel of the United States of a passenger in transit charged with political offenses, in order that he might be tried for such offenses under what was described as martial law, I was constrained to disavow Mr. Mizner's act and recall him from his post.

The Nicaragua Canal project, under the control of our citizens, is making most encouraging progress, all the preliminary conditions and initial operations having been accomplished within the prescribed time.

During the past year negotiations have been renewed for the settlement of the claims of American citizens against the Government of Chile, principally growing out of the late war with Peru. The reports from our minister at Santiago warrant the expectation of an early and satisfactory adjustment.

Our relations with China, which have for several years occupied so important a place in our diplomatic history, have called for careful consideration and have been the subject of much correspondence.

The communications of the Chinese minister have brought into view the whole subject of our conventional relations with his country, and at the same time this Government, through its legation at Peking, has sought to arrange various matters and complaints touching the interests and protection of our citizens in China.

In pursuance of the concurrent resolution of October 1, 1890, I have proposed to the Governments of Mexico and Great Britain to consider a conventional regulation of the passage of Chinese laborers across our southern and northern frontiers.

On the 22d day of August last Sir Edmund Monson, the arbitrator selected under the treaty of December 6, 1888, rendered an award to the effect that no compensation was due from the Danish Government to the United States on account of what is commonly known as the Carlos Butterfield claim.

Our relations with the French Republic continue to be cordial. Our representative at that court has very diligently urged the removal of the restrictions imposed upon our meat products, and it is believed that substantial progress has been made toward a just settlement.

The Samoan treaty, signed last year at Berlin by the representatives of the United States, Germany, and Great Britain, after due ratification and exchange, has begun to

produce salutary effects. The formation of the government agreed upon will soon replace the disorder of the past by a stable administration alike just to the natives and equitable to the three powers most concerned in trade and intercourse with the Samoan Islands. The chief justice has been chosen by the King of Sweden and Norway on the invitation of the three powers, and will soon be installed. The land commission and the municipal council are in process of organization. A rational and evenly distributed scheme of taxation, both municipal and upon imports, is in operation. Malietoa is respected as King.

Page 1515

The new treaty of extradition with Great Britain, after due ratification, was proclaimed on the 25th of last March. Its beneficial working is already apparent.

The difference between the two Governments touching the fur-seal question in the Bering Sea is not yet adjusted, as will be seen by the correspondence which will soon be laid before the Congress. The offer to submit the question to arbitration, as proposed by Her Majesty's Government, has not been accepted, for the reason that the form of submission proposed is not thought to be calculated to assure a conclusion satisfactory to either party. It is sincerely hoped that before the opening of another sealing season some arrangement may be effected which will assure to the United States a property right derived from Russia, which was not disregarded by any nation for more than eighty years preceding the outbreak of the existing trouble.

In the tariff act a wrong was done to the Kingdom of Hawaii which I am bound to presume was wholly unintentional. Duties were levied on certain commodities which are included in the reciprocity treaty now existing between the United States and the Kingdom of Hawaii, without indicating the necessary exception in favor of that Kingdom. I hope Congress will repair what might otherwise seem to be a breach of faith on the part of this Government.

An award in favor of the United States in the matter of the claim of Mr. Van Bokkelen against Hayti was rendered on the 4th of December, 1888, but owing to disorders then and afterwards prevailing in Hayti the terms of payment were not observed. A new agreement as to the time of payment has been approved and is now in force. Other just claims of citizens of the United States for redress of wrongs suffered during the late political conflict in Hayti will, it is hoped, speedily yield to friendly treatment.

Propositions for the amendment of the treaty of extradition between the United States and Italy are now under consideration.

You will be asked to provide the means of accepting the invitation of the Italian Government to take part in an approaching conference to consider the adoption of a universal prime meridian from which to reckon longitude and time. As this proposal follows in the track of the reform sought to be initiated by the Meridian Conference of Washington, held on the invitation of this Government, the United States should manifest a friendly interest in the Italian proposal.

In this connection I may refer with approval to the suggestion of my predecessors that standing provision be made for accepting, whenever deemed advisable, the frequent invitations of foreign governments to share in conferences looking to the advancement of international reforms in regard to science, sanitation, commercial laws and procedure, and other matters affecting the intercourse and progress of modern communities.

Page 1516

In the summer of 1889 an incident occurred which for some time threatened to interrupt the cordiality of our relations with the Government of Portugal. That Government seized the Delagoa Bay Railway, which was constructed under a concession granted to an American citizen, and at the same time annulled the charter. The concessionary, who had embarked his fortune in the enterprise, having exhausted other means of redress, was compelled to invoke the protection of his Government. Our representations, made coincidently with those of the British Government, whose subjects were also largely interested, happily resulted in the recognition by Portugal of the propriety of submitting the claim for indemnity growing out of its action to arbitration. This plan of settlement having been agreed upon, the interested powers readily concurred in the proposal to submit the case to the judgment of three eminent jurists, to be designated by the President of the Swiss Republic, who, upon the joint invitation of the Governments of the United States, Great Britain, and Portugal, has selected persons well qualified for the task before them.

The revision of our treaty relations with the Empire of Japan has continued to be the subject of consideration and of correspondence. The questions involved are both grave and delicate; and while it will be my duty to see that the interests of the United States are not by any changes exposed to undue discrimination, I sincerely hope that such revision as will satisfy the legitimate expectations of the Japanese Government and maintain the present and long-existing friendly relations between Japan and the United States will be effected.

The friendship between our country and Mexico, born of close neighborhood and strengthened by many considerations of intimate intercourse and reciprocal interest, has never been more conspicuous than now nor more hopeful of increased benefit to both nations. The intercourse of the two countries by rail, already great, is making constant growth. The established lines and those recently projected add to the intimacy of traffic and open new channels of access to fresh areas of demand and supply. The importance of the Mexican railway system will be further enhanced to a degree almost impossible to forecast if it should become a link in the projected intercontinental railway. I recommend that our mission in the City of Mexico be raised to the first class.

The cordial character of our relations with Spain warrants the hope that by the continuance of methods of friendly negotiation much may be accomplished in the direction of an adjustment of pending questions and of the increase of our trade. The extent and development of our trade with the island of Cuba invest the commercial relations of the United States and Spain with a peculiar importance. It is not doubted that a special arrangement in regard to commerce, based upon the reciprocity provision of the recent tariff act, would operate most beneficially for both Governments. This subject is now receiving attention.

Page 1517

The restoration of the remains of John Ericsson to Sweden afforded a gratifying occasion to honor the memory of the great inventor, to whose genius our country owes so much, and to bear witness to the unbroken friendship which has existed between the land which bore him and our own, which claimed him as a citizen.

On the 2d of September last the commission appointed to revise the proceedings of the commission under the claims convention between the United States and Venezuela of 1866 brought its labors to a close within the period fixed for that purpose. The proceedings of the late commission were characterized by a spirit of impartiality and a high sense of justice, and an incident which was for many years the subject of discussion between the two Governments has been disposed of in a manner alike honorable and satisfactory to both parties. For the settlement of the claim of the Venezuela Steam Transportation Company, which was the subject of a joint resolution adopted at the last session of Congress, negotiations are still in progress, and their early conclusion is anticipated.

The legislation of the past few years has evinced on the part of Congress a growing realization of the importance of the consular service in fostering our commercial relations abroad and in protecting the domestic revenues. As the scope of operations expands increased provision must be made to keep up the essential standard of efficiency. The necessity of some adequate measure of supervision and inspection has been so often presented that I need only commend the subject to your attention.

The revenues of the Government from all sources for the fiscal year ending June 30, 1890, were $463,963,080.55 and the total expenditures for the same period were $358,618,584.52. The postal receipts have not heretofore been included in the statement of these aggregates, and for the purpose of comparison the sum of $60,882,097.92 should be deducted from both sides of the account. The surplus for the year, including the amount applied to the sinking fund, was $105,344,496.03. The receipts for 1890 were $16,030,923.79 and the expenditures $15,739,871 in excess of those of 1889. The customs receipts increased $5,835,842.88 and the receipts from internal revenue $11,725,191.89, while on the side of expenditures that for pensions was $19,312,075.96 in excess of the preceding year.

The Treasury statement for the current fiscal year, partly actual and partly estimated, is as follows: Receipts from all sources, $406,000,000; total expenditures, $354,000,000, leaving a surplus of $52,000,000, not taking the postal receipts into the account on either side. The loss of revenue from customs for the last quarter is estimated at $25,000,000, but from this is deducted a gain of about $16,000,000 realized during the first four months of the year.

For the year 1892 the total estimated receipts are $373,000,000 and the estimated expenditures $357,852,209.42, leaving an estimated surplus of $15,247,790.58, which, with a cash balance of $52,000,000 at the beginning of the year, will give

$67,247,790.58 as the sum available for the redemption of outstanding bonds or other uses. The estimates of receipts and expenditures for the Post-Office Department, being equal, are not included in this statement on either side.

Page 1518

The act “directing the purchase of silver bullion and the issue of Treasury notes thereon,” approved July 14, 1890, has been administered by the Secretary of the Treasury with an earnest purpose to get into circulation at the earliest possible dates the full monthly amounts of Treasury notes contemplated by its provisions and at the same time to give to the market for the silver bullion such support as the law contemplates. The recent depreciation in the price of silver has been observed with regret. The rapid rise in price which anticipated and followed the passage of the act was influenced in some degree by speculation, and the recent reaction is in part the result of the same cause and in part of the recent monetary disturbances. Some months of further trial will be necessary to determine the permanent effect of the recent legislation upon silver values, but it is gratifying to know that the increased circulation secured by the act has exerted, and will continue to exert, a most beneficial influence upon business and upon general values.

While it has not been thought best to renew formally the suggestion of an international conference looking to an agreement touching the full use of silver for coinage at a uniform ratio, care has been taken to observe closely any change in the situation abroad, and no favorable opportunity will be lost to promote a result which it is confidently believed would confer very large benefits upon the commerce of the world.

The recent monetary disturbances in England are not unlikely to suggest a reexamination of opinions upon this subject. Our very large supply of gold will, if not lost by impulsive legislation in the supposed interest of silver, give us a position of advantage in promoting a permanent and safe international agreement for the free use of silver as a coin metal.

The efforts of the Secretary to increase the volume of money in circulation by keeping down the Treasury surplus to the lowest practicable limit have been unremitting and in a very high degree successful. The tables presented by him showing the increase of money in circulation during the last two decades, and especially the table showing the increase during the nineteen months he has administered the affairs of the Department, are interesting and instructive. The increase of money in circulation during the nineteen months has been in the aggregate $93,866,813, or about $1.50 per capita, and of this increase only $7,100,000 was due to the recent silver legislation. That this substantial and needed aid given to commerce resulted in an enormous reduction of the public debt and of the annual interest charge is matter of increased satisfaction. There have been purchased and redeemed since March 4, 1889, 4 and 4 1\2 per cent bonds to the amount of $211,832,450, at a cost of $246,620,741, resulting in the reduction of the annual interest charge of $8,967,609 and a total saving of interest of $51,576,706.

Page 1519

I notice with great pleasure the statement of the Secretary that the receipts from internal revenue have increased during the last fiscal year nearly $12,000,000, and that the cost of collecting this larger revenue was less by $90,617 than for the same purpose in the preceding year. The percentage of cost of collecting the customs revenue was less for the last fiscal year than ever before.

The Customs Administration Board, provided for by the act of June 10, 1890, was selected with great care, and is composed in part of men whose previous experience in the administration of the old customs regulations had made them familiar with the evils to be remedied, and in part of men whose legal and judicial acquirements and experience seemed to fit them for the work of interpreting and applying the new statute. The chief aim of the law is to secure honest valuations of all dutiable merchandise and to make these valuations uniform at all our ports of entry. It had been made manifest by a Congressional investigation that a system of undervaluation had been long in use by certain classes of importers, resulting not only in a great loss of revenue, but in a most intolerable discrimination against honesty. It is not seen how this legislation, when it is understood, can be regarded by the citizens of any country having commercial dealings with us as unfriendly. If any duty is supposed to be excessive, let the complaint be lodged there. It will surely not be claimed by any well-disposed people that a remedy may be sought and allowed in a system of quasi smuggling.

The report of the Secretary of War exhibits several gratifying results attained during the year by wise and unostentatious methods. The percentage of desertions from the Army (an evil for which both Congress and the Department have long been seeking a remedy) has been reduced during the past year 24 per cent, and for the months of August and September, during which time the favorable effects of the act of June 16 were felt, 33 per cent, as compared with the same months of 1889.

The results attained by a reorganization and consolidation of the divisions having charge of the hospital and service records of the volunteer soldiers are very remarkable. This change was effected in July, 1889, and at that time there were 40,654 cases awaiting attention, more than half of these being calls from the Pension Office for information necessary to the adjudication of pension claims. On the 30th day of June last, though over 300,000 new calls had come in, there was not a single case that had not been examined and answered.

I concur in the recommendations of the Secretary that adequate and regular appropriations be continued for coast-defense works and ordnance. Plans have been practically agreed upon, and there can be no good reason for delaying the execution of them, while the defenseless state of our great seaports furnishes an urgent reason for wise expedition.

Page 1520

The encouragement that has been extended to the militia of the States, generally and most appropriately designated the “National Guard,” should be continued and enlarged. These military organizations constitute in a large sense the Army of the United States, while about five-sixths of the annual cost of their maintenance is defrayed by the States.

The report of the Attorney-General is under the law submitted directly to Congress, but as the Department of Justice is one of the Executive Departments some reference to the work done is appropriate here.

A vigorous and in the main an effective effort has been made to bring to trial and punishment all violators of the law, but at the same time care has been taken that frivolous and technical offenses should not be used to swell the fees of officers or to harass well-disposed citizens. Especial attention is called to the facts connected with the prosecution of violations of the election laws and of offenses against United States officers. The number of convictions secured, very many of them upon pleas of guilty, will, it is hoped, have a salutary restraining influence. There have been several cases where postmasters appointed by me have been subjected to violent interference in the discharge of their official duties and to persecutions and personal violence of the most extreme character. Some of these cases have been dealt with through the Department of Justice, and in some cases the post-offices have been abolished or suspended. I have directed the Postmaster-General to pursue this course in all cases where other efforts failed to secure for any postmaster not himself in fault an opportunity peacefully to exercise the duties of his office. But such action will not supplant the efforts of the Department of Justice to bring the particular offenders to punishment.

The vacation by judicial decrees of fraudulent certificates of naturalization, upon bills in equity filed by the Attorney-General in the circuit court of the United States, is a new application of a familiar equity jurisdiction. Nearly one hundred such decrees have been taken during the year, the evidence disclosing that a very large number of fraudulent certificates of naturalization have been issued. And in this connection I beg to renew my recommendation that the laws be so amended as to require a more full and searching inquiry into all the facts necessary to naturalization before any certificates are granted. It certainly is not too much to require that an application for American citizenship shall be heard with as much care and recorded with as much formality as are given to cases involving the pettiest property right.

At the last session I returned without my approval a bill entitled “An act to prohibit bookmaking and pool selling in the District of Columbia,” and stated my objection to be that it did not prohibit but in fact licensed what it purported to prohibit. An effort will be made under existing laws to suppress this evil, though it is not certain that they will be found adequate.

Page 1521

The report of the Postmaster-General shows the most gratifying progress in the important work committed to his direction. The business methods have been greatly improved. A large economy in expenditures and an increase of four and three-quarters millions in receipts have been realized. The deficiency this year is $5,786,300, as against $6,350,183 last year, notwithstanding the great enlargement of the service. Mail routes have been extended and quickened and greater accuracy and dispatch in distribution and delivery have been attained. The report will be found to be full of interest and suggestion, not only to Congress, but to those thoughtful citizens who may be interested to know what business methods can do for that department of public administration which most nearly touches all our people.

The passage of the act to amend certain sections of the Revised Statutes relating to lotteries, approved September 19, 1890, has been received with great and deserved popular favor. The Post-Office Department and the Department of Justice at once entered upon the enforcement of the law with sympathetic vigor, and already the public mails have been largely freed from the fraudulent and demoralizing appeals and literature emanating from the lottery companies.

The construction and equipment of the new ships for the Navy have made very satisfactory progress. Since March 4, 1889, nine new vessels have been put in commission, and during this winter four more, including one monitor, will be added. The construction of the other vessels authorized is being pushed both in the Government and private yards with energy and watched with the most scrupulous care.

The experiments conducted during the year to test the relative resisting power of armor plates have been so valuable as to attract great attention in Europe. The only part of the work upon the new ships that is threatened by unusual delay is the armor plating, and every effort is being made to reduce that to the minimum. It is a source of congratulation that the anticipated influence of these modern vessels upon the esprit de corps of the officers and seamen has been fully realized. Confidence and pride in the ship among the crew are equivalent to a secondary battery. Your favorable consideration is invited to the recommendations of the Secretary.

The report of the Secretary of the Interior exhibits with great fullness and clearness the vast work of that Department and the satisfactory results attained. The suggestions made by him are earnestly commended to the consideration of Congress, though they can not all be given particular mention here.

Page 1522

The several acts of Congress looking to the reduction of the larger Indian reservations, to the more rapid settlement of the Indians upon individual allotments, and the restoration to the public domain of lands in excess of their needs have been largely carried into effect so far as the work was confided to the Executive. Agreements have been concluded since March 4, 1889, involving the cession to the United States of about 14,726,000 acres of land. These contracts have, as required by law, been submitted to Congress for ratification and for the appropriations necessary to carry them into effect. Those with the Sisseton and Wahpeton, Sac and Fox, Iowa, Pottawatomies and Absentee Shawnees, and Coeur d'Alene tribes have not yet received the sanction of Congress. Attention is also called to the fact that the appropriations made in the case of the Sioux Indians have not covered all the stipulated payments. This should be promptly corrected. If an agreement is confirmed, all of its terms should be complied with without delay and full appropriations should be made.

The policy outlined in my last annual message in relation to the patenting of lands to settlers upon the public domain has been carried out in the administration of the Land Office. No general suspicion or imputation of fraud has been allowed to delay the hearing and adjudication of individual cases upon their merits. The purpose has been to perfect the title of honest settlers with such promptness that the value of the entry might not be swallowed up by the expense and extortions to which delay subjected the claimant. The average monthly issue of agricultural patents has been increased about 6,000.

The disability-pension act, which was approved on the 27th of June last, has been put into operation as rapidly as was practicable. The increased clerical force provided was selected and assigned to work, and a considerable part of the force engaged in examinations in the field was recalled and added to the working force of the office. The examination and adjudication of claims have by reason of improved methods been more rapid than ever before. There is no economy to the Government in delay, while there is much hardship and injustice to the soldier. The anticipated expenditure, while very large, will not, it is believed, be in excess of the estimates made before the enactment of the law. This liberal enlargement of the general law should suggest a more careful scrutiny of bills for special relief, both as to the cases where relief is granted and as to the amount allowed.

The increasing numbers and influence of the non-Mormon population of Utah are observed with satisfaction. The recent letter of Wilford Woodruff, president of the Mormon Church, in which he advised his people "to refrain from contracting any marriage forbidden by the laws of the land," has attracted wide attention, and it is hoped that its influence will be highly beneficial in restraining infractions of the laws of

Page 1523

the United States. But the fact should not be overlooked that the doctrine or belief of the church that polygamous marriages are rightful and supported by divine revelation remains unchanged. President Woodruff does not renounce the doctrine, but refrains from teaching it, and advises against the practice of it because the law is against it. Now, it is quite true that the law should not attempt to deal with the faith or belief of anyone; but it is quite another thing, and the only safe thing, so to deal with the Territory of Utah as that those who believe polygamy to be rightful shall not have the power to make it lawful.

The admission of the States of Wyoming and Idaho to the Union are events full of interest and congratulation, not only to the people of those States now happily endowed with a full participation in our privileges and responsibilities, but to all our people. Another belt of States stretches from the Atlantic to the Pacific.

The work of the Patent Office has won from all sources very high commendation. The amount accomplished has been very largely increased, and all the results have been such as to secure confidence and consideration for the suggestions of the Commissioner.

The enumeration of the people of the United States under the provisions of the act of March 1, 1889, has been completed, and the result will be at once officially communicated to Congress. The completion of this decennial enumeration devolves upon Congress the duty of making a new apportionment of Representatives “among the several States according to their respective numbers.”

At the last session I had occasion to return with my objections several bills making provisions for the erection of public buildings for the reason that the expenditures contemplated were, in my opinion, greatly in excess of any public need. No class of legislation is more liable to abuse or to degenerate into an unseemly scramble about the public Treasury than this. There should be exercised in this matter a wise economy, based upon some responsible and impartial examination and report as to each case, under a general law.

The report of the Secretary of Agriculture deserves especial attention in view of the fact that the year has been marked in a very unusual degree by agitation and organization among the farmers looking to an increase in the profits of their business. It will be found that the efforts of the Department have been intelligently and zealously devoted to the promotion of the interests intrusted to its care.

A very substantial improvement in the market prices of the leading farm products during the year is noticed. The price of wheat advanced from 81 cents in October, 1889, to $1.00 3/4 in October, 1890; corn from 31 cents to 50 1/4 cents; oats from 19 1/4 cents

to 43 cents, and barley from 63 cents to 78 cents. Meats showed a substantial but not so large an increase. The export trade in live animals and fowls shows a very

Page 1524

large increase. The total value of such exports for the year ending June 30, 1890, was $33,000,000, and the increase over the preceding year was over $15,000,000. Nearly 200,000 more cattle and over 45,000 more hogs were exported than in the preceding year. The export trade in beef and pork products and in dairy products was very largely increased, the increase in the article of butter alone being from 15,504,978 pounds to 29,748,042 pounds, and the total increase in the value of meat and dairy products exported being $34,000,000. This trade, so directly helpful to the farmer, it is believed, will be yet further and very largely increased when the system of inspection and sanitary supervision now provided by law is brought fully into operation.

The efforts of the Secretary to establish the healthfulness of our meats against the disparaging imputations that have been put upon them abroad have resulted in substantial progress. Veterinary surgeons sent out by the Department are now allowed to participate in the inspection of the live cattle from this country landed at the English docks, and during the several months they have been on duty no case of contagious pleuro-pneumonia has been reported. This inspection abroad and the domestic inspection of live animals and pork products provided for by the act of August 30, 1890, will afford as perfect a guaranty for the wholesomeness of our meats offered for foreign consumption as is anywhere given to any food product, and its nonacceptance will quite clearly reveal the real motive of any continued restriction of their use, and that having been made clear the duty of the Executive will be very plain.

The information given by the Secretary of the progress and prospects of the beet-sugar industry is full of interest. It has already passed the experimental stage and is a commercial success. The area over which the sugar beet can be successfully cultivated is very large, and another field crop of great value is offered to the choice of the farmer.

The Secretary of the Treasury concurs in the recommendation of the Secretary of Agriculture that the official supervision provided by the tariff law for sugar of domestic production shall be transferred to the Department of Agriculture.

The law relating to the civil service has, so far as I can learn, been executed by those having the power of appointment in the classified service with fidelity and impartiality, and the service has been increasingly satisfactory. The report of the Commission shows a large amount of good work done during the year with very limited appropriations.

I congratulate the Congress and the country upon the passage at the first session of the Fifty-first Congress of an unusual number of laws of very high importance. That the results of this legislation will be the quickening and enlargement of our manufacturing industries, larger and better markets for our breadstuffs and provisions both at home

and abroad, more constant employment and better wages for our working people, and an increased supply of a safe currency for the transaction of business, I do not doubt. Some of these measures were enacted at so late a period that the beneficial effects upon commerce which were in the contemplation of Congress have as yet but partially manifested themselves.

Page 1525

The general trade and industrial conditions throughout the country during the year have shown a marked improvement. For many years prior to 1888 the merchandise balances of foreign trade had been largely in our favor, but during that year and the year following they turned against us. It is very gratifying to know that the last fiscal year again shows a balance in our favor of over $68,000,000. The bank clearings, which furnish a good test of the volume of business transacted, for the first ten months of the year 1890 show as compared with the same months of 1889 an increase for the whole country of about 8.4 per cent, while the increase outside of the city of New York was over 13 per cent. During the month of October the clearings of the whole country showed an increase of 3.1 per cent over October, 1889, while outside of New York the increase was 11.5 per cent. These figures show that the increase in the volume of business was very general throughout the country. That this larger business was being conducted upon a safe and profitable basis is shown by the fact that there were 300 less failures reported in October, 1890, than in the same month of the preceding year, with liabilities diminished by about $5,000,000.

The value of our exports of domestic merchandise during the last year was over $115,000,000 greater than the preceding year, and was only exceeded once in our history. About $100,000,000 of this excess was in agricultural products. The production of pig iron, always a good gauge of general prosperity, is shown by a recent census bulletin to have been 153 per cent greater in 1890 than in 1880, and the production of steel 290 per cent greater. Mining in coal has had no limitation except that resulting from deficient transportation. The general testimony is that labor is everywhere fully employed, and the reports for the last year show a smaller number of employees affected by strikes and lockouts than in any year since 1884. The depression in the prices of agricultural products had been greatly relieved and a buoyant and hopeful tone was beginning to be felt by all our people.

These promising influences have been in some degree checked by the surprising and very unfavorable monetary events which have recently taken place in England. It is gratifying to know that these did not grow in any degree out of the financial relations of London with our people or out of any discredit attached to our securities held in that market. The return of our bonds and stocks was caused by a money stringency in England, not by any loss of value or credit in the securities themselves. We could not, however, wholly escape the ill effects of a foreign monetary agitation accompanied by such extraordinary incidents as characterized this. It is not believed, however, that these evil incidents, which have for the time unfavorably affected values in this country, can long withstand the strong, safe, and wholesome influences which are operating to give to our people profitable returns in all branches of legitimate trade and industry. The apprehension that our tariff may again and at once be subjected to important general changes would undoubtedly add a depressing influence of the most serious character.

Page 1526

The general tariff act has only partially gone into operation, some of its important provisions being limited to take effect at dates yet in the future. The general provisions of the law have been in force less than sixty days. Its permanent effects upon trade and prices still largely stand in conjecture. It is curious to note that the advance in the prices of articles wholly unaffected by the tariff act was by many hastily ascribed to that act. Notice was not taken of the fact that the general tendency of the markets was upward, from influences wholly apart from the recent tariff legislation. The enlargement of our currency by the silver bill undoubtedly gave an upward tendency to trade and had a marked effect on prices; but this natural and desired effect of the silver legislation was by many erroneously attributed to the tariff act.

There is neither wisdom nor justice in the suggestion that the subject of tariff revision shall be again opened before this law has had a fair trial. It is quite true that every tariff schedule is subject to objections. No bill was ever framed, I suppose, that in all of its rates and classifications had the full approval even of a party caucus. Such legislation is always and necessarily the product of compromise as to details, and the present law is no exception. But in its general scope and effect I think it will justify the support of those who believe that American legislation should conserve and defend American trade and the wages of American workmen.

The misinformation as to the terms of the act which has been so widely disseminated at home and abroad will be corrected by experience, and the evil auguries as to its results confounded by the market reports, the savings banks, international trade balances, and the general prosperity of our people. Already we begin to hear from abroad and from our customhouses that the prohibitory effect upon importations imputed to the act is not justified. The imports at the port of New York for the first three weeks of November were nearly 8 per cent greater than for the same period in 1889 and 29 per cent greater than in the same period of 1888. And so far from being an act to limit exports, I confidently believe that under it we shall secure a larger and more profitable participation in foreign trade than we have ever enjoyed, and that we shall recover a proportionate participation in the ocean carrying trade of the world.

The criticisms of the bill that have come to us from foreign sources may well be rejected for repugnancy. If these critics really believe that the adoption by us of a free-trade policy, or of tariff rates having reference solely to revenue, would diminish the participation of their own countries in the commerce of the world, their advocacy and promotion, by speech and other forms of organized effort, of this movement among our people is a rare exhibition of unselfishness in trade. And, on the other hand, if they sincerely believe that the adoption of a protective-tariff policy by this country inures to their profit and our hurt, it is noticeably strange that they should lead the outcry against the authors of a policy so helpful to their countrymen and crown with their favor those who would snatch from them a substantial share of a trade with other lands already inadequate to their necessities.

Page 1527

There is no disposition among any of our people to promote prohibitory or retaliatory legislation. Our policies are adopted not to the hurt of others, but to secure for ourselves those advantages that fairly grow out of our favored position as a nation. Our form of government, with its incident of universal suffrage, makes it imperative that we shall save our working people from the agitations and distresses which scant work and wages that have no margin for comfort always beget. But after all this is done it will be found that our markets are open to friendly commercial exchanges of enormous value to the other great powers.

From the time of my induction into office the duty of using every power and influence given by law to the executive department for the development of larger markets for our products, especially our farm products, has been kept constantly in mind, and no effort has been or will be spared to promote that end. We are under no disadvantage in any foreign market, except that we pay our workmen and workwomen better wages than are paid elsewhere—better abstractly, better relatively to the cost of the necessaries of life. I do not doubt that a very largely increased foreign trade is accessible to us without bartering for it either our home market for such products of the farm and shop as our own people can supply or the wages of our working people.

In many of the products of wood and iron and in meats and breadstuffs we have advantages that only need better facilities of intercourse and transportation to secure for them large foreign markets. The reciprocity clause of the tariff act wisely and effectively opens the way to secure a large reciprocal trade in exchange for the free admission to our ports of certain products. The right of independent nations to make special reciprocal trade concessions is well established, and does not impair either the comity due to other powers or what is known as the “favored-nation clause,” so generally found in commercial treaties. What is given to one for an adequate agreed consideration can not be claimed by another freely. The state of the revenues was such that we could dispense with any import duties upon coffee, tea, hides, and the lower grades of sugar and molasses. That the large advantage resulting to the countries producing and exporting these articles by placing them on the free list entitled us to expect a fair return in the way of customs concessions upon articles exported by us to them was so obvious that to have gratuitously abandoned this opportunity to enlarge our trade would have been an unpardonable error.

Page 1528

There were but two methods of maintaining control of this question open to Congress—-to place all of these articles upon the dutiable list, subject to such treaty agreements as could be secured, or to place them all presently upon the free list, but subject to the reimposition of specified duties if the countries from which we received them should refuse to give to us suitable reciprocal benefits. This latter method, I think, possesses great advantages. It expresses in advance the consent of Congress to reciprocity arrangements affecting these products, which must otherwise have been delayed and unascertained until each treaty was ratified by the Senate and the necessary legislation enacted by Congress. Experience has shown that some treaties looking to reciprocal trade have failed to secure a two-thirds vote in the Senate for ratification, and others having passed that stage have for years awaited the concurrence of the House and Senate in such modifications of our revenue laws as were necessary to give effect to their provisions. We now have the concurrence of both Houses in advance in a distinct and definite offer of free entry to our ports of specific articles. The Executive is not required to deal in conjecture as to what Congress will accept. Indeed, this reciprocity provision is more than an offer. Our part of the bargain is complete; delivery has been made; and when the countries from which we receive sugar, coffee, tea, and hides have placed on their free lists such of our products as shall be agreed upon as an equivalent for our concession, a proclamation of that fact completes the transaction; and in the meantime our own people have free sugar, tea, coffee, and hides.

The indications thus far given are very hopeful of early and favorable action by the countries from which we receive our large imports of coffee and sugar, and it is confidently believed that if steam communication with these countries can be promptly improved and enlarged the next year will show a most gratifying increase in our exports of breadstuffs and provisions, as well as of some important lines of manufactured goods.

In addition to the important bills that became laws before the adjournment of the last session, some other bills of the highest importance were well advanced toward a final vote and now stand upon the calendars of the two Houses in favored positions. The present session has a fixed limit, and if these measures are not now brought to a final vote all the work that has been done upon them by this Congress is lost. The proper consideration of these, of an apportionment bill, and of the annual appropriation bills will require not only that no working day of the session shall be lost, but that measures of minor and local interest shall not be allowed to interrupt or retard the progress of those that are of universal interest. In view of these conditions, I refrain from bringing before you at this time some suggestions that would otherwise be made, and most earnestly invoke your attention to the duty of perfecting the important legislation now well advanced. To some of these measures, which seem to me most important, I now briefly call your attention.

Page 1529

I desire to repeat with added urgency the recommendations contained in my last annual message in relation to the development of American steamship lines. The reciprocity clause of the tariff bill will be largely limited and its benefits retarded and diminished if provision is not contemporaneously made to encourage the establishment of first-class steam communication between our ports and the ports of such nations as may meet our overtures for enlarged commercial exchanges. The steamship, carrying the mails statedly and frequently and offering to passengers a comfortable, safe, and speedy transit, is the first condition of foreign trade. It carries the order or the buyer, but not all that is ordered or bought. It gives to the sailing vessels such cargoes as are not urgent or perishable, and, indirectly at least, promotes that important adjunct of commerce. There is now both in this country and in the nations of Central and South America a state of expectation and confidence as to increased trade that will give a double value to your prompt action upon this question.

The present situation of our mail communication with Australia illustrates the importance of early action by Congress. The Oceanic Steamship Company maintains a line of steamers between San Francisco, Sydney, and Auckland consisting of three vessels, two of which are of United States registry and one of foreign registry. For the service done by this line in carrying the mails we pay annually the sum of $46,000, being, as estimated, the full sea and United States inland postage, which is the limit fixed by law. The colonies of New South Wales and New Zealand have been paying annually to these lines lbs. 37,000 for carrying the mails from Sydney and Auckland to San Francisco. The contract under which this payment has been made is now about to expire, and those colonies have refused to renew the contract unless the United States shall pay a more equitable proportion of the whole sum necessary to maintain the service.

I am advised by the Postmaster-General that the United States receives for carrying the Australian mails, brought to San Francisco in these steamers, by rail to Vancouver, an estimated annual income of $75,000, while, as I have stated, we are paying out for the support of the steamship line that brings this mail to us only $46,000, leaving an annual surplus resulting from this service of $29,000. The trade of the United States with Australia, which is in a considerable part carried by these steamers, and the whole of which is practically dependent upon the mail communication which they maintain, is largely in our favor. Our total exports of merchandise to Australasian ports during the fiscal year ending June 30, 1890, were $11,266,484, while the total imports of merchandise from these ports were only $4,277,676. If we are not willing to see this important steamship line withdrawn, or continued with Vancouver substituted for San Francisco as the American terminal, Congress should put it in the power of the Postmaster-General to make a liberal increase in the amount now paid for the transportation of this important mail.

Page 1530

The South Atlantic and Gulf ports occupy a very favored position toward the new and important commerce which the reciprocity clause of the tariff act and the postal shipping bill are designed to promote. Steamship lines from these ports to some northern port of South America will almost certainly effect a connection between the railroad systems of the continents long before any continuous line of railroads can be put into operation. The very large appropriation made at the last session for the harbor of Galveston was justified, as it seemed to me, by these considerations. The great Northwest will feel the advantage of trunk lines to the South as well as to the East and of the new markets opened for their surplus food products and for many of their manufactured products.

I had occasion in May last to transmit to Congress a report adopted by the International American Conference upon the subject of the incorporation of an international American bank, with a view to facilitating money exchanges between the States represented in that conference. Such an institution would greatly promote the trade we are seeking to develop. I renew the recommendation that a careful and well-guarded charter be granted. I do not think the powers granted should include those ordinarily exercised by trust, guaranty, and safe-deposit companies, or that more branches in the United States should be authorized than are strictly necessary to accomplish the object primarily in view, namely, convenient foreign exchanges. It is quite important that prompt action should be taken in this matter, in order that any appropriations for better communication with these countries and any agreements that may be made for reciprocal trade may not be hindered by the inconvenience of making exchanges through European money centers or burdened by the tribute which is an incident of that method of business.

The bill for the relief of the Supreme Court has after many years of discussion reached a position where final action is easily attainable, and it is hoped that any differences of opinion may be so harmonized as to save the essential features of this very important measure. In this connection I earnestly renew my recommendation that the salaries of the judges of the United States district courts be so readjusted that none of them shall receive less than $5,000 per annum.

The subject of the unadjusted Spanish and Mexican land grants and the urgent necessity for providing some commission or tribunal for the trial of questions of title growing out of them were twice brought by me to the attention of Congress at the last session. Bills have been reported from the proper committees in both Houses upon the subject, and I very earnestly hope that this Congress will put an end to the delay which has attended the settlement of the disputes as to the title between the settlers and the claimants under these grants. These disputes retard the prosperity and disturb the peace of large and important communities. The governor of New Mexico in his last report to the Secretary of the Interior suggests some modifications of the provisions of the pending bills relating to the small holdings of farm lands. I commend to your attention the suggestions of the Secretary of the Interior upon this subject.

Page 1531

The enactment of a national bankrupt law I still regard as very desirable. The Constitution having given to Congress jurisdiction of this subject, it should be exercised and uniform rules provided for the administration of the affairs of insolvent debtors. The inconveniences resulting from the occasional and temporary exercise of this power by Congress and from the conflicting State codes of insolvency which come into force intermediately should be removed by the enactment of a simple, inexpensive, and permanent national bankrupt law.

I also renew my recommendation in favor of legislation affording just copyright protection to foreign authors on a footing of reciprocal advantage for our authors abroad.

It may still be possible for this Congress to inaugurate by suitable legislation a movement looking to uniformity and increased safety in the use of couplers and brakes upon freight trains engaged in interstate commerce. The chief difficulty in the way is to secure agreement as to the best appliances, simplicity, effectiveness, and cost being considered. This difficulty will only yield to legislation, which should be based upon full inquiry and impartial tests. The purpose should be to secure the cooperation of all well-disposed managers and owners; but the fearful fact that every year's delay involves the sacrifice of 2,000 lives and the maiming of 20,000 young men should plead both with Congress and the managers against any needless delay.

The subject of the conservation and equal distribution of the water supply of the arid regions has had much attention from Congress, but has not as yet been put upon a permanent and satisfactory basis. The urgency of the subject does not grow out of any large present demand for the use of these lands for agriculture, but out of the danger that the water supply and the sites for the necessary catch basins may fall into the hands of individuals or private corporations and be used to render subservient the large areas dependent upon such supply. The owner of the water is the owner of the lands, however the titles may run. All unappropriated natural water sources and all necessary reservoir sites should be held by the Government for the equal use at fair rates of the homestead settlers who will eventually take up these lands. The United States should not, in my opinion, undertake the construction of dams or canals, but should limit its work to such surveys and observations as will determine the water supply, both surface and subterranean, the areas capable of irrigation, and the location and storage capacity of reservoirs. This done, the use of the water and of the reservoir sites might be granted to the respective States or Territories or to individuals or associations upon the condition that the necessary works should be constructed and the water furnished at fair rates without discrimination, the rates to be subject to supervision by the legislatures or by boards of water commissioners duly constituted. The essential thing to be secured is the common and equal use at fair rates of the accumulated water supply. It were almost better that these lands should remain arid than that those who occupy them should become the slaves of unrestrained monopolies controlling the one essential element of land values and crop results.

Page 1532

The use of the telegraph by the Post-Office Department as a means for the rapid transmission of written communications is, I believe, upon proper terms, quite desirable. The Government does not own or operate the railroads, and it should not, I think, own or operate the telegraph lines. It does, however, seem to be quite practicable for the Government to contract with the telegraph companies, as it does with railroad companies, to carry at specified rates such communications as the senders may designate for this method of transmission. I recommend that such legislation be enacted as will enable the Post-Office Department fairly to test by experiment the advantages of such a use of the telegraph.

If any intelligent and loyal company of American citizens were required to catalogue the essential human conditions of national life, I do not doubt that with absolute unanimity they would begin with “free and honest elections.” And it is gratifying to know that generally there is a growing and nonpartisan demand for better election laws; but against this sign of hope and progress must be set the depressing and undeniable fact that election laws and methods are sometimes cunningly contrived to secure minority control, while violence completes the shortcomings of fraud.

In my last annual message I suggested that the development of the existing law providing a Federal supervision of Congressional elections offered an effective method of reforming these abuses. The need of such a law has manifested itself in many parts of the country, and its wholesome restraints and penalties will be useful in all. The constitutionality of such legislation has been affirmed by the Supreme Court. Its probable effectiveness is evidenced by the character of the opposition that is made to it. It has been denounced as if it were a new exercise of Federal power and an invasion of the rights of States. Nothing could be further from the truth. Congress has already fixed the time for the election of members of Congress. It has declared that votes for members of Congress must be by written or printed ballot; it has provided for the appointment by the circuit courts in certain cases, and upon the petition of a certain number of citizens, of election supervisors, and made it their duty to supervise the registration of voters conducted by the State officers; to challenge persons offering to register; to personally inspect and scrutinize the registry lists, and to affix their names to the lists for the purpose of identification and the prevention of frauds; to attend at elections and remain with the boxes till they are all cast and counted; to attach to the registry lists and election returns any statement touching the accuracy and fairness of the registry and election, and to take and transmit to the Clerk of the House of Representatives any evidence of fraudulent practices which may be presented to them. The same law provides for the appointment of deputy United States marshals to attend at the polls, support the supervisors in the discharge of their duties, and to arrest persons violating the election laws. The provisions of this familiar title of the Revised Statutes have been put into exercise by both the great political parties, and in the North as well as in the South, by the filing with the court of the petitions required by the law.

Page 1533

It is not, therefore, a question whether we shall have a Federal election law, for we now have one and have had for nearly twenty years, but whether we shall have an effective law. The present law stops just short of effectiveness, for it surrenders to the local authorities all control over the certification which establishes the prima facie right to a seat in the House of Representatives. This defect should be cured. Equality of representation and the parity of the electors must be maintained or everything that is valuable in our system of government is lost. The qualifications of an elector must be sought in the law, net in the opinions, prejudices, or fears of any class, however powerful. The path of the elector to the ballot box must be free from the ambush of fear and the enticements of fraud; the count so true and open that none shall gainsay it. Such a law should be absolutely nonpartisan and impartial. It should give the advantage to honesty and the control to majorities. Surely there is nothing sectional about this creed, and if it shall happen that the penalties of laws intended to enforce these rights fall here and not there it is not because the law is sectional, but because, happily, crime is local and not universal. Nor should it be forgotten that every law, whether relating to elections or to any other subject, whether enacted by the State or by the nation, has force behind it; the courts, the marshal or constable, the posse comitatus, the prison, are all and always behind the law.

One can not be justly charged with unfriendliness to any section or class who seeks only to restrain violations of law and of personal right. No community will find lawlessness profitable. No community can afford to have it known that the officers who are charged with the preservation of the public peace and the restraint of the criminal classes are themselves the product of fraud or violence. The magistrate is then without respect and the law without sanction. The floods of lawlessness can not be leveed and made to run in one channel. The killing of a United States marshal carrying a writ of arrest for an election offense is full of prompting and suggestion to men who are pursued by a city marshal for a crime against life or property.

But it is said that this legislation will revive race animosities, and some have even suggested that when the peaceful methods of fraud are made impossible they may be supplanted by intimidation and violence. If the proposed law gives to any qualified elector by a hair's weight more than his equal influence or detracts by so much from any other qualified elector, it is fatally impeached. But if the law is equal and the animosities it is to evoke grow out of the fact that some electors have been accustomed to exercise the franchise for others as well as for themselves, then these animosities ought not to be confessed without shame, and can not be given any weight in the discussion

Page 1534

without dishonor No choice is left to me but to enforce with vigor all laws intended to secure to the citizen his constitutional rights and to recommend that the inadequacies of such laws be promptly remedied. If to promote with zeal and ready interest every project for the development of its material interests, its rivers, harbors, mines, and factories, and the intelligence, peace, and security under the law of its communities and its homes is not accepted as sufficient evidence of friendliness to any State or section, I can not add connivance at election practices that not only disturb local results, but rob the electors of other States and sections of their most priceless political rights.

The preparation of the general appropriation bills should be conducted with the greatest care and the closest scrutiny of expenditures. Appropriations should be adequate to the needs of the public service, but they should be absolutely free from prodigality.

I venture again to remind you that the brief time remaining for the consideration of the important legislation now awaiting your attention offers no margin for waste. If the present duty is discharged with diligence, fidelity, and courage, the work of the Fifty-first Congress may be confidently submitted to the considerate judgment of the people.
BENJ. *Harrison*

***

State of the Union Address
Benjamin Harrison
December 9, 1891

To the Senate and House of Representatives:

The reports of the heads of the several Executive Departments required by law to be submitted to me, which are herewith transmitted, and the reports of the Secretary of the Treasury and the Attorney-General, made directly to Congress, furnish a comprehensive view of the administrative work of the last fiscal year relating to internal affair. It would be of great advantage if these reports could have an alternative perusal by every member of Congress and by all who take an interest in public affairs. Such a perusal could not fail to excite a higher appreciation of the vast labor and conscientious effort which are given to the conduct of our civil administration.

The reports will, I believe, show that every question has been approached, considered, and decided from the standpoint of public duty upon considerations affecting the public interests alone. Again I invite to every branch of the service the attention and scrutiny of Congress.

The work of the State Department during the last year has been characterized by an unusual number of important negotiations and by diplomatic results of a notable and highly beneficial character. Among these are the reciprocal trade arrangements which have been concluded, in the exercise of the powers conferred by section 3 of the tariff law, with the Republic of Brazil, with Spain for its West India possessions, and with Santo Domingo. Like negotiations with other countries have been much advanced, and it is hoped that before the close of the year further definitive trade arrangements of great value will be concluded.

Page 1535

In view of the reports which had been received as to the diminution of the seal herds in the Bering Sea, I deemed it wise to propose to Her Majesty's Government in February last that an agreement for a closed season should be made pending the negotiations for arbitration, which then seemed to be approaching a favorable conclusion. After much correspondence and delays, for which this Government was not responsible, an agreement was reached and signed on the 15th of June, by which Great Britain undertook from that date and until May 1, 1892, to prohibit the killing by her subjects of seals in the Bering Sea, and the Government of the United States during the same period to enforce its existing prohibition against pelagic sealing and to limit the catch by the fur-seal company upon the islands to 7,500 skins. If this agreement could have been reached earlier in response to the strenuous endeavors of this Government, it would have been more effective; but coming even as late as it did it unquestionably resulted in greatly diminishing the destruction of the seals by the Canadian sealers.

In my last annual message I stated that the basis of arbitration proposed by Her Majesty's Government for the adjustment of the long-pending controversy as to the seal fisheries was not acceptable. I am glad now to be able to announce that terms satisfactory to this Government have been agreed upon and that an agreement as to the arbitrators is all that is necessary to the completion of the convention. In view of the advanced position which this Government has taken upon the subject of international arbitration, this renewed expression of our adherence to this method for the settlement of disputes such as have arisen in the Bering Sea will, I doubt not, meet with the concurrence of Congress.

Provision should be made for a joint demarcation of the frontier line between Canada and the United States wherever required by the increasing border settlements, and especially for the exact location of the water boundary in the straits and rivers.

I should have been glad to announce some favorable disposition of the boundary dispute between Great Britain and Venezuela touching the western frontier of British Guiana, but the friendly efforts of the United States in that direction have thus far been unavailing. This Government will continue to express its concern at any appearance of foreign encroachment on territories long under the administrative control of American States. The determination of a disputed boundary is easily attainable by amicable arbitration where the rights of the respective parties rest, as here, on historic facts readily ascertainable.

Page 1536

The law of the last Congress providing a system of inspection for our meats intended for export, and clothing the President with power to exclude foreign products from our market in case the country sending them should perpetuate unjust discriminations against any product of the United States, placed this Government in a position to effectively urge the removal of such discriminations against our meats. It is gratifying to be able to state that Germany, Denmark, Italy, Austria, and France, in the order named, have opened their ports to inspected American pork products. The removal of these restrictions in every instance was asked for and given solely upon the ground that we have now provided a meat inspection that should be accepted as adequate to the complete removal of the dangers, real or fancied, which had been previously urged. The State Department, our ministers abroad, and the Secretary of Agriculture have cooperated with unflagging and intelligent zeal for the accomplishment of this great result. The outlines of an agreement have been reached with Germany looking to equitable trade concessions in consideration of the continued free importation of her sugars, but the time has not yet arrived when this correspondence can be submitted to Congress.

The recent political disturbances in the Republic of Brazil have excited regret and solicitude. The information we possessed was too meager to enable us to form a satisfactory judgment of the causes leading to the temporary assumption of supreme power by President Fonseca; but this Government did not fail to express to him its anxious solicitude for the peace of Brazil and for the maintenance of the free political institutions which had recently been established there, nor to offer our advice that great moderation should be observed in the clash of parties and the contest for leadership. These counsels were received in the most friendly spirit, and the latest information is that constitutional government has been reestablished without bloodshed.

The lynching at New Orleans in March last of eleven men of Italian nativity by a mob of citizens was a most deplorable and discreditable incident. It did not, however, have its origin in any general animosity to the Italian people, nor in any disrespect to the Government of Italy, with which our relations were of the most friendly character. The fury of the mob was directed against these men as the supposed participants or accessories in the murder of a city officer. I do not allude to this as mitigating in any degree this offense against law and humanity, but only as affecting the international questions which grew out of it. It was at once represented by the Italian minister that several of those whose lives had been taken by the mob were Italian subjects, and a demand was made for the punishment of the participants and for an indemnity to the families of those who were killed. It is to be regretted that the manner in which these claims were presented was not such

Page 1537

as to promote a calm discussion of the questions involved; but this may well be attributed to the excitement and indignation which the crime naturally evoked. The views of this Government as to its obligations to foreigners domiciled here were fully stated in the correspondence, as well as its purpose to make an investigation of the affair with a view to determine whether there were present any circumstances that could under such rules of duty as we had indicated create an obligation upon the United States. The temporary absence of a minister plenipotentiary of Italy at this capital has retarded the further correspondence, but it is not doubted that a friendly conclusion is attainable.

Some suggestions growing out of this unhappy incident are worthy the attention of Congress. It would, I believe, be entirely competent for Congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts. This has not, however, been done, and the Federal officers and courts have no power in such cases to intervene, either for the protection of a foreign citizen or for the punishment of his slayers. It seems to me to follow, in this state of the law, that the officers of the State charged with police and judicial powers in such cases must in the consideration of international questions growing out of such incidents be regarded in such sense as Federal agents as to make this Government answerable for their acts in cases where it would be answerable if the United States had used its constitutional power to define and punish crime against treaty rights.

The civil war in Chile, which began in January last, was continued, but fortunately with infrequent and not important armed collisions, until August 28, when the Congressional forces landed near Valparaiso and after a bloody engagement captured that city. President Balmaceda at once recognized that his cause was lost, and a Provisional Government was speedily established by the victorious party. Our minister was promptly directed to recognize and put himself in communication with this Government so soon as it should have established its de facto character, which was done. During the pendency of this civil contest frequent indirect appeals were made to this Government to extend belligerent rights to the insurgents and to give audience to their representatives. This was declined, and that policy was pursued throughout which this Government when wrenched by civil war so strenuously insisted upon on the part of European nations. The Itata, an armed vessel commanded by a naval officer of the insurgent fleet, manned by its sailors and with soldiers on board, was seized under process of the United States court at San Diego, Cal., for a violation of our neutrality laws. While in the custody of an officer of the court the vessel was forcibly wrested from his control and put to sea. It would have been inconsistent with the dignity and self-respect

Page 1538

of this Government not to have insisted that the Itala should be returned to San Diego to abide the judgment of the court. This was so clear to the junta of the Congressional party, established at Iquique, that before the arrival of the Itata at that port the secretary of foreign relations of the Provisional Government addressed to Rear-Admiral Brown, commanding the United States naval forces, a communication, from which the following is an extract: The Provisional Government has learned by the cablegrams of the Associated Press that the transport Itata, detained in San Diego by order of the United States for taking on board munitions of war, and in possession of the marshal, left the port, carrying on board this official, who was landed at a point near the coast, and then continued her voyage. If this news be correct this Government would deplore the conduct of the Itata, and as an evidence that it is not disposed to support or agree to the infraction of the laws of the United States the undersigned takes advantage of the personal relations you have been good enough to maintain with him since your arrival in this port to declare to you that as soon as she is within reach of our orders his Government will put the Itata, with the arms and munitions she took on board in Sail Diego, at the disposition of the United States. A trial in the district court of the United States for the southern district of California has recently resulted in a decision holding, among other things, that inasmuch as the Congressional party had not been recognized as a belligerent the acts done in its interest could not be a violation of our neutrality laws. From this judgment the United States has appealed, not that the condemnation of the vessel is a matter of importance, but that we may know what the present state of our law is; for if this construction of the statute is correct there is obvious necessity for revision and amendment.

During the progress of the war in Chile this Government tendered its good offices to bring about a peaceful adjustment, and it was at one time hoped that a good result might be reached; but in this we were disappointed.

The instructions to our naval officers and to our minister at Santiago from the first to the last of this struggle enjoined upon them the most impartial treatment and absolute noninterference. I am satisfied that these instructions were observed and that our representatives were always watchful to use their influence impartially in the interest of humanity, and on more than one occasion did so effectively. We could not forget, however, that this Government was in diplomatic relations with the then established Government of Chile, as it is now in such relations with the successor of that Government. I am quite sure that President Montt, who has, under circumstances of promise for the peace of Chile, been installed as President of that Republic, will not desire that in the unfortunate event of any revolt against his

Page 1539

authority the policy of this Government should be other than that which we have recently observed. No official complaint of the conduct of our minister or of our naval officers during the struggle has been presented to this Government, and it is a matter of regret that so many of our own people should have given ear to unofficial charges and complaints that manifestly had their origin in rival interests and in a wish to pervert the relations of the United States with Chile.

The collapse of the Government of Balmaceda brought about a condition which is unfortunately too familiar in the history of the Central and South American States. With the overthrow of the Balmaceda Government he and many of his councilors and officers became at once fugitives for their lives and appealed to the commanding officers of the foreign naval vessels in the harbor of Valparaiso and to the resident foreign ministers at Santiago for asylum. This asylum was freely given, according to my information, by the naval vessels of several foreign powers and by several of the legations at Santiago. The American minister as well as his colleagues, acting upon the impulse of humanity, extended asylum to political refugees whose lives were in peril. I have not been willing to direct the surrender of such of these persons as are still in the American legation without suitable conditions.

It is believed that the Government of Chile is not in a position, in view of the precedents with which it has been connected, to broadly deny the right of asylum, and the correspondence has not thus far presented any such denial. The treatment of our minister for a time was such as to call for a decided protest, and it was very gratifying to observe that unfriendly measures, which were undoubtedly the result of the prevailing excitement, were at once rescinded or suitably relaxed.

On the 16th of October an event occurred in Valparaiso so serious and tragic in its circumstances and results as to very justly excite the indignation of our people and to call for prompt and decided action on the part of this Government. A considerable number of the sailors of the United States steamship Baltimore, then in the harbor at Valparaiso, being upon shore leave and unarmed, were assaulted by armed men nearly simultaneously in different localities in the city. One petty officer was killed outright and seven or eight seamen were seriously wounded, one of whom has since died. So savage and brutal was the assault that several of our sailors received more than two and one as many as eighteen stab wounds. An investigation of the affair was promptly made by a board of officers of the Baltimore, and their report shows that these assaults were unprovoked, that our men were conducting themselves in a peaceable and orderly manner, and that some of the police of the city took part in the assault and used their weapons with fatal effect, while a few others, with some well-disposed citizens, endeavored to protect our men. Thirty-six of our sailors were arrested, and some of them while being taken to prison were cruelly beaten and maltreated. The fact that they

were all discharged, no criminal charge being lodged against any one of them, shows very clearly that they were innocent of any breach of the peace.

Page 1540

So far as I have yet been able to learn no other explanation of this bloody work has been suggested than that it had its origin in hostility to those men as sailors of the United States, wearing the uniform of their Government, and not in any individual act or personal animosity. The attention of the Chilean Government was at once called to this affair, and a statement of the facts obtained by the investigation we had conducted was submitted, accompanied by a request to be advised of any other or qualifying facts in the possession of the Chilean Government that might tend to relieve this affair of the appearance of an insult to this Government. The Chilean Government was also advised that if such qualifying facts did not exist this Government would confidently expect full and prompt reparation.

It is to be regretted that the reply of the secretary for foreign affairs of the Provisional Government was couched in an offensive tone. To this no response has been made. This Government is now awaiting the result of an investigation which has been conducted by the criminal court at Valparaiso. It is reported unofficially that the investigation is about completed, and it is expected that the result will soon be communicated to this Government, together with some adequate and satisfactory response to the note by which the attention of Chile was called to this incident. If these just expectations should be disappointed or further needless delay intervene, I will by a special message bring this matter again to the attention of Congress for such action as may be necessary. The entire correspondence with the Government of Chile will at an early day be submitted to Congress.

I renew the recommendation of my special message dated January 16, 1890, for the adoption of the necessary legislation to enable this Government to apply in the case of Sweden and Norway the same rule in respect to the levying of tonnage dues as was claimed and secured to the shipping of the United States in 1828 under Article VIII of the treaty of 1827.

The adjournment of the Senate without action on the pending acts for the suppression of the slave traffic in Africa and for the reform of the revenue tariff of the Independent State of the Kongo left this Government unable to exchange those acts on the date fixed, July 2, 1891. A modus vivendi has been concluded by which the power of the Kongo State to levy duties on imports is left unimpaired, and by agreement of all the signatories to the general slave-trade act the time for the exchange of ratifications on the part of the United States has been extended to February 2, 1892.

The late outbreak against foreigners in various parts of the Chinese Empire has been a cause of deep concern in view of the numerous establishments of our citizens in the interior of that country. This Government can do no less than insist upon a continuance of the protective and punitory measures which the Chinese Government has heretofore applied. No effort will be omitted to protect our citizens peaceably sojourning in China, but recent unofficial information indicates that what was at first regarded as an outbreak

of mob violence against foreigners has assumed the larger form of an insurrection against public order.

Page 1541

The Chinese Government has declined to receive Mr. Blair as the minister of the United States on the ground that as a participant while a Senator in the enactment of the existing legislation against the introduction of Chinese laborers he has become unfriendly and objectionable to China. I have felt constrained to point out to the Chinese Government the untenableness of this position, which seems to rest as much on the unacceptability of our legislation as on that of the person chosen, and which if admitted would practically debar the selection of any representative so long as the existing laws remain in force.

You will be called upon to consider the expediency of making special provision by law for the temporary admission of some Chinese artisans and laborers in connection with the exhibit of Chinese industries at the approaching Columbian Exposition. I regard it as desirable that the Chinese exhibit be facilitated in every proper way.

A question has arisen with the Government of Spain touching the rights of American citizens in the Caroline Islands. Our citizens there long prior to the confirmation of Spain's claim to the islands had secured by settlement and purchase certain rights to the recognition and maintenance of which the faith of Spain was pledged. I have had reason within the past year very strongly to protest against the failure to carry out this pledge on the part of His Majesty's ministers, which has resulted in great injustice and injury to the American residents.

The Government and people of Spain propose to celebrate the four hundredth anniversary of the discovery of America by holding an exposition at Madrid, which will open on the 12th of September and continue until the 31st of December, 1892. A cordial invitation has been extended to the United States to take part in this commemoration, and as Spain was one of the first nations to express the intention to participate in the World's Columbian Exposition at Chicago, it would be very appropriate for this Government to give this invitation its friendly promotion.

Surveys for the connecting links of the projected intercontinental railway are in progress, not only in Mexico, but at various points along the course mapped out. Three surveying parties are now in the field under the direction of the commission. Nearly 1,000 miles of the proposed road have been surveyed, including the most difficult part, that through Ecuador and the southern part of Colombia. The reports of the engineers are very satisfactory, and show that no insurmountable obstacles have been met with.

Page 1542

On November 12, 1884, a treaty was concluded with Mexico reaffirming the boundary between the two countries as described in the treaties of February 2, 1848, and December 30, 1853. March 1, 1889, a further treaty was negotiated to facilitate the carrying out of the principles of the treaty of 1884 and to avoid the difficulties occasioned by reason of the changes and alterations that take place from natural causes in the Rio Grande and Colorado rivers in the portions thereof constituting the boundary line between the two Republics. The International Boundary Commission provided for by the treaty of 1889 to have exclusive jurisdiction of any question that may arise has been named by the Mexican Government. An appropriation is necessary to enable the United States to fulfill its treaty obligations in this respect.

The death of King Kalakaua in the United States afforded occasion to testify our friendship for Hawaii by conveying the King's body to his own land in a naval vessel with all due honors. The Government of his successor, Queen Liliuokolani is seeking to promote closer commercial relations with the United States. Surveys for the much-needed submarine cable from our Pacific coast to Honolulu are in progress, and this enterprise should have the suitable promotion of the two Governments. I strongly recommend that provision be made for improving the harbor of Pearl River and equipping it as a naval station.

The arbitration treaty formulated by the International American Conference lapsed by reason of the failure to exchange ratifications fully within the limit of time provided; but several of the Governments concerned have expressed a desire to save this important result of the conference by an extension of the period. It is, in my judgment, incumbent upon the United States to conserve the influential initiative it has taken in this measure by ratifying the instrument and by advocating the proposed extension of the time for exchange. These views have been made known to the other signatories.

This Government has found occasion to express in a friendly spirit, but with much earnestness, to the Government of the Czar its serious concern because of the harsh measures now being enforced against the Hebrews in Russia. By the revival of antisemitic laws, long in abeyance, great numbers of those unfortunate people have been constrained to abandon their homes and leave the Empire by reason of the impossibility of finding subsistence within the pale to which it is sought to confine them. The immigration of these people to the United States—many other countries being closed to them—is largely increasing and is likely to assume proportions which may make it difficult to find homes and employment for them here and to seriously affect the labor market. It is estimated that over 1,000,000 will be forced from Russia within a few years. The Hebrew is never a beggar; he has always kept the law—life by toil—often under severe and oppressive civil restrictions. It is also true that no race, sect, or class has more fully cared for its own than the Hebrew race. But the sudden transfer of such a multitude under conditions that tend to strip them of their small accumulations and to depress their energies and courage is neither good for them nor for us.

Page 1543

The banishment, whether by direct decree or by not less certain indirect methods, of so large a number of men and women is not a local question. A decree to leave one country is in the nature of things an order to enter another—some other. This consideration, as well as the suggestion of humanity, furnishes ample ground for the remonstrances which we have presented to Russia, while our historic friendship for that Government can not fail to give the assurance that our representations are those of a sincere wellwisher.

The annual report of the Maritime Canal Company of Nicaragua shows that much costly and necessary preparatory work has been done during the year in the construction of shops, railroad tracks, and harbor piers and breakwaters, and that the work of canal construction has made some progress.

I deem it to be a matter of the highest concern to the United States that this canal, connecting the waters of the Atlantic and Pacific oceans and giving to us a short water communication between our ports upon those two great seas, should be speedily constructed and at the smallest practicable limit of cost. The gain in freights to the people and the direct saving to the Government of the United States in the use of its naval vessels would pay the entire cost of this work within a short series of years. The report of the Secretary of the Navy shows the saving in our naval expenditures which would result.

The Senator from Alabama (Mr. Morgan) in his argument upon this subject before the Senate at the last session did not overestimate the importance of this work when he said that “the canal is the most important subject now connected with the commercial growth and progress of the United States.”

If this work is to be promoted by the usual financial methods and without the aid of this Government, the expenditures in its interest-bearing securities and stock will probably be twice the actual cost. This will necessitate higher tolls and constitute a heavy and altogether needless burden upon our commerce and that of the world. Every dollar of the bonds and stock of the company should represent a dollar expended in the legitimate and economical prosecution of the work. This is only possible by giving to the bonds the guaranty of the United States Government. Such a guaranty would secure the ready sale at par of a 3 per cent bond from time to time as the money was needed. I do not doubt that built upon these business methods the canal would when fully inaugurated earn its fixed charges and operating expenses. But if its bonds are to be marketed at heavy discounts and every bond sold is to be accompanied by a gift of stock, as has come to be expected by investors in such enterprises, the traffic will be seriously burdened to pay interest and dividends. I am quite willing to recommend Government promotion in the prosecution of a work which, if no other means offered for securing its completion, is of such transcendent interest that the Government should, in my opinion, secure it by direct appropriations from its Treasury.

Page 1544

A guaranty of the bonds of the canal company to an amount necessary to the completion of the canal could, I think, be so given as not to involve any serious risk of ultimate loss. The things to be carefully guarded are the completion of the work within the limits of the guaranty, the subrogation of the United States to the rights of the first-mortgage bondholders for any amounts it may have to pay, and in the meantime a control of the stock of the company as a security against mismanagement and loss. I most sincerely hope that neither party nor sectional lines will be drawn upon this great American project, so full of interest to the people of all our States and so influential in its effects upon the prestige and prosperity of our common country.

The island of Navassa, in the West Indian group, has, under the provisions of Title VII of the Revised Statutes, been recognized by the President as appertaining to the United States. It contains guano deposits, is owned by the Navassa Phosphate Company, and is occupied solely its employees. In September, 1889, a revolt took place among these laborers, resulting in the killing of some of the agents of the company, caused, as the laborers claimed, by cruel treatment. These men were arrested and tried in the United States court at Baltimore, under section 5576 of the statute referred to, as if the offenses had been committed on board a merchant vessel of the United States on the high seas. There appeared on the trial and otherwise came to me such evidences of the bad treatment of the men that in consideration of this and of the fact that the men had no access to any public officer or tribunal for protection or the redress of their wrongs I commuted the death sentences that had been passed by the court upon three of them. In April last my attention was again called to this island and to the unregulated condition of things there by a letter from a colored laborer, who complained that he was wrongfully detained upon the island by the phosphate company after the expiration of his contract of service. A naval vessel was sent to examine into the case of this man and generally into the condition of things on the island. It was found that the laborer referred to had been detained beyond the contract limit and that a condition of revolt again existed among the laborers. A board of naval officers reported, among other things, as follows: We would desire to state further that the discipline maintained on the island seems to be that of a convict establishment without its comforts and cleanliness, and that until more attention is paid to the shipping of laborers by placing it under Government supervision to prevent misunderstanding and misrepresentation, and until some amelioration is shown in the treatment of the laborers, these disorders will be of constant occurrence. I recommend legislation that shall place labor contracts upon this and other islands having the relation that Navassa has to the United States under the supervision of a court commissioner, and that shall provide at the expense of the owners an officer to reside upon the island, with power to judge and adjust disputes and to enforce a just and humane treatment of the employees. It is inexcusable that American laborers should be left within our own jurisdiction without access to any Government officer or tribunal for their protection and the redress of their wrongs.

Page 1545

International copyright has been secured, in accordance with the conditions of the act of March 3, 1891, with Belgium, France, Great Britain and the British possessions, and Switzerland, the laws of those countries permitting to our citizens the benefit of copyright on substantially the same basis as to their own citizens or subjects.

With Germany a special convention has been negotiated upon this subject which will bring that country within the reciprocal benefits of our legislation.

The general interest in the operations of the Treasury Department has been much augmented during the last year by reason of the conflicting predictions, which accompanied and followed the tariff and other legislation of the last Congress affecting the revenues, as to the results of this legislation upon the Treasury and upon the country. On the one hand it was contended that imports would so fall off as to leave the Treasury bankrupt and that the prices of articles entering into the living of the people would be so enhanced as to disastrously affect their comfort and happiness, while on the other it was argued that the loss to the revenue, largely the result of placing sugar on the free list, would be a direct gain to the people; that the prices of the necessaries of life, including those most highly protected, would not be enhanced; that labor would have a larger market and the products of the farm advanced prices, while the Treasury surplus and receipts would be adequate to meet the appropriations, including the large exceptional expenditures for the refunding to the States of the direct tax and the redemption of the 4 1/2 per cent bonds.

It is not my purpose to enter at any length into a discussion of the effects of the legislation to which I have referred; but a brief examination of the statistics of the Treasury and a general glance at the state of business throughout the country will, I think, satisfy any impartial inquirer that its results have disappointed the evil prophecies of its opponents and in a large measure realized the hopeful predictions of its friends. Rarely, if ever before, in the history of the country has there been a time when the proceeds of one day's labor or the product of one farmed acre would purchase so large an amount of those things that enter into the living of the masses of the people. I believe that a full test will develop the fact that the tariff act of the Fifty-first Congress is very favorable in its average effect upon the prices of articles entering into common use.

During the twelve months from October 1, 1890, to September 30, 1891, the total value of our foreign commerce (imports and exports combined) was $1,747,806,406, which was the largest of any year in the history of the United States. The largest in any previous year was in 1890, when our commerce amounted to $1,647,139,093, and the last year exceeds this enormous aggregate by over one hundred millions. It is interesting,

Page 1546

and to some will be surprising, to know that during the year ending September 30, 1891, our imports of merchandise amounted to $824,715,270, which was an increase of more than $11,000,000 over the value of the imports of the corresponding months of the preceding year, when the imports of merchandise were unusually large in anticipation of the tariff legislation then pending. The average annual value of the imports of merchandise for the ten years from 1881 to 1890 was $692,186,522, and during the year ending September 30, 1891, this annual average was exceeded by $132,528,469.

The value of free imports during the twelve months ending September 30, 1891, was $118,092,387 more than the value of free imports during the corresponding twelve months of the preceding year, and there was during the same period a decrease of $106,846,508 in the value of imports of dutiable merchandise. The percentage of merchandise admitted free of duty during the year to which I have referred, the first under the new tariff, was 48.18, while during the preceding twelve months, under the old tariff, the percentage was 34.27, an increase of 13.91 per cent. If we take the six months ending September 30 last, which covers the time during which sugars have been admitted free of duty, the per cent of value of merchandise imported free of duty is found to be 55.37, which is a larger percentage of free imports than during any prior fiscal year in the history of the Government.

If we turn to exports of merchandise, the statistics are full of gratification. The value of such exports of merchandise for the twelve months ending September 30, 1891, was $923,091,136, while for the corresponding previous twelve months it was $860,177,115, an increase of $62,914,021, which is nearly three times the average annual increase of exports of merchandise for the preceding twenty years. This exceeds in amount and value the exports of merchandise during any year in the history of the Government. The increase in the value of exports of agricultural products during the year referred to over the corresponding twelve months of the prior year was $45,846,197, while the increase in the value of exports of manufactured products was $16,838,240.

There is certainly nothing in the condition of trade, foreign or domestic, there is certainly nothing in the condition of our people of any class, to suggest that the existing tariff and revenue legislation bears oppressively upon the people or retards the commercial development of the nation. It may be argued that our condition would be better if tariff legislation were upon a free-trade basis; but it can not be denied that all the conditions of prosperity and of general contentment are present in a larger degree than ever before in our history, and that, too, just when it was prophesied they would be in the worst state. Agitation for radical changes in tariff and financial legislation can not help but may seriously impede business, to the prosperity of which some degree of stability in legislation is essential.

Page 1547

I think there are conclusive evidences that the new tariff has created several great industries, which will within a few years give employment to several hundred thousand American working men and women. In view of the somewhat overcrowded condition of the labor market of the United States, every patriotic citizen should rejoice at such a result.

The report of the Secretary of the Treasury shows that the total receipts of the Government from all sources for the fiscal year ending June 30, 1891, were $458,544,233.03, while the expenditures for the same period were $421,304,470.46, leaving a surplus of $37,239,762.57.

The receipts of the fiscal year ending June 30, 1892, actual and estimated, are $433,000,000 and the expenditures $409,000,000. For the fiscal year ending June 30, 1893, the estimated receipts are $455,336,350 and the expenditures $441,300,093.

Under the law of July 14, 1890, the Secretary of the Treasury has purchased (since August 13) during the fiscal year 48,393,113 ounces of silver bullion at an average cost of $1.045 per ounce. The highest price paid during the year was $1.2025 and the lowest $0.9636. In exchange for this silver bullion there have been issued $50,577,498 of the Treasury notes authorized by the act. The lowest price of silver reached during the fiscal year was $0.9636 on April 22, 1891; but on November 1 the market price was only $0.96, which would give to the silver dollar a bullion value of 74 1/4 cents.

Before the influence of the prospective silver legislation was felt in the market silver was worth in New York about $0.955 per ounce. The ablest advocates of free coinage in the last Congress were most confident in their predictions that the purchases by the Government required by the law would at once bring the price of silver to $1.2929 per ounce, which would make the bullion value of a dollar 100 cents and hold it there. The prophecies of the antisilver men of disasters to result from the coinage of $2,000,000 per month were not wider of the mark. The friends of free silver are not agreed, I think, as to the causes that brought their hopeful predictions to naught. Some facts are known. The exports of silver from London to India during the first nine months of this calendar year fell off over 50 per cent, or $17,202,730, compared with the same months of the preceding year. The exports of domestic silver bullion from this country, which had averaged for the last ten years over $17,000,000, fell in the last fiscal year to $13,797,391, while for the first time in recent years the imports of silver into this country exceeded the exports by the sum of $2,745,365. In the previous year the net exports of silver from the United States amounted to $8,545,455. The production of the United States increased from 50,000,000 ounces in 1889 to 54,500,000 in 1890. The Government is now buying and putting aside annually 54,000,000 ounces, which, allowing for 7,140,000 ounces of new bullion used in the arts, is 6,640,000 more than our domestic products available for coinage.

Page 1548

I hope the depression in the price of silver is temporary and that a further trial of this legislation will more favorably affect it. That the increased volume of currency thus supplied for the use of the people was needed and that beneficial results upon trade and prices have followed this legislation I think must be very clear to everyone. Nor should it be forgotten that for every dollar of these notes issued a full dollar's worth of silver bullion is at the time deposited in the Treasury as a security for its redemption. Upon this subject, as upon the tariff, my recommendation is that the existing laws be given a full trial and that our business interests be spared the distressing influence which threats of radical changes always impart. Under existing legislation it is in the power of the Treasury Department to maintain that essential condition of national finance as well as of commercial prosperity—the parity in use of the coined dollars and their paper representatives. The assurance that these powers would be freely and unhesitatingly used has done much to produce and sustain the present favorable business conditions.

I am still of the opinion that the free coinage of silver under existing conditions would disastrously affect our business interests at home and abroad. We could not hope to maintain an equality in the purchasing power of the gold and silver dollar in our own markets, and in foreign trade the stamp gives no added value to the bullion contained in coins. The producers of the country, its farmers and laborers, have the highest interest that every dollar, paper or coin, issued by the Government shall be as good as any other. If there is one less valuable than another, its sure and constant errand will be to pay them for their toil and for their crops. The money lender will protect himself by stipulating for payment in gold, but the laborer has never been able to do that. To place business upon a silver basis would mean a sudden and severe contraction of the currency by the withdrawal of gold and gold notes and such an unsettling of all values as would produce a commercial panic. I can not believe that a people so strong and prosperous as ours will promote such a policy.

The producers of silver are entitled to just consideration, but they should not forget that the Government is now buying and putting out of the market what is the equivalent of the entire product of our silver mines. This is more than they themselves thought of asking two years ago. I believe it is the earnest desire of a great majority of the people, as it is mine, that a full coin use shall be made of silver just as soon as the cooperation of other nations can be secured and a ratio fixed that will give circulation equally to gold and silver. The business of the world requires the use of both metals; but I do not see any prospect of gain, but much of loss, by giving up the present system, in which a full use is made of gold and a large use of silver, for one in which

Page 1549

silver alone will circulate. Such an event would be at once fatal to the further progress of the silver movement. Bimetallism is the desired end, and the true friends of silver will be careful not to overrun the goal and bring in silver monometallism with its necessary attendants—the loss of our gold to Europe and the relief of the pressure there for a larger currency. I have endeavored by the use of official and unofficial agencies to keep a close observation of the state of public sentiment in Europe upon this question and have not found it to be such as to justify me in proposing an international conference. There is, however, I am sure, a growing sentiment in Europe in favor of a larger use of silver, and I know of no more effectual way of promoting this sentiment than by accumulating gold here. A scarcity of gold in the European reserves will be the most persuasive argument for the use of silver.

The exports of gold to Europe, which began in February last and continued until the close of July, aggregated over $70,000,000. The net loss of gold during the fiscal year was nearly $68,000,000. That no serious monetary disturbance resulted was most gratifying and gave to Europe fresh evidence of the strength and stability of our financial institutions. With the movement of crops the outflow of gold was speedily stopped and a return set in. Up to December 1 we had recovered of our gold lost at the port of New York $27,854,000, and it is confidently believed that during the winter and spring this aggregate will be steadily and largely increased.

The presence of a large cash surplus in the Treasury has for many years been the subject of much unfavorable criticism, and has furnished an argument to those who have desired to place the tariff upon a purely revenue basis. It was agreed by all that the withdrawal from circulation of so large an amount of money was an embarrassment to the business of the country and made necessary the intervention of the Department at frequent intervals to relieve threatened monetary panics. The surplus on March 1, 1889, was $183,827,190.29. The policy of applying this surplus to the redemption of the interest-bearing securities of the United States was thought to be preferable to that of depositing it without interest in selected national banks. There have been redeemed since the date last mentioned of interest-bearing securities $259,079,350, resulting in a reduction of the annual interest charge of $11,684,675. The money which had been deposited in banks without interest has been gradually withdrawn and used in the redemption of bonds.

The result of this policy, of the silver legislation, and of the refunding of the 4 1/2 per cent bonds has been a large increase of the money in circulation. At the date last named the circulation was $1,404,205,896, or $23.03 per capita, while on the 1st day of December, 1891, it had increased to $1,577,262,070, or $24.38 per capita. The offer of the Secretary of the Treasury to the holders of the 4 1/2 per cent bonds to extend the time of redemption, at the option of the Government, at an interest of 2 per cent, was

accepted by the holders of about one-half the amount, and the unextended bonds are being redeemed on presentation.

Page 1550

The report of the Secretary of War exhibits the results of an intelligent, progressive, and businesslike administration of a Department which has been too much regarded as one of mere routine. The separation of Secretary Proctor from the Department by reason of his appointment as a Senator from the State of Vermont is a source of great regret to me and to his colleagues in the Cabinet, as I am sure it will be to all those who have had business with the Department while under his charge.

In the administration of army affairs some especially good work has been accomplished. The efforts of the Secretary to reduce the percentage of desertions by removing the causes that promoted it have been so successful as to enable him to report for the last year a lower percentage of desertion than has been before reached in the history of the Army. The resulting money saving is considerable, but the improvement in the morale of the enlisted men is the most valuable incident of the reforms which have brought about this result.

The work of securing sites for shore batteries for harbor defense and the manufacture of mortars and guns of high power to equip them have made good progress during the year. The preliminary work of tests and plans which so long delayed a start is now out of the way. Some guns have been completed, and with an enlarged shop and a more complete equipment at Watervliet the Army will soon be abreast of the Navy in gun construction. Whatever unavoidable causes of delay may arise, there should be none from delayed or insufficient appropriations. We shall be greatly embarrassed in the proper distribution and use of naval vessels until adequate shore defenses are provided for our harbors.

I concur in the recommendation of the Secretary that the three-battalion organization be adopted for the infantry. The adoption of a smokeless powder and of a modern rifle equal in range, precision, and rapidity of fire to the best now in use will, I hope, not be longer delayed.

The project of enlisting Indians and organizing them into separate companies upon the same basis as other soldiers was made the subject of very careful study by the Secretary and received my approval. Seven companies have been completely organized and seven more are in process of organization. The results of six months' training have more than realized the highest anticipations. The men are readily brought under discipline, acquire the drill with facility, and show great pride in the right discharge of their duty and perfect loyalty to their officers, who declare that they would take them into action with confidence. The discipline, order, and cleanliness of the military posts will have a wholesome and elevating influence upon the men enlisted, and through them upon their tribes, while a friendly feeling for the whites and a greater respect for the Government will certainly be promoted.

The great work done in the Record and Pension Division of the War Department by Major Ainsworth, of the Medical Corps, and the clerks under him is entitled to honorable

mention. Taking up the work with nearly 41,000 cases behind, he closed the last fiscal year without a single case left over, though the new cases had increased 52 per cent in number over the previous year by reason of the pension legislation of the last Congress.

Page 1551

I concur in the recommendation of the Attorney-General that the right in felony cases to a review by the Supreme court be limited. It would seem that personal liberty would have a safe guaranty if the right of review in cases involving only fine and imprisonment were limited to the circuit court of appeals, unless a constitutional question should in some way be involved.

The judges of the Court of Private Land Claims, provided for by the act of March 3, 1891, have been appointed and the court organized. It is now possible to give early relief to communities long repressed in their development by unsettled land titles and to establish the possession and right of settlers whose lands have been rendered valueless by adverse and unfounded claims.

The act of July 9, 1888, provided for the incorporation and management of a reform school for girls in the District of Columbia; but it has remained inoperative for the reason that no appropriation has been made for construction or maintenance. The need of such an institution is very urgent. Many girls could be saved from depraved lives by the wholesome influences and restraints of such a school. I recommend that the necessary appropriation be made for a site and for construction.

The enforcement by the Treasury Department of the law prohibiting the coming of Chinese to the United States has been effective as to such as seek to land from vessels entering our ports. The result has been to divert the travel to vessels entering the ports of British Columbia, whence passage into the United States at obscure points along the Dominion boundary is easy. A very considerable number of Chinese laborers have during the past year entered the United States from Canada and Mexico.

The officers of the Treasury Department and of the Department of Justice have used every means at their command to intercept this immigration; but the impossibility of perfectly guarding our extended frontier is apparent. The Dominion government collects a head tax of $50 from every Chinaman entering Canada, and thus derives a considerable revenue from those who only use its ports to reach a position of advantage to evade our exclusion laws. There seems to be satisfactory evidence that the business of passing Chinamen through Canada to the United States is organized and quite active. The Department of Justice has construed the laws to require the return of any Chinaman found to be unlawfully in this country to China as the country from which he came, notwithstanding the fact that he came by way of Canada; but several of the district courts have in cases brought before them overruled this view of the law and decided that such persons must be returned to Canada. This construction robs the law of all effectiveness, even if the decrees could be executed, for the men returned can the next day recross our border. But the only appropriation made is for sending them back to China, and the Canadian officials refuse to allow them to reenter Canada without the payment of the fifty-dollar head tax. I recommend such legislation as will remedy these defects in the law.

Page 1552

In previous messages I have called the attention of Congress to the necessity of so extending the jurisdiction of the United States courts as to make triable therein any felony committed while in the act of violating a law of the United States. These courts can not have that independence and effectiveness which the Constitution contemplates so long as the felonious killing of court officers, jurors, and witnesses in the discharge of their duties or by reason of their acts as such is only cognizable in the State courts. The work done by the Attorney-General and the officers of his Department, even under the present inadequate legislation, has produced some notable results in the interest of law and order.

The Attorney-General and also the Commissioners of the District of Columbia call attention to the defectiveness and inadequacy of the laws relating to crimes against chastity in the District of Columbia. A stringent code upon this subject has been provided by Congress for Utah, and it is a matter of surprise that the needs of this District should have been so long overlooked.

In the report of the Postmaster-General some very gratifying results are exhibited and many betterments of the service suggested. A perusal of the report gives abundant evidence that the supervision and direction of the postal system have been characterized by an intelligent and conscientious desire to improve the service. The revenues of the Department show an increase of over $5,000,000, with a deficiency for the year 1892 of less than $4,000,000, while the estimate for the year 1893 shows a surplus of receipts over expenditures.

Ocean mail post-offices have been established upon the steamers of the North German Lloyd and Hamburg lines, saving by the distribution on shipboard from two to fourteen hours' time in the delivery of mail at the port of entry and often much more than this in the delivery at interior places. So thoroughly has this system, initiated by Germany and the United States, evidenced its usefulness that it can not be long before it is installed upon all the great ocean mail-carrying steamships.

Eight thousand miles of new postal service has been established upon railroads, the car distribution to substations in the great cities has been increased about 12 per cent, while the percentage of errors in distribution has during the past year been reduced over one-half. An appropriation was given by the last Congress for the purpose of making some experiments in free delivery in the smaller cities and towns. The results of these experiments have been so satisfactory that the Postmaster-General recommends, and I concur in the recommendation, that the free-delivery system be at once extended to towns of 5,000 population. His discussion of the inadequate facilities extended under our present system to rural communities and his suggestions with a view to give these communities a fuller participation in the benefits of the postal

Page 1553

service are worthy of your careful consideration. It is not just that the farmer, who receives his mail at a neighboring town, should not only be compelled to send to the post-office for it, but to pay a considerable rent for a box in which to place it or to wait his turn at a general-delivery window, while the city resident has his mail brought to his door. It is stated that over 54,000 neighborhoods are under the present system receiving mail at post-offices where money orders and postal notes are not issued. The extension of this system to these communities is especially desirable, as the patrons of such offices are not possessed of the other facilities offered in more populous communities for the transmission of small sums of money.

I have in a message to the preceding Congress expressed my views as to a modified use of the telegraph in connection with the postal service. In pursuance of the ocean mail law of March 3, 1891, and after a most careful study of the whole subject and frequent conferences with ship-owners, boards of trade, and others, advertisements were issued by the postmaster-General for 53 lines of ocean mail service—10 to Great Britain and the Continent, 27 to South America, 3 to China and Japan, 4 to Australia and the Pacific islands, 7 to the West Indies, and 2 to Mexico. It was not, of course, expected that bids for all these lines would be received or that service upon them all would be contracted for. It was intended, in furtherance of the act, to secure as many new lines as possible, while including in the list most or all of the foreign lines now occupied by American ships. It was hoped that a line to England and perhaps one to the Continent would be secured; but the outlay required to equip such lines wholly with new ships of the first class and the difficulty of establishing new lines in competition with those already established deterred bidders whose interest had been enlisted. It is hoped that a way may yet be found of overcoming these difficulties.

The Brazil Steamship Company, by reason of a miscalculation as to the speed of its vessels, was not able to bid under the terms of the advertisement. The policy of the Department was to secure from the established lines an improved service as a condition of giving to them the benefits of the law. This in all instances has been attained. The Postmaster-General estimates that an expenditure in American shipyards of about $10,000,000 will be necessary to enable the bidders to construct the ships called for by the service which they have accepted. I do not think there is any reason for discouragement or for any turning back from the policy of this legislation. Indeed, a good beginning has been made, and as the subject is further considered and understood by capitalists and shipping people new lines will be ready to meet future proposals, and we may date from the passage of this law the revival of American shipping interests and the recovery of a fair share of the carrying trade

Page 1554

of the world. We were receiving for foreign postage nearly $2,000,000 under the old system, and the outlay for ocean mail service did not exceed $600,000 per annum. It is estimated by the Postmaster-General that if all the contracts proposed are completed it will require $247,354 for this year in addition to the appropriation for sea and inland postage already in the estimates, and that for the next fiscal year, ending June 30, 1893, there would probably be needed about $560,000.

The report of the Secretary of the Navy shows a gratifying increase of new naval vessels in commission. The Newark, Concord, Bennington, and Miantonomoh have been added during the year, with an aggregate of something more than 11,000 tons. Twenty-four warships of all classes are now under construction in the navy-yards and private shops; but while the work upon them is going forward satisfactorily, the completion of the more important vessels will yet require about a year's time. Some of the vessels now under construction, it is believed, will be triumphs of naval engineering. When it is recollected that the work of building a modern navy was only initiated in the year 1883, that our naval constructors and shipbuilders were practically without experience in the construction of large iron or steel ships, that our engine shops were unfamiliar with great marine engines, and that the manufacture of steel forgings for guns and plates was almost wholly a foreign industry, the progress that has been made is not only highly satisfactory, but furnishes the assurance that the United States will before long attain in the construction of such vessels, with their engines and armaments, the same preeminence which it attained when the best instrument of ocean commerce was the clipper ship and the most impressive exhibit of naval power the old wooden three-decker man-of-war. The officers of the Navy and the proprietors and engineers of our great private shops have responded with wonderful intelligence and professional zeal to the confidence expressed by Congress in its liberal legislation. We have now at Washington a gun shop, organized and conducted by naval officers, that in its system, economy, and product is unexcelled. Experiments with armor plate have been conducted during the year with most important results. It is now believed that a plate of higher resisting power than any in use has been found and that the tests have demonstrated that cheaper methods of manufacture than those heretofore thought necessary can be used.

I commend to your favorable consideration the recommendations of the Secretary, who has, I am sure, given to them the most conscientious study. There should be no hesitation in promptly completing a navy of the best modern type large enough to enable this country to display its flag in all seas for the protection of its citizens and of its extending commerce. The world needs no assurance of the peaceful purposes of the United States, but we shall probably be in the future more largely a competitor in the commerce of the world, and it is essential to the dignity of this nation and to that peaceful influence which it should exercise on this hemisphere that its Navy should be adequate both upon the shores of the Atlantic and of the Pacific.

Page 1555

The report of the Secretary of the Interior shows that a very gratifying progress has been made in all of the bureaus which make up that complex and difficult Department.

The work in the Bureau of Indian Affairs was perhaps never so large as now, by reason of the numerous negotiations which have been proceeding with the tribes for a reduction of the reservations, with the incident labor of making allotments, and was never more carefully conducted. The provision of adequate school facilities for Indian children and the locating of adult Indians upon farms involve the solution of the “Indian question.” Everything else—rations, annuities, and tribal negotiations, with the agents, inspectors, and commissioners who distribute and conduct them—must pass away when the Indian has become a citizen, secure in the individual ownership of a farm from which he derives his subsistence by his own labor, protected by and subordinate to the laws which govern the white man, and provided by the General Government or by the local communities in which he lives with the means of educating his children. When an Indian becomes a citizen in an organized State or Territory, his relation to the General Government ceases in great measure to be that of a ward; but the General Government ought not at once to put upon the State or Territory the burden of the education of his children.

It has been my thought that the Government schools and school buildings upon the reservations would be absorbed by the school systems of the States and Territories; but as it has been found necessary to protect the Indian against the compulsory alienation of his land by exempting him from taxation for a period of twenty-five years, it would seem to be right that the General Government, certainly where there are tribal funds in its possession, should pay to the school fund of the State what would be equivalent to the local school tax upon the property of the Indian. It will be noticed from the report of the Commissioner of Indian Affairs that already some contracts have been made with district schools for the education of Indian children. There is great advantage, I think, in bringing the Indian children into mixed schools. This process will be gradual, and in the meantime the present educational provisions and arrangements, the result of the best experience of those who have been charged with this work, should be continued. This will enable those religious bodies that have undertaken the work of Indian education with so much zeal and with results so restraining and beneficent to place their institutions in new and useful relations to the Indian and to his white neighbors.

Page 1556

The outbreak among the Sioux which occurred in December last is as to its causes and incidents fully reported upon by the War Department and the Department of the Interior. That these Indians had some just complaints, especially in the matter of the reduction of the appropriation for rations and in the delays attending the enactment of laws to enable the Department to perform the engagements entered into with them, is probably true; but the Sioux tribes are naturally warlike and turbulent, and their warriors were excited by their medicine men and chiefs, who preached the coming of an Indian messiah who was to give them power to destroy their enemies. In view of the alarm that prevailed among the white settlers near the reservation and of the fatal consequences that would have resulted from an Indian incursion, I placed at the disposal of General Miles, commanding the Division of the Missouri, all such forces as were thought by him to be required. He is entitled to the credit of having given thorough protection to the settlers and of bringing the hostiles into subjection with the least possible loss of life.

The appropriation of $2,991,450 for the Choctaws and Chickasaws contained in the general Indian appropriation bill of March 3, 1891, has not been expended, for the reason that I have not yet approved a release (to the Government) of the Indian claim to the lands mentioned. This matter will be made the subject of a special message, placing before Congress all the facts which have come to my knowledge.

The relation of the Five Civilized Tribes now occupying the Indian Territory to the United States is not, I believe, that best calculated to promote the highest advancement of these Indians. That there should be within our borders five independent states having no relations, except those growing out of treaties, with the Government of the United States, no representation in the National Legislature, its people not citizens, is a startling anomaly.

It seems to me to be inevitable that there shall be before long some organic changes in the relation of these people to the United States. What form these changes should take I do not think it desirable now to suggest, even if they were well defined in my own mind. They should certainly involve the acceptance of citizenship by the Indians and a representation in Congress. These Indians should have opportunity to present their claims and grievances upon the floor rather than, as now, in the lobby. If a commission could be appointed to visit these tribes to confer with them in a friendly spirit upon this whole subject, even if no agreement were presently reached the feeling of the tribes upon this question would be developed, and discussion would prepare the way for changes which must come sooner or later.

The good work of reducing the larger Indian reservations by allotments in severalty to the Indians and the cession of the remaining lands to the United States for disposition under the homestead law has been prosecuted during the year with energy and success. In September last I was enabled to open to settlement in the Territory of Oklahoma 900,000 acres of land, all of which was taken up by settlers in a single day.

The rush for these lands was accompanied by a great deal of excitement, but was happily free from incidents of violence.

Page 1557

It was a source of great regret that I was not able to open at the same time the surplus lands of the Cheyenne and Arapahoe Reservation, amounting to about 3,000,000 acres, by reason of the insufficiency of the appropriation for making the allotments. Deserving and impatient settlers are waiting to occupy these lands, and I urgently recommend that a special deficiency appropriation be promptly made of the small amount needed, so that the allotments may be completed and the surplus lands opened in time to permit the settlers to get upon their homesteads in the early spring.

During the past summer the Cherokee Commission have completed arrangements with the Wichita, Kickapoo, and Tonkawa tribes whereby, if the agreements are ratified by Congress, over 800,000 additional acres will be opened to settlement in Oklahoma.

The negotiations for the release by the Cherokees of their claim to the Cherokee Strip have made no substantial progress so far as the Department is officially advised, but it is still hoped that the cession of this large and valuable tract may be secured. The price which the commission was authorized to offer—$1.25 per acre—is, in my judgment, when all the circumstances as to title and the character of the lands are considered, a fair and adequate one, and should have been accepted by the Indians.

Since March 4, 1889, about 23,000,000 acres have been separated from Indian reservations and added to the public domain for the use of those who desired to secure free homes under our beneficent laws. It is difficult to estimate the increase of wealth which will result from the conversion of these waste lands into farms, but it is more difficult to estimate the betterment which will result to the families that have found renewed hope and courage in the ownership of a home and the assurance of a comfortable subsistence under free and healthful conditions. It is also gratifying to be able to feel, as we may, that this work has proceeded upon lines of justice toward the Indian, and that he may now, if he will, secure to himself the good influences of a settled habitation, the fruits of industry, and the security of citizenship.

Early in this Administration a special effort was begun to bring up the work of the General Land Office. By faithful work the arrearages have been rapidly reduced. At the end of the last fiscal year only 84,172 final agricultural entries remained undisposed of, and the Commissioner reports that with the present force the work can be fully brought up by the end of the next fiscal year.

Your attention is called to the difficulty presented by the Secretary of the Interior as to the administration of the law of March 3, 1891, establishing a Court of Private Land Claims. The small holdings intended to be protected by the law are estimated to be more than 15,000 in number. The claimants are a most deserving class and their titles are supported by the strongest equities. The difficulty grows out of the fact that the lands have largely been surveyed according to our methods, while the holdings, many of which have been in the same family for generations, are laid out in narrow strips a few rods wide upon a stream and running back to the hills for pasturage and timber..

Provision should be made for numbering these tracts as lots and for patenting them by such numbers and without reference to section lines.

Page 1558

The administration of the Pension Bureau has been characterized during the year by great diligence. The total number of pensioners upon the roll on the 30th day of June, 1891, was 676,160. There were allowed during the fiscal year ending at that time 250,565 cases. Of this number 102,387 were allowed under the law of June 27, 1890. The issuing of certificates has been proceeding at the rate of about 30,000 per month, about 75 per cent of these being cases under the new law. The Commissioner expresses the opinion that he will be able to carefully adjudicate and allow 350,000 claims during the present fiscal year. The appropriation for the payment of pensions for the fiscal year 1890-91 was $127,685,793.89 and the amount expended $118,530,649.25, leaving an unexpended surplus of $9,155,144.64.

The Commissioner is quite confident that there will be no call this year for a deficiency appropriation, notwithstanding the rapidity with which the work is being pushed. The mistake which has been made by many in their exaggerated estimates of the cost of pensions is in not taking account of the diminished value of first payments under the recent legislation. These payments under the general law have been for many years very large, as the pensions when allowed dated from the time of filing the claim, and most of these claims had been pending for years. The first payments under the law of June, 1890, are relatively small, and as the per cent of these cases increases and that of the old cases diminishes the annual aggregate of first payments is largely reduced. The Commissioner, under date of November 13, furnishes me with the statement that during the last four months 113,175 certificates were issued, 27,893 under the general law and 85,282 under the act of June 27, 1890. The average first payment during these four months was $131.85, while the average first payment upon cases allowed during the year ending June 30, 1891, was $239.33, being a reduction in the average first payments during these four months of $107.48.

The estimate for pension expenditures for the fiscal year ending June 30, 1893, is $144,956,000, which, after a careful examination of the subject, the Commissioner is of the opinion will be sufficient. While these disbursements to the disabled soldiers of the great Civil War are large, they do not realize the exaggerated estimates of those who oppose this beneficent legislation. The Secretary of the Interior shows with great fullness the care that is taken to exclude fraudulent claims, and also the gratifying fact that the persons to whom these pensions are going are men who rendered not slight but substantial war service.

The report of the Commissioner of Railroads shows that the total debt of the subsidized railroads to the United States was on December 31, 1890, $112,512,613.06. A large part of this debt is now fast approaching maturity, with no adequate provision for its payment. Some policy for dealing with this debt with a view to its ultimate collection should be at once adopted. It is very difficult, well-nigh impossible, for so large a body as the Congress to conduct the necessary negotiations and investigations. I therefore recommend that provision be made for the appointment of a commission to agree upon and report a plan for dealing with this debt.

Page 1559

The work of the Census Bureau is now far in advance and the great bulk of the enormous labor involved completed. It will be more strictly a statistical exhibit and less encumbered by essays than its immediate predecessors. The methods pursued have been fair, careful, and intelligent, and have secured the approval of the statisticians who have followed them with a scientific and nonpartisan interest. The appropriations necessary to the early completion and publication of the authorized volumes should be given in time to secure against delays, which increase the cost and at the same time diminish the value of the work.

The report of the Secretary exhibits with interesting fullness the condition of the Territories. They have shared with the States the great increase in farm products, and are bringing yearly large areas into cultivation by extending their irrigating canals. This work is being done by individuals or local corporations and without that system which a full preliminary survey of the water supply and of the irrigable lands would enable them to adopt. The future of the Territories of New Mexico, Arizona, and Utah in their material growth and in the increase, independence, and happiness of their people is very largely dependent upon wise and timely legislation, either by Congress or their own legislatures, regulating the distribution of the water supply furnished by their streams. If this matter is much longer neglected, private corporations will have unrestricted control of one of the elements of life and the patentees of the arid lands will be tenants at will of the water companies.

The United States should part with its ownership of the water sources and the sites for reservoirs, whether to the States and Territories or to individuals or corporations, only upon conditions that will insure to the settlers their proper water supply upon equal and reasonable terms. In the Territories this whole subject is under the full control of Congress, and in the States it is practically so as long as the Government holds the title to the reservoir sites and water sources and can grant them upon such conditions as it chooses to impose. The improvident granting of franchises of enormous value without recompense to the State or municipality from which they proceed and without proper protection of the public interests is the most noticeable and flagrant evil of modern legislation. This fault should not be committed in dealing with a subject that will before many years affect so vitally thousands of our people.

The legislation of Congress for the repression of polygamy has, after years of resistance on the part of the Mormons, at last brought them to the conclusion that resistance is unprofitable and unavailing. The power of Congress over this subject should not be surrendered until we have satisfactory evidence that the people of the State to be created would exercise the exclusive power of the State over this subject

Page 1560

in the same way. The question is not whether these people now obey the laws of Congress against polygamy, but rather would they make, enforce, and maintain such laws themselves if absolutely free to regulate the subject? We can not afford to experiment with this subject, for when a State is once constituted the act is final and any mistake irretrievable. No compact in the enabling act could, in my opinion, be binding or effective.

I recommend that provision be made for the organization of a simple form of town government in Alaska, with power to regulate such matters as are usually in the States under municipal control. These local civil organizations will give better protection in some matters than the present skeleton Territorial organization. Proper restrictions as to the power to levy taxes and to create debt should be imposed.

If the establishment of the Department of Agriculture was regarded by anyone as a mere concession to the unenlightened demand of a worthy class of people, that impression has been most effectually removed by the great results already attained. Its home influence has been very great in disseminating agricultural and horticultural information, in stimulating and directing a further diversification of crops, in detecting and eradicating diseases of domestic animals, and, more than all, in the close and informal contact which it has established and maintains with the farmers and stock raisers of the whole country. Every request for information has had prompt attention and every suggestion merited consideration. The scientific corps of the Department is of a high order and is pushing its investigations with method and enthusiasm.

The inspection by this Department of cattle and pork products intended for shipment abroad has been the basis of the success which has attended our efforts to secure the removal of the restrictions maintained by the European Governments.

For ten years protests and petitions upon this subject from the packers and stock raisers of the United States have been directed against these restrictions, which so seriously limited our markets and curtailed the profits of the farm. It is a source of general congratulation that success has at last been attained, for the effects of an enlarged foreign market for these meats will be felt not only by the farmer, but in our public finances and in every branch of trade. It is particularly fortunate that the increased demand for food products resulting from the removal of the restrictions upon our meats and from the reciprocal trade arrangements to which I have referred should have come at a time when the agricultural surplus is so large. Without the help thus derived lower prices would have prevailed. The Secretary of Agriculture estimates that the restrictions upon the importation of our pork products into Europe lost us a market for $20,000,000 worth of these products annually.

Page 1561

The grain crop of this year was the largest in our history—50 per cent greater than that of last year—and yet the new markets that have been opened and the larger demand resulting from short crops in Europe have sustained prices to such an extent that the enormous surplus of meats and breadstuffs will be marketed at good prices, bringing relief and prosperity to an industry that was much depressed. The value of the grain crop of the United States is estimated by the Secretary to be this year $500,000,000 more than last; of meats $150,000,000 more, and of all products of the farm $700,000,000 more. It is not inappropriate, I think, here to suggest that our satisfaction in the contemplation of this marvelous addition to the national wealth is unclouded by any suspicion of the currency by which it is measured and in which the farmer is paid for the products of his fields.

The report of the Civil Service Commission should receive the careful attention of the opponents as well as the friends of this reform. The Commission invites a personal inspection by Senators and Representatives of its records and methods, and every fair critic will feel that such an examination should precede a judgment of condemnation either of the system or its administration. It is not claimed that either is perfect, but I believe that the law is being executed with impartiality and that the system is incomparably better and fairer than that of appointments upon favor. I have during the year extended the classified service to include superintendents, teachers, matrons, and physicians in the Indian service. This branch of the service is largely related to educational and philanthropic work and will obviously be the better for the change.

The heads of the several Executive Departments have been directed to establish at once an efficiency record as the basis of a comparative rating of the clerks within the classified service, with a view to placing promotions therein upon the basis of merit. I am confident that such a record, fairly kept and open to the inspection of those interested, will powerfully stimulate the work of the Departments and will be accepted by all as placing the troublesome matter of promotions upon a just basis.

I recommend that the appropriation for the Civil Service Commission be made adequate to the increased work of the next fiscal year.

I have twice before urgently called the attention of Congress to the necessity of legislation for the protection of the lives of railroad employees, but nothing has yet been done. During the year ending June 30, 1890, 369 brakemen were killed and 7,841 maimed while engaged in coupling cars. The total number of railroad employees killed during the year was 2,451 and the number injured 22,390. This is a cruel and largely needless sacrifice. The Government is spending nearly $1,000,000 annually to save the lives of shipwrecked seamen; every steam vessel is rigidly inspected and required to adopt

Page 1562

the most approved safety appliances. All this is good. But how shall we excuse the lack of interest and effort in behalf of this army of brave young men who in our land commerce are being sacrificed every year by the continued use of antiquated and dangerous appliances? A law requiring of every railroad engaged in interstate commerce the equipment each year of a given per cent of its freight cars with automatic couplers and air brakes would compel an agreement between the roads as to the kind of brakes and couplers to be used, and would very soon and very greatly reduce the present fearful death rate among railroad employees.

The method of appointment by the States of electors of President and Vice-President has recently attracted renewed interest by reason of a departure by the State of Michigan from the method which had become uniform in all the States. Prior to 1832 various methods had been used by the different States, and even by the same State. In some the choice was made by the legislature; in others electors were chosen by districts, but more generally by the voters of the whole State upon a general ticket. The movement toward the adoption of the last-named method had an early beginning and went steadily forward among the States until in 1832 there remained but a single State (South Carolina) that had not adopted it. That State until the Civil War continued to choose its electors by a vote of the legislature, but after the war changed its method and conformed to the practice of the other States. For nearly sixty years all the States save one have appointed their electors by a popular vote upon a general ticket, and for nearly thirty years this method was universal.

After a full test of other methods, without important division or dissent in any State and without any purpose of party advantage, as we must believe, but solely upon the considerations that uniformity was desirable and that a general election in territorial divisions not subject to change was most consistent with the popular character of our institutions, best preserved the equality of the voters, and perfectly removed the choice of President from the baneful influence of the “gerrymander,” the practice of all the States was brought into harmony. That this concurrence should now be broken is, I think, an unfortunate and even a threatening episode, and one that may well suggest whether the States that still give their approval to the old and prevailing method ought not to secure by a constitutional amendment a practice which has had the approval of all. The recent Michigan legislation provides for choosing what are popularly known as the Congressional electors for President by Congressional districts and the two Senatorial electors by districts created for that purpose. This legislation was, of course, accompanied by a new Congressional apportionment, and the two statutes bring the electoral vote of the State under the influence of the “gerrymander.”

Page 1563

These gerrymanders for Congressional purposes are in most cases buttressed by a gerrymander of the legislative districts, thus making it impossible for a majority of the legal voters of the State to correct the apportionment and equalize the Congressional districts. A minority rule is established that only a political convulsion can overthrow. I have recently been advised that in one county of a certain State three districts for the election of members of the legislature are constituted as follows: One has 65,000 population, one 15,000, and one 10,000, while in another county detached, noncontiguous sections have been united to make a legislative district. These methods have already found effective application to the choice of Senators and Representatives in Congress, and now an evil start has been made in the direction of applying them to the choice by the States of electors of President and Vice-President. If this is accomplished, we shall then have the three great departments of the Government in the grasp of the "gerrymander," the legislative and executive directly and the judiciary indirectly through the power of appointment.

An election implies a body of electors having prescribed qualifications, each one of whom has an equal value and influence in determining the result. So when the Constitution provides that "each State shall appoint" (elect), "in such manner as the legislature thereof may direct, a number of electors," *etc*., an unrestricted power was not given to the legislatures in the selection of the methods to be used. "A republican form of government" is guaranteed by the Constitution to each State, and the power given by the same instrument to the legislatures of the States to prescribe methods for the choice by the State of electors must be exercised under that limitation. The essential features of such a government are the right of the people to choose their own officers and the nearest practicable equality of value in the suffrages given in determining that choice.

It will not be claimed that the power given to the legislature would support a law providing that the persons receiving the smallest vote should be the electors or a law that all the electors should be chosen by the voters of a single Congressional district. The State is to choose, and finder the pretense of regulating methods the legislature can neither vest the right of choice elsewhere nor adopt methods not conformable to republican institutions. It is not my purpose here to discuss the question whether a choice by the legislature or by the voters of equal single districts is a choice by the State, but only to recommend such regulation of this matter by constitutional amendment as will secure uniformity and prevent that disgraceful partisan jugglery to which such a liberty of choice, if it exists, offers a temptation.

Page 1564

Nothing just now is more important than to provide every guaranty for the absolutely fair and free choice by an equal suffrage within the respective States of all the officers of the National Government, whether that suffrage is applied directly, as in the choice of members of the House of Representatives, or indirectly, as in the choice of Senators and electors of President. Respect for public officers and obedience to law will not cease to be the characteristics of our people until our elections cease to declare the will of majorities fairly ascertained without fraud, suppression, or gerrymander. If I were called upon to declare wherein our chief national danger lies, I should say without hesitation in the overthrow of majority control by the suppression or perversion of the popular suffrage. That there is a real danger here all must agree; but the energies of those who see it have been chiefly expended in trying to fix responsibility upon the opposite party rather than in efforts to make such practices impossible by either party.

Is it not possible now to adjourn that interminable and inconclusive debate while we take by consent one step in the direction of reform by eliminating the gerrymander, which has been denounced by all parties as an influence in the selection of electors of President and members of Congress? All the States have, acting freely and separately, determined that the choice of electors by a general ticket is the wisest and safest method, and it would seem there could be no objection to a constitutional amendment making that method permanent. If a legislature chosen in one year upon purely local questions should, pending a Presidential contest, meet, rescind the law for a choice upon a general ticket, and provide for the choice of electors by the legislature, and this trick should determine the result, it is not too much to say that the public peace might be seriously and widely endangered.

I have alluded to the “gerrymander” as affecting the method of selecting electors of President by Congressional districts, but the primary intent and effect of this form of political robbery have relation to the selection of members of the House of Representatives. The power of Congress is ample to deal with this threatening and intolerable abuse. The unfailing test of sincerity in election reform will be found in a willingness to confer as to remedies and to put into force such measures as will most effectually preserve the right of the people to free and equal representation.

An attempt was made in the last Congress to bring to bear the constitutional powers of the General Government for the correction of fraud against the suffrage. It is important to know whether the opposition to such measures is really rested in particular features supposed to be objectionable or includes any proposition to give to the election laws of the United States adequacy to the correction of grave and acknowledged evils. I must yet entertain the hope that it is possible to secure a calm, patriotic consideration of such constitutional or statutory changes as may be necessary to secure the choice of the officers of the Government to the people by fair apportionments and free elections.

Page 1565

I believe it would be possible to constitute a commission, nonpartisan in its membership and composed of patriotic, wise, and impartial men, to whom a consideration of the question of the evils connected with our election system and methods might be committed with a good prospect of securing unanimity in some plan for removing or mitigating those evils. The Constitution would permit the selection of the commission to be vested in the Supreme Court if that method would give the best guaranty of impartiality. This commission should be charged with the duty of inquiring into the whole subject of the law of elections as related to the choice of officers of the National Government, with a view to securing to every elector a free and unmolested exercise of the suffrage and as near an approach to an equality of value in each ballot cast as is attainable.

While the policies of the General Government upon the tariff, upon the restoration of our merchant marine, upon river and harbor improvements, and other such matters of grave and general concern are liable to be turned this way or that by the results of Congressional elections and administrative policies, sometimes involving issues that tend to peace or war, to be turned this way or that by the results of a Presidential election, there is a rightful interest in all the States and in every Congressional district that will not be deceived or silenced by the audacious pretense that the question of the right of any body of legal voters in any State or in any Congressional district to give their suffrages freely upon these general questions is a matter only of local concern or control. The demand that the limitations of suffrage shall be found in the law, and only there, is a just demand, and no just man should resent or resist it. My appeal is and must continue to be for a consultation that shall “proceed with candor, calmness, and patience upon the lines of justice and humanity, not of prejudice and cruelty.”

To the consideration of these very grave questions I invite not only the attention of Congress, but that of all patriotic citizens. We must not entertain the delusion that our people have ceased to regard a free ballot and equal representation as the price of their allegiance to laws and to civil magistrates.

I have been greatly rejoiced to notice many evidences of the increased unification of our people and of a revived national spirit. The vista that now opens to us is wider and more glorious than ever before. Gratification and amazement struggle for supremacy as we contemplate the population, wealth, and moral strength of our country. A trust momentous in its influence upon our people and upon the world is for a brief time committed to us, and we must not be faithless to its first condition—the defense of the free and equal influence of the people in the choice of public officers and in the control of public affairs.

BENJ. HARRISON

Page 1566

***

State of the Union Address
Benjamin Harrison
December 6, 1892

To the Senate and House of Representatives:

In submitting my annual message to Congress I have great satisfaction in being able to say that the general conditions affecting the commercial and industrial interests of the United States are in the highest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never before enjoyed by our people.

The total wealth of the country in 1860 was $16,159,616,068. In 1890 it amounted to $62,610,000,000, an increase of 287 per cent.

The total mileage of railways in the United States in 1860 was 30,626. In 1890 it was 167,741, an increase of 448 per cent; and it is estimated that there will be about 4,000 miles of track added by the close of the year 1892.

The official returns of the Eleventh Census and those of the Tenth Census for seventy-five leading cities furnish the basis for the following comparisons:

In 1880 the capital invested in manufacturing was $1,232,839,670.

In 1890 the capital invested in manufacturing was $2,900,735,884.

In 1880 the number of employees was 1,301,388.

In 1890 the number of employees was 2,251,134.

In 1880 the wages earned were $501,965,778.

In 1890 the wages earned were $1,221,170,454.

In 1880 the value of the product was $2,711,579,899.

In 1890 the value of the product was $4,860,286,837.

I am informed by the Superintendent of the Census that the omission of certain industries in 1880 which were included in 1890 accounts in part for the remarkable increase thus shown, but after making full allowance for differences of method and deducting the returns for all industries not included in the census of 1880 there remain

in the reports from these seventy-five cities an increase in the capital employed of $1,522,745,604, in the value of the product of $2,024,236,166, in wages earned of $677,943,929, and in the number of wage earners employed of 856,029. The wage earnings not only show an increased aggregate, but an increase per capita from $386 in 1880 to $547 in 1890, or 41.71 per cent.

The new industrial plants established since October 6, 1890, and up to October 22, 1892, as partially reported in the American Economist, number 345, and the extension of existing plants 108; the new capital invested amounts to $40,449,050, and the number of additional employees to 37,285.

Page 1567

The Textile World for July, 1892, states that during the first six months of the present calendar year 135 new factories were built, of which 40 are cotton mills, 48 knitting mills, 26 woolen mills, 15 silk mills, 4 plush mills, and 2 linen mills. Of the 40 cotton mills 21 have been built in the Southern States. Mr. A. B. Shepperson, of the New York Cotton Exchange, estimates the number of working spindles in the United States on September 1, 1892, at 15,200,000, an increase of 660,000 over the year 1891. The consumption of cotton by American mills in 1891 was 2,396,000 bales, and in 1892 2,584,000 bales, an increase of 188,000 bales. From the year 1869 to 1892, inclusive, there has been an increase in the consumption of cotton in Europe of 92 per cent, while during the same period the increased consumption in the United States has been about 150 per cent.

The report of Ira Ayer, special agent of the Treasury Department, shows that at the date of September 30, 1892, there were 32 companies manufacturing tin and terne plate in the United States and 14 companies building new works for such manufacture. The estimated investment in buildings and plants at the close of the fiscal year June 30, 1893, if existing conditions were to be continued, was $5,000,000 and the estimated rate of production 200,000,000 pounds per annum. The actual production for the quarter ending September 30, 1892, was 10,952,725 pounds.

The report of Labor Commissioner Peck, of New York, shows that during the year 1891, in about 6,000 manufacturing establishments in that State embraced within the special inquiry made by him, and representing 67 different industries, there was a net increase over the year 1890 of $30,315,130.68 in the value of the product and of $6,377,925.09 in the amount of wages paid. The report of the commissioner of labor for the State of Massachusetts shows that 3,745 industries in that State paid $129,416,248 in wages during the year 1891, against $126,030,303 in 1890, an increase of $3,335,945, and that there was an increase of $9,932,490 in the amount of capital and of 7,346 in the number of persons employed in the same period.

During the last six months of the year 1891 and the first six months of 1892 the total production of pig iron was 9,710,819 tons, as against 9,202,703 tons in the year 1890, which was the largest annual production ever attained. For the same twelve months of 1891-92 the production of Bessemer ingots was 3,878,581 tons, an increase of 189,710 gross tons over the previously unprecedented yearly production of 3,688,871 gross tons in 1890. The production of Bessemer steel rails for the first six months of 1892 was 772,436 gross tons, as against 702,080 gross tons during the last six months of the year 1891.

Page 1568

The total value of our foreign trade (exports and imports of merchandise) during the last fiscal year was $1,857,680,610, an increase of $128,283,604 over the previous fiscal year. The average annual value of our imports and exports of merchandise for the ten fiscal years prior to 1891 was $1,457,322,019. It will be observed that our foreign trade for 1892 exceeded this annual average value by $400,358,591, an increase of 27.47 per cent. The significance and value of this increase are shown by the fact that the excess in the trade of 1892 over 1891 was wholly in the value of exports, for there was a decrease in the value of imports of $17,513,754.

The value of our exports during the fiscal year 1892 reached the highest figure in the history of the Government, amounting to $1,030,278,148, exceeding by $145,797,338 the exports of 1891 and exceeding the value of the imports by $202,875,686. A comparison of the value of our exports for 1892 with the annual average for the ten years prior to 1891 shows an excess of $265,142,651, or of 34.65 per cent. The value of our imports of merchandise for 1892, which was $829,402,462, also exceeded the annual average value of the ten years prior to 1891 by $135,215,940. During the fiscal year 1892 the value of imports free of duty amounted to $457,999,658, the largest aggregate in the history of our commerce. The value of the imports of merchandise entered free of duty in 1892 was 55.35 per cent of the total value of imports, as compared with 43.35 per cent in 1891 and 33.66 per cent in 1890.

In our coastwise trade a most encouraging development is in progress, there having been in the last four years an increase of 16 per cent. In internal commerce the statistics show that no such period of prosperity has ever before existed. The freight carried in the coastwise trade of the Great Lakes in 1890 aggregated 28,295,959 tons. On the Mississippi, Missouri, and Ohio rivers and tributaries in the same year the traffic aggregated 29,405,046 tons, and the total vessel tonnage passing through the Detroit River during that year was 21,684,000 tons. The vessel tonnage entered and cleared in the foreign trade of London during 1890 amounted to 13,480,767 tons, and of Liverpool 10,941,800 tons, a total for these two great shipping ports of 24,422,568 tons, only slightly in excess of the vessel tonnage passing through the Detroit River. And it should be said that the season for the Detroit River was but 228 days, while of course in London and Liverpool the season was for the entire year. The vessel tonnage passing through the St. Marys Canal for the fiscal year 1892 amounted to 9,828,874 tons, and the freight tonnage of the Detroit River is estimated for that year at 25,000,000 tons, against 23,209,619 tons in 1891. The aggregate traffic on our railroads for the year 1891 amounted to 704,398,609 tons of freight, compared with 691,344,437 tons in 1890, an increase of 13,054,172 tons.

Page 1569

Another indication of the general prosperity of the country is found in the fact that the number of depositors in savings banks increased from 693,870 in 1860 to 4,258,893 in 1890, an increase of 513 per cent, and the amount of deposits from $149,277,504 in 1860 to $1,524,844,506 in 1890, an increase of 921 per cent. In 1891 the amount of deposits in savings banks was $1,623,079,749. It is estimated that 90 per cent of these deposits represent the savings of wage earners. The bank clearances for nine months ending September 30, 1891, amounted to $41,049,390,08. For the same months in 1892 they amounted to $45,189,601,947, an excess for the nine months of $4,140,211,139.

There never has been a time in our history when work was so abundant or when wages were as high, whether measured by the currency in which they are paid or by their power to supply the necessaries and comforts of life. It is true that the market prices of cotton and wheat have been low. It is one of the unfavorable incidents of agriculture that the farmer can not produce upon orders. He must sow and reap in ignorance of the aggregate production of the year, and is peculiarly subject to the depreciation which follows overproduction. But while the fact I have stated is true as to the crops mentioned, the general average of prices has been such as to give to agriculture a fair participation in the general prosperity. The value of our total farm products has increased from $1,363,646,866 in 1860 to $4,500,000,000 in 1891, as estimated by statisticians, an increase of 230 per cent. The number of hogs January 1, 1891, was 50,625,106 and their value $210,193,925; on January 1, 1892, the number was 52,398,019 and the value $241,031,415. On January 1, 1891, the number of cattle was 36,875,648 and the value $544,127,908; on January 1 ,1892, the number was 37,651,239 and the value $570,749,155.

If any are discontented with their state here, if any believe that wages or prices, the returns for honest toil, are inadequate, they should not fail to remember that there is no other country in the world where the conditions that seem to them hard would not be accepted as highly prosperous. The English agriculturist would be glad to exchange the returns of his labor for those of the American farmer and the Manchester workmen their wages for those of their fellows at Fall River.

I believe that the protective system, which has now for something more than thirty years continuously prevailed in our legislation, has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen from the invasion of want. I have felt a most solicitous interest to preserve to our working people rates of wages that would not only give daily bread but supply a comfortable margin for those home attractions and family comforts and enjoyments without which life is neither hopeful nor sweet. They are American

Page 1570

citizens—a part of the great people for whom our Constitution and Government were framed and instituted—and it can not be a perversion of that Constitution to so legislate as to preserve in their homes the comfort, independence, loyalty, and sense of interest in the Government which are essential to good citizenship in peace, and which will bring this stalwart throng, as in 1861, to the defense of the flag when it is assailed.

It is not my purpose to renew here the argument in favor of a protective tariff. The result of the recent election must be accepted as having introduced a new policy. We must assume that the present tariff, constructed upon the lines of protection, is to be repealed and that there is to be substituted for it a tariff law constructed solely with reference to revenue; that no duty is to be higher because the increase will keep open an American mill or keep up the wages of an American workman, but that in every case such a rate of duty is to be imposed as will bring to the Treasury of the United States the largest returns of revenue. The contention has not been between schedules, but between principles, and it would be offensive to suggest that the prevailing party will not carry into legislation the principles advocated by it and the pledges given to the people. The tariff bills passed by the House of Representatives at the last session were, as I suppose, even in the opinion of their promoters, inadequate, and justified only by the fact that the Senate and House of Representatives were not in accord and that a general revision could not therefore be undertaken.

I recommend that the whole subject of tariff revision be left to the incoming Congress. It is matter of regret that this work must be delayed for at least three months, for the threat of great tariff changes introduces so much uncertainty that an amount, not easily estimated, of business inaction and of diminished production will necessarily result. It is possible also that this uncertainty may result in decreased revenues from customs duties, for our merchants will make cautious orders for foreign goods in view of the prospect of tariff reductions and the uncertainty as to when they will take effect. Those who have advocated a protective tariff can well afford to have their disastrous forecasts of a change of policy disappointed. If a system of customs duties can be framed that will set the idle wheels and looms of Europe in motion and crowd our warehouses with foreign-made goods and at the same time keep our own mills busy; that will give us an increased participation in the “markets of the world” of greater value than the home market we surrender; that will give increased work to foreign workmen upon products to be consumed by our people without diminishing the amount of work to be done here; that will enable the American manufacturer to pay to his workmen from 50 to 100 per cent more in wages than is paid in the foreign mill, and yet

Page 1571

to compete in our market and in foreign markets with the foreign producer; that will further reduce the cost of articles of wear and food without reducing the wages of those who produce them; that can be celebrated, after its effects have been realized, as its expectation has been in European as well as in American cities, the authors and promoters of it will be entitled to the highest praise. We have had in our history several experiences of the contrasted effects of a revenue and of a protective tariff, but this generation has not felt them, and the experience of one generation is not highly instructive to the next. The friends of the protective system with undiminished confidence in the principles they have advocated will await the results of the new experiment.

The strained and too often disturbed relations existing between the employees and the employers in our great manufacturing establishments have not been favorable to a calm consideration by the wage earner of the effect upon wages of the protective system. The facts that his wages were the highest paid in like callings in the world and that a maintenance of this rate of wages in the absence of protective duties upon the product of his labor was impossible were obscured by the passion evoked by these contests. He may now be able to review the question in the light of his personal experience under the operation of a tariff for revenue only. If that experience shall demonstrate that present rates of wages are thereby maintained or increased, either absolutely or in their purchasing power, and that the aggregate volume of work to be done in this country is increased or even maintained, so that there are more or as many days' work in a year, at as good or better wages, for the American workmen as has been the case under the protective system, everyone will rejoice. A general process of wage reduction can not be contemplated by any patriotic citizen without the gravest apprehension. It may be, indeed I believe is, possible for the American manufacturer to compete successfully with his foreign rival in many branches of production without the defense of protective duties if the pay rolls are equalized; but the conflict that stands between the producer and that result and the distress of our working people when it is attained are not pleasant to contemplate. The Society of the Unemployed, now holding its frequent and threatening parades in the streets of foreign cities, should not be allowed to acquire an American domicile.

The reports of the heads of the several Executive Departments, which are herewith submitted, have very naturally included a resume of the whole work of the Administration with the transactions of the last fiscal year. The attention not only of Congress but of the country is again invited to the methods of administration which have been pursued and to the results which have been attained. Public revenues amounting to $1,414,079,292.28 have been collected and disbursed without loss from misappropriation, without a single defalcation of such importance as to attract the public attention, and at a diminished per cent of cost for collection. The public business has been transacted not only with fidelity, but progressively and with a view to giving to the

people in the fullest possible degree the benefits of a service established and maintained for their protection and comfort.

Page 1572

Our relations with other nations are now undisturbed by any serious controversy. The complicated and threatening differences with Germany and England relating to Samoan affairs, with England in relation to the seal fisheries in the Bering Sea, and with Chile growing out of the Baltimore affair have been adjusted.

There have been negotiated and concluded, under section 3 of the tariff law, commercial agreements relating to reciprocal trade with the following countries: Brazil, Dominican Republic, Spain for Cuba and Puerto Rico, Guatemala, Salvador, the German Empire, Great Britain for certain West Indian colonies and British Guiana, Nicaragua, Honduras, and Austria-Hungary.

Of these, those with Guatemala, Salvador, the German Empire, Great Britain, Nicaragua, Honduras, and Austria-Hungary have been concluded since my last annual message. Under these trade arrangements a free or favored admission has been secured in every case for an important list of American products. Especial care has been taken to secure markets for farm products, in order to relieve that great underlying industry of the depression which the lack of an adequate foreign market for our surplus often brings. An opening has also been made for manufactured products that will undoubtedly, if this policy is maintained, greatly augment our export trade. The full benefits of these arrangements can not be realized instantly. New lines of trade are to be opened. The commercial traveler must survey the field. The manufacturer must adapt his goods to the new markets and facilities for exchange must be established. This work has been well begun, our merchants and manufacturers having entered the new fields with courage and enterprise. In the case of food products, and especially with Cuba, the trade did not need to wait, and the immediate results have been most gratifying. If this policy and these trade arrangements can be continued in force and aided by the establishment of American steamship lines, I do not doubt that we shall within a short period secure fully one-third of the total trade of the countries of Central and South America, which now amounts to about $600,000,000 annually. In 1885 we had only 8 per cent of this trade.

The following statistics show the increase in our trade with the countries with which we have reciprocal trade agreements from the date when such agreements went into effect up to September 30, 1892, the increase being in some almost wholly and in others in an important degree the result of these agreements:

The domestic exports to Germany and Austria-Hungary have increased in value from $47,673,756 to $57,993,064, an increase of $10,319,308, or 21.63 per cent. With American countries the value of our exports has increased from $44,160,285 to $54,613,598, an increase of $10,453,313, or 23.67 per cent. The total increase in the value of exports to all the countries with which we have reciprocity agreements has been

Page 1573

$20,772,621. This increase is chiefly in wheat, flour, meat, and dairy products and in manufactures of iron and steel and lumber. There has been a large increase in the value of imports from all these countries since the commercial agreements went into effect, amounting to $74,294,525, but it has been entirely in imports from the American countries, consisting mostly of sugar, coffee, india rubber, and crude drugs. The alarmed attention of our European competitors for the South American market has been attracted to this new American policy and to our acquisition and their loss of South American trade.

A treaty providing for the arbitration of the dispute between Great Britain and the United States as to the killing of seals in the Bering Sea was concluded on the 29th of February last. This treaty was accompanied by an agreement prohibiting pelagic sealing pending the arbitration, and a vigorous effort was made during this season to drive out all poaching sealers from the Bering Sea. Six naval vessels, three revenue cutters, and one vessel from the Fish Commission, all under the command of Commander Evans, of the Navy, were sent into the sea, which was systematically patrolled. Some seizures were made, and it is believed that the catch in the Bering Sea by poachers amounted to less than 500 seals. It is true, however, that in the North Pacific, while the seal herds were on their way to the passes between the Aleutian Islands, a very large number, probably 35,000, were taken. The existing statutes of the United States do not restrain our citizens from taking seals in the Pacific Ocean, and perhaps should not unless the prohibition can be extended to the citizens of other nations. I recommend that power be given to the President by proclamation to prohibit the taking of seals in the North Pacific by American vessels in case, either as the result of the findings of the Tribunal of Arbitration or otherwise, the restraints can be applied to the vessels of all countries. The case of the United States for the Tribunal of Arbitration has been prepared with great care and industry by the Hon. John W. Foster, and the counsel who represent this Government express confidence that a result substantially establishing our claims and preserving this great industry for the benefit of all nations will be attained.

During the past year a suggestion was received through the British minister that the Canadian government would like to confer as to the possibility of enlarging upon terms of mutual advantage the commercial exchanges of Canada and of the United States, and a conference was held at Washington, with Mr. Blaine acting for this Government and the British minister at this capital and three members of the Dominion cabinet acting as commissioners on the part of Great Britain. The conference developed the fact that the Canadian government was only prepared to offer to the United States in exchange for the concessions asked the admission of

Page 1574

natural products. The statement was frankly made that favored rates could not be given to the United States as against the mother country. This admission, which was foreseen, necessarily terminated the conference upon this question. The benefits of an exchange of natural products would be almost wholly with the people of Canada. Some other topics of interest were considered in the conference, and have resulted in the making of a convention for examining the Alaskan boundary and the waters of Passamaquoddy Bay adjacent to Eastport, Me., and in the initiation of an arrangement for the protection of fish life in the coterminous and neighboring waters of our northern border.

The controversy as to tolls upon the Welland Canal, which was presented to Congress at the last session by special message, having failed of adjustment, I felt constrained to exercise the authority conferred by the act of July 26, 1892, and to proclaim a suspension of the free use of St. Marys Falls Canal to cargoes in transit to ports in Canada. The Secretary of the Treasury established such tolls as were thought to be equivalent to the exactions unjustly levied upon our commerce in the Canadian canals.

If, as we must suppose, the political relations of Canada and the disposition of the Canadian government are to remain unchanged, a somewhat radical revision of our trade relations should, I think, be made. Our relations must continue to be intimate, and they should be friendly. I regret to say, however, that in many of the controversies, notably those as to the fisheries on the Atlantic, the sealing interests on the Pacific, and the canal tolls, our negotiations with Great Britain have continuously been thwarted or retarded by unreasonable and unfriendly objections and protests from Canada in the matter of the canal tolls our treaty rights were flagrantly disregarded. It is hardly too much to say that the Canadian Pacific and other railway lines which parallel our northern boundary are sustained by commerce having either its origin or terminus, or both, in the United States. Canadian railroads compete with those of the United States for our traffic, and without the restraints of our interstate-commerce act. Their cars pass almost without detention into and out of our territory.

The Canadian Pacific Railway brought into the United States from China and Japan via British Columbia during the year ended June 30, 1892, 23,239,689 pounds of freight, and it carried from the United States, to be shipped to China and Japan via British Columbia, 24,068,346 pounds of freight. There were also shipped from the United States over this road from Eastern ports of the United States to our Pacific ports during the same year 13,912,073 pounds of freight, and there were received over this road at the United States Eastern ports from ports on the Pacific Coast 13,293,315 pounds of freight. Mr. Joseph Nimmo, Jr., former chief of the Bureau of Statistics, when before the Senate Select Committee on Relations with Canada, April 26, 1890, said that “the value of goods thus transported between different points in the United States across Canadian territory probably amounts to $100,000,000 a year.”

Page 1575

There is no disposition on the part of the people or Government of the United States to interfere in the smallest degree with the political relations of Canada. That question is wholly with her own people. It is time for us, however, to consider whether, if the present state of things and trend of things is to continue, our interchanges upon lines of land transportation should not be put upon a different basis and our entire independence of Canadian canals and of the St. Lawrence as an outlet to the sea secured by the construction of an American canal around the Falls of Niagara and the opening of ship communication between the Great Lakes and one of our own seaports. We should not hesitate to avail ourselves of our great natural trade advantages. We should withdraw the support which is given to the railroads and steamship lines of Canada by a traffic that properly belongs to us and no longer furnish the earnings which lighten the otherwise crushing weight of the enormous public subsidies that have been given to them. The subject of the power of the Treasury to deal with this matter without further legislation has been under consideration, but circumstances have postponed a conclusion. It is probable that a consideration of the propriety of a modification or abrogation of the article of the treaty of Washington relating to the transit of goods in bond is involved in any complete solution of the question.

Congress at the last session was kept advised of the progress of the serious and for a time threatening difference between the United States and Chile. It gives me now great gratification to report that the Chilean Government in a most friendly and honorable spirit has tendered and paid as an indemnity to the families of the sailors of the Baltimore who were killed and to those who were injured in the outbreak in the city of Valparaiso the sum of $75,000. This has been accepted not only as an indemnity for a wrong done, but as a most gratifying evidence that the Government of Chile rightly appreciates the disposition of this Government to act in a spirit of the most absolute fairness and friendliness in our intercourse with that brave people. A further and conclusive evidence of the mutual respect and confidence now existing is furnished by the fact that a convention submitting to arbitration the mutual claims of the citizens of the respective Governments has been agreed upon. Some of these claims have been pending for many years and have been the occasion of much unsatisfactory diplomatic correspondence.

I have endeavored in every way to assure our sister Republics of Central and South America that the United States Government and its people have only the most friendly disposition toward them all. We do not covet their territory. We have no disposition to be oppressive or exacting in our dealings with any of them, even the weakest. Our interests and our hopes for them all lie in the direction of stable governments by their people and of the largest development of their great commercial resources. The mutual benefits of enlarged commercial exchanges and of a more familiar and friendly intercourse between our peoples we do desire, and in this have sought their friendly cooperation.

Page 1576

I have believed, however, while holding these sentiments in the greatest sincerity, that we must insist upon a just responsibility for any injuries inflicted upon our official representatives or upon our citizens. This insistence, kindly and justly but firmly made, will, I believe, promote peace and mutual respect.

Our relations with Hawaii have been such as to attract an increased interest, and must continue to do so. I deem it of great importance that the projected submarine cable, a survey for which has been made, should be promoted. Both for naval and commercial uses we should have quick communication with Honolulu. We should before this have availed ourselves of the concession made many years ago to this Government for a harbor and naval station at Pearl River. Many evidences of the friendliness of the Hawaiian Government have been given in the past, and it is gratifying to believe that the advantage and necessity of a continuance of very close relations is appreciated.

The friendly act of this Government in expressing to the Government of Italy its reprobation and abhorrence of the lynching of Italian subjects in New Orleans by the payment of 125,000 francs, or $24,330.90, was accepted by the King of Italy with every manifestation of gracious appreciation, and the incident has been highly promotive of mutual respect and good will.

In consequence of the action of the French Government in proclaiming a protectorate over certain tribal districts of the west coast of Africa eastward of the San Pedro River, which has long been regarded as the southeastern boundary of Liberia, I have felt constrained to make protest against this encroachment upon the territory of a Republic which was rounded by citizens of the United States and toward which this country has for many years held the intimate relation of a friendly counselor.

The recent disturbances of the public peace by lawless foreign marauders on the Mexican frontier have afforded this Government an opportunity to testify its good will for Mexico and its earnest purpose to fulfill the obligations of international friendship by pursuing and dispersing the evil doers. The work of relocating the boundary of the treaty of Guadalupe Hidalgo westward from El Paso is progressing favorably.

Our intercourse with Spain continues on a friendly footing. I regret, however, not to be able to report as yet the adjustment of the claims of the American missionaries arising from the disorders at Ponape, in the Caroline Islands, but I anticipate a satisfactory adjustment in view of renewed and urgent representations to the Government at Madrid.

Page 1577

The treatment of the religious and educational establishments of American citizens in Turkey has of late called for a more than usual share of attention. A tendency to curtail the toleration which has so beneficially prevailed is discernible and has called forth the earnest remonstrance of this Government. Harassing regulations in regard to schools and churches have been attempted in certain localities, but not without due protest and the assertion of the inherent and conventional rights of our countrymen. Violations of domicile and search of the persons and effects of citizens of the United States by apparently irresponsible officials in the Asiatic vilayets have from time to time been reported. An aggravated instance of injury to the property of an American missionary at Bourdour, in the province of Konia, called forth an urgent claim for reparation, which I am pleased to say was promptly heeded by the Government of the Porte. Interference with the trading ventures of our citizens in Asia Minor is also reported, and the lack of consular representation in that region is a serious drawback to instant and effective protection. I can not believe that these incidents represent a settled policy, and shall not cease to urge the adoption of proper remedies.

International copyright has been extended to Italy by proclamation in conformity with the act of March 3, 1891, upon assurance being given that Italian law permits to citizens of the United States the benefit of copyright on substantially the same basis as to subjects of Italy. By a special convention proclaimed January 15, 1892, reciprocal provisions of copyright have been applied between the United States and Germany. Negotiations are in progress with other countries to the same end.

I repeat with great earnestness the recommendation which I have made in several previous messages that prompt and adequate support be given to the American company engaged in the construction of the Nicaragua ship canal. It is impossible to overstate the value from every standpoint of this great enterprise, and I hope that there may be time, even in this Congress, to give to it an impetus that will insure the early completion of the canal and secure to the United States its proper relation to it when completed.

The Congress has been already advised that the invitations of this Government for the assembling of an international monetary conference to consider the question of an enlarged use of silver were accepted by the nations to which they were addressed. The conference assembled at Brussels on the 22d of November, and has entered upon the consideration of this great question. I have not doubted, and have taken occasion to express that belief as well in the invitations issued for this conference as in my public messages, that the free coinage of silver upon an agreed international ratio would greatly promote the interests of our people and equally those of other nations. It is too early to predict what results may be accomplished by the conference. If any temporary check or delay intervenes, I believe that very soon commercial conditions will compel the now reluctant governments to unite with us in this movement to secure the enlargement of the volume of coined money needed for the transaction of the business of the world.

Page 1578

The report of the Secretary of the Treasury will attract especial interest in view of the many misleading statements that have been made as to the state of the public revenues. Three preliminary facts should not only be stated but emphasized before looking into details: First, that the public debt has been reduced since March 4, 1889, $259,074,200, and the annual interest charge $11,684,469; second, that there have been paid out for pensions during this Administration up to November 1, 1892, $432,564,178.70, an excess of $114,466,386.09 over the sum expended during the period from March 1, 1885, to March 1, 1889; and, third, that under the existing tariff up to December 1 about $93,000,000 of revenue which would have been collected upon imported sugars if the duty had been maintained has gone into the pockets of the people, and not into the public Treasury, as before. If there are any who still think that the surplus should have been kept out of circulation by hoarding it in the Treasury, or deposited in favored banks without interest while the Government continued to pay to these very banks interest upon the bonds deposited as security for the deposits, or who think that the extended pension legislation was a public robbery, or that the duties upon sugar should have been maintained, I am content to leave the argument where it now rests while we wait to see whether these criticisms will take the form of legislation.

The revenues for the fiscal year ending June 30, 1892, from all sources were $425,868,260.22, and the expenditures for all purposes were $415,953,806.56, leaving a balance of $9,914,453.66. There were paid during the year upon the public debt $40,570,467.98. The surplus in the Treasury and the bank redemption fund passed by the act of July 14, 1890, to the general fund furnished in large part the cash available and used for the payments made upon the public debt. Compared with the year 1891, our receipts from customs duties fell off $42,069,241.08, while our receipts from internal revenue increased $8,284,823.13, leaving the net loss of revenue from these principal sources $33,784,417.95. The net loss of revenue from all sources was $32,675,972.81.

The revenues, estimated and actual, for the fiscal year ending June 30, 1893, are placed by the Secretary at $463,336,350.44, and the expenditures at $461,336,350.44, showing a surplus of receipts over expenditures of $2,000,000. The cash balance in the Treasury at the end of the fiscal year it is estimated will be $20,992,377.03. So far as these figures are based upon estimates of receipts and expenditures for the remaining months of the current fiscal year, there are not only the usual elements of uncertainty, but some added elements. New revenue legislation, or even the expectation of it, may seriously reduce the public revenues during the period of uncertainty and during the process of business adjustment to the new conditions when they become known. But the Secretary has very wisely refrained from guessing as to the effect of possible changes in our revenue laws, since the scope of those changes and the time of their taking effect can not in any degree be forecast or foretold by him. His estimates must be based upon existing laws and upon a continuance of existing business conditions, except so far as these conditions may be affected by causes other than new legislation.

Page 1579

The estimated receipts for the fiscal year ending June 30, 1894, are $490,121,365.38, and the estimated appropriations $457,261,335.33, leaving an estimated surplus of receipts over expenditures of $32,860,030.05. This does not include any payment to the sinking fund. In the recommendation of the Secretary that the sinking-fund law be repealed I concur. The redemption of bonds since the passage of the law to June 30, 1892, has already exceeded the requirements by the sum of $990,510,681.49. The retirement of bonds in the future before maturity should be a matter of convenience, not of compulsion. We should not collect revenue for that purpose, but only use any casual surplus. To the balance of $32,860,030.05 of receipts over expenditures for the year 1894 should be added the estimated surplus at the beginning of the year, $20,992,377.03, and from this aggregate there must be deducted, as stated by the Secretary, about $44,000,000 of estimated unexpended appropriations.

The public confidence in the purpose and ability of the Government to maintain the parity of all of our money issues, whether coin or paper, must remain unshaken. The demand for gold in Europe and the consequent calls upon us are in a considerable degree the result of the efforts of some of the European Governments to increase their gold reserves, and these efforts should be met by appropriate legislation on our part. The conditions that have created this drain of the Treasury gold are in an important degree political, and not commercial. In view of the fact that a general revision of our revenue laws in the near future seems to be probable, it would be better that any changes should be a part of that revision rather than of a temporary nature.

During the last fiscal year the Secretary purchased under the act of July 14, 1890, 54,355,748 ounces of silver and issued in payment therefor $51,106,608 in notes. The total purchases since the passage of the act have been 120,479,981 ounces and the aggregate of notes issued $116,783,590. The average price paid for silver during the year was 94 cents per ounce, the highest price being $1.02 3/4 July 1, 1891, and the lowest 83 cents March 21, 1892. In view of the fact that the monetary conference is now sitting and that no conclusion has yet been reached, I withhold any recommendation as to legislation upon this subject.

The report of the Secretary of War brings again to the attention of Congress some important suggestions as to the reorganization of the infantry and artillery arms of the service, which his predecessors have before urgently presented. Our Army is small, but its organization should all the more be put upon the most approved modern basis. The conditions upon what we have called the “frontier” have heretofore required the maintenance of many small posts, but now the policy of concentration is obviously the right one. The new posts should have the proper strategic relations to the only “frontiers” we now

Page 1580

have—those of the seacoast and of our northern and part of our southern boundary. I do not think that any question of advantage to localities or to States should determine the location of the new posts. The reorganization and enlargement of the Bureau of Military Information which the Secretary has effected is a work the usefulness of which will become every year more apparent. The work of building heavy guns and the construction of coast defenses has been well begun and should be carried on without check.

The report of the Attorney-General is by law submitted directly to Congress, but I can not refrain from saying that he has conducted the increasing work of the Department of Justice with great professional skill. He has in several directions secured from the courts decisions giving increased protection to the officers of the United States and bringing some classes of crime that escaped local cognizance and punishment into the tribunals of the United States, where they could be tried with impartiality.

The numerous applications for Executive clemency presented in behalf of persons convicted in United States courts and given penitentiary sentences have called my attention to a fact referred to by the Attorney-General in his report, namely, that a time allowance for good behavior for such prisoners is prescribed by the Federal statutes only where the State in which the penitentiary is located has made no such provision. Prisoners are given the benefit of the provisions of the State law regulating the penitentiary to which they may be sent. These are various, some perhaps too liberal and some perhaps too illiberal. The result is that a sentence for five years means one thing if the prisoner is sent to one State for confinement and quite a different thing if he is sent to another. I recommend that a uniform credit for good behavior be prescribed by Congress.

I have before expressed my concurrence in the recommendation of the Attorney-General that degrees of murder should be recognized in the Federal statutes, as they are, I believe, in all the States. These grades are rounded on correct distinctions in crime. The recognition of them would enable the courts to exercise some discretion in apportioning punishment and would greatly relieve the Executive of what is coming to be a very heavy burden—the examination of these cases on application for commutation.

The aggregate of claims pending against the Government in the Court of Claims is enormous. Claims to the amount of nearly $400,000,000 for the taking of or injury to the property of persons claiming to be loyal during the war are now before that court for examination. When to these are added the Indian depredation claims and the French spoliation claims, an aggregate is reached that is indeed startling. In the defense of all these cases the Government is at great disadvantage. The claimants have preserved their evidence, whereas the agents of the Government

Page 1581

are sent into the field to rummage for what they can find. This difficulty is peculiarly great where the fact to be established is the disloyalty of the claimant during the war. If this great threat against our revenues is to have no other check, certainly Congress should supply the Department of Justice with appropriations sufficiently liberal to secure the best legal talent in the defense of these claims and to pursue its vague search for evidence effectively.

The report of the Postmaster-General shows a most gratifying increase and a most efficient and progressive management of the great business of that Department. The remarkable increase in revenues, in the number of post-offices, and in the miles of mail carriage furnishes further evidence of the high state of prosperity which our people are enjoying. New offices mean new hamlets and towns, new routes mean the extension of our border settlements, and increased revenues mean an active commerce. The Postmaster-General reviews the whole period of his administration of the office and brings some of his statistics down to the month of November last. The postal revenues have increased during the last year nearly $5,000,000. The deficit for the year ending June 30, 1892, is $848,341 less than the deficiency of the preceding year. The deficiency of the present fiscal year it is estimated will be reduced to $1,552,423, which will not only be extinguished during the next fiscal year but a surplus of nearly $1,000,000 should then be shown. In these calculations the payments to be made under the contracts for ocean mail service have not been included. There have been added 1,590 new mail routes during the year, with a mileage of 8,563 miles, and the total number of new miles of mail trips added during the year is nearly 17,000,000. The number of miles of mail journeys added during the last four years is about 76,000,000, this addition being 21,000,000 miles more than were in operation in the whole country in 1861.

The number of post-offices has been increased by 2,790 during the year, and during the past four years, and up to October 29 last, the total increase in the number of offices has been nearly 9,000. The number of free-delivery offices has been nearly doubled in the last four years, and the number of money-order offices more than doubled within that time.

For the three years ending June 30, 1892, the postal revenue amounted to $197,744,359, which was an increase of $52,263,150 over the revenue for the three years ending June 30, 1888, the increase during the last three years being more than three and a half times as great as the increase during the three years ending June 30, 1888. No such increase as that shown for these three years has ever previously appeared in the revenues of the Department. The Postmaster-General has extended to the post-offices in the larger cities the merit system of promotion introduced by my direction into the Departments here, and it has resulted there, as in the Departments, in a larger volume of work and that better done.

Page 1582

Ever since our merchant marine was driven from the sea by the rebel cruisers during the War of the Rebellion the United States has been paying an enormous annual tribute to foreign countries in the shape of freight and passage moneys. Our grain and meats have been taken at our own docks and our large imports there laid down by foreign shipmasters. An increasing torrent of American travel to Europe has contributed a vast sum annually to the dividends of foreign shipowners. The balance of trade shown by the books of our custom-houses has been very largely reduced and in many years altogether extinguished by this constant drain. In the year 1892 only 12.3 per cent of our imports were brought in American vessels. These great foreign steamships maintained by our traffic are many of them under contracts with their respective Governments by which in time of war they will become a part of their armed naval establishments. Profiting by our commerce in peace, they will become the most formidable destroyers of our commerce in time of war. I have felt, and have before expressed the feeling, that this condition of things was both intolerable and disgraceful. A wholesome change of policy, and one having in it much promise, as it seems to me, was begun by the law of March 3, 1891. Under this law contracts have been made by the Postmaster-General for eleven mail routes. The expenditure involved by these contracts for the next fiscal year approximates $954,123.33. As one of the results already reached sixteen American steamships, of an aggregate tonnage of 57,400 tons, costing $7,400,000, have been built or contracted to be built in American shipyards.

The estimated tonnage of all steamships required under existing contracts is 165,802, and when the full service required by these contracts is established there will be forty-one mail steamers under the American flag, with the probability of further necessary additions in the Brazilian and Argentine service. The contracts recently let for transatlantic service will result in the construction of five ships of 10,000 tons each, costing $9,000,000 to $10,000,000, and will add, with the City of New York and City of Paris, to which the Treasury Department was authorized by legislation at the last session to give American registry, seven of the swiftest vessels upon the sea to our naval reserve. The contracts made with the lines sailing to Central and South American ports have increased the frequency and shortened the time of the trips, added new ports of call, and sustained some lines that otherwise would almost certainly have been withdrawn. The service to Buenos Ayres is the first to the Argentine Republic under the American flag. The service to Southampton, Boulogne, and Antwerp is also new, and is to be begun with the steamships City of New York and City of Paris in February next.

Page 1583

I earnestly urge the continuance of the policy inaugurated by this legislation, and that the appropriations required to meet the obligations of the Government under the contracts may be made promptly, so that the lines that have entered into these engagements may not be embarrassed. We have had, by reason of connections with the transcontinental railway lines constructed through our own territory, some advantages in the ocean trade of the Pacific that we did not possess on the Atlantic. The construction of the Canadian Pacific Railway and the establishment under large subventions from Canada and England of fast steamship service from Vancouver with Japan and China seriously threaten our shipping interests in the Pacific. This line of English steamers receives, as is stated by the Commissioner of Navigation, a direct subsidy of $400,000 annually, or $30,767 per trip for thirteen voyages, in addition to some further aid from the Admiralty in connection with contracts under which the vessels may be used for naval purposes. The competing American Pacific mail line under the act of March 3, 1891, receives only $6,389 per round trip.

Efforts have been making within the last year, as I am informed, to establish under similar conditions a line between Vancouver and some Australian port, with a view of seizing there a trade in which we have had a large interest. The Commissioner of Navigation states that a very large per cent of our imports from Asia are now brought to us by English steamships and their connecting railways in Canada. With a view of promoting this trade, especially in tea, Canada has imposed a discriminating duty of 10 per cent upon tea and coffee brought into the Dominion from the United States. If this unequal contest between American lines without subsidy, or with diminished subsidies, and the English Canadian line to which I have referred is to continue, I think we should at least see that the facilities for customs entry and transportation across our territory are not such as to make the Canadian route a favored one, and that the discrimination as to duties to which I have referred is met by a like discrimination as to the importation of these articles from Canada.

No subject, I think, more nearly touches the pride, the power, and the prosperity of our country than this of the development of our merchant marine upon the sea. If we could enter into conference with other competitors and all would agree to withhold government aid, we could perhaps take our chances with the rest; but our great competitors have established and maintained their lines by government subsidies until they now have practically excluded us from participation. In my opinion no choice is left to us but to pursue, moderately at least, the same lines.

Page 1584

The report of the Secretary of the Navy exhibits great progress in the construction of our new Navy. When the present Secretary entered upon his duties, only 3 modern steel vessels were in commission. The vessels since put in commission and to be put in commission during the winter will make a total of 19 during his administration of the Department. During the current year 10 war vessels and 3 navy tugs have been launched, and during the four years 25 vessels will have been launched. Two other large ships and a torpedo boat are under contract and the work upon them well advanced, and the 4 monitors are awaiting only the arrival of their armor, which has been unexpectedly delayed, or they would have been before this in commission.

Contracts have been let during this Administration, under the appropriations for the increase of the Navy, including new vessels and their appurtenances, to the amount of $35,000,000, and there has been expended during the same period for labor at navy-yards upon similar work $8,000,000 without the smallest scandal or charge of fraud or partiality. The enthusiasm and interest of our naval officers, both of the staff and line, have been greatly kindled. They have responded magnificently to the confidence of Congress and have demonstrated to the world an unexcelled capacity in construction, in ordnance, and in everything involved in the building, equipping, and sailing of great war ships.

At the beginning of Secretary Tracy's administration several difficult problems remained to be grappled with and solved before the efficiency in action of our ships could be secured. It is believed that as the result of new processes in the construction of armor plate our later ships will be clothed with defensive plates of higher resisting power than are found on any war vessels afloat. We were without torpedoes. Tests have been made to ascertain the relative efficiency of different constructions, a torpedo has been adopted, and the work of construction is now being carried on successfully. We were without armor-piercing shells and without a shop instructed and equipped for the construction of them. We are now making what is believed to be a projectile superior to any before in use. A smokeless powder has been developed and a slow-burning powder for guns of large caliber. A high explosive capable of use in shells fired from service guns has been found, and the manufacture of gun cotton has been developed so that the question of supply is no longer in doubt.

The development of a naval militia, which has been organized in eight States and brought into cordial and cooperative relations with the Navy, is another important achievement. There are now enlisted in these organizations 1,800 men, and they are likely to be greatly extended. I recommend such legislation and appropriations as will encourage and develop this movement. The recommendations of the Secretary will, I do not doubt, receive the friendly consideration

Page 1585

of Congress, for he has enjoyed, as he has deserved, the confidence of all those interested in the development of our Navy, without any division upon partisan lines. I earnestly express the hope that a work which has made such noble progress may not now be stayed. The wholesome influence for peace and the increased sense of security which our citizens domiciled in other lands feel when these magnificent ships under the American flag appear is already most gratefully apparent. The ships from our Navy which will appear in the great naval parade next April in the harbor of New York will be a convincing demonstration to the world that the United States is again a naval power.

The work of the Interior Department, always very burdensome, has been larger than ever before during the administration of Secretary Noble. The disability-pension law, the taking of the Eleventh Census, the opening of vast areas of Indian lands to settlement, the organization of Oklahoma, and the negotiations for the cession of Indian lands furnish some of the particulars of the increased work, and the results achieved testify to the ability, fidelity, and industry of the head of the Department and his efficient assistants.

Several important agreements for the cession of Indian lands negotiated by the commission appointed under the act of March 2, 1889, are awaiting the action of Congress. Perhaps the most important of these is that for the cession of the Cherokee Strip. This region has been the source of great vexation to the executive department and of great friction and unrest between the settlers who desire to occupy it and the Indians who assert title. The agreement which has been made by the commission is perhaps the most satisfactory that could have been reached. It will be noticed that it is conditioned upon its ratification by Congress before March 4, 1893. The Secretary of the Interior, who has given the subject very careful thought, recommends the ratification of the agreement, and I am inclined to follow his recommendation. Certain it is that some action by which this controversy shall be brought to an end and these lands opened to settlement is urgent.

The form of government provided by Congress on May 17, 1884, for Alaska was in its frame and purpose temporary. The increase of population and the development of some important mining and commercial interests make it imperative that the law should be revised and better provision made for the arrest and punishment of criminals.

The report of the Secretary shows a very gratifying state of facts as to the condition of the General Land Office. The work of issuing agricultural patents, which seemed to be hopelessly in arrear when the present Secretary undertook the duties of his office, has been so expedited that the bureau is now upon current business. The relief thus afforded to honest and worthy settlers upon the public lands by giving to them an

assured title to their entries has been of incalculable benefit in developing the new States and the Territories.

Page 1586

The Court of Private Land Claims, established by Congress for the promotion of this policy of speedily settling contested land titles, is making satisfactory progress in its work, and when the work is completed a great impetus will be given to the development of those regions where unsettled claims under Mexican grants have so long exercised their repressive influence. When to these results are added the enormous cessions of Indian lands which have been opened to settlement, aggregating during this Administration nearly 26,000,000 acres, and the agreements negotiated and now pending in Congress for ratification by which about 10,000,000 additional acres will be opened to settlement, it will be seen how much has been accomplished.

The work in the Indian Bureau in the execution of the policy of recent legislation has been largely directed to two chief purposes: First, the allotment of lands in severalty to the Indians and the cession to the United States of the surplus lands, and, secondly, to the work of educating the Indian for his own protection in his closer contact with the white man and for the intelligent exercise of his new citizenship. Allotments have been made and patents issued to 5,900 Indians under the present Secretary and Commissioner, and 7,600 additional allotments have been made for which patents are now in process of preparation. The school attendance of Indian children has been increased during that time over 13 per cent, the enrollment for 1892 being nearly 20,000. A uniform system of school text-books and of study has been adopted and the work in these national schools brought as near as may be to the basis of the free common schools of the States. These schools can be transferred and merged into the common-school systems of the States when the Indian has fully assumed his new relation to the organized civil community in which he resides and the new States are able to assume the burden. I have several times been called upon to remove Indian agents appointed by me, and have done so promptly upon every sustained complaint of unfitness or misconduct. I believe, however, that the Indian service at the agencies has been improved and is now administered on the whole with a good degree of efficiency. If any legislation is possible by which the selection of Indian agents can be wholly removed from all partisan suggestions or considerations, I am sure it would be a great relief to the Executive and a great benefit to the service. The appropriation for the subsistence of the Cheyenne and Arapahoe Indians made at the last session of Congress was inadequate. This smaller appropriation was estimated for by the Commissioner upon the theory that the large fund belonging to the tribe in the public Treasury could be and ought to be used for their support. In view, however, of the pending depredation claims against this fund and other considerations, the Secretary of the Interior on the 12th of April last submitted a supplemental estimate for $50,000. This appropriation was not made, as it should have been, and the oversight ought to be remedied at the earliest possible date.

Page 1587

In a special message to this Congress at the last session, I stated the reasons why I had not approved the deed for the release to the United States by the Choctaws and Chickasaws of the lands formerly embraced in the Cheyenne and Arapahoe Reservation and remaining after allotments to that tribe. A resolution of the Senate expressing the opinion of that body that notwithstanding the facts stated in my special message the deed should be approved and the money, $2,991,450, paid over was presented to me May 10, 1892. My special message was intended to call the attention of Congress to the subject, and in view of the fact that it is conceded that the appropriation proceeded upon a false basis as to the amount of lands to be paid for and is by $50,000 in excess of the amount they are entitled to (even if their claim to the land is given full recognition at the rate agreed upon), I have not felt willing to approve the deed, and shall not do so, at least until both Houses of Congress have acted upon the subject. It has been informally proposed by the claimants to release this sum of $50,000, but I have no power to demand or accept such a release, and such an agreement would be without consideration and void.

I desire further to call the attention of Congress to the fact that the recent agreement concluded with the Kiowas and Comanches relates to lands which were a part of the “leased district,” and to which the claim of the Choctaws and Chickasaws is precisely that recognized by Congress in the legislation I have referred to. The surplus lands to which this claim would attach in the Kiowa and Comanche Reservation is 2,500,000 acres, and at the same rate the Government will be called upon to pay to the Choctaws and Chickasaws for these lands $3,125,000. This sum will be further augmented, especially if the title of the Indians to the tract now Greet County, Tex., is established. The duty devolved upon me in this connection was simply to pass upon the form of the deed; but as in my opinion the facts mentioned in my special message were not adequately brought to the attention of Congress in connection with the legislation, I have felt that I would not be justified in acting without some new expression of the legislative will.

The report of the Commissioner of Pensions, to which extended notice is given by the Secretary of the Interior in his report, will attract great attention. Judged by the aggregate amount of work done, the last year has been the greatest in the history of the office. I believe that the organization of the office is efficient and that the work has been done with fidelity. The passage of what is known as the disability bill has, as was foreseen, very largely increased the annual disbursements to the disabled veterans of the Civil War. The estimate for this fiscal year was $144,956,000, and that amount was appropriated. A deficiency amounting to $10,508,621 must be provided for at this session. The estimate for pensions for the fiscal year ending June 30, 1894, is $165,000,000. The Commissioner of Pensions believes that if the present legislation and methods are maintained and further additions to the pension laws are not made the maximum expenditure for pensions will be reached June 30, 1894, and will be at the highest point $188,000,000 per annum.

Page 1588

I adhere to the views expressed in previous messages that the care of the disabled soldiers of the War of the Rebellion is a matter of national concern and duty. Perhaps no emotion cools sooner than that of gratitude, but I can not believe that this process has yet reached a point with our people that would sustain the policy of remitting the care of these disabled veterans to the inadequate agencies provided by local laws. The parade on the 20th of September last upon the streets of this capital of 60,000 of the surviving Union veterans of the War of the Rebellion was a most touching and thrilling episode, and the rich and gracious welcome extended to them by the District of Columbia and the applause that greeted their progress from tens of thousands of people from all the States did much to revive the glorious recollections of the Grand Review when these men and many thousand others now in their graves were welcomed with grateful joy as victors in a struggle in which the national unity, honor, and wealth were all at issue.

In my last annual message I called attention to the fact that some legislative action was necessary in order to protect the interests of the Government in its relations with the Union Pacific Railway. The Commissioner of Railroads has submitted a very full report, giving exact information as to the debt, the liens upon the company's property, and its resources. We must deal with the question as we find it and take that course which will under existing conditions best secure the interests of the United States. I recommended in my last annual message that a commission be appointed to deal with this question, and I renew that recommendation and suggest that the commission be given full power.

The report of the Secretary of Agriculture contains not only a most interesting statement of the progressive and valuable work done under the administration of Secretary Rusk, but many suggestions for the enlarged usefulness of this important Department. In the successful efforts to break down the restrictions to the free introduction of our meat products in the countries of Europe the Secretary has been untiring from the first, stimulating and aiding all other Government officers at home and abroad whose official duties enabled them to participate in the work. The total trade in hog products with Europe in May, 1892, amounted to 82,000,000 pounds, against 46,900,000 in the same month of 1891; in June, 1892, the export aggregated 85,700,000 pounds, against 46,500,000 pounds in the same month of the previous year; in July there was an increase of 41 per cent and in August of 55 per cent over the corresponding months of 1891. Over 40,000,000 pounds of inspected pork have been exported since the law was put into operation, and a comparison of the four months of May, June, July, and August, 1892, with the same months of 1891 shows an increase in the number of pounds of our export of pork products of 62 per cent and an increase in value of 66 1/2

Page 1589

per cent. The exports of dressed beef increased from 137,900,000 pounds in 1889 to 220,500,000 pounds in 1892 or about 60 per cent. During the past year there have been exported 394,607 head of live cattle, as against 205,786 exported in 1889. This increased exportation has been largely promoted by the inspection authorized by law and the faithful efforts of the Secretary and his efficient subordinates to make that inspection thorough and to carefully exclude from all cargoes diseased or suspected cattle. The requirement of the English regulations that live cattle arriving from the United States must be slaughtered at the docks had its origin in the claim that pleuro-pneumonia existed among American cattle and that the existence of the disease could only certainly be determined by a post mortem inspection.

The Department of Agriculture has labored with great energy and faithfulness to extirpate this disease, and on the 26th day of September last a public announcement was made by the Secretary that the disease no longer existed anywhere within the United States. He is entirely satisfied after the most searching inquiry that this statement was justified, and that by a continuance of the inspection and quarantine now required of cattle brought into this country the disease can be prevented from again getting any foothold. The value to the cattle industry of the United States of this achievement can hardly be estimated. We can not, perhaps, at once insist that this evidence shall be accepted as satisfactory by other countries; but if the present exemption from the disease is maintained and the inspection of our cattle arriving at foreign ports, in which our own veterinarians participate, confirms it, we may justly expect that the requirement that our cattle shall be slaughtered at the docks will be revoked, as the sanitary restrictions upon our pork products have been. If our cattle can be taken alive to the interior, the trade will be enormously increased.

Agricultural products constituted 78.1 per cent of our unprecedented exports for the fiscal year which closed June 30, 1892, the total exports being $1,030,278,030 and the value of the agricultural products $793,717,676, which exceeds by more than $150,000,000 the shipment of agricultural products in any previous year.

An interesting and a promising work for the benefit of the American farmer has been begun through agents of the Agricultural Department in Europe, and consists in efforts to introduce the various products of Indian corn as articles of human food. The high price of rye offered a favorable opportunity for the experiment in Germany of combining corn meal with rye to produce a cheaper bread. A fair degree of success has been attained, and some mills for grinding corn for food have been introduced. The Secretary is of the opinion that this new use of the products of corn has already stimulated exportations, and that if diligently prosecuted large and important markets can presently be opened for this great American product.

Page 1590

The suggestions of the Secretary for an enlargement of the work of the Department are commended to your favorable consideration. It may, I think, be said without challenge that in no corresponding period has so much been done as during the last four years for the benefit of American agriculture.

The subject of quarantine regulations, inspection, and control was brought suddenly to my attention by the arrival at our ports in August last of vessels infected with cholera. Quarantine regulations should be uniform at all our ports. Under the Constitution they are plainly within the exclusive Federal jurisdiction when and so far as Congress shall legislate. In my opinion the whole subject should be taken into national control and adequate power given to the Executive to protect our people against plague invasions. On the 1st of September last I approved regulations establishing a twenty-day quarantine for all vessels bringing immigrants from foreign ports. This order will be continued in force. Some loss and suffering have resulted to passengers, but a due care for the homes of our people justifies in such cases the utmost precaution. There is danger that with the coming of spring cholera will again appear, and a liberal appropriation should be made at this session to enable our quarantine and port officers to exclude the deadly plague.

But the most careful and stringent quarantine regulations may not be sufficient absolutely to exclude the disease. The progress of medical and sanitary science has been such, however, that if approved precautions are taken at once to put all of our cities and towns in the best sanitary condition, and provision is made for isolating any sporadic cases and for a thorough disinfection, an epidemic can, I am sure, be avoided. This work appertains to the local authorities, and the responsibility and the penalty will be appalling if it is neglected or unduly delayed.

We are peculiarly subject in our great ports to the spread of infectious diseases by reason of the fact that unrestricted immigration brings to us out of European cities, in the overcrowded steerages of great steamships, a large number of persons whose surroundings make them the easy victims of the plague. This consideration, as well as those affecting the political, moral, and industrial interests of our country, leads me to renew the suggestion that admission to our country and to the high privileges of its citizenship should be more restricted and more careful. We have, I think, a right and owe a duty to our own people, and especially to our working people, not only to keep out the vicious, the ignorant, the civil disturber, the pauper, and the contract laborer, but to check the too great flow of immigration now coming by further limitations.

The report of the World's Columbian Exposition has not yet been submitted. That of the board of management of the Government exhibit has been received and is herewith transmitted. The work of construction and of preparation for the opening of the exposition in May next has progressed most satisfactorily and upon a scale of liberality and magnificence that will worthily sustain the honor of the United States.

Page 1591

The District of Columbia is left by a decision of the supreme court of the District without any law regulating the liquor traffic. An old statute of the legislature of the District relating to the licensing of various vocations has hitherto been treated by the Commissioners as giving them power to grant or refuse licenses to sell intoxicating liquors and as subjecting those who sold without licenses to penalties; but in May last the supreme court of the District held against this view of the powers of the Commissioners. It is of urgent importance, therefore, that Congress should supply, either by direct enactment or by conferring discretionary powers upon the Commissioners, proper limitations and restraints upon the liquor traffic in the District. The District has suffered in its reputation by many crimes of violence, a large per cent of them resulting from drunkenness and the liquor traffic. The capital of the nation should be freed from this reproach by the enactment of stringent restrictions and limitations upon the traffic.

In renewing the recommendation which I have made in three preceding annual messages that Congress should legislate for the protection of railroad employees against the dangers incident to the old and inadequate methods of braking and coupling which are still in use upon freight trains, I do so with the hope that this Congress may take action upon the subject. Statistics furnished by the Interstate Commerce Commission show that during the year ending June 30, 1891, there were forty-seven different styles of car couplers reported to be in use, and that during the same period there were 2,660 employees killed and 26,140 injured. Nearly 16 per cent of the deaths occurred in the coupling and uncoupling of cars and over 36 per cent of the injuries had the same origin.

The Civil Service Commission ask for an increased appropriation for needed clerical assistance, which I think should be given. I extended the classified service March 1, 1892, to include physicians, superintendents, assistant superintendents, school-teachers, and matrons in the Indian service, and have had under consideration the subject of some further extensions, but have not as yet fully determined the lines upon which extensions can most properly and usefully be made.

I have in each of the three annual messages which it has been my duty to submit to Congress called attention to the evils and dangers connected with our election methods and practices as they are related to the choice of officers of the National Government. In my last annual message I endeavored to invoke serious attention to the evils of unfair apportionments for Congress. I can not close this message without again calling attention to these grave and threatening evils. I had hoped that it was possible to secure a nonpartisan inquiry by means of a commission into evils the existence of which is known to all, and that out of this might grow legislation from which all thought of partisan advantage should be eliminated and only the higher thought appear of maintaining the freedom and purity of the ballot and the equality of the elector, without the guaranty of which the Government could never have been formed and without the continuance of which it can not continue to exist in peace and prosperity.

Page 1592

It is time that mutual charges of unfairness and fraud between the great parties should cease and that the sincerity of those who profess a desire for pure and honest elections should be brought to the test of their willingness to free our legislation and our election methods from everything that tends to impair the public confidence in the announced result. The necessity for an inquiry and for legislation by Congress upon this subject is emphasized by the fact that the tendency of the legislation in some States in recent years has in some important particulars been away from and not toward free and fair elections and equal apportionments. Is it not time that we should come together upon the high plane of patriotism while we devise methods that shall secure the right of every man qualified by law to cast a free ballot and give to every such ballot an equal value in choosing our public officers and in directing the policy of the Government?

Lawlessness is not less such, but more, where it usurps the functions of the peace officer and of the courts. The frequent lynching of colored people accused of crime is without the excuse, which has sometimes been urged by mobs for a failure to pursue the appointed methods for the punishment of crime, that the accused have an undue influence over courts and juries. Such acts are a reproach to the community where they occur, and so far as they can be made the subject of Federal jurisdiction the strongest repressive legislation is demanded. A public sentiment that will sustain the officers of the law in resisting mobs and in protecting accused persons in their custody should be promoted by every possible means. The officer who gives his life in the brave discharge of this duty is worthy of special honor. No lesson needs to be so urgently impressed upon our people as this, that no worthy end or cause can be promoted by lawlessness.

This exhibit of the work of the Executive Departments is submitted to Congress and to the public in the hope that there will be found in it a due sense of responsibility and an earnest purpose to maintain the national honor and to promote the happiness and prosperity of all our people, and this brief exhibit of the growth and prosperity of the country will give us a level from which to note the increase or decadence that new legislative policies may bring to us. There is no reason why the national influence, power, and prosperity should not observe the same rates of increase that have characterized the past thirty years. We carry the great impulse and increase of these years into the future. There is no reason why in many lines of production we should not surpass all other nations, as we have already done in some. There are no near frontiers to our possible development. Retrogression would be a crime.

BENJ. HARRISON

***

State of the Union Address
William McKinley
December 6, 1897

Page 1593

To the Senate and House of Representatives:

It gives me pleasure to extend greeting to the Fifty-fifth Congress, assembled in regular session at the seat of Government, with many of whose Senators and Representatives I have been associated in the legislative service. Their meeting occurs under felicitous conditions, justifying sincere congratulation and calling for our grateful acknowledgment to a beneficent Providence which has so signally blessed and prospered us as a nation. Peace and good will with all the nations of the earth continue unbroken.

A matter of genuine satisfaction is the growing feeling of fraternal regard and unification of all sections of our country, the incompleteness of which has too long delayed realization of the highest blessings of the Union. The spirit of patriotism is universal and is ever increasing in fervor. The public questions which now most engross us are lifted far above either partisanship, prejudice, or former sectional differences. They affect every part of our common country alike and permit of no division on ancient lines. Questions of foreign policy, of revenue, the soundness of the currency, the inviolability of national obligations, the improvement of the public service, appeal to the individual conscience of every earnest citizen to whatever party he belongs or in whatever section of the country he may reside.

The extra session of this Congress which closed during July last enacted important legislation, and while its full effect has not yet been realized, what it has already accomplished assures us of its timeliness and wisdom. To test its permanent value further time will be required, and the people, satisfied with its operation and results thus far, are in no mind to withhold from it a fair trial.

Tariff legislation having been settled by the extra session of Congress, the question next pressing for consideration is that of the currency.

The work of putting our finances upon a sound basis, difficult as it may seem, will appear easier when we recall the financial operations of the Government since 1866. On the 30th day of June of that year we had outstanding demand liabilities in the sum of $728,868,447.41. On the 1st of January, 1879, these liabilities had been reduced to $443,889,495.88. Of our interest-bearing obligations, the figures are even more striking. On July 1, 1866, the principal of the interest-bearing debt of the Government was $2,332,331,208. On the 1st day of July, 1893, this sum had been reduced to $585,137,100, or an aggregate reduction of $1,747,294,108. The interest-bearing debt of the United States on the 1st day of December, 1897, was $847,365,620. The Government money now outstanding (December 1) consists of $346,681,016 of United States notes, $107,793,280 of Treasury notes issued by authority of the law of 1890, $384,963,504 of silver certificates, and $61,280,761 of standard silver dollars.

Page 1594

With the great resources of the Government, and with the honorable example of the past before us, we ought not to hesitate to enter upon a currency revision which will make our demand obligations less onerous to the Government and relieve our financial laws from ambiguity and doubt.

The brief review of what was accomplished from the close of the war to 1893, makes unreasonable and groundless any distrust either of our financial ability or soundness; while the situation from 1893 to 1897 must admonish Congress of the immediate necessity of so legislating as to make the return of the conditions then prevailing impossible.

There are many plans proposed as a remedy for the evil. Before we can find the true remedy we must appreciate the real evil. It is not that our currency of every kind is not good, for every dollar of it is good; good because the Government's pledge is out to keep it so, and that pledge will not be broken. However, the guaranty of our purpose to keep the pledge will be best shown by advancing toward its fulfillment.

The evil of the present system is found in the great cost to the Government of maintaining the parity of our different forms of money, that is, keeping all of them at par with gold. We surely cannot be longer heedless of the burden this imposes upon the people, even under fairly prosperous conditions, while the past four years have demonstrated that it is not only an expensive charge upon the Government, but a dangerous menace to the National credit.

It is manifest that we must devise some plan to protect the Government against bond issues for repeated redemptions. We must either curtail the opportunity for speculation, made easy by the multiplied redemptions of our demand obligations, or increase the gold reserve for their redemption. We have $900,000,000 of currency which the Government by solemn enactment has undertaken to keep at par with gold. Nobody is obliged to redeem in gold but the Government. The banks are not required to redeem in gold. The Government is obliged to keep equal with gold all its outstanding currency and coin obligations, while its receipts are not required to be paid in gold. They are paid in every kind of money but gold, and the only means by which the Government can with certainty get gold is by borrowing. It can get it in no other way when it most needs it. The Government without any fixed gold revenue is pledged to maintain gold redemption, which it has steadily and faithfully done, and which, under the authority now given, it will continue to do.

The law which requires the Government, after having redeemed its United States notes, to pay them out again as current funds, demands a constant replenishment of the gold reserve. This is especially so in times of business panic and when the revenues are insufficient to meet the expenses of the Government. At such times the Government has no other way to supply its deficit and maintain redemption but through the

Page 1595

increase of its bonded debt, as during the Administration of my predecessor, when $262,315,400 of four-and-a-half per cent bonds were issued and sold and the proceeds used to pay the expenses of the Government in excess of the revenues and sustain the gold reserve. While it is true that the greater part of the proceeds of these bonds were used to supply deficient revenues, a considerable portion was required to maintain the gold reserve.

With our revenues equal to our expenses, there would be no deficit requiring the issuance of bonds. But if the gold reserve falls below $100,000,000, how will it be replenished except by selling more bonds? Is there any other way practicable under existing law? The serious question then is, Shall we continue the policy that has been pursued in the past; that is, when the gold reserve reaches the point of danger, issue more bonds and supply the needed gold, or shall we provide other means to prevent these recurring drains upon the gold reserve? If no further legislation is had and the policy of selling bonds is to be continued, then Congress should give the Secretary of the Treasury authority to sell bonds at long or short periods, bearing a less rate of interest than is now authorized by law.

I earnestly recommend, as soon as the receipts of the Government are quite sufficient to pay all the expenses of the Government, that when any of the United States notes are presented for redemption in gold and are redeemed in gold, such notes shall be kept and set apart, and only paid out in exchange for gold. This is an obvious duty. If the holder of the United States note prefers the gold and gets it from the Government, he should not receive back from the Government a United States note without paying gold in exchange for it. The reason for this is made all the more apparent when the Government issues an interest-bearing debt to provide gold for the redemption of United States notes—a non-interest-bearing debt. Surely it should not pay them out again except on demand and for gold. If they are put out in any other way, they may return again to be followed by another bond issue to redeem them—another interest-bearing debt to redeem a non-interest-bearing debt.

In my view, it is of the utmost importance that the Government should be relieved from the burden of providing all the gold required for exchanges and export. This responsibility is alone borne by the Government, without any of the usual and necessary banking powers to help itself. The banks do not feel the strain of gold redemption. The whole strain rests upon the Government, and the size of the gold reserve in the Treasury has come to be, with or without reason, the signal of danger or of security. This ought to be stopped.

If we are to have an era of prosperity in the country, with sufficient receipts for the expenses of the Government, we may feel no immediate embarrassment from our present currency; but the danger still exists, and will be ever present, menacing us so

long as the existing system continues. And, besides, it is in times of adequate revenues and business tranquillity that the Government should prepare for the worst. We cannot avoid, without serious consequences, the wise consideration and prompt solution of this question.

Page 1596

The Secretary of the Treasury has outlined a plan, in great detail, for the purpose of removing the threatened recurrence of a depleted gold reserve and save us from future embarrassment on that account. To this plan I invite your careful consideration.

I concur with the Secretary of the Treasury in his recommendation that National banks be allowed to issue notes to the face value of the bonds which they have deposited for circulation, and that the tax on circulating notes secured by deposit of such bonds be reduced to one-half of one per cent per annum. I also join him in recommending that authority be given for the establishment of National banks with a minimum capital of $25,000. This will enable the smaller villages and agricultural regions of the country to be supplied with currency to meet their needs.

I recommend that the issue of National bank notes be restricted to the denomination of ten dollars and upwards. If the suggestions I have herein made shall have the approval of Congress, then I would recommend that National banks be required to redeem their notes in gold.

The most important problem with which this Government is now called upon to deal pertaining to its foreign relations concerns its duty toward Spain and the Cuban insurrection. Problems and conditions more or less in common with those now existing have confronted this Government at various times in the past. The story of Cuba for many years has been one of unrest, growing discontent, an effort toward a larger enjoyment of liberty and self-control, of organized resistance to the mother country, of depression after distress and warfare, and of ineffectual settlement to be followed by renewed revolt. For no enduring period since the enfranchisement of the continental possessions of Spain in the Western Continent has the condition of Cuba or the policy of Spain toward Cuba not caused concern to the United States.

The prospect from time to time that the weakness of Spain's hold upon the island and the political vicissitudes and embarrassments of the home Government might lead to the transfer of Cuba to a continental power called forth between 1823 and 1860 various emphatic declarations of the policy of the United States to permit no disturbance of Cuba's connection with Spain unless in the direction of independence or acquisition by us through purchase, nor has there been any change of this declared policy since upon the part of the Government.

The revolution which began in 1868 lasted for ten years despite the strenuous efforts of the successive peninsular governments to suppress it. Then as now the Government of the United States testified its grave concern and offered its aid to put an end to bloodshed in Cuba. The overtures made by General Grant were refused and the war dragged on, entailing great loss of life and treasure and increased injury to American interests, besides throwing enhanced burdens of neutrality upon this Government. In 1878 peace was brought about by the truce of Zanjon, obtained by negotiations between the Spanish commander, Martinez de Campos, and the insurgent leaders.

Page 1597

The present insurrection broke out in February, 1895. It is not my purpose at this time to recall its remarkable increase or to characterize its tenacious resistance against the enormous forces massed against it by Spain. The revolt and the efforts to subdue it carried destruction to every quarter of the island, developing wide proportions and defying the efforts of Spain for its suppression. The civilized code of war has been disregarded, no less so by the Spaniards than by the Cubans.

The existing conditions can not but fill this Government and the American people with the gravest apprehension. There is no desire on the part of our people to profit by the misfortunes of Spain. We have only the desire to see the Cubans prosperous and contented, enjoying that measure of self-control which is the inalienable right of man, protected in their right to reap the benefit of the exhaustless treasures of their country.

The offer made by my predecessor in April, 1896, tendering the friendly offices of this Government, failed. Any mediation on our part was not accepted. In brief, the answer read: "There is no effectual way to pacify Cuba unless it begins with the actual submission of the rebels to the mother country." Then only could Spain act in the promised direction, of her own motion and after her own plans.

The cruel policy of concentration was initiated February 16, 1896. The productive districts controlled by the Spanish armies were depopulated. The agricultural inhabitants were herded in and about the garrison towns, their lands laid waste and their dwellings destroyed. This policy the late cabinet of Spain justified as a necessary measure of war and as a means of cutting off supplies from the insurgents. It has utterly failed as a war measure. It was not civilized warfare. It was extermination.

Against this abuse of the rights of war I have felt constrained on repeated occasions to enter the firm and earnest protest of this Government. There was much of public condemnation of the treatment of American citizens by alleged illegal arrests and long imprisonment awaiting trial or pending protracted judicial proceedings. I felt it my first duty to make instant demand for the release or speedy trial of all American citizens under arrest. Before the change of the Spanish cabinet in October last twenty-two prisoners, citizens of the United States, had been given their freedom.

For the relief of our own citizens suffering because of the conflict the aid of Congress was sought in a special message, and under the appropriation of May 24, 1897, effective aid has been given to American citizens in Cuba, many of them at their own request having been returned to the United States.

Page 1598

The instructions given to our new minister to Spain before his departure for his post directed him to impress upon that Government the sincere wish of the United States to lend its aid toward the ending of the war in Cuba by reaching a peaceful and lasting result, just and honorable alike to Spain and to the Cuban people. These instructions recited the character and duration of the contest, the widespread losses it entails, the burdens and restraints it imposes upon us, with constant disturbance of national interests, and the injury resulting from an indefinite continuance of this state of things. It was stated that at this juncture our Government was constrained to seriously inquire if the time was not ripe when Spain of her own volition, moved by her own interests and every sentiment of humanity, should put a stop to this destructive war and make proposals of settlement honorable to herself and just to her Cuban colony. It was urged that as a neighboring nation, with large interests in Cuba, we could be required to wait only a reasonable time for the mother country to establish its authority and restore peace and order within the borders of the island; that we could not contemplate an indefinite period for the accomplishment of this result.

No solution was proposed to which the slightest idea of humiliation to Spain could attach, and, indeed, precise proposals were withheld to avoid embarrassment to that Government. All that was asked or expected was that some safe way might be speedily provided and permanent peace restored. It so chanced that the consideration of this offer, addressed to the same Spanish administration which had declined the tenders of my predecessor, and which for more than two years had poured men and treasure into Cuba in the fruitless effort to suppress the revolt, fell to others. Between the departure of General Woodford, the new envoy, and his arrival in Spain the statesman who had shaped the policy of his country fell by the hand of an assassin, and although the cabinet of the late premier still held office and received from our envoy the proposals he bore, that cabinet gave place within a few days thereafter to a new administration, under the leadership of Sagasta.

The reply to our note was received on the 23d day of October. It is in the direction of a better understanding. It appreciates the friendly purposes of this Government. It admits that our country is deeply affected by the war in Cuba and that its desires for peace are just. It declares that the present Spanish government is bound by every consideration to a change of policy that should satisfy the United States and pacify Cuba within a reasonable time. To this end Spain has decided to put into effect the political reforms heretofore advocated by the present premier, without halting for any consideration in the path which in its judgment leads to peace. The military operations, it is said, will continue, but will be humane and conducted with all regard for

Page 1599

private rights, being accompanied by political action leading to the autonomy of Cuba while guarding Spanish sovereignty. This, it is claimed, will result in investing Cuba with a distinct personality, the island to be governed by an executive and by a local council or chamber, reserving to Spain the control of the foreign relations, the army and navy, and the judicial administration. To accomplish this the present government proposes to modify existing legislation by decree, leaving the Spanish Cortes, with the aid of Cuban senators and deputies, to solve the economic problem and properly distribute the existing debt.

In the absence of a declaration of the measures that this Government proposes to take in carrying out its proffer of good offices, it suggests that Spain be left free to conduct military operations and grant political reforms, while the United States for its part shall enforce its neutral obligations and cut off the assistance which it is asserted the insurgents receive from this country. The supposition of an indefinite prolongation of the war is denied. It is asserted that the western provinces are already well-nigh reclaimed, that the planting of cane and tobacco therein has been resumed, and that by force of arms and new and ample reforms very early and complete pacification is hoped for.

The immediate amelioration of existing conditions under the new administration of Cuban affairs is predicted, and therewithal the disturbance and all occasion for any change of attitude on the part of the United States. Discussion of the question of the international duties and responsibilities of the United States as Spain understands them is presented, with an apparent disposition to charge us with failure in this regard. This charge is without any basis in fact. It could not have been made if Spain had been cognizant of the constant efforts this Government has made, at the cost of millions and by the employment of the administrative machinery of the nation at command, to perform its full duty according to the law of nations. That it has successfully prevented the departure of a single military expedition or armed vessel from our shores in violation of our laws would seem to be a sufficient answer. But of this aspect of the Spanish note it is not necessary to speak further now. Firm in the conviction of a wholly performed obligation, due response to this charge has been made in diplomatic course.

Throughout all these horrors and dangers to our own peace this Government has never in any way abrogated its sovereign prerogative of reserving to itself the determination of its policy and course according to its own high sense of right and in consonance with the dearest interests and convictions of our own people should the prolongation of the strife so demand.

Of the untried measures there remain only: Recognition of the insurgents as belligerents; recognition of the independence of Cuba; neutral intervention to end the war by imposing a rational compromise between the contestants, and intervention in

favor of one or the other party. I speak not of forcible annexation, for that can not be thought of. That, by our code of morality, would be criminal aggression.

Page 1600

Recognition of the belligerency of the Cuban insurgents has often been canvassed as a possible, if not inevitable, step both in regard to the previous ten years' struggle and during the present war. I am not unmindful that the two Houses of Congress in the spring of 1896 expressed the opinion by concurrent resolution that a condition of public war existed requiring or justifying the recognition of a state of belligerency in Cuba, and during the extra session the Senate voted a joint resolution of like import, which, however, was not brought to a vote in the House of Representatives. In the presence of these significant expressions of the sentiment of the legislative branch it behooves the Executive to soberly consider the conditions under which so important a measure must needs rest for justification. It is to be seriously considered whether the Cuban insurrection possesses beyond dispute the attributes of statehood, which alone can demand the recognition of belligerency in its favor. Possession, in short, of the essential qualifications of sovereignty by the insurgents and the conduct of the war by them according to the received code of war are no less important factors toward the determination of the problem of belligerency than are the influences and consequences of the struggle upon the internal polity of the recognizing state.

The wise utterances of President Grant in his memorable message of December 7, 1875, are signally relevant to the present situation in Cuba, and it may be wholesome now to recall them. At that time a ruinous conflict had for seven years wasted the neighboring island. During all those years an utter disregard of the laws of civilized warfare and of the just demands of humanity, which called forth expressions of condemnation from the nations of Christendom, continued unabated. Desolation and ruin pervaded that productive region, enormously affecting the commerce of all commercial nations, but that of the United States more than any other by reason of proximity and larger trade and intercourse. At that juncture General Grant uttered these words, which now, as then, sum up the elements of the problem: A recognition of the independence of Cuba being, in my opinion, impracticable and indefensible, the question which next presents itself is that of the recognition of belligerent rights in the parties to the contest.

In a former message to Congress I had occasion to consider this question, and reached the conclusion that the conflict in Cuba, dreadful and devastating as were its incidents, did not rise to the fearful dignity of war. It is possible that the acts of foreign powers, and even acts of Spain herself, of this very nature, might be pointed to in defense of such recognition. But now, as in its past history, the United States should carefully avoid the false lights which might lead it into the mazes of doubtful law and of questionable propriety, and adhere rigidly and sternly to the rule, which has

Page 1601

been its guide, of doing only that which is right and honest and of good report. The question of according or of withholding rights of belligerency must be judged in every case in view of the particular attending facts. Unless justified by necessity, it is always, and justly, regarded as an unfriendly act and a gratuitous demonstration of moral support to the rebellion. It is necessary, and it is required, when the interests and rights of another government or of its people are so far affected by a pending civil conflict as to require a definition of its relations to the parties thereto. But this conflict must be one which will be recognized in the sense of international law as war. Belligerence, too, is a fact. The mere existence of contending armed bodies and their occasional conflicts do not constitute war in the sense referred to. Applying to the existing condition of affairs in Cuba the tests recognized by publicists and writers on international law, and which have been observed by nations of dignity, honesty, and power when free from sensitive or selfish and unworthy motives, I fail to find in the insurrection the existence of such a substantial political organization, real, palpable, and manifest to the world, having the forms and capable of the ordinary functions of government toward its own people and to other states, with courts for the administration of justice, with a local habitation, possessing such organization of force, such material, such occupation of territory, as to take the contest out of the category of a mere rebellious insurrection or occasional skirmishes and place it on the terrible footing of war, to which a recognition of belligerency would aim to elevate it. The contest, moreover, is solely on land; the insurrection has not possessed itself of a single seaport whence it may send forth its flag, nor has it any means of communication with foreign powers except through the military lines of its adversaries. No apprehension of any of those sudden and difficult complications which a war upon the ocean is apt to precipitate upon the vessels, both commercial and national, and upon the consular officers of other powers calls for the definition of their relations to the parties to the contest. Considered as a question of expediency, I regard the accordance of belligerent rights still to be as unwise and premature as I regard it to be, at present, indefensible as a measure of right. Such recognition entails upon the country according the rights which flow from it difficult and complicated duties, and requires the exaction from the contending parties of the strict observance of their rights and obligations. It confers the right of search upon the high seas by vessels of both parties; it would subject the carrying of arms and munitions of war, which now may be transported freely and without interruption in the vessels of the United States, to detention and to possible seizure; it would give rise to countless vexatious questions,

Page 1602

would release the parent Government from responsibility for acts done by the insurgents, and would invest Spain with the right to exercise the supervision recognized by our treaty of 1795 over our commerce on the high seas, a very large part of which, in its traffic between the Atlantic and the Gulf States and between all of them and the States on the Pacific, passes through the waters which wash the shores of Cuba. The exercise of this supervision could scarce fail to lead, if not to abuses, certainly to collisions perilous to the peaceful relations of the two States. There can be little doubt to what result such supervision would before long draw this nation. It would be unworthy of the United States to inaugurate the possibilities of such result by measures of questionable right or expediency or by any indirection. Turning to the practical aspects of a recognition of belligerency and reviewing its inconveniences and positive dangers, still further pertinent considerations appear. In the code of nations there is no such thing as a naked recognition of belligerency, unaccompanied by the assumption of international neutrality. Such recognition, without more, will not confer upon either party to a domestic conflict a status not theretofore actually possessed or affect the relation of either party to other states. The act of recognition usually takes the form of a solemn proclamation of neutrality, which recites the de facto condition of belligerency as its motive. It announces a domestic law of neutrality in the declaring state. It assumes the international obligations of a neutral in the presence of a public state of war. It warns all citizens and others within the jurisdiction of the proclaimant that they violate those rigorous obligations at their own peril and can not expect to be shielded from the consequences. The right of visit and search on the seas and seizure of vessels and cargoes and contraband of war and good prize under admiralty law must under international law be admitted as a legitimate consequence of a proclamation of belligerency. While according the equal belligerent rights defined by public law to each party in our ports disfavors would be imposed on both, which, while nominally equal, would weigh heavily in behalf of Spain herself. Possessing a navy and controlling the ports of Cuba, her maritime rights could be asserted not only for the military investment of the island, but up to the margin of our own territorial waters, and a condition of things would exist for which the Cubans within their own domain could not hope to create a parallel, while its creation through aid or sympathy from within our domain would be even more impossible than now, with the additional obligations of international neutrality we would perforce assume.

The enforcement of this enlarged and onerous code of neutrality would only be influential within our own jurisdiction by land and sea and applicable by our own instrumentalities. It could impart to the United States no jurisdiction between Spain and the insurgents. It would give the United States no right of intervention to enforce the conduct of the strife within the paramount authority of Spain according to the international code of war.

Page 1603

For these reasons I regard the recognition of the belligerency of the Cuban insurgents as now unwise, and therefore inadmissible. Should that step hereafter be deemed wise as a measure of right and duty, the Executive will take it.

Intervention upon humanitarian grounds has been frequently suggested and has not failed to receive my most anxious and earnest consideration. But should such a step be now taken, when it is apparent that a hopeful change has supervened in the policy of Spain toward Cuba? A new government has taken office in the mother country. It is pledged in advance to the declaration that all the effort in the world can not suffice to maintain peace in Cuba by the bayonet; that vague promises of reform after subjugation afford no solution of the insular problem; that with a substitution of commanders must come a change of the past system of warfare for one in harmony with a new policy, which shall no longer aim to drive the Cubans to the “horrible alternative of taking to the thicket or succumbing in misery;” that reforms must be instituted in accordance with the needs and circumstances of the time, and that these reforms, while designed to give full autonomy to the colony and to create a virtual entity and self-controlled administration, shall yet conserve and affirm the sovereignty of Spain by a just distribution of powers and burdens upon a basis of mutual interest untainted by methods of selfish expediency.

The first acts of the new government lie in these honorable paths. The policy of cruel rapine and extermination that so long shocked the universal sentiment of humanity has been reversed. Under the new military commander a broad clemency is proffered. Measures have already been set on foot to relieve the horrors of starvation. The power of the Spanish armies, it is asserted, is to be used not to spread ruin and desolation, but to protect the resumption of peaceful agricultural pursuits and productive industries. That past methods are futile to force a peace by subjugation is freely admitted, and that ruin without conciliation must inevitably fail to win for Spain the fidelity of a contented dependency.

Decrees in application of the foreshadowed reforms have already been promulgated. The full text of these decrees has not been received, but as furnished in a telegraphic summary from our minister are: All civil and electoral rights of peninsular Spaniards are, in virtue of existing constitutional authority, forthwith extended to colonial Spaniards. A scheme of autonomy has been proclaimed by decree, to become effective upon ratification by the Cortes. It creates a Cuban parliament, which, with the insular executive, can consider and vote upon all subjects affecting local order and interests, possessing unlimited powers save as to matters of state, war, and the navy, as to which the Governor-General acts by his own authority as the delegate of the central Government. This parliament receives the oath of the Governor-General to preserve faithfully the liberties and privileges of the colony, and to it the colonial secretaries are responsible. It has the right to propose to the central Government, through the Governor-General, modifications of the national charter and to invite new projects of law or executive measures in the interest of the colony.

Page 1604

Besides its local powers, it is competent, first, to regulate electoral registration and procedure and prescribe the qualifications of electors and the manner of exercising suffrage; second, to organize courts of justice with native judges from members of the local bar; third, to frame the insular budget, both as to expenditures and revenues, without limitation of any kind, and to set apart the revenues to meet the Cuban share of the national budget, which latter will be voted by the national Cortes with the assistance of Cuban senators and deputies; fourth, to initiate or take part in the negotiations of the national Government for commercial treaties which may affect Cuban interests; fifth, to accept or reject commercial treaties which the national Government may have concluded without the participation of the Cuban government; sixth, to frame the colonial tariff, acting in accord with the peninsular Government in scheduling articles of mutual commerce between the mother country and the colonies. Before introducing or voting upon a bill the Cuban government or the chambers will lay the project before the central Government and hear its opinion thereon, all the correspondence in such regard being made public. Finally, all conflicts of jurisdiction arising between the different municipal, provincial, and insular assemblies, or between the latter and the insular executive power, and which from their nature may not be referable to the central Government for decision, shall be submitted to the courts.

That the government of Sagasta has entered upon a course from which recession with honor is impossible can hardly be questioned; that in the few weeks it has existed it has made earnest of the sincerity of its professions is undeniable. I shall not impugn its sincerity, nor should impatience be suffered to embarrass it in the task it has undertaken. It is honestly due to Spain and to our friendly relations with Spain that she should be given a reasonable chance to realize her expectations and to prove the asserted efficacy of the new order of things to which she stands irrevocably committed. She has recalled the commander whose brutal orders inflamed the American mind and shocked the civilized world. She has modified the horrible order of concentration and has undertaken to care for the helpless and permit those who desire to resume the cultivation of their fields to do so, and assures them of the protection of the Spanish Government in their lawful occupations. She has just released the Competitor prisoners, heretofore sentenced to death, and who have been the subject of repeated diplomatic correspondence during both this and the preceding Administration.

Page 1605

Not a single American citizen is now in arrest or confinement in Cuba of whom this Government has any knowledge. The near future will demonstrate whether the indispensable condition of a righteous peace, just alike to the Cubans and to Spain as well as equitable to all our interests so intimately involved in the welfare of Cuba, is likely to be attained. If not, the exigency of further and other action by the United States will remain to be taken. When that time comes that action will be determined in the line of indisputable right and duty. It will be faced, without misgiving or hesitancy in the light of the obligation this Government owes to itself, to the people who have confided to it the protection of their interests and honor, and to humanity.

Sure of the right, keeping free from all offense ourselves, actuated only by upright and patriotic considerations, moved neither by passion nor selfishness, the Government will continue its watchful care over the rights and property of American citizens and will abate none of its efforts to bring about by peaceful agencies a peace which shall be honorable and enduring. If it shall hereafter appear to be a duty imposed by our obligations to ourselves, to civilization and humanity to intervene with force, it shall be without fault on our part and only because the necessity for such action will be so clear as to command the support and approval of the civilized world.

By a special message dated the 16th day of June last, I laid before the Senate a treaty signed that day by the plenipotentiaries of the United States and of the Republic of Hawaii, having for its purpose the incorporation of the Hawaiian Islands as an integral part of the United States and under its sovereignty. The Senate having removed the injunction of secrecy, although the treaty is still pending before that body, the subject may be properly referred to in this Message because the necessary action of the Congress is required to determine by legislation many details of the eventual union should the fact of annexation be accomplished, as I believe it should be.

While consistently disavowing from a very early period any aggressive policy of absorption in regard to the Hawaiian group, a long series of declarations through three-quarters of a century has proclaimed the vital interest of the United States in the independent life of the Islands and their intimate commercial dependence upon this country. At the same time it has been repeatedly asserted that in no event could the entity of Hawaiian statehood cease by the passage of the Islands under the domination or influence of another power than the United States. Under these circumstances, the logic of events required that annexation, heretofore offered but declined, should in the ripeness of time come about as the natural result of the strengthening ties that bind us to those Islands, and be realized by the free will of the Hawaiian State.

Page 1606

That treaty was unanimously ratified without amendment by the Senate and President of the Republic of Hawaii on the 10th of September last, and only awaits the favorable action of the American Senate to effect the complete absorption of the Islands into the domain of the United States. What the conditions of such a union shall be, the political relation thereof to the United States, the character of the local administration, the quality and degree of the elective franchise of the inhabitants, the extension of the federal laws to the territory or the enactment of special laws to fit the peculiar condition thereof, the regulation if need be of the labor system therein, are all matters which the treaty has wisely relegated to the Congress.

If the treaty is confirmed as every consideration of dignity and honor requires, the wisdom of Congress will see to it that, avoiding abrupt assimilation of elements perhaps hardly yet fitted to share in the highest franchises of citizenship, and having due regard to the geographical conditions, the most just provisions for self-rule in local matters with the largest political liberties as an integral part of our Nation will be accorded to the Hawaiians. No less is due to a people who, after nearly five years of demonstrated capacity to fulfill the obligations of self-governing statehood, come of their free will to merge their destinies in our body-politic.

The questions which have arisen between Japan and Hawaii by reason of the treatment of Japanese laborers emigrating to the Islands under the Hawaiian-Japanese convention of 1888, are in a satisfactory stage of settlement by negotiation. This Government has not been invited to mediate, and on the other hand has sought no intervention in that matter, further than to evince its kindliest disposition toward such a speedy and direct adjustment by the two sovereign States in interest as shall comport with equity and honor. It is gratifying to learn that the apprehensions at first displayed on the part of Japan lest the cessation of Hawaii's national life through annexation might impair privileges to which Japan honorably laid claim, have given place to confidence in the uprightness of this Government, and in the sincerity of its purpose to deal with all possible ulterior questions in the broadest spirit of friendliness.

As to the representation of this Government to Nicaragua, Salvador, and Costa Rica, I have concluded that Mr. William L. Merry, confirmed as minister of the United States to the States of Nicaragua, Salvador and Costa Rica, shall proceed to San Jose, Costa Rica, and there temporarily establish the headquarters of the United States to those three States. I took this action for what I regarded as the paramount interests of this country. It was developed upon an investigation by the Secretary of State that the Government of Nicaragua, while not unwilling to receive Mr. Merry in his diplomatic quality, was unable to do so because of the compact

Page 1607

concluded June 20, 1895, whereby that Republic and those of Salvador and Honduras, forming what is known as the Greater Republic of Central America, had surrendered to the representative Diet thereof their right to receive and send diplomatic agents. The Diet was not willing to accept him because he was not accredited to that body. I could not accredit him to that body because the appropriation law of Congress did not permit it. Mr. Baker, the present minister at Managua, has been directed to present his letters of recall.

Mr. W. Godfrey Hunter has likewise been accredited to the Governments of Guatemala and Honduras, the same as his predecessor. Guatemala is not a member of the Greater Republic of Central America, but Honduras is. Should this latter Government decline to receive him, he has been instructed to report this fact to his Government and await its further instructions.

A subject of large importance to our country, and increasing appreciation on the part of the people, is the completion of the great highway of trade between the Atlantic and Pacific, known as the Nicaragua Canal. Its utility and value to American commerce is universally admitted. The Commission appointed under date of July 24 last “to continue the surveys and examinations authorized by the act approved March 2, 1895,” in regard to “the proper route, feasibility, and cost of construction of the Nicaragua Canal, with a view of making complete plans for the entire work of construction of such canal,” is now employed in the undertaking. In the future I shall take occasion to transmit to Congress the report of this Commission, making at the same time such further suggestions as may then seem advisable.

Under the provisions of the act of Congress approved March 3, 1897, for the promotion of an international agreement respecting bimetallism, I appointed on the 14th day of April, 1897, Hon. Edward O. Wolcott of Colorado, Hon. Adlai E. Stevenson of Illinois, and Hon. Charles J. Paine of Massachusetts, as special envoys to represent the United States. They have been diligent in their efforts to secure the concurrence and cooperation of European countries in the international settlement of the question, but up to this time have not been able to secure an agreement contemplated by their mission.

The gratifying action of our great sister Republic of France in joining this country in the attempt to bring about an agreement among the principal commercial nations of Europe, whereby a fixed and relative value between gold and silver shall be secured, furnishes assurance that we are not alone among the larger nations of the world in realizing the international character of the problem and in the desire of reaching some wise and practical solution of it. The British Government has published a resume of the steps taken jointly by the French ambassador in London and the special envoys of the United States, with whom our ambassador at London actively co-operated in the presentation of this subject to Her Majesty’s Government. This will be laid before Congress.

Page 1608

Our special envoys have not made their final report, as further negotiations between the representatives of this Government and the Governments of other countries are pending and in contemplation. They believe that doubts which have been raised in certain quarters respecting the position of maintaining the stability of the parity between the metals and kindred questions may yet be solved by further negotiations.

Meanwhile it gives me satisfaction to state that the special envoys have already demonstrated their ability and fitness to deal with the subject, and it is to be earnestly hoped that their labors may result in an international agreement which will bring about recognition of both gold and silver as money upon such terms, and with such safeguards as will secure the use of both metals upon a basis which shall work no injustice to any class of our citizens.

In order to execute as early as possible the provisions of the third and fourth sections of the Revenue Act, approved July 24, 1897, I appointed the Hon. John A. Kasson of Iowa, a special commissioner plenipotentiary to undertake the requisite negotiations with foreign countries desiring to avail themselves of these provisions. The negotiations are now proceeding with several Governments, both European and American. It is believed that by a careful exercise of the powers conferred by that Act some grievances of our own and of other countries in our mutual trade relations may be either removed, or largely alleviated, and that the volume of our commercial exchanges may be enlarged, with advantage to both contracting parties.

Most desirable from every standpoint of national interest and patriotism is the effort to extend our foreign commerce. To this end our merchant marine should be improved and enlarged. We should do our full share of the carrying trade of the world. We do not do it now. We should be the laggard no longer. The inferiority of our merchant marine is justly humiliating to the national pride. The Government by every proper constitutional means, should aid in making our ships familiar visitors at every commercial port of the world, thus opening up new and valuable markets to the surplus products of the farm and the factory.

The efforts which had been made during the two previous years by my predecessor to secure better protection to the fur seals in the North Pacific Ocean and Bering Sea, were renewed at an early date by this Administration, and have been pursued with earnestness. Upon my invitation, the Governments of Japan and Russia sent delegates to Washington, and an international conference was held during the months of October and November last, wherein it was unanimously agreed that under the existing regulations this species of useful animals was threatened with extinction, and that an international agreement of all the interested powers was necessary for their adequate protection.

Page 1609

The Government of Great Britain did not see proper to be represented at this conference, but subsequently sent to Washington, as delegates, the expert commissioners of Great Britain and Canada who had, during the past two years, visited the Pribilof Islands, and who met in conference similar commissioners on the part of the United States. The result of this conference was an agreement on important facts connected with the condition of the seal herd, heretofore in dispute, which should place beyond controversy the duty of the Governments concerned to adopt measures without delay for the preservation and restoration of the herd. Negotiations to this end are now in progress, the result of which I hope to be able to report to Congress at an early day.

International arbitration cannot be omitted from the list of subjects claiming our consideration. Events have only served to strengthen the general views on this question expressed in my inaugural address. The best sentiment of the civilized world is moving toward the settlement of differences between nations without resorting to the horrors of war. Treaties embodying these humane principles on broad lines, without in any way imperiling our interests or our honor, shall have my constant encouragement.

The acceptance by this Government of the invitation of the Republic of France to participate in the Universal Exposition of 1900, at Paris, was immediately followed by the appointment of a special commissioner to represent the United States in the proposed exposition, with special reference to the securing of space for an adequate exhibit on behalf of the United States.

The special commissioner delayed his departure for Paris long enough to ascertain the probable demand for space by American exhibitors. His inquiries developed an almost unprecedented interest in the proposed exposition, and the information thus acquired enabled him to justify an application for a much larger allotment of space for the American section than had been reserved by the exposition authorities. The result was particularly gratifying, in view of the fact that the United States was one of the last countries to accept the invitation of France.

The reception accorded our special commissioner was most cordial, and he was given every reasonable assurance that the United States would receive a consideration commensurate with the proportions of our exhibit. The report of the special commissioner as to the magnitude and importance of the coming exposition, and the great demand for space by American exhibitors, supplies new arguments for a liberal and judicious appropriation by Congress, to the end that an exhibit fairly representative of the industries and resources of our country may be made in an exposition which will illustrate the world's progress during the nineteenth century. That exposition is intended to be the most important and comprehensive of the long series of international exhibitions, of which our own at Chicago was a brilliant example, and it is desirable that the United States should make a worthy exhibit of American genius and skill and their unrivaled achievements in every branch of industry.

Page 1610

The present immediately effective force of the Navy consists of four battle ships of the first class, two of the second, and forty-eight other vessels, ranging from armored cruisers to torpedo boats. There are under construction five battle ships of the first class, sixteen torpedo boats, and one submarine boat. No provision has yet been made for the armor of three of the five battle ships, as it has been impossible to obtain it at the price fixed by Congress. It is of great importance that Congress provide this armor, as until then the ships are of no fighting value.

The present naval force, especially in view of its increase by the ships now under construction, while not as large as that of a few other powers, is a formidable force; its vessels are the very best of each type; and with the increase that should be made to it from time to time in the future, and careful attention to keeping it in a high state of efficiency and repair, it is well adapted to the necessities of the country.

The great increase of the Navy which has taken place in recent years was justified by the requirements for national defense, and has received public approbation. The time has now arrived, however, when this increase, to which the country is committed, should, for a time, take the form of increased facilities commensurate with the increase of our naval vessels. It is an unfortunate fact that there is only one dock on the Pacific Coast capable of docking our largest ships, and only one on the Atlantic Coast, and that the latter has for the last six or seven months been under repair and therefore incapable of use. Immediate steps should be taken to provide three or four docks of this capacity on the Atlantic Coast, at least one on the Pacific Coast, and a floating dock in the Gulf. This is the recommendation of a very competent Board, appointed to investigate the subject. There should also be ample provision made for powder and projectiles, and other munitions of war, and for an increased number of officers and enlisted men. Some additions are also necessary to our navy-yards, for the repair and care of our large number of vessels. As there are now on the stocks five battle ships of the largest class, which cannot be completed for a year or two, I concur with the recommendation of the Secretary of the Navy for an appropriation authorizing the construction of one battle ship for the Pacific Coast, where, at present, there is only one in commission and one under construction, while on the Atlantic Coast there are three in commission and four under construction; and also that several torpedo boats be authorized in connection with our general system of coast defense.

The Territory of Alaska requires the prompt and early attention of Congress. The conditions now existing demand material changes in the laws relating to the Territory. The great influx of population during the past summer and fall and the prospect of a still larger immigration in the spring will not permit us to longer neglect the extension of civil authority within the Territory or postpone the establishment of a more thorough government.

Page 1611

A general system of public surveys has not yet been extended to Alaska and all entries thus far made in that district are upon special surveys. The act of Congress extending to Alaska the mining laws of the United States contained the reservation that it should not be construed to put in force the general land laws of the country. By act approved March 3, 1891, authority was given for entry of lands for town-site purposes and also for the purchase of not exceeding one hundred and sixty acres then or thereafter occupied for purposes of trade and manufacture. The purpose of Congress as thus far expressed has been that only such rights should apply to that Territory as should be specifically named.

It will be seen how much remains to be done for that vast and remote and yet promising portion of our country. Special authority was given to the President by the Act of Congress approved July 24, 1897, to divide that Territory into two land districts and to designate the boundaries thereof and to appoint registers and receivers of said land offices, and the President was also authorized to appoint a surveyor-general for the entire district. Pursuant to this authority, a surveyor-general and receiver have been appointed, with offices at Sitka. If in the ensuing year the conditions justify it, the additional land district authorized by law will be established, with an office at some point in the Yukon Valley. No appropriation, however, was made for this purpose, and that is now necessary to be done for the two land districts into which the Territory is to be divided.

I concur with the Secretary of War in his suggestions as to the necessity for a military force in the Territory of Alaska for the protection of persons and property. Already a small force, consisting of twenty-five men, with two officers, under command of Lieutenant-Colonel Randall, of the Eighth Infantry, has been sent to St. Michael to establish a military post.

As it is to the interest of the Government to encourage the development and settlement of the country and its duty to follow up its citizens there with the benefits of legal machinery, I earnestly urge upon Congress the establishment of a system of government with such flexibility as will enable it to adjust itself to the future areas of greatest population.

The startling though possibly exaggerated reports from the Yukon River country, of the probable shortage of food for the large number of people who are wintering there without the means of leaving the country are confirmed in such measure as to justify bringing the matter to the attention of Congress. Access to that country in winter can be had only by the passes from Dyea and vicinity, which is a most difficult and perhaps an impossible task. However, should these reports of the suffering of our fellow-citizens be further verified, every effort at any cost should be made to carry them relief.

Page 1612

For a number of years past it has been apparent that the conditions under which the Five Civilized Tribes were established in the Indian Territory under treaty provisions with the United States, with the right of self-government and the exclusion of all white persons from within their borders, have undergone so complete a change as to render the continuance of the system thus inaugurated practically impossible. The total number of the Five Civilized Tribes, as shown by the last census, is 45,494, and this number has not materially increased; while the white population is estimated at from 200,000 to 250,000 which, by permission of the Indian Government has settled in the Territory. The present area of the Indian Territory contains 25,694,564 acres, much of which is very fertile land. The United States citizens residing in the Territory, most of whom have gone there by invitation or with the consent of the tribal authorities, have made permanent homes for themselves. Numerous towns have been built in which from 500 to 5,000 white people now reside. Valuable residences and business houses have been erected in many of them. Large business enterprises are carried on in which vast sums of money are employed, and yet these people, who have invested their capital in the development of the productive resources of the country, are without title to the land they occupy, and have no voice whatever in the government either of the Nations or Tribes. Thousands of their children who were born in the Territory are of school age, but the doors of the schools of the Nations are shut against them, and what education they get is by private contribution. No provision for the protection of the life or property of these white citizens is made by the Tribal Governments and Courts.

The Secretary of the Interior reports that leading Indians have absorbed great tracts of land to the exclusion of the common people, and government by an Indian aristocracy has been practically established, to the detriment of the people. It has been found impossible for the United States to keep its citizens out of the Territory, and the executory conditions contained in the treaties with these Nations have for the most part become impossible of execution. Nor has it been possible for the Tribal Governments to secure to each individual Indian his full enjoyment in common with Other Indians of the common property of the Nations. Friends of the Indians have long believed that the best interests of the Indians of the Five Civilized Tribes would be found in American citizenship, with all the rights and privileges which belong to that condition.

Page 1613

By section 16, of the act of March 3, 1893, the President was authorized to appoint three commissioners to enter into negotiations with the Cherokee, Choctaw, Chickasaw, Muscogee (or Creek), and Seminole Nations, commonly known as the Five Civilized Tribes in the Indian Territory. Briefly, the purposes of the negotiations were to be: The extinguishment of Tribal titles to any lands within that Territory now held by any and all such Nations or Tribes, either by cession of the same or some part thereof to the United States, or by allotment and division of the same in severalty among the Indians of such Nations or Tribes respectively as may be entitled to the same, or by such other method as may be agreed upon between the several Nations and Tribes aforesaid, or each of them, with the United States, with a view to such an adjustment upon the basis of justice and equity as may, with the consent of the said Nations of Indians so far as may be necessary, be requisite and suitable to enable the ultimate creation of a State or States of the Union which shall embrace the lands within said Indian Territory.

The Commission met much opposition from the beginning. The Indians were very slow to act, and those in control manifested a decided disinclination to meet with favor the propositions submitted to them. A little more than three years after this organization the Commission effected an agreement with the Choctaw Nation alone. The Chickasaws, however, refused to agree to its terms, and as they have a common interest with the Choctaws in the lands of said Nations, the agreement with the latter Nation could have no effect without the consent of the former. On April 23, 1897, the Commission effected an agreement with both tribes—the Choctaws and Chickasaws. This agreement, it is understood, has been ratified by the constituted authorities of the respective Tribes or Nations parties thereto, and only requires ratification by Congress to make it binding.

On the 27th of September, 1897, an agreement was effected with the Creek Nation, but it is understood that the National Council of said Nation has refused to ratify the same. Negotiations are yet to be had with the Cherokees, the most populous of the Five Civilized Tribes, and with the Seminoles, the smallest in point of numbers and territory.

The provision in the Indian Appropriation Act, approved June 10, 1896, makes it the duty of the Commission to investigate and determine the rights of applicants for citizenship in the Five Civilized Tribes, and to make complete census rolls of the citizens of said Tribes. The Commission is at present engaged in this work among the Creeks, and has made appointments for taking the census of these people up to and including the 30th of the present month.

Should the agreement between the Choctaws and Chickasaws be ratified by Congress and should the other Tribes fail to make an agreement with the Commission, then it will be necessary that some legislation shall be had by Congress, which, while just and honorable to the Indians, shall be equitable to the white people who have settled upon these lands by invitation of the Tribal Nations.

Page 1614

Hon. Henry L. Dawes, Chairman of the Commission, in a letter to the Secretary of the Interior, under date of October 11, 1897, says: “Individual ownership is, in their (the Commission’s) opinion, absolutely essential to any permanent improvement in present conditions, and the lack of it is the root of nearly all the evils which so grievously afflict these people. Allotment by agreement is the only possible method, unless the United States Courts are clothed with the authority to apportion the lands among the citizen Indians for whose use it was originally granted.”

I concur with the Secretary of the Interior that there can be no cure for the evils engendered by the perversion of these great trusts, excepting by their resumption by the Government which created them.

The recent prevalence of yellow fever in a number of cities and towns throughout the South has resulted in much disturbance of commerce, and demonstrated the necessity of such amendments to our quarantine laws as will make the regulations of the national quarantine authorities paramount. The Secretary of the Treasury, in the portion of his report relating to the operation of the Marine Hospital Service, calls attention to the defects in the present quarantine laws, and recommends amendments thereto which will give the Treasury Department the requisite authority to prevent the invasion of epidemic diseases from foreign countries, and in times of emergency, like that of the past summer, will add to the efficiency of the sanitary measures for the protection of the people, and at the same time prevent unnecessary restriction of commerce. I concur in his recommendation.

In further effort to prevent the invasion of the United States by yellow fever, the importance of the discovery of the exact cause of the disease, which up to the present time has been undetermined, is obvious, and to this end a systematic bacteriological investigation should be made. I therefore recommend that Congress authorize the appointment of a commission by the President, to consist of four expert bacteriologists, one to be selected from the medical officers of the Marine Hospital Service, one to be appointed from civil life, one to be detailed from the medical officers of the Army, and one from the medical officers of the Navy.

The Union Pacific Railway, Main Line, was sold under the decree of the United States Court for the District of Nebraska, on the 1st and 2d of November of this year. The amount due the Government consisted of the principal of the subsidy bonds, $27,236,512, and the accrued interest thereon, $31,211,711.75, making the total indebtedness, $58,448,223.75. The bid at the sale covered the first mortgage lien and the entire mortgage claim of the Government, principal and interest.

The sale of the subsidized portion of the Kansas Pacific Line, upon which the Government holds a second mortgage lien, has been postponed at the instance of the Government to December 16, 1897. The debt of this division of the Union Pacific Railway to the Government on November 1, 1897, was the principal of the subsidy

bonds, $6,303,000, and the unpaid and accrued interest thereon, $6,626,690.33, making a total of $12,929,690.33.

Page 1615

The sale of this road was originally advertised for November 4, but for the purpose of securing the utmost public notice of the event it was postponed until December 16, and a second advertisement of the sale was made. By the decree of the Court, the upset price on the sale of the Kansas Pacific will yield to the Government the sum of $2,500,000 over all prior liens, costs, and charges. If no other or better bid is made, this sum is all that the Government will receive on its claim of nearly $13,000,000. The Government has no information as to whether there will be other bidders or a better bid than the minimum amount herein stated. The question presented therefore is: Whether the Government shall, under the authority given it by the act of March 3, 1887, purchase or redeem the road in the event that a bid is not made by private parties covering the entire Government claim. To qualify the Government to bid at the sales will require a deposit of $900,000, as follows: In the Government cause $500,000 and in each of the first mortgage causes $200,000, and in the latter the deposit must be in cash. Payments at the sale are as follows: Upon the acceptance of the bid a sum which with the amount already deposited shall equal fifteen per cent of the bid; the balance in installments of twenty-five per cent thirty, forty, and fifty days after the confirmation of the sale. The lien on the Kansas Pacific prior to that of the Government on the 30th July, 1897, principal and interest, amounted to $7,281,048.11. The Government, therefore, should it become the highest bidder, will have to pay the amount of the first mortgage lien.

I believe that under the act of 1887 it has the authority to do this and in absence of any action by Congress I shall direct the Secretary of the Treasury to make the necessary deposit as required by the Court's decree to qualify as a bidder and to bid at the sale a sum which will at least equal the principal of the debt due to the Government; but suggest in order to remove all controversy that an amendment of the law be immediately passed explicitly giving such powers and appropriating in general terms whatever sum is sufficient therefor.

In so important a matter as the Government becoming the possible owner of railroad property which it perforce must conduct and operate, I feel constrained to lay before Congress these facts for its consideration and action before the consummation of the sale. It is clear to my mind that the Government should not permit the property to be sold at a price which will yield less than one-half of the principal of its debt and less than one-fifth of its entire debt, principal and interest. But whether the Government, rather than accept less than its claim, should become a bidder and thereby the owner of the property, I submit to the Congress for action.

Page 1616

The Library building provided for by the act of Congress approved April 15, 1886, has been completed and opened to the public. It should be a matter of congratulation that through the foresight and munificence of Congress the nation possesses this noble treasure-house of knowledge. It is earnestly to be hoped that having done so much toward the cause of education, Congress will continue to develop the Library in every phase of research to the end that it may be not only one of the most magnificent but among the richest and most useful libraries in the world.

The important branch of our Government known as the Civil Service, the practical improvement of which has long been a subject of earnest discussion, has of late years received increased legislative and Executive approval. During the past few months the service has been placed upon a still firmer basis of business methods and personal merit. While the right of our veteran soldiers to reinstatement in deserving cases has been asserted, dismissals for merely political reasons have been carefully guarded against, the examinations for admittance to the service enlarged and at the same time rendered less technical and more practical; and a distinct advance has been made by giving a hearing before dismissal upon all cases where incompetency is charged or demand made for the removal of officials in any of the Departments. This order has been made to give to the accused his right to be heard but without in anyway impairing the power of removal, which should always be exercised in cases of inefficiency and incompetency, and which is one of the vital safeguards of the civil service reform system, preventing stagnation and deadwood and keeping every employee keenly alive to the fact that the security of his tenure depends not on favor but on his own tested and carefully watched record of service.

Much of course still remains to be accomplished before the system can be made reasonably perfect for our needs. There are places now in the classified service which ought to be exempted and others not classified may properly be included. I shall not hesitate to exempt cases which I think have been improperly included in the classified service or include those which in my judgment will best promote the public service. The system has the approval of the people and it will be my endeavor to uphold and extend it.

I am forced by the length of this Message to omit many important references to affairs of the Government with which Congress will have to deal at the present session. They are fully discussed in the departmental reports, to all of which I invite your earnest attention.

The estimates of the expenses of the Government by the several Departments will, I am sure, have your careful scrutiny. While the Congress may not find it an easy task to reduce the expenses of the Government, it should not encourage their increase. These expenses will in my judgment admit of a decrease in many branches of the Government without injury to the public service. It is a commanding duty to keep the appropriations within the receipts of the Government, and thus avoid a deficit.

Page 1617

***

State of the Union Address
William McKinley
December 5, 1898

To the Senate and House of Representatives:

Notwithstanding the added burdens rendered necessary by the war, our people rejoice in a very satisfactory and steadily increasing degree of prosperity, evidenced by the largest volume of business ever recorded. Manufacture has been productive, agricultural pursuits have yielded abundant returns, labor in all fields of industry is better rewarded, revenue legislation passed by the present Congress has increased the Treasury's receipts to the amount estimated by its authors, the finances of the Government have been successfully administered and its credit advanced to the first rank, while its currency has been maintained at the world's highest standard. Military service under a common flag and for a righteous cause has strengthened the national spirit and served to cement more closely than ever the fraternal bonds between every section of the country.

A review of the relation of the United States to other powers, always appropriate, is this year of primary importance in view of the momentous issues which have arisen, demanding in one instance the ultimate determination by arms and involving far-reaching consequences which will require the earnest attention of the Congress.

In my last annual message very full consideration was given to the question of the duty of the Government of the United States toward Spain and the Cuban insurrection as being by far the most important problem with which we were then called upon to deal. The considerations then advanced and the exposition of the views therein expressed disclosed my sense of the extreme gravity of the situation. Setting aside as logically unfounded or practically inadmissible the recognition of the Cuban insurgents as belligerents, the recognition of the independence of Cuba, neutral intervention to end the war by imposing a rational compromise between the contestants, intervention in favor of one or the other party, and forcible annexation of the island, I concluded it was honestly due to our friendly relations with Spain that she should be given a reasonable chance to realize her expectations of reform to which she had become irrevocably committed. Within a few weeks previously she had announced comprehensive plans which it was confidently asserted would be efficacious to remedy the evils so deeply affecting our own country, so injurious to the true interests of the mother country as well as to those of Cuba, and so repugnant to the universal sentiment of humanity.

Page 1618

The ensuing month brought little sign of real progress toward the pacification of Cuba. The autonomous administrations set up in the capital and some of the principal cities appeared not to gain the favor of the inhabitants nor to be able to extend their influence to the large extent of territory held by the insurgents, while the military arm, obviously unable to cope with the still active rebellion, continued many of the most objectionable and offensive policies of the government that had preceded it. No tangible relief was afforded the vast numbers of unhappy reconcentrados, despite the reiterated professions made in that regard and the amount appropriated by Spain to that end. The proffered expedient of zones of cultivation proved illusory. Indeed no less practical nor more delusive promises of succor could well have been tendered to the exhausted and destitute people, stripped of all that made life and home dear and herded in a strange region among unsympathetic strangers hardly less necessitous than themselves.

By the end of December the mortality among them had frightfully increased. Conservative estimates from Spanish sources placed the deaths among these distressed people at over 40 per cent from the time General Weyler's decree of reconcentration was enforced. With the acquiescence of the Spanish authorities, a scheme was adopted for relief by charitable contributions raised in this country and distributed, under the direction of the consul-general and the several consuls, by noble and earnest individual effort through the organized agencies of the American Red Cross. Thousands of lives were thus saved, but many thousands more were inaccessible to such forms of aid.

The war continued on the old footing, without comprehensive plan, developing only the same spasmodic encounters, barren of strategic result, that had marked the course of the earlier ten years' rebellion as well as the present insurrection from its start. No alternative save physical exhaustion of either combatant, and therewithal the practical ruin of the island, lay in sight, but how far distant no one could venture to conjecture.

At this juncture, on the 15th of February last, occurred the destruction of the battle ship Maine while rightfully lying in the harbor of Havana on a mission of international courtesy and good will—a catastrophe the suspicious nature and horror of which stirred the nation's heart profoundly. It is a striking evidence of the poise and sturdy good sense distinguishing our national character that this shocking blow, falling upon a generous people already deeply touched by preceding events in Cuba, did not move them to an instant desperate resolve to tolerate no longer the existence of a condition of danger and disorder at our doors that made possible such a deed, by whomsoever wrought. Yet the instinct of justice prevailed, and the nation anxiously awaited the result of the searching investigation at once set on foot. The finding of the naval board of inquiry established that the origin of the explosion was external, by a submarine mine, and only halted through lack of positive testimony to fix the responsibility of its authorship.

Page 1619

All these things carried conviction to the most thoughtful, even before the finding of the naval court, that a crisis in our relations with Spain and toward Cuba was at hand. So strong was this belief that it needed but a brief Executive suggestion to the Congress to receive immediate answer to the duty of making instant provision for the possible and perhaps speedily probable emergency of war, and the remarkable, almost unique, spectacle was presented of a unanimous vote of both Houses, on the 9th of March, appropriating $50,000,000 “for the national defense and for each and every purpose connected therewith, to be expended at the discretion of the President.” That this act of prevision came none too soon was disclosed when the application of the fund was undertaken. Our coasts were practically undefended. Our Navy needed large provision for increased ammunition and supplies, and even numbers to cope with any sudden attack from the navy of Spain, which comprised modern vessels of the highest type of continental perfection. Our Army also required enlargement of men and munitions. The details of the hurried preparation for the dreaded contingency are told in the reports of the Secretaries of War and of the Navy, and need not be repeated here. It is sufficient to say that the outbreak of war when it did come found our nation not unprepared to meet the conflict.

Nor was the apprehension of coming strife confined to our own country. It was felt by the continental powers, which on April 6, through their ambassadors and envoys, addressed to the Executive an expression of hope that humanity and moderation might mark the course of this Government and people, and that further negotiations would lead to an agreement which, while securing the maintenance of peace, would afford all necessary guaranties for the reestablishment of order in Cuba. In responding to that representation I said I shared the hope the envoys had expressed that peace might be preserved in a manner to terminate the chronic condition of disturbance in Cuba, so injurious and menacing to our interests and tranquillity, as well as shocking to our sentiments of humanity; and while appreciating the humanitarian and disinterested character of the communication they had made on behalf of the powers, I stated the confidence of this Government, for its part, that equal appreciation would be shown for its own earnest and unselfish endeavors to fulfill a duty to humanity by ending a situation the indefinite prolongation of which had become insufferable.

Still animated by the hope of a peaceful solution and obeying the dictates of duty, no effort was relaxed to bring about a speedy ending of the Cuban struggle. Negotiations to this object continued actively with the Government of Spain, looking to the immediate conclusion of a six months’ armistice in Cuba, with a view to effect the recognition of her people’s right to independence. Besides this, the instant revocation of the order of reconcentration was asked,

Page 1620

so that the sufferers, returning to their homes and aided by united American and Spanish effort, might be put in a way to support themselves and, by orderly resumption of the well-nigh destroyed productive energies of the island, contribute to the restoration of its tranquillity and well-being. Negotiations continued for some little time at Madrid, resulting in offers by the Spanish Government which could not but be regarded as inadequate. It was proposed to confide the preparation of peace to the insular parliament, yet to be convened under the autonomous decrees of November, 1897, but without impairment in any wise of the constitutional powers of the Madrid Government, which to that end would grant an armistice, if solicited by the insurgents, for such time as the general in chief might see fit to fix. How and with what scope of discretionary powers the insular parliament was expected to set about the "preparation" of peace did not appear. If it were to be by negotiation with the insurgents, the issue seemed to rest on the one side with a body chosen by a fraction of the electors in the districts under Spanish control, and on the other with the insurgent population holding the interior country, unrepresented in the so-called parliament and defiant at the suggestion of suing for peace.

Grieved and disappointed at this barren outcome of my sincere endeavors to reach a practicable solution, I felt it my duty to remit the whole question to the Congress. In the message of April 11, 1898, I announced that with this last overture in the direction of immediate peace in Cuba and its disappointing reception by Spain the effort of the Executive was brought to an end. I again reviewed the alternative courses of action which had been proposed, concluding that the only one consonant with international policy and compatible with our firm-set historical traditions was intervention as a neutral to stop the war and check the hopeless sacrifice of life, even though that resort involved "hostile constraint upon both the parties to the contest, as well to enforce a truce as to guide the eventual settlement." The grounds justifying that step were the interests of humanity, the duty to protect the life and property of our citizens in Cuba, the right to check injury to our commerce and people through the devastation of the island, and, most important, the need of removing at once and forever the constant menace and the burdens entailed upon our Government by the uncertainties and perils of the situation caused by the unendurable disturbance in Cuba. I said: The long trial has proved that the object for which Spain has waged the war can not be attained. The fire of insurrection may flame or may smolder with varying seasons, but it has not been and it is plain that it can not be extinguished by present methods. The only hope of relief and repose from a condition which can no longer be endured is the enforced pacification of Cuba. In the name of humanity, in the name of

Page 1621

civilization, in behalf of endangered American interests which give us the right and the duty to speak and to act, the war in Cuba must stop. In view of all this the Congress was asked to authorize and empower the President to take measures to secure a full and final termination of hostilities between Spain and the people of Cuba and to secure in the island the establishment of a stable government, capable of maintaining order and observing its international obligations, insuring peace and tranquillity and the security of its citizens as well as our own, and for the accomplishment of those ends to use the military and naval forces of the United States as might be necessary, with added authority to continue generous relief to the starving people of Cuba.

The response of the Congress, after nine days of earnest deliberation, during which the almost unanimous sentiment of your body was developed on every point save as to the expediency of coupling the proposed action with a formal recognition of the Republic of Cuba as the true and lawful government of that island—a proposition which failed of adoption—the Congress, after conference, on the 19th of April, by a vote of 42 to 35 in the Senate and 311 to 6 in the House of Representatives, passed the memorable joint resolution declaring—

First. That the people of the island of Cuba are, and of right ought to be, free and independent.

Second. That it is the duty of the United States to demand, and the Government of the United States does hereby demand, that the Government of Spain at once relinquish its authority and government in the island of Cuba and withdraw its land and naval forces from Cuba and Cuban waters.

Third. That the President of the United States be, and he hereby is, directed and empowered to use the entire land and naval forces of the United States and to call into the actual service of the United States the militia of the several States to such extent as may be necessary to carry these resolutions into effect.

Fourth. That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island except for the pacification thereof, and asserts its determination when that is accomplished to leave the government and control of the island to its people. This resolution was approved by the Executive on the next day, April 20. A copy was at once communicated to the Spanish minister at this capital, who forthwith announced that his continuance in Washington had thereby become impossible, and asked for his passports, which were given him. He thereupon withdrew from Washington, leaving the protection of Spanish interests in the United States to the French ambassador and the Austro-Hungarian minister. Simultaneously with its communication to the Spanish minister here, General Woodford, the American minister at Madrid, was telegraphed confirmation of the text of the joint resolution and

directed to communicate it to the Government of Spain with the formal demand that it at once relinquish its authority and government in the island of Cuba and withdraw its forces therefrom, coupling this demand with announcement of the intentions of this Government as to the future of the island, in conformity with the fourth clause of the resolution, and giving Spain until noon of April 23 to reply.

Page 1622

That demand, although, as above shown, officially made known to the Spanish envoy here, was not delivered at Madrid. After the instruction reached General Woodford on the morning of April 21, but before he could present it, the Spanish minister of state notified him that upon the President's approval of the joint resolution the Madrid Government, regarding the act as "equivalent to an evident declaration of war," had ordered its minister in Washington to withdraw, thereby breaking off diplomatic relations between the two countries and ceasing all official communication between their respective representatives. General Woodford thereupon demanded his passports and quitted Madrid the same day.

Spain having thus denied the demand of the United States and initiated that complete form of rupture of relations which attends a state of war, the executive powers authorized by the resolution were at once used by me to meet the enlarged contingency of actual war between sovereign states. On April 22 I proclaimed a blockade of the north coast of Cuba, including ports on said coast between Cardenas and Bahia Honda, and the port of Cienfuegos, on the south coast of Cuba, and on the 23d I called for volunteers to execute the purpose of the resolution. By my message of April 25 the Congress was informed of the situation, and I recommended formal declaration of the existence of a state of war between the United States and Spain. The Congress accordingly voted on the same day the act approved April 25, 1898, declaring the existence of such war from and including the 21st day of April, and reenacted the provision of the resolution of April 20 directing the President to use all the armed forces of the nation to carry that act into effect. Due notification of the existence of war as aforesaid was given April 25 by telegraph to all the governments with which the United States maintain relations, in order that their neutrality might be assured during the war. The various governments responded with proclamations of neutrality, each after its own methods. It is not among the least gratifying incidents of the struggle that the obligations of neutrality were impartially discharged by all, often under delicate and difficult circumstances.

In further fulfillment of international duty I issued, April 26, 1893, a proclamation announcing the treatment proposed to be accorded to vessels and their cargoes as to blockade, contraband, the exercise of the right of search, and the immunity of neutral flags and neutral goods under enemy's flag. A similar proclamation was made by the Spanish Government. In the conduct of hostilities the rules of the Declaration of Paris, including abstention from resort to privateering, have accordingly been observed by both belligerents, although neither was a party to that declaration.

Our country thus, after an interval of half a century of peace with all nations, found itself engaged in deadly conflict with a foreign enemy. Every nerve was strained to meet the emergency. The response to the initial call for 125,000 volunteers was instant and complete, as was also the result of the second call, of May 25, for 75,000 additional volunteers. The ranks of the Regular Army were increased to the limits provided by the act of April 26, 1898.

Page 1623

The enlisted force of the Navy on the 15th day of August, when it reached its maximum, numbered 24,123 men and apprentices. One hundred and three vessels were added to the Navy by purchase, 1 was presented to the Government, 1 leased, and the 4 vessels of the International Navigation Company—the St. Paul, St. Louis, New York, and Paris—were chartered. In addition to these the revenue cutters and lighthouse tenders were turned over to the Navy Department and became temporarily a part of the auxiliary Navy.

The maximum effective fighting force of the Navy during the war, separated into classes, was as follows:

Four battle ships of the first class, 1 battle ship of the second class, 2 armored cruisers, 6 coast-defense monitors, 1 armored ram, 12 protected cruisers, 3 unprotected cruisers, 18 gunboats, 1 dynamite cruiser, 11 torpedo boats; vessels of the old Navy, including monitors, 14. Auxiliary Navy: 11 auxiliary cruisers, 28 converted yachts, 27 converted tugs, 19 converted colliers, 15 revenue cutters, 4 light-house tenders, and 19 miscellaneous vessels.

Much alarm was felt along our entire Atlantic seaboard lest some attack might be made by the enemy. Every precaution was taken to prevent possible injury to our great cities lying along the coast. Temporary garrisons were provided, drawn from the State militia; infantry and light batteries were drawn from the volunteer force. About 12,000 troops were thus employed. The coast signal service was established for observing the approach of an enemy's ships to the coast of the United States, and the Life-Saving and Light-House services cooperated, which enabled the Navy Department to have all portions of the Atlantic coast, from Maine to Texas, under observation.

The auxiliary Navy was created under the authority of Congress and was officered and manned by the Naval Militia of the several States. This organization patrolled the coast and performed the duty of a second line of defense. Under the direction of the Chief of Engineers submarine mines were placed at the most exposed points. Before the outbreak of the war permanent mining casemates and cable galleries had been constructed at nearly all important harbors. Most of the torpedo material was not to be found in the market, and had to be specially manufactured. Under date of April 19 district officers were directed to take all preliminary measures short of the actual attaching of the loaded mines to the cables, and on April 22 telegraphic orders were issued to place the loaded mines in position.

The aggregate number of mines placed was 1,535, at the principal harbors from Maine to California. Preparations were also made for the planting of mines at certain other harbors, but owing to the early destruction of the Spanish fleet these mines were not placed.

Page 1624

The Signal Corps was promptly organized, and performed service of the most difficult and important character. Its operations during the war covered the electrical connection of all coast fortifications, the establishment of telephonic and telegraphic facilities for the camps at Manila, Santiago, and in Puerto Rico. There were constructed 300 miles of line at ten great camps, thus facilitating military movements from those points in a manner heretofore unknown in military administration. Field telegraph lines were established and maintained under the enemy's fire at Manila, and later the Manila-Hongkong cable was reopened.

In Puerto Rico cable communications were opened over a discontinued route, and on land the headquarters of the commanding officer was kept in telegraphic or telephonic communication with the division commanders on four different lines of operations.

There was placed in Cuban waters a completely outfitted cable ship, with war cables and cable gear, suitable both for the destruction of communications belonging to the enemy and the establishment of our own. Two ocean cables were destroyed under the enemy's batteries at Santiago. The day previous to the landing of General Shafter's corps, at Caimanera, within 20 miles of the landing place, cable communications were established and a cable station opened giving direct communication with the Government at Washington. This service was invaluable to the Executive in directing the operations of the Army and Navy. With a total force of over 1,300, the loss was by disease in camp and field, officers and men included, only 5.

The national-defense fund of $50,000,000 was expended in large part by the Army and Navy, and the objects for which it was used are fully shown in the reports of the several Secretaries. It was a most timely appropriation, enabling the Government to strengthen its defenses and make preparations greatly needed in case of war.

This fund being inadequate to the requirements of equipment and for the conduct of the war, the patriotism of the Congress provided the means in the war-revenue act of June 13 by authorizing a 3 per cent popular loan not to exceed $400,000,000 and by levying additional imposts and taxes. Of the authorized loan $200,000,000 were offered and promptly taken the subscriptions so far exceeding the call as to cover it many times over, while, preference being given to the smaller bids, no single allotment exceeded $5,000. This was a most encouraging and significant result, showing the vast resources of the nation and the determination of the people to uphold their country's honor.

It is not within the province of this message to narrate the history of the extraordinary war that followed the Spanish declaration of April 21, but a brief recital of its more salient features is appropriate.

The first encounter of the war in point of date took place April 27, when a detachment of the blockading squadron made a reconnoissance in force at Matanzas, shelled the harbor forts, and demolished several new works in construction.

Page 1625

The next engagement was destined to mark a memorable epoch in maritime warfare. The Pacific fleet, under Commodore George Dewey, had lain for some weeks at Hongkong. Upon the colonial proclamation of neutrality being issued and the customary twenty-four hours' notice being given, it repaired to Mirs Bay, near Hongkong, whence it proceeded to the Philippine Islands under telegraphed orders to capture or destroy the formidable Spanish fleet then assembled at Manila. At daybreak on the 1st of May the American force entered Manila Bay, and after a few hours' engagement effected the total destruction of the Spanish fleet, consisting of ten war ships and a transport, besides capturing the naval station and forts at Cavite, thus annihilating the Spanish naval power in the Pacific Ocean and completely controlling the bay of Manila, with the ability to take the city at will. Not a life was lost on our ships, the wounded only numbering seven, while not a vessel was materially injured. For this gallant achievement the Congress, upon my recommendation, fitly bestowed upon the actors preferment and substantial reward.

The effect of this remarkable victory upon the spirit of our people and upon the fortunes of the war was instant. A prestige of invincibility thereby attached to our arms which continued throughout the struggle. Reenforcements were hurried to Manila under the command of Major-General Merritt and firmly established within sight of the capital, which lay helpless before our guns.

On the 7th day of May the Government was advised officially of the victory at Manila, and at once inquired of the commander of our fleet what troops would be required. The information was received on the 15th day of May, and the first army expedition sailed May 25 and arrived off Manila June 30. Other expeditions soon followed, the total force consisting of 641 officers and 15,058 enlisted men.

Only reluctance to cause needless loss of life and property prevented the early storming and capture of the city, and therewith the absolute military occupancy of the whole group. The insurgents meanwhile had resumed the active hostilities suspended by the uncompleted truce of December, 1897. Their forces invested Manila from the northern and eastern sides, but were constrained by Admiral Dewey and General Merrill from attempting an assault. It was fitting that whatever was to be done in the way of decisive operations in that quarter should be accomplished by the strong arm of the United States alone. Obeying the stern precept of war which enjoins the overcoming of the adversary and the extinction of his power wherever assailable as the speedy and sure means to win a peace, divided victory was not permissible, for no partition of the rights and responsibilities attending the enforcement of a just and advantageous peace could be thought of.

Page 1626

Following the comprehensive scheme of general attack, powerful forces were assembled at various points on our coast to invade Cuba and Puerto Rico. Meanwhile naval demonstrations were made at several exposed points. On May 11 the cruiser Wilmington and torpedo boat Winslow were unsuccessful in an attempt to silence the batteries at Cardenas, a gallant ensign, Worth Bagley, and four seamen falling. These grievous fatalities were, strangely enough, among the very few which occurred during our naval operations in this extraordinary conflict.

Meanwhile the Spanish naval preparations had been pushed with great vigor. A powerful squadron under Admiral Cervera, which had assembled at the Cape Verde Islands before the outbreak of hostilities, had crossed the ocean, and by its erratic movements in the Caribbean Sea delayed our military plans while baffling the pursuit of our fleets. For a time fears were felt lest the Oregon and Marietta, then nearing home after their long voyage from San Francisco of over 15,000 miles, might be surprised by Admiral Cervera's fleet, but their fortunate arrival dispelled these apprehensions and lent much-needed reenforcement. Not until Admiral Cervera took refuge in the harbor of Santiago de Cuba, about May 19, was it practicable to plan a systematic naval and military attack upon the Antillean possessions of Spain.

Several demonstrations occurred on the coasts of Cuba and Puerto Rico in preparation for the larger event. On May 13 the North Atlantic Squadron shelled San Juan de Puerto Rico. On May 30 Commodore Schley's squadron bombarded the forts guarding the mouth of Santiago Harbor. Neither attack had any material result. It was evident that well-ordered land operations were indispensable to achieve a decisive advantage.

The next act in the war thrilled not alone the hearts of our countrymen but the world by its exceptional heroism. On the night of June 3 Lieutenant Hobson, aided by seven devoted volunteers, blocked the narrow outlet from Santiago Harbor by sinking the collier Merrimac in the channel, under a fierce fire from the shore batteries, escaping with their lives as by a miracle, but falling into the hands of the Spaniards. It is a most gratifying incident of the war that the bravery of this little band of heroes was cordially appreciated by the Spanish admiral, who sent a flag of truce to notify Admiral Sampson of their safety and to compliment them on their daring act. They were subsequently exchanged July 7.

By June 7 the cutting of the last Cuban cable isolated the island. Thereafter the invasion was vigorously prosecuted. On June 10, under a heavy protecting fire, a landing of 600 marines from the Oregon, Marblehead, and Yankee was effected in Guantanamo Bay, where it had been determined to establish a naval station.

This important and essential port was taken from the enemy, after severe fighting, by the marines, who were the first organized force of the United States to land in Cuba.

Page 1627

The position so won was held despite desperate attempts to dislodge our forces. By June 16 additional forces were landed and strongly in-trenched. On June 22 the advance of the invading army under Major-General Shafter landed at Daiquiri, about 15 miles east of Santiago. This was accomplished under great difficulties, but with marvelous dispatch. On June 23 the movement against Santiago was begun. On the 24th the first serious engagement took place, in which the First and Tenth Cavalry and the First United States Volunteer Cavalry, General Young's brigade of General Wheeler's division, participated, losing heavily. By nightfall, however, ground within 5 miles of Santiago was won. The advantage was steadily increased. On July 1 a severe battle took place, our forces gaining the outworks of Santiago; on the 2d El Caney and San Juan were taken after a desperate charge, and the investment of the city was completed. The Navy cooperated by shelling the town and the coast forts.

On the day following this brilliant achievement of our land forces, the 3d of July, occurred the decisive naval combat of the war. The Spanish fleet, attempting to leave the harbor, was met by the American squadron under command of Commodore Sampson. In less than three hours all the Spanish ships were destroyed, the two torpedo boats being sunk and the Maria Teresa, Almirante Oquendo, Vizcaya, and Cristobal Colon driven ashore. The Spanish admiral and over 1,300 men were taken prisoners. While the enemy's loss of life was deplorably large, some 600 perishing, on our side but one man was killed, on the Brooklyn, and one man seriously wounded. Although our ships were repeatedly struck, not one was seriously injured. Where all so conspicuously distinguished themselves, from the commanders to the gunners and the unnamed heroes in the boiler rooms, each and all contributing toward the achievement of this astounding victory, for which neither ancient nor modern history affords a parallel in the completeness of the event and the marvelous disproportion of casualties, it would be invidious to single out any for especial honor. Deserved promotion has rewarded the more conspicuous actors. The nation's profoundest gratitude is due to all of these brave men who by their skill and devotion in a few short hours crushed the sea power of Spain and wrought a triumph whose decisiveness and far-reaching consequences can scarcely be measured. Nor can we be unmindful of the achievements of our builders, mechanics, and artisans for their skill in the construction of our war ships.

With the catastrophe of Santiago Spain's effort upon the ocean virtually ceased. A spasmodic effort toward the end of June to send her Mediterranean fleet, under Admiral Camara, to relieve Manila was abandoned, the expedition being recalled after it had passed through the Suez Canal.

Page 1628

The capitulation of Santiago followed. The city was closely besieged by land, while the entrance of our ships into the harbor cut off all relief on that side. After a truce to allow of the removal of noncombatants protracted negotiations continued from July 3 until July 15, when, under menace of immediate assault, the preliminaries of surrender were agreed upon. On the 17th General Shafter occupied the city. The capitulation embraced the entire eastern end of Cuba. The number of Spanish soldiers surrendering was 22,000, all of whom were subsequently conveyed to Spain at the charge of the United States. The story of this successful campaign is told in the report of the Secretary of War, which will be laid before you. The individual valor of officers and soldiers was never more strikingly shown than in the several engagements leading to the surrender of Santiago, while the prompt movements and successive victories won instant and universal applause. To those who gained this complete triumph, which established the ascendency of the United States upon land as the fight off Santiago had fixed our supremacy on the seas, the earnest and lasting gratitude of the nation is unsparingly due. Nor should we alone remember the gallantry of the living; the dead claim our tears, and our losses by battle and disease must cloud any exultation at the result and teach us to weigh the awful cost of war, however rightful the cause or signal the victory.

With the fall of Santiago the occupation of Puerto Rico became the next strategic necessity. General Miles had previously been assigned to organize an expedition for that purpose. Fortunately he was already at Santiago, where he had arrived on the 11th of July with reenforcements for General Shafter's army.

With these troops, consisting of 3,415 infantry and artillery, two companies of engineers, and one company of the Signal Corps, General Miles left Guantanamo on July 21, having nine transports convoyed by the fleet under Captain Higginson with the Massachusetts (flagship), Dixie, Gloucester, Columbia, and Yale, the two latter carrying troops. The expedition landed at Guanica July 25, which port was entered with little opposition. Here the fleet was joined by the Annapolis and the Wasp, while the Puritan and Amphitrite went to San Juan and joined the New Orleans, which was engaged in blockading that port. The Major-General Commanding was subsequently reenforced by General Schwan's brigade of the Third Army Corps, by General Wilson with a part of his division, and also by General Brooke with a part of his corps, numbering in all 16,973 officers and men.

On July 27 he entered Ponce, one of the most important ports in the island, from which he thereafter directed operations for the capture of the island.

Page 1629

With the exception of encounters with the enemy at Guayama, Hormigueros, Coamo, and Yauco and an attack on a force landed at Cape San Juan, there was no serious resistance. The campaign was prosecuted with great vigor, and by the 12th of August much of the island was in our possession and the acquisition of the remainder was only a matter of a short time. At most of the points in the island our troops were enthusiastically welcomed. Protestations of loyalty to the flag and gratitude for delivery from Spanish rule met our commanders at every stage. As a potent influence toward peace the outcome of the Puerto Rican expedition was of great consequence, and generous commendation is due to those who participated in it.

The last scene of the war was enacted at Manila, its starting place. On August 15, after a brief assault upon the works by the land forces, in which the squadron assisted, the capital surrendered unconditionally. The casualties were comparatively few. By this the conquest of the Philippine Islands, virtually accomplished when the Spanish capacity for resistance was destroyed by Admiral Dewey's victory of the 1st of May, was formally sealed. To General Merrill, his officers and men, for their uncomplaining and devoted service and for their gallantry in action, the nation is sincerely grateful. Their long voyage was made with singular success, and the soldierly conduct of the men, most of whom were without previous experience in the military service, deserves unmeasured praise.

The total casualties in killed and wounded in the Army during the war with Spain were: Officers killed, 23; enlisted men killed, 257; total, 280; officers wounded, 113; enlisted men wounded, 1,464; total, 1,577. Of the Navy: Killed, 17; wounded, 67; died as result of wounds, 1; invalided from service, 6; total, 91.

It will be observed that while our Navy was engaged in two great battles and in numerous perilous undertakings in blockade and bombardment, and more than 50,000 of our troops were transported to distant lands and were engaged in assault and siege and battle and many skirmishes in unfamiliar territory, we lost in both arms of the service a total of 1,668 killed and wounded; and in the entire campaign by land and sea we did not lose a gun or a flag or a transport or a ship, and, with the exception of the crew of the Merrimac, not a soldier or sailor was taken prisoner.

On August 7, forty-six days from the date of the landing of General Shafter's army in Cuba and twenty-one days from the surrender of Santiago, the United States troops commenced embarkation for home, and our entire force was returned to the United States as early as August 24. They were absent from the United States only two months.

Page 1630

It is fitting that I should bear testimony to the patriotism and devotion of that large portion of our Army which, although eager to be ordered to the post of greatest exposure, fortunately was not required outside of the United States. They did their whole duty, and, like their comrades at the front, have earned the gratitude of the nation. In like manner, the officers and men of the Army and of the Navy who remained in their departments and stations faithfully performing most important duties connected with the war, and whose requests for assignment in the field and at sea I was compelled to refuse because their services were indispensable here, are entitled to the highest commendation. It is my regret that there seems to be no provision for their suitable recognition.

In this connection it is a pleasure for me to mention in terms of cordial appreciation the timely and useful work of the American National Red Cross, both in relief measures preparatory to the campaigns, in sanitary assistance at several of the camps of assemblage, and later, under the able and experienced leadership of the president of the society, Miss Clara Barton, on the fields of battle and in the hospitals at the front in Cuba. Working in conjunction with the governmental authorities and under their sanction and approval, and with the enthusiastic cooperation of many patriotic women and societies in the various States, the Red Cross has fully maintained its already high reputation for intense earnestness and ability to exercise the noble purposes of its international organization, thus justifying the confidence and support which it has received at the hands of the American people. To the members and officers of this society and all who aided them in their philanthropic work the sincere and lasting gratitude of the soldiers and the public is due and is freely accorded.

In tracing these events we are constantly reminded of our obligations to the Divine Master for His watchful care over us and His safe guidance, for which the nation makes reverent acknowledgment and offers humble prayer for the continuance of His favor.

The annihilation of Admiral Cervera's fleet, followed by the capitulation of Santiago, having brought to the Spanish Government a realizing sense of the hopelessness of continuing a struggle now become wholly unequal, it made overtures of peace through the French ambassador, who, with the assent of his Government, had acted as the friendly representative of Spanish interests during the war. On the 26th of July M. Cambon presented a communication signed by the Duke of Almodovar, the Spanish minister of state, inviting the United States to state the terms upon which it would be willing to make peace. On the 30th of July, by a communication addressed to the Duke of Almodovar and handed to M. Cambon, the terms of this Government were announced substantially as in the protocol afterwards signed. On the 10th of August the Spanish reply, dated August 7, was handed

Page 1631

by M. Cambon to the Secretary of State. It accepted unconditionally the terms imposed as to Cuba, Puerto Rico, and an island of the Ladrones group, but appeared to seek to introduce inadmissible reservations in regard to our demand as to the Philippine Islands. Conceiving that discussion on this point could neither be practical nor profitable, I directed that in order to avoid misunderstanding the matter should be forthwith closed by proposing the embodiment in a formal protocol of the terms upon which the negotiations for peace were to be undertaken. The vague and inexplicit suggestions of the Spanish note could not be accepted, the only reply being to present as a virtual ultimatum a draft of protocol embodying the precise terms tendered to Spain in our note of July 30, with added stipulations of detail as to the appointment of commissioners to arrange for the evacuation of the Spanish Antilles. On August 12 M. Cambon announced his receipt of full powers to sign the protocol so submitted. Accordingly, on the afternoon of August 12, M. Cambon, as the plenipotentiary of Spain, and the Secretary of State, as the plenipotentiary of the United States, signed a protocol providing—

Article I. Spain will relinquish all claim of sovereignty over and title to Cuba.

Art. II. Spain will cede to the United States the island of Puerto Rico and other islands now under Spanish sovereignty in the West Indies, and also an island in the Ladrones to be selected by the United States.

Art. III. The United States will occupy and hold the city, bay, and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition, and government of the Philippines. The fourth article provided for the appointment of joint commissions on the part of the United States and Spain, to meet in Havana and San Juan, respectively, for the purpose of arranging and carrying out the details of the stipulated evacuation of Cuba, Puerto Rico, and other Spanish islands in the West Indies.

The fifth article provided for the appointment of not more than five commissioners on each side, to meet at Paris not later than October 1 and to proceed to the negotiation and conclusion of a treaty of peace, subject to ratification according to the respective constitutional forms of the two countries.

The sixth and last article provided that upon the signature of the protocol hostilities between the two countries should be suspended and that notice to that effect should be given as soon as possible by each Government to the commanders of its military and naval forces.

Immediately upon the conclusion of the protocol I issued a proclamation, of August 12, suspending hostilities on the part of the United States. The necessary orders to that

end were at once given by telegraph. The blockade of the ports of Cuba and San Juan de Puerto Rico was in like manner raised. On the 18th of August the muster out of 100,000 volunteers, or as near that number as was found to be practicable, was ordered.

Page 1632

On the 1st of December 101,165 officers and men had been mustered out and discharged from the service, and 9,002 more will be mustered out by the 10th of this month; also a corresponding number of general and general staff officers have been honorably discharged the service.

The military commissions to superintend the evacuation of Cuba, Puerto Rico, and the adjacent islands were forthwith appointed—for Cuba, Major-General James F. Wade, Rear-Admiral William T. Sampson, Major-General Matthew C. Butler; for Puerto Rico, Major—General John R. Brooke, Rear-Admiral Winfield S. Schley, Brigadier-General William W. Gordon—who soon afterwards met the Spanish commissioners at Havana and San Juan, respectively. The Puerto Rican Joint Commission speedily accomplished its task, and by the 18th of October the evacuation of the island was completed. The United States flag was raised over the island at noon on that day. The administration of its affairs has been provisionally intrusted to a military governor until the Congress shall otherwise provide. The Cuban Joint Commission has not yet terminated its labors. Owing to the difficulties in the way of removing the large numbers of Spanish troops still in Cuba, the evacuation can not be completed before the 1st of January next.

Pursuant to the fifth article of the protocol, I appointed William R. Day, lately Secretary of State; Cushman K. Davis, William P. Frye, and George Gray, Senators of the United States, and Whitelaw Reid to be the peace commissioners on the part of the United States. Proceeding in due season to Paris, they there met on the 1st of October five commissioners similarly appointed on the part of Spain. Their negotiations have made hopeful progress, so that I trust soon to be able to lay a definitive treaty of peace before the Senate, with a review of the steps leading to its signature.

I do not discuss at this time the government or the future of the new possessions which will come to us as the result of the war with Spain. Such discussion will be appropriate after the treaty of peace shall be ratified. In the meantime and until the Congress has legislated otherwise it will be my duty to continue the military governments which have existed since our occupation and give to the people security in life and property and encouragement under a just and beneficent rule.

As soon as we are in possession of Cuba and have pacified the island it will be necessary to give aid and direction to its people to form a government for themselves. This should be undertaken at the earliest moment consistent with safety and assured success. It is important that our relations with this people shall be of the most friendly character and our commercial relations close and reciprocal. It should be our duty to assist in every proper way to build up the waste places of the island, encourage the industry of the people, and assist them to form a government which shall be free and independent, thus realizing the best aspirations of the Cuban people.

Page 1633

Spanish rule must be replaced by a just, benevolent, and humane government, created by the people of Cuba, capable of performing all international obligations, and which shall encourage thrift, industry, and prosperity and promote peace and good will among all of the inhabitants, whatever may have been their relations in the past. Neither revenge nor passion should have a place in the new government. Until there is complete tranquillity in the island and a stable government inaugurated military occupation will be continued.

With the one exception of the rupture with Spain, the intercourse of the United States with the great family of nations has been marked with cordiality, and the close of the eventful year finds most of the issues that necessarily arise in the complex relations of sovereign states adjusted or presenting no serious obstacle to a just and honorable solution by amicable agreement.

A long unsettled dispute as to the extended boundary between the Argentine Republic and Chile, stretching along the Andean crests from the southern border of the Atacama Desert to Magellan Straits, nearly a third of the length of the South American continent, assumed an acute stage in the early part of the year, and afforded to this Government occasion to express the hope that the resort to arbitration, already contemplated by existing conventions between the parties, might prevail despite the grave difficulties arising in its application. I am happy to say that arrangements to this end have been perfected, the questions of fact upon which the respective commissioners were unable to agree being in course of reference to Her Britannic Majesty for determination. A residual difference touching the northern boundary line across the Atacama Desert, for which existing treaties provided no adequate adjustment, bids fair to be settled in like manner by a joint commission, upon which the United States minister at Buenos Ayres has been invited to serve as umpire in the last resort.

I have found occasion to approach the Argentine Government with a view to removing differences of rate charges imposed upon the cables of an American corporation in the transmission between Buenos Ayres and the cities of Uruguay and Brazil of through messages passing from and to the United States. Although the matter is complicated by exclusive concessions by Uruguay and Brazil to foreign companies, there is strong hope that a good understanding will be reached and that the important channels of commercial communication between the United States and the Atlantic cities of South America may be freed from an almost prohibitory discrimination.

Page 1634

In this relation I may be permitted to express my sense of the fitness of an international agreement whereby the interchange of messages over connecting cables may be regulated on a fair basis of uniformity. The world has seen the postal system developed from a congeries of independent and exclusive services into a well-ordered union, of which all countries enjoy the manifold benefits. It would be strange were the nations not in time brought to realize that modern civilization, which owes so much of its progress to the annihilation of space by the electric force, demands that this all-important means of communication be a heritage of all peoples, to be administered and regulated in their common behoof. A step in this direction was taken when the international convention of 1884 for the protection of submarine cables was signed, and the day is, I trust, not far distant when this medium for the transmission of thought from land to land may be brought within the domain of international concert as completely as is the material carriage of commerce and correspondence upon the face of the waters that divide them.

The claim of Thomas Jefferson Page against Argentina, which has been pending many years, has been adjusted. The sum awarded by the Congress of Argentina was $4,242.35.

The sympathy of the American people has justly been offered to the ruler and the people of Austria-Hungary by reason of the affliction that has lately befallen them in the assassination of the Empress-Queen of that historic realm.

On the 10th of September, 1897, a conflict took place at Lattimer, Pa., between a body of striking miners and the sheriff of Luzerne County and his deputies, in which 22 miners were killed and 44 wounded, of whom 10 of the killed and 12 of the wounded were Austrian and Hungarian subjects. This deplorable event naturally aroused the solicitude of the Austro-Hungarian Government, which, on the assumption that the killing and wounding involved the unjustifiable misuse of authority, claimed reparation for the sufferers. Apart from the searching investigation and peremptory action of the authorities of Pennsylvania, the Federal Executive took appropriate steps to learn the merits of the case, in order to be in a position to meet the urgent complaint of a friendly power. The sheriff and his deputies, having been indicted for murder, were tried, and acquitted, after protracted proceedings and the hearing of hundreds of witnesses, on the ground that the killing was in the line of their official duty to uphold law and preserve public order in the State. A representative of the Department of Justice attended the trial and reported its course fully. With all the facts in its possession, this Government expects to reach a harmonious understanding on the subject with that of Austria-Hungary, notwithstanding the renewed claim of the latter, after learning the result of the trial, for indemnity for its injured subjects.

Page 1635

Despite the brief time allotted for preparation, the exhibits of this country at the Universal Exposition at Brussels in 1897 enjoyed the singular distinction of a larger proportion of awards, having regard to the number and classes of articles entered than those of other countries. The worth of such a result in making known our national capacity to supply the world's markets is obvious.

Exhibitions of this international character are becoming more frequent as the exchanges of commercial countries grow more intimate and varied. Hardly a year passes that this Government is not invited to national participation at some important foreign center, but often on too short notice to permit of recourse to Congress for the power and means to do so. My predecessors have suggested the advisability of providing by a general enactment and a standing appropriation for accepting such invitations and for representation of this country by a commission. This plan has my cordial approval.

I trust that the Belgian restrictions on the importation of cattle from the United States, originally adopted as a sanitary precaution, will at an early day be relaxed as to their present features of hardship and discrimination, so as to admit live cattle under due regulation of their slaughter after landing. I am hopeful, too, of favorable change in the Belgian treatment of our preserved and salted meats. The growth of direct trade between the two countries, not alone for Belgian consumption and Belgian products, but by way of transit from and to other continental states, has been both encouraging and beneficial. No effort will be spared to enlarge its advantages by seeking the removal of needless impediments and by arrangements for increased commercial exchanges.

The year's events in Central America deserve more than passing mention.

A menacing rupture between Costa Rica and Nicaragua was happily composed by the signature of a convention between the parties, with the concurrence of the Guatemalan representative as a mediator, the act being negotiated and signed on board the United States steamer Alert, then lying in Central American waters. It is believed that the good offices of our envoy and of the commander of that vessel contributed toward this gratifying outcome.

In my last annual message the situation was presented with respect to the diplomatic representation of this Government in Central America created by the association of Nicaragua, Honduras, and Salvador under the title of the Greater Republic of Central America, and the delegation of their international functions to the Diet thereof. While the representative character of the Diet was recognized by my predecessor and has been confirmed during my Administration by receiving its accredited envoy and granting exequaturs to consuls commissioned under its authority, that recognition was qualified by the distinct understanding that the responsibility of each of the component sovereign Republics toward the United States remained wholly unaffected.

Page 1636

This proviso was needful inasmuch as the compact of the three Republics was at the outset an association whereby certain representative functions were delegated to a tripartite commission rather than a federation possessing centralized powers of government and administration. In this view of their relation and of the relation of the United States to the several Republics, a change in the representation of this country in Central America was neither recommended by the Executive nor initiated by Congress, thus leaving one of our envoys accredited, as heretofore, separately to two States of the Greater Republic, Nicaragua and Salvador, and to a third State, Costa Rica, which was not a party to the compact, while our other envoy was similarly accredited to a union State, Honduras, and a nonunion State, Guatemala. The result has been that the one has presented credentials only to the President of Costa Rica, the other having been received only by the Government of Guatemala.

Subsequently the three associated Republics entered into negotiations for taking the steps forecast in the original compact. A convention of their delegates framed for them a federal constitution under the name of the United States of Central America, and provided for a central federal government and legislature. Upon ratification by the constituent States, the 1st of November last was fixed for the new system to go into operation. Within a few weeks thereafter the plan was severely tested by revolutionary movements arising, with a consequent demand for unity of action on the part of the military power of the federal States to suppress them. Under this strain the new union seems to have been weakened through the withdrawal of its more important members. This Government was not officially advised of the installation of the federation and has maintained an attitude of friendly expectancy, while in no wise relinquishing the position held from the outset that the responsibilities of the several States toward us remained unaltered by their tentative relations among themselves.

The Nicaragua Canal Commission, under the chairmanship of Rear-Admiral John G. Walker, appointed July 24, 1897, under the authority of a provision in the sundry civil act of June 4 of that year, has nearly completed its labors, and the results of its exhaustive inquiry into the proper route, the feasibility, and the cost of construction of an interoceanic canal by a Nicaraguan route will be laid before you. In the performance of its task the commission received all possible courtesy and assistance from the Governments of Nicaragua and Costa Rica, which thus testified their appreciation of the importance of giving a speedy and practical outcome to the great project that has for so many years engrossed the attention of the respective countries.

Page 1637

As the scope of the recent inquiry embraced the whole subject, with the aim of making plans and surveys for a canal by the most convenient route, it necessarily included a review of the results of previous surveys and plans, and in particular those adopted by the Maritime Canal Company under its existing concessions from Nicaragua and Costa Rica, so that to this extent those grants necessarily hold as essential a part in the deliberations and conclusions of the Canal Commission as they have held and must needs hold in the discussion of the matter by the Congress. Under these circumstances and in view of overtures made to the Governments of Nicaragua and Costa Rica by other parties for a new canal concession predicated on the assumed approaching lapse of the contracts of the Maritime Canal Company with those States, I have not hesitated to express my conviction that considerations of expediency and international policy as between the several governments interested in the construction and control of an interoceanic canal by this route require the maintenance of the status quo until the Canal Commission shall have reported and the United States Congress shall have had the opportunity to pass finally upon the whole matter during the present session, without prejudice by reason of any change in the existing conditions.

Nevertheless, it appears that the Government of Nicaragua, as one of its last sovereign acts before merging its powers in those of the newly formed United States of Central America, has granted an optional concession to another association, to become effective on the expiration of the present grant. It does not appear what surveys have been made or what route is proposed under this contingent grant, so that an examination of the feasibility of its plans is necessarily not embraced in the report of the Canal Commission. All these circumstances suggest the urgency of some definite action by the Congress at this session if the labors of the past are to be utilized and the linking of the Atlantic and Pacific oceans by a practical waterway is to be realized. That the construction of such a maritime highway is now more than ever indispensable to that intimate and ready intercommunication between our eastern and western seaboards demanded by the annexation of the Hawaiian Islands and the prospective expansion of our influence and commerce in the Pacific, and that our national policy now more imperatively than ever calls for its control by this Government, are propositions which I doubt not the Congress will duly appreciate and wisely act upon.

A convention providing for the revival of the late United States and Chilean Claims Commission and the consideration of claims which were duly presented to the late commission, but not considered because of the expiration of the time limited for the duration of the commission, was signed May 24, 1897, and has remained unacted upon by the Senate. The term therein fixed for effecting the exchange of ratifications having elapsed, the convention falls unless the time be extended by amendment, which I am endeavoring to bring about, with the friendly concurrence of the Chilean Government.

Page 1638

The United States has not been an indifferent spectator of the extraordinary events transpiring in the Chinese Empire, whereby portions of its maritime provinces are passing under the control of various European powers; but the prospect that the vast commerce which the energy of our citizens and the necessity of our staple productions for Chinese uses has built up in those regions may not be prejudiced through any exclusive treatment by the new occupants has obviated the need of our country becoming an actor in the scene. Our position among nations, having a large Pacific coast and a constantly expanding direct trade with the farther Orient, gives us the equitable claim to consideration and friendly treatment in this regard, and it will be my aim to subserve our large interests in that quarter by all means appropriate to the constant policy of our Government. The territories of Kiao-chow, of Wei-hai-wei, and of Port Arthur and Talienwan, leased to Germany, Great Britain, and Russia, respectively, for terms of years, will, it is announced, be open to international commerce during such alien occupation; and if no discriminating treatment of American citizens and their trade be found to exist or be hereafter developed, the desire of this Government would appear to be realized.

In this relation, as showing the volume and value of our exchanges with China and the peculiarly favorable conditions which exist for their expansion in the normal course of trade, I refer to the communication addressed to the Speaker of the House of Representatives by the Secretary of the Treasury on the 14th of last June, with its accompanying letter of the Secretary of State, recommending an appropriation for a commission to study the commercial and industrial conditions in the Chinese Empire and report as to the opportunities for and obstacles to the enlargement of markets in China for the raw products and manufactures of the United States. Action was not taken thereon during the late session. I cordially urge that the recommendation receive at your hands the consideration which its importance and timeliness merit.

Meanwhile there may be just ground for disquietude in view of the unrest and revival of the old sentiment of opposition and prejudice to alien people which pervades certain of the Chinese provinces. As in the case of the attacks upon our citizens in Szechuen and at Kutien in 1895, the United States minister has been instructed to secure the fullest measure of protection, both local and imperial, for any menaced American interests, and to demand, in case of lawless injury to person or property, instant reparation appropriate to the case. War ships have been stationed at Tientsin for more ready observation of the disorders which have invaded even the Chinese capital, so as to be in a position to act should need arise, while a guard of marines has been sent to Peking to afford the minister the same measure of authoritative protection as the representatives of other nations have been constrained to employ.

Page 1639

Following close upon the rendition of the award of my predecessor as arbitrator of the claim of the Italian subject Cerruti against the Republic of Colombia, differences arose between the parties to the arbitration in regard to the scope and extension of the award, of which certain articles were contested by Colombia, while Italy claimed their literal fulfillment. The award having been made by the President of the United States, as an act of friendly consideration and with the sole view to an impartial composition of the matter in dispute, I could not but feel deep concern at such a miscarriage, and while unable to accept the Colombian theory that I, in my official capacity, possessed continuing functions as arbitrator, with power to interpret or revise the terms of the award, my best efforts were lent to bring the parties to a harmonious agreement as to the execution of its provisions.

A naval demonstration by Italy resulted in an engagement to pay the liabilities claimed upon their ascertainment; but this apparent disposition of the controversy was followed by a rupture of diplomatic intercourse between Colombia and Italy, which still continues, although, fortunately, without acute symptoms having supervened. Notwithstanding this, efforts are reported to be continuing for the ascertainment of Colombia's contingent liability on account of Cerruti's debts under the fifth article of the award.

A claim of an American citizen against the Dominican Republic for a public bridge over the Ozama River, which has been in diplomatic controversy for several years, has been settled by expert arbitration and an award in favor of the claimant amounting to about $90,000. It, however, remains unpaid, despite urgent demands for its settlement according to the terms of the compact.

There is now every prospect that the participation of the United States in the Universal Exposition to be held in Paris in 1900 will be on a scale commensurate with the advanced position held by our products and industries in the world's chief marts.

The preliminary report of Mr. Moses P. Handy, who, under the act approved July 19, 1897, was appointed special commissioner with a view to securing all attainable information necessary to a full and complete understanding by Congress in regard to the participation of this Government in the Paris Exposition, was laid before you by my message of December 6, 1897, and showed the large opportunities opened to make known our national progress in arts, science, and manufactures, as well as the urgent need of immediate and adequate provision to enable due advantage thereof to be taken. Mr. Handy's death soon afterwards rendered it necessary for another to take up and complete his unfinished work, and on January 11 last Mr. Thomas W. Cridler, Third Assistant Secretary of State, was designated to fulfill that task. His report was laid before you by my message of June 14, 1898, with the gratifying

Page 1640

result of awakening renewed interest in the projected display. By a provision in the sundry civil appropriation act of July 1, 1898, a sum not to exceed $650,000 was allotted for the organization of a commission to care for the proper preparation and installation of American exhibits and for the display of suitable exhibits by the several Executive Departments, particularly by the Department of Agriculture, the Fish Commission, and the Smithsonian Institution, in representation of the Government of the United States.

Pursuant to that enactment I appointed Mr. Ferdinand W. Peck, of Chicago, commissioner-general, with an assistant commissioner-general and a secretary. Mr. Peck at once proceeded to Paris, where his success in enlarging the scope and variety of the United States exhibit has been most gratifying. Notwithstanding the comparatively limited area of the exposition site—less than one-half that of the World's Fair at Chicago—the space assigned to the United States has been increased from the absolute allotment of 157,403 square feet reported by Mr. Handy to some 202,000 square feet, with corresponding augmentation of the field for a truly characteristic representation of the various important branches of our country's development. Mr. Peck's report will be laid before you. In my judgment its recommendations will call for your early consideration, especially as regards an increase of the appropriation to at least one million dollars in all, so that not only may the assigned space be fully taken up by the best possible exhibits in every class, but the preparation and installation be on so perfect a scale as to rank among the first in that unparalleled competition of artistic and inventive production, and thus counterbalance the disadvantage with which we start as compared with other countries whose appropriations are on a more generous scale and whose preparations are in a state of much greater forwardness than our own.

Where our artisans have the admitted capacity to excel, where our inventive genius has initiated many of the grandest discoveries of these later days of the century, and where the native resources of our land are as limitless as they are valuable to supply the world's needs, it is our province, as it should be our earnest care, to lead in the march of human progress, and not rest content with any secondary place. Moreover, if this be due to ourselves, it is no less due to the great French nation whose guests we become, and which has in so many ways testified its wish and hope that our participation shall befit the place the two peoples have won in the field of universal development.

The commercial arrangement made with France on the 28th of May, 1898, under the provisions of section 3 of the tariff act of 1897, went into effect on the 1st day of June following. It has relieved a portion of our export trade from serious embarrassment. Further negotiations are now pending under section 4 of the same act with a view to the increase of trade between the two countries to their mutual advantage. Negotiations with other governments, in part interrupted by the war with Spain, are in progress under

both sections of the tariff act. I hope to be able to announce some of the results of these negotiations during the present session of Congress.

Page 1641

Negotiations to the same end with Germany have been set on foot. Meanwhile no effort has been relaxed to convince the Imperial Government of the thoroughness of our inspection of pork products for exportation, and it is trusted that the efficient administration of this measure by the Department of Agriculture will be recognized as a guaranty of the healthfulness of the food staples we send abroad to countries where their use is large and necessary.

I transmitted to the Senate on the 10th of February last information touching the prohibition against the importation of fresh fruits from this country, which had then recently been decreed by Germany on the ground of danger of disseminating the San Jose scale insect. This precautionary measure was justified by Germany on the score of the drastic steps taken in several States of the Union against the spread of the pest, the elaborate reports of the Department of Agriculture being put in evidence to show the danger to German fruit-growing interests should the scale obtain a lodgment in that country. Temporary relief was afforded in the case of large consignments of fruit then on the way by inspection and admission when found noninfected. Later the prohibition was extended to dried fruits of every kind, but was relaxed so as to apply only to unpeeled fruit and fruit waste. As was to be expected, the alarm reached to other countries, and Switzerland has adopted a similar inhibition. Efforts are in progress to induce the German and Swiss Governments to relax the prohibition in favor of dried fruits shown to have been cured under circumstances rendering the existence of animal life impossible.

Our relations with Great Britain have continued on the most friendly footing. Assenting to our request, the protection of Americans and their interests in Spanish jurisdiction was assumed by the diplomatic and consular representatives of Great Britain, who fulfilled their delicate and arduous trust with tact and zeal, eliciting high commendation. I may be allowed to make fitting allusion to the instance of Mr. Ramsden, Her Majesty's consul at Santiago de Cuba, whose untimely death after distinguished service and untiring effort during the siege of that city was sincerely lamented.

In the early part of April last, pursuant to a request made at the instance of the Secretary of State by the British ambassador at this capital, the Canadian government granted facilities for the passage of four United States revenue cutters from the Great Lakes to the Atlantic coast by way of the Canadian canals and the St. Lawrence River. The vessels had reached Lake Ontario and were there awaiting the opening of navigation when war was declared between the United States and Spain. Her Majesty's Government thereupon, by a communication of the latter part of April, stated that the permission granted before the outbreak of hostilities would not be withdrawn provided the United States Government gave assurance that the vessels in question would proceed direct to a United States port without engaging in any hostile operation. This Government promptly agreed to the stipulated condition, it being understood that the vessels would not be prohibited from resisting any hostile attack.

Page 1642

It will give me especial satisfaction if I shall be authorized to communicate to you a favorable conclusion of the pending negotiations with Great Britain in respect to the Dominion of Canada. It is the earnest wish of this Government to remove all sources of discord and irritation in our relations with the neighboring Dominion. The trade between the two countries is constantly increasing, and it is important to both countries that all reasonable facilities should be granted for its development.

The Government of Greece strongly urges the onerousness of the duty here imposed upon the currants of that country, amounting to 100 per cent or more of their market value. This fruit is stated to be exclusively a Greek product, not coming into competition with any domestic product. The question of reciprocal commercial relations with Greece, including the restoration of currants to the free list, is under consideration.

The long-standing claim of Bernard Campbell for damages for injuries sustained from a violent assault committed against him by military authorities in the island of Haiti has been settled by the agreement of that Republic to pay him $10,000 in American gold. Of this sum $5,000 has already been paid. It is hoped that other pending claims of American citizens against that Republic may be amicably adjusted.

Pending the consideration by the Senate of the treaty signed June 1897, by the plenipotentiaries of the United States and of the Republic of Hawaii, providing for the annexation of the islands, a joint resolution to accomplish the same purpose by accepting the offered cession and incorporating the ceded territory into the Union was adopted by the Congress and approved July 7, 1898. I thereupon directed the United States steamship Philadelphia to convey Rear-Admiral Miller to Honolulu, and intrusted to his hands this important legislative act, to be delivered to the President of the Republic of Hawaii, with whom the Admiral and the United States minister were authorized to make appropriate arrangements for transferring the sovereignty of the islands to the United States. This was simply but impressively accomplished on the 12th of August last by the delivery of a certified copy of the resolution to President Dole, who thereupon yielded up to the representative of the Government of the United States the sovereignty and public property of the Hawaiian Islands.

Pursuant to the terms of the joint resolution and in exercise of the authority thereby conferred upon me, I directed that the civil, judicial, and military powers theretofore exercised by the officers of the Government of the Republic of Hawaii should continue to be exercised by those officers until Congress shall provide a government for the incorporated territory, subject to my power to remove such officers and to fill vacancies. The President, officers, and troops of the Republic thereupon took the oath of allegiance to the United States, thus providing for the uninterrupted continuance of all the administrative and municipal functions of the annexed territory until Congress shall otherwise enact.

Page 1643

Following the further provision of the joint resolution, I appointed the Hons. Shelby M. Cullom, of Illinois, John T. Morgan, of Alabama, Robert R. Hitt, of Illinois, Sanford B. Dole, of Hawaii, and Walter F. Frear, of Hawaii, as commissioners to confer and recommend to Congress such legislation concerning the Hawaiian Islands as they should deem necessary or proper. The commissioners having fulfilled the mission confided to them, their report will be laid before you at an early day. It is believed that their recommendations will have the earnest consideration due to the magnitude of the responsibility resting upon you to give such shape to the relationship of those mid-Pacific lands to our home Union as will benefit both in the highest degree, realizing the aspirations of the community that has cast its lot with us and elected to share our political heritage, while at the same time justifying the foresight of those who for three-quarters of a century have looked to the assimilation of Hawaii as a natural and inevitable consummation, in harmony with our needs and in fulfillment of our cherished traditions.

The questions heretofore pending between Hawaii and Japan growing out of the alleged mistreatment of Japanese treaty immigrants were, I am pleased to say, adjusted before the act of transfer by the payment of a reasonable indemnity to the Government of Japan.

Under the provisions of the joint resolution, the existing customs relations of the Hawaiian Islands with the United States and with other countries remain unchanged until legislation shall otherwise provide. The consuls of Hawaii here and in foreign countries continue to fulfill their commercial agencies, while the United States consulate at Honolulu is maintained for all appropriate services pertaining to trade and the revenue. It would be desirable that all foreign consuls in the Hawaiian Islands should receive new exequaturs from this Government.

The attention of Congress is called to the fact that, our consular offices having ceased to exist in Hawaii and being about to cease in other countries coming under the sovereignty of the United States, the provisions for the relief and transportation of destitute American seamen in these countries under our consular regulations will in consequence terminate. It is proper, therefore, that new legislation should be enacted upon this subject in order to meet the changed conditions.

The interpretation of certain provisions of the extradition convention of December 11, 1861, has been at various times the occasion of controversy with the Government of Mexico. An acute difference arose in the case of the Mexican demand for the delivery of Jesus Guerra, who, having led a marauding expedition near the border with the proclaimed purpose of initiating an insurrection against President Diaz, escaped into Texas. Extradition was refused on the ground that the alleged offense was political in its character, and therefore came

Page 1644

within the treaty proviso of nonsurrender. The Mexican contention was that the exception only related to purely political offenses, and that as Guerra's acts were admixed with the common crime of murder, arson, kidnaping, and robbery, the option of nondelivery became void, a position which this Government was unable to admit in view of the received international doctrine and practice in the matter. The Mexican Government, in view of this, gave notice January 24, 1898, of the termination of the convention, to take effect twelve months from that date, at the same time inviting the conclusion of a new convention, toward which negotiations are on foot.

In this relation I may refer to the necessity of some amendment of our existing extradition statute. It is a common stipulation of such treaties that neither party shall be bound to give up its own citizens, with the added proviso in one of our treaties, that with Japan, that it may surrender if it see fit. It is held in this country by an almost uniform course of decisions that where a treaty negatives the obligation to surrender the President is not invested with legal authority to act. The conferment of such authority would be in the line of that sound morality which shrinks from affording secure asylum to the author of a heinous crime. Again, statutory provision might well be made for what is styled extradition by way of transit, whereby a fugitive surrendered by one foreign government to another may be conveyed across the territory of the United States to the jurisdiction of the demanding state. A recommendation in this behalf made in the President's message of 1886 was not acted upon. The matter is presented for your consideration.

The problem of the Mexican free zone has been often discussed with regard to its inconvenience as a provocative of smuggling into the United States along an extensive and thinly guarded land border. The effort made by the joint resolution of March 1, 1895, to remedy the abuse charged by suspending the privilege of free transportation in bond across the territory of the United States to Mexico failed of good result, as is stated in Report No. 702 of the House of Representatives, submitted in the last session, March 11, 1898. As the question is one to be conveniently met by wise concurrent legislation of the two countries looking to the protection of the revenues by harmonious measures operating equally on either side of the boundary, rather than by conventional arrangements, I suggest that Congress consider the advisability of authorizing and inviting a conference of representatives of the Treasury Departments of the United States and Mexico to consider the subject in all its complex bearings, and make report with pertinent recommendations to the respective Governments for the information and consideration of their Congresses.

Page 1645

The Mexican Water Boundary Commission has adjusted all matters submitted to it to the satisfaction of both Governments save in three important cases—that of the "Chamizal" at El Paso, Tex., where the two commissioners failed to agree, and wherein, for this case only, this Government has proposed to Mexico the addition of a third member; the proposed elimination of what are known as "Bancos," small isolated islands formed by the cutting off of bends in the Rio Grande, from the operation of the treaties of 1884 and 1889, recommended by the commissioners and approved by this Government, but still under consideration by Mexico; and the subject of the "Equitable distribution of the waters of the Rio Grande," for which the commissioners recommended an international dam and reservoir, approved by Mexico, but still under consideration by this Government. Pending these questions it is necessary to extend the life of the commission, which expires December 23 next.

The coronation of the young Queen of the Netherlands was made the occasion of fitting congratulations.

The claim of Victor H. McCord against Peru, which for a number of years has been pressed by this Government and has on several occasions attracted the attention of the Congress, has been satisfactorily adjusted. A protocol was signed May 17, 1898, whereby, the fact of liability being admitted, the question of the amount to be awarded was submitted to the chief justice of Canada as sole arbitrator. His award sets the indemnity due the claimant at $40,000.

The Government of Peru has given the prescribed notification of its intention to abrogate the treaty of friendship, commerce, and navigation concluded with this country August 31, 1887. As that treaty contains many important provisions necessary to the maintenance of commerce and good relations, which could with difficulty be replaced by the negotiation of renewed provisions within the brief twelve months intervening before the treaty terminates, I have invited suggestions by Peru as to the particular provisions it is desired to annul, in the hope of reaching an arrangement whereby the remaining articles may be provisionally saved.

His Majesty the Czar having announced his purpose to raise the Imperial Russian mission at this capital to the rank of an embassy, I responded, under the authority conferred by the act of March 3, 1893, by commissioning and accrediting the actual representative at St. Petersburg in the capacity of ambassador extraordinary and plenipotentiary. The Russian ambassador to this country has since presented his credentials.

Page 1646

The proposal of the Czar for a general reduction of the vast military establishments that weigh so heavily upon many peoples in time of peace was communicated to this Government with an earnest invitation to be represented in the conference which it is contemplated to assemble with a view to discussing the means of accomplishing so desirable a result. His Majesty was at once informed of the cordial sympathy of this Government with the principle involved in his exalted proposal and of the readiness of the United States to take part in the conference. The active military force of the United States, as measured by our population, territorial area, and taxable wealth, is, and under any conceivable prospective conditions must continue to be, in time of peace so conspicuously less than that of the armed powers to whom the Czar's appeal is especially addressed that the question can have for us no practical importance save as marking an auspicious step toward the betterment of the condition of the modern peoples and the cultivation of peace and good will among them; but in this view it behooves us as a nation to lend countenance and aid to the beneficent project.

The claims of owners of American sealing vessels for seizure by Russian cruisers in Bering Sea are being pressed to a settlement. The equities of the cases justify the expectation that a measure of reparation will eventually be accorded in harmony with precedent and in the light of the proven facts.

The recommendation made in my special message of April 27 last is renewed, that appropriation be made to reimburse the master and owners of the Russian bark Hans for wrongful arrest of the master and detention of the vessel in February, 1896, by officers of the United States district court for the southern district of Mississippi. The papers accompanying my said message make out a most meritorious claim and justify the urgency with which it has been presented by the Government of Russia.

Malietoa Laupepa, King of Samoa, died on August 22 last. According to Article I of the general act of Berlin, "his successor shall be duly elected according to the laws and customs of Samoa."

Arrangements having been agreed upon between the signatories of the general act for the return of Mataafa and the other exiled Samoan chiefs, they were brought from Jaluit by a German war vessel and landed at Apia on September 18 last.

Whether the death of Malietoa and the return of his old-time rival Mataafa will add to the undesirable complications which the execution of the tripartite general act has heretofore developed remains to be seen. The efforts of this Government will, as heretofore, be addressed toward a harmonious and exact fulfillment of the terms of the international engagement to which the United States became a party in 1889.

The Cheek claim against Siam, after some five years of controversy, has been adjusted by arbitration under an agreement signed July 6, 1897, an award of 706,721 ticals (about $187,987.78), with release of the Cheek estate from mortgage claims, having

been rendered March 21, 1898, in favor of the claimant by the arbitrator, Sir Nicholas John Hannen, British chief justice for China and Japan.

Page 1647

An envoy from Siam has been accredited to this Government and has presented his credentials.

Immediately upon the outbreak of the war with Spain the Swiss Government, fulfilling the high mission it has deservedly assumed as the patron of the International Red Cross, proposed to the United States and Spain that they should severally recognize and carry into execution, as a modus vivendi, during the continuance of hostilities, the additional articles proposed by the international conference of Geneva, October 20, 1868, extending the effects of the existing Red Cross convention of 1864 to the conduct of naval war. Following the example set by France and Germany in 1870 in adopting such a modus vivendi, and in view of the accession of the United States to those additional articles in 1882, although the exchange of ratifications thereof still remained uneffected, the Swiss proposal was promptly and cordially accepted by us, and simultaneously by Spain.

This Government feels a keen satisfaction in having thus been enabled to testify its adherence to the broadest principles of humanity even amidst the clash of war, and it is to be hoped that the extension of the Red Cross compact to hostilities by sea as well as on land may soon become an accomplished fact through the general promulgation of the additional naval Red Cross articles by the maritime powers now parties to the convention of 1864.

The important question of the claim of Switzerland to the perpetual cantonal allegiance of American citizens of Swiss origin has not made hopeful progress toward a solution, and controversies in this regard still continue.

The newly accredited envoy of the United States to the Ottoman Porte carries instructions looking to the disposal of matters in controversy with Turkey for a number of years. He is especially charged to press for a just settlement of our claims for indemnity by reason of the destruction of the property of American missionaries resident in that country during the Armenian troubles of 1895, as well as for the recognition of older claims of equal justness.

He is also instructed to seek an adjustment of the dispute growing out of the refusal of Turkey to recognize the acquired citizenship of Ottoman-born persons naturalized in the United States since 1869 without prior imperial consent, and in the same general relation he is directed to endeavor to bring about a solution of the question which has more or less acutely existed since 1869 concerning the jurisdictional rights of the United States in matters of criminal procedure and punishment under Article IV of the treaty of 1830. This latter difficulty grows out of a verbal difference, claimed by Turkey to be essential, between the original Turkish text and the promulgated translation.

After more than two years from the appointment of a consul of this country to Erzerum, he has received his exequatur.

Page 1648

The arbitral tribunal appointed under the treaty of February 2, 1897, between Great Britain and Venezuela, to determine the boundary line between the latter and the colony of British Guiana, is to convene at Paris during the present month. It is a source of much gratification to this Government to see the friendly resort of arbitration applied to the settlement of this controversy, not alone because of the earnest part we have had in bringing about the result, but also because the two members named on behalf of Venezuela, Mr. Chief Justice Fuller and Mr. Justice Brewer, chosen from our highest court, appropriately testify the continuing interest we feel in the definitive adjustment of the question according to the strictest rules of justice. The British members, Lord Herschell and Sir Richard Collins, are jurists of no less exalted repute, while the fifth member and president of the tribunal, M. F. De Martens, has earned a world-wide reputation as an authority upon international law.

The claim of Felipe Scandella against Venezuela for arbitrary expulsion and injury to his business has been adjusted by the revocation of the order of expulsion and by the payment of the sum of $16,000.

I have the satisfaction of being able to state that the Bureau of the American Republics, created in 1890 as the organ for promoting commercial intercourse and fraternal relations among the countries of the Western Hemisphere, has become a more efficient instrument of the wise purposes of its founders, and is receiving the cordial support of the contributing members of the international union which are actually represented in its board of management. A commercial directory, in two volumes, containing a mass of statistical matter descriptive of the industrial and commercial interests of the various countries, has been printed in English, Spanish, Portuguese, and French, and a monthly bulletin published in these four languages and distributed in the Latin-American countries as well as in the United States has proved to be a valuable medium for disseminating information and furthering the varied interests of the international union.

During the past year the important work of collecting information of practical benefit to American industries and trade through the agency of the diplomatic and consular officers has been steadily advanced, and in order to lay such data before the public with the least delay the practice was begun in January, 1898, of issuing the commercial reports from day to day as they are received by the Department of State. It is believed that for promptitude as well as fullness of information the service thus supplied to our merchants and manufacturers will be found to show sensible improvement and to merit the liberal support of Congress.

Page 1649

The experiences of the last year bring forcibly home to us a sense of the burdens and the waste of war. We desire, in common with most civilized nations, to reduce to the lowest possible point the damage sustained in time of war by peaceable trade and commerce. It is true we may suffer in such cases less than other communities, but all nations are damaged more or less by the state of uneasiness and apprehension into which an outbreak of hostilities throws the entire commercial world. It should be our object, therefore, to minimize, so far as practicable, this inevitable loss and disturbance. This purpose can probably best be accomplished by an international agreement to regard all private property at sea as exempt from capture or destruction by the forces of belligerent powers. The United States Government has for many years advocated this humane and beneficent principle, and is now in position to recommend it to other powers without the imputation of selfish motives. I therefore suggest for your consideration that the Executive be authorized to correspond with the governments of the principal maritime powers with a view of incorporating into the permanent law of civilized nations the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerent powers.

The Secretary of the Treasury reports that the receipts of the Government from all sources during the fiscal year ended June 30, 1898, including $64,751,223 received from sale of Pacific railroads, amounted to $405,321,335, and its expenditures to $443,168,582. There was collected from customs $149,575,062 and from internal revenue $170,900,641. Our dutiable imports amounted to $324,635,479, a decrease of $58,156,690 over the preceding year, and importations free of duty amounted to $291,414,175, a decrease from the preceding year of $90,524,068. Internal-revenue receipts exceeded those of the preceding year by $24,212,067.

The total tax collected on distilled spirits was $92,546,999; on manufactured tobacco, $36,230,522, and on fermented liquors, $39,515,421. We exported merchandise during the year amounting to $1,231,482,330, an increase of $180,488,774 from the preceding year.

It is estimated upon the basis of present revenue laws that the receipts of the Government for the year ending June 30, 1899, will be $577,874,647, and its expenditures $689,874,647, resulting in a deficiency of $112,000,000.

On the 1st of December, 1898, there was held in the Treasury gold coin amounting to $138,441,547, gold bullion amounting to $138,502,545, silver bullion amounting to $93,359,250, and other forms of money amounting to $451,963,981.

On the same date the amount of money of all kinds in circulation, or not included in Treasury holdings, was $1,886,879,504, an increase for the year of $165,794,966. Estimating our population at 75,194,000 at the time mentioned, the per capita circulation was $25.09. On the same date there was in the Treasury gold bullion amounting to $138,502,545.

Page 1650

The provisions made for strengthening the resources of the Treasury in connection with the war have given increased confidence in the purpose and power of the Government to maintain the present standard, and have established more firmly than ever the national credit at home and abroad. A marked evidence of this is found in the inflow of gold to the Treasury. Its net gold holdings on November 1, 1898, were $239,885,162 as compared with $153,573,147 on November 1, 1897, and an increase of net cash of $207,756,100, November 1, 1897, to $300,238,275, November 1, 1898. The present ratio of net Treasury gold to outstanding Government liabilities, including United States notes, Treasury notes of 1890, silver certificates, currency certificates, standard silver dollars, and fractional silver coin, November 1, 1898, was 25.35 per cent, as compared with 16.96 per cent, November 1, 1897.

I renew so much of my recommendation of December, 1897, as follows: That when any of the United States notes are presented for redemption in gold and are redeemed in gold, such notes shall be kept and set apart and only paid out in exchange for gold. This is an obvious duty. If the holder of the United States note prefers the gold and gets it from the Government, he should not receive back from the Government a United States note without paying gold in exchange for it. The reason for this is made all the more apparent when the Government issues an interest-bearing debt to provide gold for the redemption of United States notes—a non-interest-bearing debt. Surely it should not pay them out again except on demand and for gold. If they are put out in any other way, they may return again, to he followed by another bond issue to redeem them—-another interest-bearing debt to redeem a non-interest-bearing debt. This recommendation was made in the belief that such provisions of law would insure to a greater degree the safety of the present standard, and better protect our currency from the dangers to which it is subjected from a disturbance in the general business conditions of the country.

In my judgment the present condition of the Treasury amply justifies the immediate enactment of the legislation recommended one year ago, under which a portion of the gold holdings should be placed in a trust fund from which greenbacks should be redeemed upon presentation, but when once redeemed should not thereafter be paid out except for gold.

It is not to be inferred that other legislation relating to our currency is not required; on the contrary, there is an obvious demand for it.

The importance of adequate provision which will insure to our future a money standard related as our money standard now is to that of our commercial rivals is generally recognized.

The companion proposition that our domestic paper currency shall be kept safe and yet be so related to the needs of our industries and internal commerce as to be adequate

and responsive to such needs is a proposition scarcely less important. The subject, in all its parts, is commended to the wise consideration of the Congress.

Page 1651

The annexation of Hawaii and the changed relations of the United States to Cuba, Puerto Rico, and the Philippines resulting from the war, compel the prompt adoption of a maritime policy by the United States. There should be established regular and frequent steamship communication, encouraged by the United States, under the American flag, with the newly acquired islands. Spain furnished to its colonies, at an annual cost of about $2,000,000, steamship lines communicating with a portion of the world's markets, as well as with trade centers of the home Government. The United States will not undertake to do less. It is our duty to furnish the people of Hawaii with facilities, under national control, for their export and import trade. It will be conceded that the present situation calls for legislation which shall be prompt, durable, and liberal.

The part which American merchant vessels and their seamen performed in the war with Spain demonstrates that this service, furnishing both pickets and the second line of defense, is a national necessity, and should be encouraged in every constitutional way. Details and methods for the accomplishment of this purpose are discussed in the report of the Secretary of the Treasury, to which the attention of Congress is respectfully invited.

In my last annual message I recommended that Congress authorize the appointment of a commission for the purpose of making systematic investigations with reference to the cause and prevention of yellow fever. This matter has acquired an increased importance as a result of the military occupation of the island of Cuba and the commercial intercourse between this island and the United States which we have every reason to expect. The sanitary problems connected with our new relations with the island of Cuba and the acquisition of Puerto Rico are no less important than those relating to finance, commerce, and administration. It is my earnest desire that these problems may be considered by competent experts and that everything may be done which the most recent advances in sanitary science can offer for the protection of the health of our soldiers in those islands and of our citizens who are exposed to the dangers of infection from the importation of yellow fever. I therefore renew my recommendation that the authority of Congress may be given and a suitable appropriation made to provide for a commission of experts to be appointed for the purpose indicated.

Under the act of Congress approved April 26, 1898, authorizing the President in his discretion, "upon a declaration of war by Congress, or a declaration by Congress that war exists," I directed the increase of the Regular Army to the maximum of 62,000, authorized in said act.

There are now in the Regular Army 57,862 officers and men. In said act it was provided —

Page 1652

That at the end of any war in which the United States may become involved the Army shall be reduced to a peace basis by the transfer in the same arm of the service or absorption by promotion or honorable discharge, under such regulations as the Secretary of War may establish, of supernumerary commissioned officers and the honorable discharge or transfer of supernumerary enlisted men; and nothing contained in this act shall be construed as authorizing the permanent increase of the commissioned or enlisted force of the Regular Army beyond that now provided by the law in force prior to the passage of this act, except as to the increase of twenty-five majors provided for in section 1 hereof. The importance of legislation for the permanent increase of the Army is therefore manifest, and the recommendation of the Secretary of War for that purpose has my unqualified approval. There can be no question that at this time, and probably for some time in the future, 100,000 men will be none too many to meet the necessities of the situation. At all events, whether that number shall be required permanently or not, the power should be given to the President to enlist that force if in his discretion it should be necessary; and the further discretion should be given him to recruit for the Army within the above limit from the inhabitants of the islands with the government of which we are charged. It is my purpose to muster out the entire Volunteer Army as soon as the Congress shall provide for the increase of the regular establishment. This will be only an act of justice and will be much appreciated by the brave men who left their homes and employments to help the country in its emergency.

In my last annual message I stated: The Union Pacific Railway, main line, was sold under the decree of the United States court for the district of Nebraska on the 1st and 2d of November of this year. The amount due the Government consisted of the principal of the subsidy bonds, $27,236,512, and the accrued interest thereon, $31,211,711.75, making the total indebtedness $58,448,223.75. The bid at the sale covered the first-mortgage lien and the entire mortgage claim of the Government, principal and interest. This left the Kansas Pacific case unconcluded. By a decree of the court in that case an upset price for the property was fixed at a sum which would yield to the Government only $2,500,000 upon its lien. The sale, at the instance of the Government, was postponed first to December 15, 1897, and later, upon the application of the United States, was postponed to the 16th day of February, 1898.

Page 1653

Having satisfied myself that the interests of the Government required that an effort should be made to obtain a larger sum, I directed the Secretary of the Treasury, under the act passed March 3, 1887, to pay out of the Treasury to the persons entitled to receive the same the amounts due upon all prior mortgages upon the Eastern and Middle divisions of said railroad out of any money in the Treasury not otherwise appropriated, whereupon the Attorney-General prepared a petition to be presented to the court, offering to redeem said prior liens in such manner as the court might direct, and praying that thereupon the United States might be held to be subrogated to all the rights of said prior lien holders and that a receiver might be appointed to take possession of the mortgaged premises and maintain and operate the same until the court or Congress otherwise directed. Thereupon the reorganization committee agreed that if said petition was withdrawn and the sale allowed to proceed on the 16th of February, 1898, they would bid a sum at the sale which would realize to the Government the entire principal of its debt, $6,303,000.

Believing that no better price could be obtained and appreciating the difficulties under which the Government would labor if it should become the purchaser of the road at the sale, in the absence of any authority by Congress to take charge of and operate the road I directed that upon the guaranty of a minimum bid which should give the Government the principal of its debt the sale should proceed. By this transaction the Government secured an advance of $3,803,000 over and above the sum which the court had fixed as the upset price, and which the reorganization committee had declared was the maximum which they would pay for the property.

It is a gratifying fact that the result of these proceedings against the Union Pacific system and the Kansas Pacific line is that the Government has received on account of its subsidy claim the sum of $64,751,223.75, an increase of $18,997,163.76 over the sum which the reorganization committee originally agreed to bid for the joint property, the Government receiving its whole claim, principal and interest, on the Union Pacific, and the principal of its debt on the Kansas Pacific Railroad.

Steps had been taken to foreclose the Government's lien upon the Central Pacific Railroad Company, but before action was commenced Congress passed an act, approved July 7, 1898, creating a commission consisting of the Secretary of the Treasury, the Attorney-General, and the Secretary of the Interior, and their successors in office, with full power to settle the indebtedness to the Government growing out of the issue of bonds in aid of the construction of the Central Pacific and Western Pacific bond-aided railroads, subject to the approval of the President.

No report has yet been made to me by the commission thus created. Whatever action is had looking to a settlement of the indebtedness in accordance with the act referred to will be duly submitted to the Congress.

Page 1654

I deem it my duty to call to the attention of Congress the condition of the present building occupied by the Department of Justice. The business of that Department has increased very greatly since it was established in its present quarters. The building now occupied by it is neither large enough nor of suitable arrangement for the proper accommodation of the business of the Department. The Supervising Architect has pronounced it unsafe and unsuited for the use to which it is put. The Attorney-General in his report states that the library of the Department is upon the fourth floor, and that all the space allotted to it is so crowded with books as to dangerously overload the structure. The first floor is occupied by the Court of Claims. The building is of an old and dilapidated appearance, unsuited to the dignity which should attach to this important Department.

A proper regard for the safety, comfort, and convenience of the officers and employees would justify the expenditure of a liberal sum of money in the erection of a new building of commodious proportions and handsome appearance upon the very advantageous site already secured for that purpose, including the ground occupied by the present structure and adjoining vacant lot, comprising in all a frontage of 201 feet on Pennsylvania avenue and a depth of 136 feet.

In this connection I may likewise refer to the inadequate accommodations provided for the Supreme Court in the Capitol, and suggest the wisdom of making provision for the erection of a separate building for the court and its officers and library upon available ground near the Capitol.

The postal service of the country advances with extraordinary growth. Within twenty years both the revenues and the expenditures of the Post-Office Department have multiplied threefold. In the last ten years they have nearly doubled. Our postal business grows much more rapidly than our population. It now involves an expenditure of $100,000,000 a year, numbers 73,000 post-offices, and enrolls 200,000 employees. This remarkable extension of a service which is an accurate index of the public conditions presents gratifying evidence of the advancement of education, of the increase of communication and business activity, and of the improvement of mail facilities leading to their constantly augmenting use.

The war with Spain laid new and exceptional labors on the Post-Office Department. The mustering of the military and naval forces of the United States required special mail arrangements for every camp and every campaign. The communication between home and camp was naturally eager and expectant. In some of the larger places of rendezvous as many as 50,000 letters a day required handling. This necessity was met by the prompt detail and dispatch of experienced men from the established force and by directing all the instrumentalities of the railway mail and post-office service, so far as necessary, to this new need. Congress passed an act empowering the postmaster-General to establish offices or branches at every military camp or station, and under this authority the postal machinery was speedily put into effective operation.

Page 1655

Under the same authority, when our forces moved upon Cuba, Puerto Rico, and the Philippines they were attended and followed by the postal service. Though the act of Congress authorized the appointment of postmasters where necessary, it was early determined that the public interests would best be subserved, not by new designations, but by the detail of experienced men familiar with every branch of the service, and this policy was steadily followed. When the territory which was the theater of conflict came into our possession, it became necessary to reestablish mail facilities for the resident population as well as to provide them for our forces of occupation, and the former requirement was met through the extension and application of the latter obligation. I gave the requisite authority, and the same general principle was applied to this as to other branches of civil administration under military occupation. The details are more particularly given in the report of the postmaster-General, and, while the work is only just begun, it is pleasing to be able to say that the service in the territory which has come under our control is already materially improved.

The following recommendations of the Secretary of the Navy relative to the increase of the Navy have my earnest approval:

1. Three seagoing sheathed and coppered battle ships of about 13,500 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action. Estimated cost, exclusive of armor and armament, $3,600,000 each.

2. Three sheathed and coppered armored cruisers of about 12,000 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action. Estimated cost, exclusive of armor and armament, $4,000,000 each.

3. Three sheathed and coppered protected cruisers of about 6,000 tons trial displacement, to have the highest practicable speed and great radius of action, and to carry the most powerful ordnance suitable for vessels of their class. Estimated cost, exclusive of armor and armament, $2,150,000 each.

4. Six sheathed and coppered cruisers of about 2,500 tons trial displacement, to have the highest speed compatible with good cruising qualities, great radius of action, and to carry the most powerful ordnance suited to vessels of their class. Estimated cost, exclusive of armament, $1,141,800 each.

I join with the Secretary of the Navy in recommending that grades of admiral and vice-admiral be temporarily revived, to be filled by officers who have specially distinguished themselves in the war with Spain.

I earnestly urge upon Congress the importance of early legislation providing for the taking of the Twelfth Census. This is necessary in view of the large amount of work

which must be performed in the preparation of the schedules preparatory to the enumeration of the population.

Page 1656

There were on the pension rolls on June 30, 1898, 993,714 names, an increase of nearly 18,000 over the number on the rolls on the same day of the preceding year. The amount appropriated by the act of December 22, 1896, for the payment of pensions for the fiscal year of 1898 was $140,000,000. Eight million seventy thousand eight hundred and seventy-two dollars and forty-six cents was appropriated by the act of March 31, 1898, to cover deficiencies in army pensions, and repayments in the sum of $12,020.33, making a total of $148,082,892.79 available for the payment of pensions during the fiscal year 1898. The amount disbursed from that sum was $144,651,879.80, leaving a balance of $3,431,012.99 unexpended on the 30th of June, 1898, which was covered into the Treasury. There were 389 names added to the rolls during the year by special acts passed at the second session of the Fifty-fifth Congress, making a total of 6,486 pensioners by Congressional enactments since 1861.

The total receipts of the Patent Office during the past year were $1,253,948.44. The expenditures were $1,081,633.79, leaving a surplus of $172,314.65.

The public lands disposed of by the Government during the year reached 8,453,896.92 acres, an increase of 614,780.26 acres over the previous year. The total receipts from public lands during the fiscal year amounted to $2,277,995.18, an increase of $190,063.90 over the preceding year. The lands embraced in the eleven forest reservations which were suspended by the act of June 4, 1897, again became subject to the operations of the proclamations of February 22, 1897, creating them, which added an estimated amount of 19,951,360 acres to the area embraced in the reserves previously created. In addition thereto two new reserves were created during the year —the Pine Mountain and Zaca Lake Reserve, in California, embracing 1,644,594 acres, and the Prescott Reserve, in Arizona, embracing 10,240 acres—while the Pecos River Reserve, in New Mexico, has been changed and enlarged to include 120,000 additional acres.

At the close of the year thirty forest reservations, not including those of the Afognak Forest and the Fish-Culture Reserve, in Alaska, had been created by Executive proclamations under section 24 of the act of March 3, 1891, embracing an estimated area of 40,719,474 acres.

The Department of the Interior has inaugurated a forest system, made possible by the act of July, 1898, for a graded force of officers in control of the reserves. This system has only been in full operation since August, but good results have already been secured in many sections. The reports received indicate that the system of patrol has not only prevented destructive fires from gaining headway, but has diminished the number of fires.

The special attention of the Congress is called to that part of the report of the Secretary of the Interior in relation to the Five Civilized Tribes. It is noteworthy that the general condition of the Indians shows marked progress. But one outbreak of a serious

character occurred during the year, and that among the Chippewa Indians of Minnesota, which happily has been suppressed.

Page 1657

While it has not yet been practicable to enforce all the provisions of the act of June 28, 1898, “for the protection of the people of the Indian Territory, and for other purposes,” it is having a salutary effect upon the nations composing the five tribes. The Dawes Commission reports that the most gratifying results and greater advance toward the attainment of the objects of the Government have been secured in the past year than in any previous year. I can not too strongly indorse the recommendation of the commission and of the Secretary of the Interior for the necessity of providing for the education of the 30,000 white children resident in the Indian Territory.

The Department of Agriculture has been active in the past year. Explorers have been sent to many of the countries of the Eastern and Western hemispheres for seeds and plants that may be useful to the United States, and with the further view of opening up markets for our surplus products. The Forestry Division of the Department is giving special attention to the treeless regions of our country and is introducing species specially adapted to semiarid regions. Forest fires, which seriously interfere with production, especially in irrigated regions, are being studied, that losses from this cause may be avoided. The Department is inquiring into the use and abuse of water in many States of the West, and collating information regarding the laws of the States, the decisions of the courts, and the customs of the people in this regard, so that uniformity may be secured. Experiment stations are becoming more effective every year. The annual appropriation of $720,000 by Congress is supplemented by $400,000 from the States. Nation-wide experiments have been conducted to ascertain the suitableness as to soil and climate and States for growing sugar beets. The number of sugar factories has been doubled in the past two years, and the ability of the United States to produce its own sugar from this source has been clearly demonstrated.

The Weather Bureau forecast and observation stations have been extended around the Caribbean Sea, to give early warning of the approach of hurricanes from the south seas to our fleets and merchant marine.

In the year 1900 will occur the centennial anniversary of the founding of the city of Washington for the permanent capital of the Government of the United States by authority of an act of Congress approved July 16, 1790. In May, 1800, the archives and general offices of the Federal Government were removed to this place. On the 17th of November, 1800, the National Congress met here for the first time and assumed exclusive control of the Federal district and city. This interesting event assumes all the more significance when we recall the circumstances attending the choosing of the site, the naming of the capital in honor of the Father of his Country, and the interest taken by him in the adoption of plans for its future development on a magnificent scale.

Page 1658

These original plans have been wrought out with a constant progress and a signal success even beyond anything their framers could have foreseen. The people of the country are justly proud of the distinctive beauty and government of the capital and of the rare instruments of science and education which here find their natural home.

A movement lately inaugurated by the citizens to have the anniversary celebrated with fitting ceremonies, including, perhaps, the establishment of a handsome permanent memorial to mark so historical an occasion and to give it more than local recognition, has met with general favor on the part of the public.

I recommend to the Congress the granting of an appropriation for this purpose and the appointment of a committee from its respective bodies. It might also be advisable to authorize the President to appoint a committee from the country at large, which, acting with the Congressional and District of Columbia committees, can complete the plans for an appropriate national celebration.

The alien contract law is shown by experience to need some amendment; a measure providing better protection for seamen is proposed; the rightful application of the eight-hour law for the benefit of labor and of the principle of arbitration are suggested for consideration; and I commend these subjects to the careful attention of the Congress.

The several departmental reports will be laid before you. They give in great detail the conduct of the affairs of the Government during the past year and discuss many questions upon which the Congress may feel called upon to act.

***

State of the Union Address
William McKinley
December 5, 1899

To the Senate and House of Representatives:

At the threshold of your deliberations you are called to mourn with your countrymen the death of Vice-President Hobart, who passed from this life on the morning of November 21 last. His great soul now rests in eternal peace. His private life was pure and elevated, while his public career was ever distinguished by large capacity, stainless integrity, and exalted motives. He has been removed from the high office which he honored and dignified, but his lofty character, his devotion to duty, his honesty of purpose, and noble virtues remain with us as a priceless legacy and example.

The Fifty-sixth Congress convenes in its first regular session with the country in a condition of unusual prosperity, of universal good will among the people at home, and in relations of peace and friendship with every government of the world. Our foreign

commerce has shown great increase in volume and value. The combined imports and exports for the year are the largest ever shown by a single year in all our history. Our exports for 1899 alone exceeded by more than a billion dollars our imports and exports combined in 1870. The imports per capita are 20 per cent less than in 1870, while the exports per capita are 58 per cent more than in 1870, showing the enlarged capacity of the United States to satisfy the wants of its own increasing population, as well as to contribute to those of the peoples of other nations.

Page 1659

Exports of agricultural products were $784,776,142. Of manufactured products we exported in value $339,592,146, being larger than any previous year. It is a noteworthy fact that the only years in all our history when the products of our manufactories sold abroad exceeded those bought abroad were 1898 and 1899.

Government receipts from all sources for the fiscal year ended June 30, 1899, including $11,798,314,14, part payment of the Central Pacific Railroad indebtedness, aggregated $610,982,004.35. Customs receipts were $206,128,481.75, and those from internal revenue $273,437,161.51.

For the fiscal year the expenditures were $700,093,564.02, leaving a deficit of $89,111,559.67.

The Secretary of the Treasury estimates that the receipts for the current fiscal year will aggregate $640,958,112, and upon the basis of present appropriations the expenditures will aggregate $600,958,112, leaving a surplus of $40,000,000.

For the fiscal year ended June 30, 1899, the internal-revenue receipts were increased about $100,000,000.

The present gratifying strength of the Treasury is shown by the fact that on December 1, 1899, the available cash balance was $278,004,837.72, Of which $239,744,905.36 was in gold coin and bullion. The conditions of confidence which prevail throughout the country have brought gold into more general use and customs receipts are now almost entirely paid in that coin.

The strong position of the Treasury with respect to cash on hand and the favorable showing made by the revenues have made it possible for the Secretary of the Treasury to take action under the provisions of section 3694, Revised Statutes, relating to the sinking fund. Receipts exceeded expenditures for the first five months of the current fiscal year by $13,413,389.91, and, as mentioned above, the Secretary of the Treasury estimates that there will be a surplus of approximately $40,000,000 at the end of the year. Under such conditions it was deemed advisable and proper to resume compliance with the provisions of the sinking-fund law, which for eight years has not been done because of deficiencies in the revenues. The Treasury Department therefore offered to purchase during November $25,000,000 of the 5 per cent loan of 1904, or the 4 per cent funded loan of 1907, at the current market price. The amount offered and purchased during November was $18,408,600. The premium paid by the Government on such purchases was $2,263,521 and the net saving in interest was about $2,885,000. The success of this operation was sufficient to induce the Government to continue the offer to purchase bonds to and including the 23d day of December, instant, unless the remainder of the $25,000,000 called for should be presented in the meantime for redemption.

Increased activity in industry, with its welcome attendant—a larger employment for labor at higher wages—gives to the body of the people a larger power to absorb the circulating medium. It is further true that year by year, with larger areas of land under cultivation, the increasing volume of agricultural products, cotton, corn, and wheat, calls for a larger volume of money supply. This is especially noticeable at the crop-harvesting and crop-moving period.

Page 1660

In its earlier history the National Banking Act seemed to prove a reasonable avenue through which needful additions to the circulation could from time to time be made. Changing conditions have apparently rendered it now inoperative to that end. The high margin in bond securities required, resulting from large premiums which Government bonds command in the market, or the tax on note issues, or both operating together, appear to be the influences which impair its public utility.

The attention of Congress is respectfully invited to this important matter, with the view of ascertaining whether or not such reasonable modifications can be made in the National Banking Act as will render its service in the particulars here referred to more responsive to the people's needs. I again urge that national banks be authorized to organize with a capital of $25,000.

I urgently recommend that to support the existing gold standard, and to maintain "the parity in value of the coins of the two metals (gold and silver) and the equal power of every dollar at all times in the market and in the payment of debts," the Secretary of the Treasury be given additional power and charged with the duty to sell United States bonds and to employ such other effective means as may be necessary to these ends. The authority should include the power to sell bonds on long and short time, as conditions may require, and should provide for a rate of interest lower than that fixed by the act of January 14, 1875. While there is now no commercial fright which withdraws gold from the Government, but, on the contrary, such widespread confidence that gold seeks the Treasury demanding paper money in exchange, yet the very situation points to the present as the most fitting time to make adequate provision to insure the continuance of the gold standard and of public confidence in the ability and purpose of the Government to meet all its obligations in the money which the civilized world recognizes as the best. The financial transactions of the Government are conducted upon a gold basis. We receive gold when we sell United States bonds and use gold for their payment. We are maintaining the parity of all the money issued or coined by authority of the Government. We are doing these things with the means at hand. Happily at the present time we are not compelled to resort to loans to supply gold. It has been done in the past, however, and may have to be done in the future. It behooves us, therefore, to provide at once the best means to meet the emergency when it arises, and the best means are those which are the most certain and economical. Those now authorized have the virtue neither of directness nor economy. We have already eliminated one of the causes of our financial plight and embarrassment during the years 1893, 1894, 1895, and 1896. Our receipts now equal our expenditures; deficient revenues no longer create alarm Let us remove the only remaining cause by conferring the full and necessary power on the Secretary of the Treasury and impose upon him the duty to uphold the present gold standard and preserve the coins of the two metals on a parity with each other, which is the repeatedly declared policy of the United States.

Page 1661

In this connection I repeat my former recommendations that a portion of the gold holdings shall be placed in a trust fund from which greenbacks shall be redeemed upon presentation, but when once redeemed shall not thereafter be paid out except for gold.

The value of an American merchant marine to the extension of our commercial trade and the strengthening of our power upon the sea invites the immediate action of the Congress. Our national development will be one-sided and unsatisfactory so long as the remarkable growth of our inland industries remains unaccompanied by progress on the seas. There is no lack of constitutional authority for legislation which shall give to the country maritime strength commensurate with its industrial achievements and with its rank among the nations of the earth,

The past year has recorded exceptional activity in our shipyards, and the promises of continual prosperity in shipbuilding are abundant. Advanced legislation for the protection of our seamen has been enacted. Our coast trade, under regulations wisely framed at the beginning of the Government and since, shows results for the past fiscal year unequaled in our records or those of any other power. We shall fail to realize our opportunities, however, if we complacently regard only matters at home and blind ourselves to the necessity of securing our share in the valuable carrying trade of the world.

Last year American vessels transported a smaller share of our exports and imports than during any former year in all our history, and the measure of our dependence upon foreign shipping was painfully manifested to our people. Without any choice of our own, but from necessity, the Departments of the Government charged with military and naval operations in the East and West Indies had to obtain from foreign flags merchant vessels essential for those operations.

The other great nations have not hesitated to adopt the required means to develop their shipping as a factor in national defense and as one of the surest and speediest means of obtaining for their producers a share in foreign markets. Like vigilance and effort on our part cannot fail to improve our situation, which is regarded with humiliation at home and with surprise abroad. Even the seeming sacrifices, which at the beginning may be involved, will be offset later by more than equivalent gains.

The expense is as nothing compared to the advantage to be achieved. The reestablishment of our merchant marine involves in a large measure our continued industrial progress and the extension of our commercial triumphs. I am satisfied the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and upbuild our sea-carrying capacity for the products of agriculture and manufacture; which, with the increase of our Navy, mean more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world.

Page 1662

Combinations of capital organized into trusts to control the conditions of trade among our citizens, to stifle competition, limit production, and determine the prices of products used and consumed by the people, are justly provoking public discussion, and should early claim the attention of the Congress.

The Industrial Commission, created by the act of the Congress of June 18, 1898, has been engaged in extended hearings upon the disputed questions involved in the subject of combinations in restraint of trade and competition. They have not yet completed their investigation of this subject, and the conclusions and recommendations at which they may arrive are undetermined.

The subject is one giving rise to many divergent views as to the nature and variety or cause and extent of the injuries to the public which may result from large combinations concentrating more or less numerous enterprises and establishments, which previously to the formation of the combination were carried on separately.

It is universally conceded that combinations which engross or control the market of any particular kind of merchandise or commodity necessary to the general community, by suppressing natural and ordinary competition, whereby prices are unduly enhanced to the general consumer, are obnoxious not only to the common law but also to the public welfare. There must be a remedy for the evils involved in such organizations. If the present law can be extended more certainly to control or check these monopolies or trusts, it should be done without delay. Whatever power the Congress possesses over this most important subject should be promptly ascertained and asserted.

President Harrison in his annual message of December 3, 1889, says: Earnest attention should be given by Congress to a consideration of the question how far the restraint of those combinations of capital commonly called “trusts” is matter of Federal jurisdiction. When organized, as they often are, to crush out all healthy competition and to monopolize the production or sale of an article of commerce and general necessity they are dangerous conspiracies against the public good, and should be made the subject of prohibitory and even penal legislation. An act to protect trade and commerce against unlawful restraints and monopolies was passed by Congress on the 2d of July, 1890. The provisions of this statute are comprehensive and stringent. It declares every contract or combination, in the form of a trust or otherwise, or conspiracy in the restraint of trade or commerce among the several States or with foreign nations, to be unlawful. It denominates as a criminal every person who makes any such contract or engages in any such combination or conspiracy, and provides a punishment by fine or imprisonment. It invests the several circuit courts of the United States with jurisdiction to prevent and restrain violations of the act, and makes it the duty of the several United

Page 1663

States district attorneys, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. It further confers upon any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by the act, the power to sue therefore in any circuit court of the United States without respect to the amount in controversy, and to recover threefold the damages by him sustained and the costs of the suit, including reasonable attorney fees. It will be perceived that the act is aimed at every kind of combination in the nature of a trust or monopoly in restraint of interstate or international commerce.

The prosecution by the United States of offenses under the act of 1890 has been frequently resorted to in the Federal courts, and notable efforts in the restraint of interstate commerce, such as the Trans-Missouri Freight Association and the joint Traffic Association, have been successfully opposed and suppressed.

President Cleveland in his annual message of December 7, 1896—more than six years subsequent to the enactment of this law—after stating the evils of these trust combinations, says: Though Congress has attempted to deal with this matter by legislation, the laws passed for that purpose thus far have proved ineffective, not because of any lack of disposition or attempt to enforce them, but simply because the laws themselves as interpreted by the courts do not reach the difficulty. If the insufficiencies of existing laws can be remedied by further legislation, it should be done. The fact must be recognized, however, that all Federal legislation on this subject may fall short of its purpose because of inherent obstacles, and also because of the complex character of our governmental system, which, while making the Federal authority supreme within its sphere, has carefully limited that sphere by metes and bounds which cannot be transgressed. The decision of our highest court on this precise question renders it quite doubtful whether the evils of trusts and monopolies may be adequately treated through Federal action, unless they seek directly and purposely to include in their objects transportation or intercourse between States or between the United States and foreign countries. It does not follow, however, that this is the limit of the remedy that may be applied. Even though it may be found that Federal authority is not broad enough to fully reach the case, there can be no doubt of the power of the several States to act effectively in the premises, and there should be no reason to doubt their willingness to judiciously exercise such power. The State legislation to which President Cleveland looked for relief from the evils of trusts has failed to accomplish fully that object. This is probably due to a great extent to the fact that different States take different views as to the proper way to discriminate between evil and injurious combinations and those associations which are beneficial and necessary to the business prosperity of the country. The great diversity of treatment in different States arising from this cause and the intimate relations of all parts of the country to each other

without regarding State lines in the conduct of business have made the enforcement of State laws difficult.

Page 1664

It is apparent that uniformity of legislation upon this subject in the several States is much to be desired. It is to be hoped that such uniformity founded in a wise and just discrimination between what is injurious and what is useful and necessary in business operations may be obtained and that means may be found for the Congress within the limitations of its constitutional power so to supplement an effective code of State legislation as to make a complete system of laws throughout the United States adequate to compel a general observance of the salutary rules to which I have referred.

The whole question is so important and far-reaching that I am sure no part of it will be lightly considered, but every phase of it will have the studied deliberation of the Congress, resulting in wise and judicious action.

A review of our relations with foreign States is presented with such recommendations as are deemed appropriate.

The long-pending boundary dispute between the Argentine Republic and Chile was settled in March last by the award of an arbitral commission, on which the United States minister at Buenos Ayres served as umpire.

Progress has been made toward the conclusion of a convention of extradition with the Argentine Republic. Having been advised and consented to by the United States Senate and ratified by Argentina, it only awaits the adjustment of some slight changes in the text before exchange.

In my last annual message I adverted to the claim of the Austro-Hungarian Government for indemnity for the killing of certain Austrian and Hungarian subjects by the authorities of the State of Pennsylvania, at Lattimer, while suppressing an unlawful tumult of miners, September 10, 1897. In view of the verdict of acquittal rendered by the court before which the sheriff and his deputies were tried for murder, and following the established doctrine that the Government may not be held accountable for injuries suffered by individuals at the hands of the public authorities while acting in the line of duty in suppressing disturbance of the public peace, this Government, after due consideration of the claim advanced by the Austro-Hungarian Government, was constrained to decline liability to indemnify the sufferers.

It is gratifying to be able to announce that the Belgian Government has mitigated the restrictions on the importation of cattle from the United States, to which I referred in my last annual message.

Having been invited by Belgium to participate in a congress, held at Brussels, to revise the provisions of the general act Of July 2, 1890, for the repression of the African slave trade, to which the United States was a signatory party, this Government preferred not to be represented by a plenipotentiary, but reserved the right of accession to the result. Notable changes were made, those especially concerning this country being in the line

of the increased restriction of the deleterious trade in spirituous liquors with the native tribes, which this Government has from the outset urgently advocated. The amended general act will be laid before the Senate, with a view to its advice and consent.

Page 1665

Early in the year the peace of Bolivia was disturbed by a successful insurrection. The United States minister remained at his post, attending to the American interests in that quarter, and using besides his good offices for the protection of the interests of British subjects in the absence of their national representative. On the establishment of the new Government, our minister was directed to enter into relations therewith.

General Pando was elected President of Bolivia on October 23.

Our representative has been instructed to use all permissible friendly endeavors to induce the Government of Bolivia to amend its marriage laws so as to give legal status to the non-Catholic and civil marriages of aliens within its jurisdiction, and strong hopes are entertained that the Bolivian law in this regard will be brought, as was that of Peru some years ago, into harmony with the general practice of modern States.

A convention of extradition with Brazil, signed May 14, 1897, has been ratified by the Brazilian Legislature.

During the past summer two national ships of the United States have visited Brazilian ports on a friendly mission and been cordially received. The voyage of the Wilmington up the Amazon River gave rise to a passing misunderstanding, owing to confusion in obtaining permission to visit the interior and make surveys in the general interest of navigation, but the incident found a ready adjustment in harmony with the close relations of amity which this Government has always sedulously sought to cultivate with the commonwealths of the Western Continent.

The claim growing out of the seizure of the American-owned newspaper “The Panama Star and Herald” by the authorities of Colombia has been settled, after a controversy of several years, by an agreement assessing at $30,000 the indemnity to be paid by the Colombian Government, in three installments of $10,000 each.

The good will of Colombia toward our country has been testified anew by the cordial extension of facilities to the Nicaraguan Canal Commission in their approaching investigation of the Panama Canal and other projected routes across the Isthmus of Darien.

Toward the end of October an insurrectionary disturbance developed in the Colombian Republic. This movement has thus far not attained any decisive result and is still in progress.

Discussion of the questions raised by the action of Denmark in imposing restrictions on the importation of American meats has continued without substantial result in our favor.

The neighboring island Republic of Santo Domingo has lately been the scene of revolution, following a long period of tranquility. It began with the killing of President

Heureaux in July last, and culminated in the relinquishment by the succeeding Vice-President of the reins of government to the insurgents. The first act of the provisional government was the calling of a presidential and constituent election. Juan Isidro Jimenez, having been elected President, was inaugurated on the 14th of November. Relations have been entered into with the newly established Government.

Page 1666

The experimental association of Nicaragua, Honduras, and Salvador, tinder the title of the Greater Republic of Central America, when apparently on the threshold of a complete federal organization by the adoption of a constitution and the formation of a national legislature, was disrupted in the last days of November, 1898, by the withdrawal of Salvador. Thereupon Nicaragua and Honduras abandoned the joint compact, each resuming its former independent sovereignty. This was followed by the reception of Minister Merry by the Republics of Nicaragua and Salvador, while Minister Hunter in turn presented his credentials to the Government of Honduras, thus reverting to the old distribution of the diplomatic agencies of the United States in Central America for which our existing statutes provide. A Nicaraguan envoy has been accredited to the United States.

An insurrectionary movement, under General Reyes, broke out at Bluefields in February last, and for a time exercised actual control in the Mosquito Territory. The Detroit was promptly sent thither for the protection of American interests. After a few weeks the Reyes government renounced the conflict, giving place to the restored supremacy of Nicaragua. During the interregnum certain public dues accruing under Nicaraguan law were collected from American merchants by the authorities for the time being in effective administrative control. Upon the titular government regaining power, a second payment of these dues was demanded. Controversy arose touching the validity of the original payment of the debt to the de facto regent of the territory. An arrangement was effected in April last by the United States minister and the foreign secretary of Nicaragua whereby the amounts of the duplicate payments were deposited with the British consul pending an adjustment of the matter by direct agreement between the Governments of the United States and Nicaragua. The controversy is still unsettled.

The contract of the Maritime Canal Company of Nicaragua was declared forfeited by the Nicaraguan Government on the Tenth of October, on the ground of nonfulfillment within the ten years' term stipulated in the contract. The Maritime Canal Company has lodged a protest against this action, alleging rights in the premises which appear worthy of consideration. This Government expects that Nicaragua will afford the protestants a full and fair hearing upon the merits of the case.

The Nicaragua Canal Commission, which had been engaged upon the work of examination and survey for a ship-canal route across Nicaragua, having completed its labors and made its report, was dissolved on May P, and on June To a new commission, known as the Isthmian Canal Commission, was organized under the terms of the act approved March 3, 1899, for the purpose of examining the American Isthmus with a view to determining the most practicable and feasible route for a ship canal across that Isthmus, with its probable cost, and other essential details.

Page 1667

This Commission, under the presidency of Rear-Admiral John G. Walker, U. S. N. (retired), entered promptly upon the work intrusted to it, and is now carrying on examinations in Nicaragua along the route of the Panama Canal, and in Darien from the Atlantic, in the neighborhood of the Atrato River, to the Bay of Panama, on the Pacific side. Good progress has been made, but under the law a comprehensive and complete investigation is called for, which will require much labor and considerable time for its accomplishment. The work will be prosecuted as expeditiously as possible and a report made at the earliest practicable date.

The great importance of this work cannot be too often or too strongly pressed upon the attention of the Congress. In my message of a year ago I expressed my views of the necessity of a canal which would link the two great oceans, to which I again invite your consideration. The reasons then presented for early action are even stronger now.

A pleasing incident in the relations of this Government with that of Chile occurred in the generous assistance given to the war ship Newark when in distress in Chilean waters. Not alone in this way has the friendly disposition of Chile found expression. That country has acceded to the convention for the establishment of the Bureau of the American Republics, in which organization every independent State of the continent now shares.

The exchange of ratifications of a convention for the revival of the United States and Chilean Claims Commission and for the adjudication of claims heretofore presented but not determined during the life of the previous Commission has been delayed by reason of the necessity for fresh action by the Chilean Senate upon the amendments attached to the ratification of the treaty by the United States Senate. This formality is soon to be accomplished.

In view of disturbances in the populous provinces of northern China, where are many of our citizens, and of the imminence of disorder near the capital and toward the seaboard, a guard of marines was landed from the Boston and stationed during last winter in the legation compound at Peking. With the restoration of order this protection was withdrawn.

The interests of our citizens in that vast Empire have not been neglected during the past year. Adequate protection has been secured for our missionaries and some injuries to their property have been redressed.

American capital has sought and found various opportunities of competing to carry out the internal improvements which the Imperial Government is wisely encouraging, and to develop the natural resources of the Empire. Our trade with China has continued to grow, and our commercial rights under existing treaties have been everywhere maintained during the past year, as they will be in the future.

The extension of the area open to international foreign settlement at Shanghai and the opening of the ports of Nanking, Tsing-tao (Kiao chao), and Ta-lien-wan to foreign trade and settlement will doubtless afford American enterprise additional facilities and new fields, of which it will not be slow to take advantage.

Page 1668

In my message to Congress of December 5, 1898, I urged that the recommendation which had been made to the Speaker of the House of Representatives by the Secretary of the Treasury on the 14th of June, 1898, for an appropriation for a commission to study the commercial and industrial conditions in the Chinese Empire and report as to the opportunities for, and obstacles to, the enlargement of markets in China for the raw products and manufactures of the United States, should receive at your hands the consideration which its importance and timeliness merited, but the Congress failed to take action.

I now renew this recommendation, as the importance of the subject has steadily grown since it was first submitted to you, and no time should be lost in studying for ourselves the resources of this great field for American trade and enterprise.

The death of President Faure in February last called forth those sincere expressions of sympathy which befit the relations of two Republics as closely allied by unbroken historic ties as are the United States and France.

Preparations for the representation of the industries, arts, and products of the United States at the World's Exposition to be held in Paris next year continue on an elaborate and comprehensive scale, thanks to the generous appropriation provided by Congress and to the friendly interest the French Government has shown in furthering a typical exhibit of American progress.

There has been allotted to the United States a considerable addition of space, which, while placing our country in the first rant among exhibitors, does not suffice to meet the increasingly urgent demands of our manufacturers. The efforts of the Commissioner General are ably directed toward a strictly representative display of all that most characteristically marks American achievement in the inventive arts, and most adequately shows the excellence of our natural productions.

In this age of keen rivalry among nations for mastery in commerce, the doctrine of evolution and the rule of the survival of the fittest must be as inexorable in their operation as they are positive in the results they bring about. The place won in the struggle by an industrial people can only be held by unrelaxed endeavor and constant advance in achievement. The present extraordinary impetus in every line of American exportation and the astounding increase in the volume and value of our share in the world's markets may not be attributed to accidental conditions.

The reasons are not far to seek. They lie deep in our national character and find expression year by year in every branch of handicraft, in every new device whereby the materials we so abundantly produce are subdued to the artisan's will and made to yield the largest, most practical, and most beneficial return. The American exhibit at Paris should, and I am confident will, be an open volume, whose lessons of skillfully directed endeavor, unfaltering

Page 1669

energy, and consummate performance may be read by all on every page, thus spreading abroad a clearer knowledge of the worth of our productions and the justice of our claim to an important place in the marts of the world. To accomplish this by judicious selection, by recognition of paramount merit in whatever walk of trade or manufacture it may appear, and by orderly classification and attractive installation is the task of our Commission.

The United States Government building is approaching completion, and no effort will be spared to make it worthy, in beauty of architectural plan and in completeness of display, to represent our nation. It has been suggested that a permanent building of similar or appropriate design be erected on a convenient site, already given by the municipality, near the exposition grounds, to serve in commemoration of the part taken by this country in this great enterprise, as an American National Institute, for our countrymen resorting to Paris for study.

I am informed by our Commissioner-General that we shall have in the American sections at Paris over 7,000 exhibitors, from every State ill our country, a number ten times as great as those which were represented at Vienna in 1873, six times as many as those in Paris in 1878, and four times as many as those who exhibited in Paris in 1889. This statement does not include the exhibits from either Cuba, Puerto Rico, or Hawaii, for which arrangements have been made.

A number of important international congresses on special topics affecting public interests are proposed to be held in Paris next summer in connection with the exposition. Effort will be made to have the several technical branches of our administration efficiently represented at those conferences, each in its special line, and to procure the largest possible concourse of State representatives, particularly at the Congresses of Public Charity and Medicine.

Our relations with Germany continue to be most cordial. The increasing intimacy of direct association has been marked during the year by the granting permission in April for the landing on our shores of a cable from Borkum Emden, on the North Sea, by way of the Azores, and also by the conclusion on September 2 of a Parcels Post Convention with the German Empire. In all that promises closer relations of intercourse and commerce and a better understanding between two races having so many traits in common, Germany can be assured of the most cordial cooperation of this Government and people. We may be rivals in many material paths, but our rivalry should be generous and open, ever aiming toward the attainment of larger results and the mutually beneficial advancement of each in the line of its especial adaptabilities.

The several governments of the Empire seem reluctant to admit the natural excellence of our food productions and to accept the evidence we constantly tender of the care with

which their purity is guarded by rigid inspection from the farm, through the slaughterhouse and the packing establishments, to the port of shipment. Our system of control over exported food staples invites examination from any quarter and challenges respect by its efficient thoroughness.

Page 1670

It is to be hoped that in time the two Governments will act in common accord toward the realization of their common purpose to safeguard the public health and to insure the purity and wholesomeness of all food products imported by either country from the other. Were the Congress to authorize an invitation to Germany, in connection with the pending reciprocity negotiations, for the constitution of a joint commission of scientific experts and practical men of affairs to conduct a searching investigation of food production and exportation in both countries and report to their respective legislatures for the adoption of such remedial measures as they might recommend for either, the way might be opened for the desirable result indicated.

Efforts to obtain for American life insurance companies a full hearing as to their business operations in Prussia have, after several years of patient representation, happily succeeded, and one of the most important American companies has been granted a concession to continue business in that Kingdom.

I am also glad to announce that the German insurance companies have been readmitted by the superintendent of insurance to do business in the State of New York.

Subsequent to the exchange of our peace treaty with Spain, Germany acquired the Caroline Islands by purchase, paying therefore $5,000,000. Assurances have been received from the German Government that the rights of American missionaries and traders there will be considerately observed.

In my last annual message I referred to the pending negotiations with Great Britain in respect to the Dominion of Canada. By means of an executive agreement, a joint High Commission had been created for the purpose of adjusting all unsettled questions between the United States and Canada, embracing twelve subjects, among which were the questions of the fur seals, the fisheries of the coast and contiguous inland waters, the Alaskan boundary, the transit of merchandise in bond, the alien labor laws, mining rights, reciprocity in trade, revision of the agreement respecting naval vessels in the Great Lakes, a more complete marking of parts of the boundary, provision for the conveyance of criminals, and for wrecking and salvage.

Much progress had been made by the Commission toward the adjustment of many of these questions, when it became apparent that an irreconcilable difference of views was entertained respecting the delimitation of the Alaskan, boundary. In the failure of an agreement as to the meaning of Articles III and IV of the treaty of 1825 between Russia and Great Britain, which defined the boundary between Alaska and Canada, the American Commissioners proposed that the subject of the boundary be laid aside, and that the remaining questions of difference be proceeded with, some of which were so far advanced as to assure the probability of a settlement. This being declined by the British Commissioners, an adjournment was taken until the

Page 1671

boundary should be adjusted by the two Governments. The subject has been receiving the careful attention which its importance demands, with the result that a modus vivendi for provisional demarcations in the region about the head of Lynn Canal has, been agreed upon; and it is hoped that the negotiations now in progress between the two Governments will end in an agreement for the establishment and delimitation of a permanent boundary.

Apart from these questions growing out of our relationship with our northern neighbor, the most friendly disposition and ready agreement have marked the discussion of numerous matters arising in the vast and intimate intercourse of the United States with Great Britain.

This Government has maintained an attitude of neutrality in the unfortunate contest between Great Britain and the Boer States of Africa. We have remained faithful to the precept of avoiding entangling alliances as to affairs not of our direct concern. Had circumstances suggested that the parties to the quarrel would have welcomed any kindly expression of the hope of the American people that war might be averted, good offices would have been gladly tendered. The United States representative at Pretoria was early instructed to see that all neutral American interests be respected by the combatants. This has been an easy task in view of the positive declarations of both British and Boer authorities that the personal and property rights of our citizens should be observed.

Upon the withdrawal of the British agent from Pretoria the United States consul was authorized, upon the request of the British Government and with the assent of the South African and Orange Free State Governments, to exercise the customary good offices of a neutral for the care of British interests. In the discharge of this function, I am happy to say that abundant opportunity has been afforded to show the impartiality of this Government toward both the combatants.

For the fourth time in the present decade, question has arisen with the Government of Italy in regard to the lynching of Italian subjects. The latest of these deplorable events occurred at Tallulah, Louisiana, whereby five unfortunates of Italian origin were taken from jail and hanged.

The authorities of the State and a representative of the Italian Embassy having separately investigated the occurrence, with discrepant results, particularly as to the alleged citizenship of the victims, and it not appearing that the State had been able to discover and punish the violators of the law, an independent investigation has been set on foot, through the agency of the Department of State, and is still in progress. The result will enable the Executive to treat the question with the Government of Italy in a spirit of fairness and justice. A satisfactory solution will doubtless be reached.

Page 1672

The recurrence of these distressing manifestations of blind mob fury directed at dependents or natives of a foreign country suggests that the contingency has arisen for action by Congress in the direction of conferring upon the Federal courts jurisdiction in this class of international cases where the ultimate responsibility of the Federal Government may be involved. The suggestion is not new. In his annual message of December 9, 1891, my predecessor, President Harrison, said: It would, I believe, be entirely competent for Congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts. This has not, however, been done, and the Federal officers and courts have no power in such cases to intervene either for the protection of a foreign citizen or for the punishment of his slayers. It seems to me to follow, in this state of the law, that the officers of the State charged with police and judicial powers in such cases must, in the consideration of international questions growing out of such incidents, be regarded in such sense as Federal agents as to make this Government answerable for their acts in cases where it would be answerable if the United States had used its constitutional power to define and punish crimes against treaty rights. A bill to provide for the punishment of violations of treaty rights of aliens was introduced in the Senate March 1, 1892, and reported favorably March 30. Having doubtless in view the language of that part of Article III of the treaty of February 26, 1871, between the United States and Italy, which stipulates that “The citizens of each of the high contracting parties shall receive, in the States and Territories of the other, most constant protection and security for their persons and property, and shall enjoy in this respect the same rights and privileges as are or shall be granted to the natives, on their submitting themselves to the conditions imposed upon the natives,” the bill so introduced and reported provided that any act committed in any State or Territory of the United States in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country and constituting a crime under the laws of the State or Territory shall constitute a like crime against the United States and be cognizable in the Federal courts. No action was taken by Congress in the matter.

I earnestly recommend that the subject be taken up anew and acted upon during the present session. The necessity for some such provision abundantly appears. Precedent for constituting a Federal jurisdiction in criminal cases where aliens are sufferers is rationally deducible from the existing statute, which gives to the district and circuit courts of the United States jurisdiction of civil suits brought by aliens where the amount involved exceeds a certain sum. If such jealous solicitude be shown for alien rights in cases of merely civil and pecuniary import, how much greater should be the public duty to take cognizance of matters affecting the lives and the rights of aliens tinder the settled principles of international law no less than under treaty stipulation, in cases of such transcendent wrong-doing as mob murder, especially when experience has shown that local justice is too often helpless to punish the offenders.

Page 1673

After many years of endeavor on the part of this Government to that end the Italian Government has consented to enter into negotiations for a naturalization convention, having for one of its objects the regulation of the status of Italians (except those of an age for active military service) who, having been naturalized in the United States, may revisit Italy. It is hoped that with the mutually conciliatory spirit displayed a successful conclusion will be reached.

The treaty of commerce and navigation between the United States and Japan on November 22, 1894, took effect in accordance with the terms of its XIXth Article on the 17th of July last, simultaneously with the enforcement of like treaties with the other powers, except France, whose convention did not go into operation until August 4, the United States being, however, granted up to that date all the privileges and rights accorded to French citizens under the old French treaty. By this notable conventional reform Japan's position as a fully independent sovereign power is assured, control being gained of taxation, customs revenues, judicial administration, coasting trade, and all other domestic functions of government, and foreign extra-territorial rights being renounced.

Comprehensive codes of civil and criminal procedure according to western methods, public instruction, patents and copyrights, municipal administration, including jurisdiction over the former foreign settlements, customs tariffs and procedure, public health, and other administrative measures have been proclaimed. The working of the new system has given rise to no material complaints on the part of the American citizens or interests, a circumstance which attests the ripe consideration with which the change has been prepared.

Valuable assistance was rendered by the Japanese authorities to the United States transport ship Morgan City while stranded at Kobe. Permission has been granted to land and pasture army horses at Japanese ports of call on the way to the Philippine Islands. These kindly evidences of good will are highly appreciated.

The Japanese Government has shown a lively interest in the proposition of the Pacific Cable Company to add to its projected cable lines to Hawaii, Guam, and the Philippines a branch connection with the coast of Japan. It would be a gratifying consummation were the utility of the contemplated scheme enhanced by bringing Japan and the United States into direct telegraphic relation.

Without repeating the observations of my special message of February 10, 1899, concerning the necessity of a cable to Manila. I respectfully invite attention to it.

I recommend that, in case the Congress should not take measures to bring about this result by direct action of the Government, the Postmaster General be authorized to invite competitive bids for the establishment of a cable; the company making the best

responsible bid to be awarded the contract; the successful company to give ample bonds to insure the completion of the work within a reasonable time.

Page 1674

The year has been marked by constant increase in the intimacy of our relations with Mexico and in the magnitude of mutually advantageous interchanges. This Government has omitted no opportunity to show its strong desire to develop and perpetuate the ties of cordiality now so long happily unbroken.

Following the termination on January 20, 1899, by Mexico of the convention of extradition of December 11, 1861, a new treaty more in accordance with the ascertained needs of both countries was signed February 22, 1899, and exchanged in the City of Mexico on the 22d of April last. Its operation thus far has been effective and satisfactory. A recent case has served to test the application of its IVth Article, which provides that neither party shall be bound to deliver up its own citizens, but that the executive authority of each shall have the power to deliver them up if in its discretion it be deemed proper to do so.

The extradition of Mrs. Mattie Rich, a citizen of the United States, charged with homicide committed in Mexico, was after mature consideration directed by me in the conviction that the ends of justice would be thereby subserved. Similar action, on appropriate occasion, by the Mexican Executive will not only tend to accomplish the desire of both Governments that grave crimes go not unpunished, but also to repress lawlessness along the border of the two countries. The new treaty stipulates that neither Government shall assume jurisdiction in the punishment of crimes committed exclusively within the territory of the other. This will obviate in future the embarrassing controversies which have heretofore arisen through Mexico's assertion of a claim to try and punish an American citizen for an offense committed within the jurisdiction of the United States.

The International Water Boundary Commission, organized by the convention of March 1, 1889, for the adjustment of questions affecting the Rio Grande frontier, has not yet completed its labors. A further extension of its term for one year, until December 24, 1899, was effected by a convention signed December z, 1898, and exchanged and proclaimed in February last.

An invitation extended to the President of Mexico to visit Chicago in October, on the occasion of laying the corner stone of the United States Government building in that city, was cordially accepted by him, with the necessary consent of the Mexican Congress, but the illness of a member of his family prevented his attendance. The Minister of Foreign Relations, however, came as the personal representative of President Diaz, and in that high character was duly honored.

Claims growing out of the seizure of American sealing vessels in Bering Sea have been under discussion with the Government of Russia for several years, with the recent happy result of an agreement to submit them to the decision of a single arbitrator. By this act Russia affords proof of her adherence to the beneficent principle of arbitration

which her plenipotentiaries conspicuously favored at The Hague Disarmament Conference when it was advocated by the representatives of the United States.

Page 1675

A suggestion for a permanent exposition of our products and manufactures in Russia, although not yet fully shaped, has been so cordially welcomed by the Imperial Government that it may not inaptly take a fitting place in whatever legislation the Congress may adopt looking to enlargement of our commercial opportunities abroad.

Important events have occurred in the Samoan Islands. The election, according to the laws and customs of Samoa, of a successor to the late King, Malietoa Laupepa, developed a contest as to the validity of the result, which issue, by the terms of the General Act, was to be decided by the Chief justice. Upon his rendering a judgment in favor of Malietoa Tanu, the rival chief, Mataafa, took up arms. The active intervention of American and British war ships became imperative to restore order, at the cost of sanguinary encounters. In this emergency a joint commission of representatives of the United States, Germany, and Great Britain was sent to Samoa to investigate the situation and provide a temporary remedy. By its active efforts a peaceful solution was reached for the time being, the kingship being abolished and a provisional government established. Recommendations unanimously made by the commission for a permanent adjustment of the Samoan question were taken under consideration by the three powers parties to the General Act. But the more they were examined the more evident it became that a radical change was necessary in the relations of the powers to Samoa.

The inconveniences and possible perils of the tripartite scheme of supervision and control in the Samoan group by powers having little interest in common in that quarter beyond commercial rivalry had been once more emphasized by the recent events. The suggested remedy of the joint Commission, like the scheme it aimed to replace amounted to what has been styled a tridominium, being the exercise of the functions of sovereignty by an unanimous agreement of three powers. The situation had become far more intricate and embarrassing from every point of view than it was when my predecessor, in 1894, summed up its perplexities and condemned the participation in it of the United States.

The arrangement under which Samoa was administered had proved impracticable and unacceptable to all the powers concerned. To withdraw from the agreement and abandon the islands to Germany and Great Britain would not be compatible with our interests in the archipelago. To relinquish our rights in the harbor of Pago Pago, the best anchorage in the Pacific, the occupancy of which had been leased to the United States in 1878 by the first foreign treaty ever concluded by Samoa, was not to be thought of either as regards the needs of our Navy or the interests of our growing commerce with the East. We could not have considered any proposition for the abrogation of the tripartite control which did not confirm us in all our rights and safeguard all our national interests in the islands.

Page 1676

Our views commended themselves to the other powers. A satisfactory arrangement was concluded between the Governments of Germany and of England, by virtue of which England retired from Samoa in view of compensations in other directions, and both powers renounced in favor of the United States all their rights and claims over and in respect to that portion of the group lying to the east of the one hundred and seventy-first degree of west longitude, embracing the islands of Tutuila, Ofoo, Olosenga, and Manua. I transmit to the Senate, for its constitutional action thereon, a convention, which besides the provisions above mentioned also guarantees us the same privileges and conditions in respect to commerce and commercial vessels in all of the islands of Samoa as those possessed by Germany.

Claims have been preferred by white residents of Samoa on account of injuries alleged to have been suffered through the acts of the treaty Governments in putting down the late disturbances. A convention has been made between the three powers for the investigation and settlement of these claims by a neutral arbitrator, to which the attention of the Senate will be invited.

My annual message of last year was necessarily devoted, in great part to a consideration of the Spanish War and of the results it wrought and the conditions it imposed for the future. I am gratified to announce that the treaty of peace has restored friendly relations between the two powers. Effect has been given to its most important provisions. The evacuation of Puerto Rico having already been accomplished on the XIVth of October, 1898, nothing remained necessary there but to continue the provisional military control of the island until the Congress should enact a suitable government for the ceded territory. Of the character and scope of the measures to that end I shall treat in another part of this message.

The withdrawal of the authority of Spain from the island of Cuba was effected by the 1st of January, so that the full re-establishment of peace found the relinquished territory held by us in trust for the inhabitants, maintaining, under the direction of the Executive, such government and control therein as should conserve public order, restore the productive conditions of peace so long disturbed by the instability and disorder which prevailed for the greater part of the preceding three decades, and build up that tranquil development of the domestic state whereby alone can be realized the high purpose, as proclaimed in the joint resolution adopted by the Congress on the 19th of April, 1898, by which the United States disclaimed any disposition or intention to exercise sovereignty, jurisdiction, or control over Cuba, except for the pacification thereof, and asserted its determination when that was accomplished to leave the government and control of the island to its people. The pledge contained in this resolution is of the highest honorable obligation and must be sacredly kept.

Page 1677

I believe that substantial progress has been made in this direction. All the administrative measures adopted in Cuba have aimed to fit it for a regenerated existence by enforcing the supremacy of law and justice; by placing wherever practicable the machinery of administration in the hands of the inhabitants; by instituting needed sanitary reforms; by spreading education; by fostering industry and trade; by inculcating public morality, and, in short, by taking every rational step to aid the Cuban people to attain to that plane of self-conscious respect and self-reliant unity which fits an enlightened community for self-government within its own sphere, while enabling it to fulfill all outward obligation.

This nation has assumed before the world a grave responsibility for the future good government of Cuba. We have accepted a trust the fulfillment of which calls for the sternest integrity of purpose and the exercise of the highest wisdom. The new Cuba yet to arise from the ashes of the past must needs be bound to us by ties of singular intimacy and strength if its enduring welfare is to be assured. Whether those ties shall be organic or conventional, the destinies of Cuba are in some rightful form and manner irrevocably linked with our own, but how and how far is for the future to determine in the ripeness of events. Whatever be the outcome, we must see to it that free Cuba be a reality, not a name, a perfect entity, not a hasty experiment bearing within itself the elements of failure. Our mission, to accomplish which we took up the wager of battle, is not to be fulfilled by turning adrift any loosely framed commonwealth to face the vicissitudes which too often attend weaker States whose natural wealth and abundant resources are offset by the incongruities of their political organization and the recurring occasions for internal rivalries to sap their strength and dissipate their energies. The greatest blessing which can come to Cuba is the restoration of her agricultural and industrial prosperity, which will give employment to idle men and re-establish the pursuits of peace. This is her chief and immediate need.

On the 19th of August last an order was made for the taking of the census in the island, to be completed on the 30th of November. By the treaty of peace the Spanish people on the island have until April 11, 1900, to elect whether they will remain citizens of Spain or become citizens of Cuba. Until then it cannot be definitely ascertained who shall be entitled to participate in the formation of the government of Cuba. By that time the results of the census will have been tabulated and we shall proceed to provide for elections which will commit the municipal governments of the island to the officers elected by the people. The experience thus acquired will prove of great value in the formation of a representative convention of the people to draft a constitution and establish a general system of independent government for the island. In the meantime and so long as we exercise control over the island the products of Cuba should have a market in the United States on as good terms and with as favorable rates of duty as are given to the West India Islands under treaties of reciprocity which shall be made.

Page 1678

For the relief of the distressed in the island of Cuba the War Department has issued supplies to destitute persons through the officers of the Army, which have amounted to 5,493,000 rations, at a cost Of $1,417,554.07.

To promote the disarmament of the Cuban volunteer army, and in the interest of public peace and the welfare of the people, the sum Of $75 was paid to each Cuban soldier borne upon the authenticated rolls, on condition that he should deposit his arms with the authorities designated by the United States. The sum thus disbursed aggregated $2,547,750, which was paid from the emergency fund provided by the act of January 5, 1899, for that purpose.

Out of the Cuban island revenues during the six months ending June 30, 1899, $1,712,014.20 was expended for sanitation, $293,881.70 for charities and hospitals, and $88,944.03 for aid to the destitute.

Following the exchange of ratifications of the treaty of peace the two Governments accredited ministers to each other, Spain sending to Washington the Duke of Arcos, an eminent diplomatist, previously stationed in Mexico, while the United States transferred to Madrid Hon. Bellamy Storer, its minister at Brussels. This was followed by the respective appointment of consuls, thereby fully resuming the relations interrupted by the war. In addition to its consular representation in the United States, the Spanish Government has appointed consuls for Cuba, who have been provisionally recognized during the military administration of the affairs of that island.

Judicial intercourse between the courts of Cuba and Puerto Rico and of Spain has been established, as provided by the treaty of peace. The Cuban political prisoners in Spanish penal stations have been and are being released and returned to their homes, in accordance with Article VI of the treaty. Negotiations are about to be had for defining the conventional relations between the two countries, which fell into abeyance by reason of the war. I trust that these will include a favorable arrangement for commercial reciprocity under the terms of sections 3 and 4 of the current tariff act. In these, as in all matters of international concern, no effort will be spared to respond to the good disposition of Spain, and to cultivate in all practicable ways the intimacy which should prevail between two nations whose past history has so often and in so many ways been marked by sincere friendship and by community of interests.

I would recommend appropriate legislation in order to carry into execution Article VII of the Treaty of Peace with Spain, by which the United States assured the payment of certain claims for indemnity of its citizens against Spain.

The United States minister to Turkey continues, under instructions, to press for a money payment in satisfaction of the just claims for injuries suffered by American citizens in the disorders of several years past and for wrongs done to them by the Ottoman

authorities. Some of these claims are of many years' standing. This Government is hopeful of a general agreement in this regard.

Page 1679

In the Turkish Empire the situation of our citizens remains unsatisfactory. Our efforts during nearly forty years to bring about a convention of naturalization seem to be on the brink of final failure through the announced policy of the Ottoman Porte to refuse recognition of the alien status of native Turkish subjects naturalized abroad since 1867. Our statutes do not allow this Government to admit any distinction between the treatment of native and naturalized Americans abroad, so that ceaseless controversy arises in cases where persons owing in the eye of international law a dual allegiance are prevented from entering Turkey or are expelled after entrance. Our law in this regard contrasts with that of the European States. The British act, for instance, does not claim effect for the naturalization of an alien in the event of his return to his native country, unless the change be recognized by the law of that country or stipulated by treaty between it and the naturalizing State.

The arbitrary treatment, in some instances, of American productions in Turkey has attracted attention of late, notably in regard to our flour. Large shipments by the recently opened direct steamship line to Turkish ports have been denied entrance on the score that, although of standard composition and unquestioned purity, the flour was pernicious to health because of deficient “elasticity” as indicated by antiquated and untrustworthy tests. Upon due protest by the American minister, and it appearing that the act was a virtual discrimination against our product, the shipments in question were admitted. In these, as in all instances, wherever occurring, when American products may be subjected in a foreign country, upon specious pretexts, to discrimination compared with the like products of another country, this Government will use its earnest efforts to secure fair and equal treatment for its citizens and their goods. Failing this, it will not hesitate to apply whatever corrective may be provided by the statutes.

The International Commission of Arbitration, appointed under the Anglo-Venezuelan treaty of 1897, rendered an award on October 3 last, whereby the boundary line between Venezuela and British Guiana is determined, thus ending a controversy which has existed for the greater part of the century. The award, as to which the arbitrators were unanimous, while not meeting the extreme contention of either party, gives to Great Britain a large share of the interior territory in dispute and to Venezuela the entire mouth of the Orinoco, including Barima Point and the Caribbean littoral for some distance to the eastward. The decision appears to be equally satisfactory to both parties.

Venezuela has once more undergone a revolution. The insurgents, under General Castro, after a sanguinary engagement in which they suffered much loss, rallied in the mountainous interior and advanced toward the capital. The bulk of the army having sided with the movement, President Andrade quitted Caracas, where General Castro set up a provisional government with which our minister and the representatives of other powers entered into diplomatic relations on the 20th of November, 1899.

Page 1680

The fourth section of the Tariff Act approved July 24, 1897, appears to provide only for commercial treaties which should be entered into by the President and also ratified by the Senate within two years from its passage. Owing to delays inevitable in negotiations of this nature, none of the treaties initiated under that section could be concluded in time for ratification by the Senate prior to its adjournment on the 4th of March last. Some of the pending negotiations, however, were near conclusion at that time, and the resulting conventions have since been signed by the plenipotentiaries. Others, within both the third and fourth sections of the act, are still under consideration. Acting under the constitutional power of the Executive in respect to treaties, I have deemed it my duty, while observing the limitations of concession provided by the fourth section, to bring to a conclusion all pending negotiations, and submit them to the Senate for its advice and consent.

Conventions of reciprocity have been signed during the Congressional recess with Great Britain for the respective colonies of British Guiana, Barbados, Bermuda, Jamaica, and Turks and Caicos Islands, and with the Republic of Nicaragua.

Important reciprocal conventions have also been concluded with France and with the Argentine Republic.

In my last annual message the progress noted in the work of the diplomatic and consular officers in collecting information as to the industries and commerce of other countries, and in the care and promptitude with which their reports are printed and distributed, has continued during the past year, with increasingly valuable results in suggesting new sources of demand for American products and in pointing out the obstacles still to be overcome in facilitating the remarkable expansion of our foreign trade. It will doubtless be gratifying to Congress to learn that the various agencies of the Department of State are co-operating in these endeavors with a zeal and effectiveness which are not only receiving the cordial recognition of our business interests, but are exciting the emulation of other Governments. In any rearrangement of the great and complicated work of obtaining official data of an economic character which Congress may undertake it is most important, in my judgment, that the results already secured by the efforts of the Department of State should be carefully considered with a view to a judicious development and increased utility to our export trade.

The interest taken by the various States forming the International Union of American Republics in the work of its organic bureau is evidenced by the fact that for the first time since its creation in 1890 all the Republics of South and Central America are now represented in it.

Page 1681

The unanimous recommendation of the International American Conference, providing for the International Union of American Republics, stated that it should continue in force during a term of ten years from the date of its organization, and no country becoming a member of the union should cease to be a member until the end of said period of ten years, and unless twelve months before the expiration of said period a majority of the members of the union had given to the Secretary of State of the United States official notice of their wish to terminate the union at the end of its first period, that the union should continue to be maintained for another period of ten years, and thereafter, under the same conditions, for successive periods of ten years each.

The period for notification expired on July 14, 1899, without any of the members having given the necessary notice of withdrawal. Its maintenance is therefore assured for the next ten years. In view of this fact and of the numerous questions of general interest and common benefit to all of the Republics of America, some of which were considered by the first International American Conference, but not finally settled, and others which have since then grown to importance, it would seem expedient that the various Republics constituting the Union should be invited to hold at an early date another conference in the capital of one of the countries other than the United States, which has already enjoyed this honor.

The purely international character of the work being done by the bureau and the appreciation of its value are further emphasized by the active co-operation which the various Governments of the Latin. American Republics and their diplomatic representatives in this capital are now exhibiting and the zealous endeavors they are making to extend its field of usefulness, to promote through it commercial intercourse, and strengthen the bonds of amity and confidence between its various members and the nations of this continent.

The act to encourage the holding of the Pan-American Exposition on the Niagara frontier, within the county of Erie or Niagara, in the State of New York, in the year 1901, was approved on March 3, 1899.

This exposition, which will be held in the city of Buffalo, in the near vicinity of the great Niagara cataract, and within a day's journey of which reside 40, 000, 000 Of our people, will be confined entirely to the Western Hemisphere. Satisfactory assurances have already been given by the diplomatic representatives of Great Britain, Mexico, the Central and South American Republics, and most of the States of the United States that these countries and States will make an unique, interesting, and instructive exhibit, peculiarly illustrative of their material progress during the century which is about to close.

Page 1682

The law provides an appropriation Of $500,000 for the purpose of making an exhibit at the exposition by the Government of the United States from its Executive Departments and from the Smithsonian Institution and National Museum, the United States Commission of Fish and Fisheries, the Department of Labor, and the Bureau of the American Republics. To secure a complete and harmonious arrangement of this Government exhibit a board of management has already been created, and charged with the selection, purchase, preparation, transportation, arrangement, and safe-keeping of the articles and materials to be exhibited. This board has been organized and has already entered upon the performance of its duties, as provided for by the law.

I have every reason to hope and believe that this exposition will tend more firmly to cement the cordial relations between the nations on this continent.

In accordance with an act of Congress approved December 21, 1898, and under the auspices of the Philadelphia Commercial Museum, a most interesting and valuable exposition of products and manufactures especially adapted to export trade was held in Philadelphia from the 14th of September to the 1st of December, 1899. The representative character of the exhibits and the widespread interest manifested in the special objects of the undertaking afford renewed encouragement to those who look confidently to the steady growth of our enlarged exportation of manufactured goods, which has been the most remarkable fact in the economic development of the United States in recent years. A feature of this exposition which is likely to become of permanent and increasing utility to our industries is the collection of samples of merchandise produced in various countries with special reference to particular markets, providing practical object lessons to United States manufacturers as to qualities, styles, and prices of goods such as meet the special demands of consumers and may be exported with advantage.

In connection with the exposition an International Commercial Congress was held, upon the invitation of the Philadelphia Commercial Museum, transmitted by the Department of State to the various foreign Governments, for an exchange of information and opinions with the view to the promotion of international trade. This invitation met with general and cordial acceptance, and the Congress, which began its sessions at the exposition on the 13th of October proved to be of great practical importance, from the fact that it developed a general recognition of the interdependence of nations in trade and a most gratifying spirit of accommodation with reference to the gradual removal of existing impediments to reciprocal relations, without injury to the industrial interests of either party.

Page 1683

In response to the invitation of His Majesty, the Emperor of Russia, delegates from twenty-six countries were assembled at The Hague on the 18th of May, as members of a conference in the interest of peace. The commission from the United States consisted of the Hon. Andrew D. White, the Hon. Seth Low, the Hon. Stanford Newel, Captain Alfred T. Mahan, of the United States Navy, Captain William Crozier, of the United States Army, and the Hon. Frederick W. Holls, secretary. The occasion seemed to be opportune for the serious consideration of a plan for the pacific adjustment of international differences, a subject in which the American people have been deeply interested for many years, and a definite project for a permanent international tribunal was included in the instructions to the delegates of the United States.

The final act of the conference includes conventions upon the amelioration of the laws and customs of war on land, the adaptation to maritime warfare of the principles of the Geneva Convention of 1864, and the extension of judicial methods to international cases. The Convention for the Pacific Settlement of International Conflicts embodies the leading features of the American plan, with such modifications as were rendered necessary by the great diversity of views and interests represented by the delegates. The four titles of the convention provide for the maintenance of general peace, the exercise of good offices and mediation, the formation of commissions of inquiry, and international arbitration.

The mediation provided for by the convention is purely voluntary and advisory, and is intended to avoid any invasion or limitation of the sovereign rights of the adhering States. The commissions of inquiry proposed consists of delegations to be specifically constituted for particular purposes by means of conventions between the contesting parties, having for their object the clear understanding of international differences before resorting to the use of force. The provision for arbitration contemplates the formation of a permanent tribunal before which disputed cases may be brought for settlement by the mutual consent of the litigants in each separate case. The advantages of such a permanent tribunal over impromptu commissions of arbitration are conceived to be the actual existence of a competent court, prepared to administer justice, the greater economy resulting from a well-devised system, and the accumulated judicial skill and experience which such a tribunal would soon possess.

While earnestly promoting the idea of establishing a permanent international tribunal, the delegation of the United States was not unmindful of the inconveniences which might arise from an obtrusive exercise of mediation, and in signing the convention carefully guarded the historic position of the United States by the following declaration: Nothing contained in this convention shall be so construed as to require the United States

Page 1684

of America to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions or policy or internal administration of any foreign state; nor shall anything contained in the said convention be construed to imply a relinquishment by the United. States of America of its traditional attitude toward purely American questions. Thus interpreted, the Convention for the Pacific Settlement of International Conflicts may be regarded as realizing the earnest desire of great numbers of American citizens, whose deep sense of justice, expressed in numerous resolutions and memorials, has urged them to labor for this noble achievement. The general character of this convention, already signed by the delegates of more than twenty sovereign States, further commends it to the favorable action of the Senate of the United States, whose ratification it still awaits.

Since my last annual message, and in obedience to the acts of the Congress of April 22 and 26, 1898, the remaining volunteer force enlisted for the Spanish War, consisting Of 34,834 regulars and 110,202 volunteers, with over 5,000 volunteer officers, has been discharged from the military service. Of the volunteers, 667 officers and 14,831 men were serving in the Philippines, and 1,650 of the regulars, who were entitled to be mustered out after the ratification of the treaty of peace. They voluntarily remained at the front until their places could be filled by new troops. They were returned home in the order in which they went to Manila, and are now all of them out of the service and in the ranks of citizenship. I recommend that the Congress provide a special medal of honor for the volunteers, regulars, sailors, and marines on duty in the Philippines who voluntarily remained in the service after their terms of enlistment had expired.

By the act of March 2, 1899, Congress gave authority to increase the Regular Army to a maximum not exceeding 65,000 enlisted men, and to enlist a force of 5,000 volunteers, to be recruited from the country at large. By virtue of this authority the Regular Army has been increased to the number of 61,999 enlisted men and 2,248 officers, and new volunteer regiments have been organized aggregating 33,050 enlisted men and 1,524 officers. Two of these volunteer regiments are made up of colored men, with colored line officers. The new troops to take the places of those returning from the Philippines have been transported to Manila to the number of 581 officers and 26,322 enlisted men of the Regular Army and 594 officers and 15,388 enlisted men of the new volunteer force, while 504 officers and 14, 119 men of the volunteer force are on the ocean en route to Manila.

The force now in Manila consists Of 905 officers and 30,578 regulars, and 594 officers and 15,388 of the volunteers, making an aggregate of 1,499 officers and 45,966 men. When the troops now under orders shall reach Manila the force in the archipelago will comprise 2,051 officers and 63,483 men. The muster out of the great volunteer army organized for the Spanish War and the creation of a new army, the transportation from Manila to San Francisco of those entitled to discharge and the transportation of the new

troops to take their places have been a work of great magnitude well and ably done, for which too much credit cannot be given the War Department.

Page 1685

During the past year we have reduced our force in Cuba and Puerto Rico, In Cuba we now have 334 officers and 10,796 enlisted men; In Puerto Rico, 87 officers and 2,855 enlisted men and a battalion of 400 men composed of native Puerto Ricans; while stationed throughout the United States are 910 officers and 17,317 men, and in Hawaii 12 officers and 453 enlisted men.

The operations of the Army are fully presented in the report of the Secretary of War. I cannot withhold from officers and men the highest commendation for their soldierly conduct in trying situations, their willing sacrifices for their country, and the integrity and ability with which they have performed unusual and difficult duties in our island possessions.

In the organization of the volunteer regiments authorized by the act of March 2, 1899, it was found that no provision had been made for chaplains. This omission was doubtless from inadvertence. I recommend the early authorization for the appointment of one chaplain for each of said regiments. These regiments are now in the Philippines, and it is important that immediate action be had.

In restoring peaceful conditions, orderly rule, and civic progress in Cuba, Puerto Rico, and, so far as practicable, in the Philippines, the rehabilitation of the postal service has been an essential and important part of the work. It became necessary to provide mail facilities both for our forces of occupation and for the native population. To meet this requirement has involved a substantial reconstruction. The existing systems were so fragmentary, defective, and inadequate that a new and comprehensive organization had to be created. American trained officials have been assigned to the directing and executive positions, while natives have been chiefly employed in making up the body of the force. In working out this plan the merit rule has been rigorously and faithfully applied.

The appointment of Director-General of Posts of Cuba was given to an expert who had been Chief Post-Office Inspector and Assistant Postmaster-General, and who united large experience with administrative capacity. For the postmastership at Havana the range of skilled and available men was scanned, and the choice fell upon one who had been twenty years in the service as deputy postmaster and postmaster of a large city. This principle governed and determined the selection of the American officials sent not only to Cuba, but to Puerto Rico and the Philippines, and they were instructed to apply it so far as practicable in the employment of the natives as minor postmasters and clerks. The postal system in Cuba, though remaining under the general guidance of the Postmaster-General, was made essentially independent. It was felt that it should not be a burden upon the postal service of the United States, and provision was made that any deficit in the postal revenue should be a charge upon the general revenues of the island.

Page 1686

Though Puerto Rico and the Philippines hold a different relation to the United States, yet, for convenience of administration, the same principle of an autonomous system has been extended to them. The development of the service in all of the islands has been rapid and successful. It has moved forward on American lines, with free delivery, money order, and registry systems, and has given the people mail facilities far greater and more reliable than any they have ever before enjoyed. It is thus not only a vital agency of industrial, social, and business progress, but an important influence in diffusing a just understanding of the true spirit and character of American administration.

The domestic postal service continues to grow with extraordinary rapidity. The expenditures and the revenues will each exceed $100,000,000 during the current year. Fortunately, since the revival of prosperous times the revenues have grown much faster than the expenditures, and there is every indication that a short period will witness the obliteration of the annual deficit. In this connection the report of the Postmaster-General embodies a statement of some evils which have grown up outside of the contemplation of law in the treatment of some classes of mail matter which wrongly exercise the privilege of the pound rate, and shows that if this matter had been properly classified and had paid the rate which it should have paid, instead of a postal deficit for the last fiscal year of $6,610,000, there would have been on one basis a surplus of $17,637,570, and on another Of $5,733,836. The reform thus suggested, in the opinion of the Postmaster-General, would not only put the postal service at once on a self-sustaining basis, but would permit great and valuable improvements, and I commend the subject to the consideration of the Congress.

The Navy has maintained the spirit and high efficiency which have always characterized that service, and has lost none of the gallantry in heroic action which has signalized its brilliant and glorious past. The Nation has equal pride in its early and later achievements. Its habitual readiness for every emergency has won the confidence and admiration of the country. The people are interested in the continued preparation and prestige of the Navy and will justify liberal appropriations for its maintenance and improvement. The officers have shown peculiar adaptation for the performance of new and delicate duties which our recent war has imposed.

It cannot be doubted that Congress will at once make necessary provision for the armor plate for the vessels now under contract and building. Its attention is respectfully called to the report of the Secretary of the Navy, in which the subject is fully presented. I unite in his recommendation that the Congress enact such special legislation as may be necessary to enable the Department to make contracts early in the coming year for armor of the best quality that can be obtained in this country for the Maine, Ohio, and Missouri, and that the provision of the act of March 3, 1899, limiting the price of armor to $300 per ton be removed.

Page 1687

In the matter of naval construction Italy and Japan, of the great powers, laid down less tonnage in the year 1899 than this country, and Italy alone has less tonnage under construction. I heartily concur in the recommendations for the increase of the Navy, as suggested by the Secretary.

Our future progress and prosperity depend upon our ability to equal, if not surpass, other nations in the enlargement and advance of science, industry, and commerce. To invention we must turn as one of the most powerful aids to the accomplishment of such a result. The attention of the Congress is directed to the report of the Commissioner of Patents, in which will be found valuable suggestions and recommendations.

On the 30th of June, 1899, the pension roll of the United States numbered 991,519. These include the pensioners of the Army and Navy in all our wars. The number added to the rolls during the year was 40,991. The number dropped by reason of death, remarriage, minors by legal limitation, failure to claim within three years, and other causes, was 43, 186, and the number of claims disallowed was 107,919. During the year 89,054 pension certificates were issued, of which 37,077 were for new or original pensions. The amount disbursed for army and navy pensions during the year was $138,355,052.95, which was $1,651,461.61 less than the sum of the appropriations.

The Grand Army of the Republic at its recent national encampment held in Philadelphia has brought to my attention and to that of the Congress the wisdom and justice of a modification of the third section of the act of June 27, 1890, which provides pensions for the widows of officers and enlisted men who served ninety days or more during the War of the Rebellion and were honorably discharged, provided that such widows are without other means of sup, port than their daily labor and were married to the soldier, sailor, or marine on account of whose service they claim pension prior to the date of the act.

The present holding of the Department is that if the widow's income aside from her daily labor does not exceed in amount what her pension would be, to wit, $96 per annum, she would be deemed to be without other means of support than her daily labor, and would be entitled to a pension under this act; while if the widow's income independent of the amount received by her as the result of her daily labor exceeds $96, she would not be pensionable under the act. I am advised by the Commissioner of Pensions that the amount of the income allowed before title to pension would be barred has varied widely under different administrations of the Pension Office, as well as during different periods of the same administration, and has been the cause of just complaint and criticism.

Page 1688

With the approval of the Secretary of the Interior the Commissioner of Pensions recommends that, in order to make the practice at all times uniform and to do justice to the dependent widow, the amount of income allowed independent of the proceeds of her daily labor should be not less than $250 per annum, and he urges that the Congress shall so amend the act as to permit the Pension Office to grant pensionable status to widows under the terms of the third section of the act of June 27, 1890, whose income aside from the proceeds of daily labor is not in excess of $250 per annum. I believe this to be a simple act of justice and heartily recommend it.

The Dawes Commission reports that gratifying progress has been made in its work during the preceding year. The field-work of enrollment of four of the nations has been completed. I recommend that Congress at an early day make liberal appropriation for educational purposes in the Indian Territory.

In accordance with the act of Congress approved March 3, 1899. the preliminary work in connection with the Twelfth Census is now fully under way. The officers required for the proper administration of the duties imposed have been selected. The provision for securing a proper enumeration of the population, as well as to secure evidence of the industrial growth of the Nation, is broader and more comprehensive than any similar legislation in the past. The Director advises that every needful effort is being made to push this great work to completion in the time limited by the statute. It is believed that the Twelfth Census will emphasize our remarkable advance in all that pertains to national progress.

Under the authority of the act of Congress approved July 7, 1898, the commission consisting of the Secretary of the Treasury, the Attorney-General, and the Secretary of the Interior has made an agreement of settlement, which has had my approval, of the indebtedness to the Government growing out of the issue of bonds to aid in the construction of the Central Pacific and Western Pacific railroads. The agreement secures to the Government the principal and interest of said bonds, amounting to $58,812,715.48. There has been paid thereon $11,762,543.12, which has been covered into the Treasury, and the remainder, payable within ten years, with interest at the rate Of 3 per cent per annum, payable semiannually, is secured by the deposit of an equal amount of first-mortgage bonds of the Pacific Railway companies. The amounts paid and secured to be paid to the Government on account of the Pacific Railroad subsidy claims are: Union Pacific, cash — $58,448,223.75

Kansas Pacific, cash — 6,303,000.00

Central and Western Pacific, cash — 11,798,314.14

Notes, secured — 47,050,172.36

Kansas Pacific—dividends for deficiency due United States, cash — 821,897.70 —

***

State of the Union Address
William McKinley
December 3, 1900

Page 1689

To the Senate and House of Representatives:

At the outgoing of the old and the incoming of the new century you begin the last session of the Fifty-sixth Congress with evidences on every hand of individual and national prosperity and with proof of the growing strength and increasing power for good of Republican institutions. Your countrymen will join with you in felicitation that American liberty is more firmly established than ever before, and that love for it and the determination to preserve it are more universal than at any former period of our history.

The Republic was never so strong, because never so strongly entrenched in the hearts of the people as now. The Constitution, with few amendments, exists as it left the hands of its authors. The additions which have been made to it proclaim larger freedom and more extended citizenship. Popular government has demonstrated in its one hundred and twenty-four years of trial here its stability and security, and its efficiency as the best instrument of national development and the best safeguard to human rights.

When the Sixth Congress assembled in November, 1800, the population of the United States was 5,308,483. It is now 76,304,799. Then we had sixteen States. Now we have forty-five. Then our territory consisted Of 909,050 square miles. It is now 3,846,595 square miles. Education, religion, and morality have kept pace with our advancement in other directions, and while extending its power the Government has adhered to its foundation principles and abated none of them in dealing with our new peoples and possessions. A nation so preserved and blessed gives reverent thanks to God and invokes His guidance and the continuance of His care and favor.

In our foreign intercourse the dominant question has been the treatment of the Chinese problem. Apart from this our relations with the powers have been happy.

The recent troubles in China spring from the antiforeign agitation which for the past three years has gained strength in the northern provinces. Their origin lies deep in the character of the Chinese races and in the traditions of their Government. The Taiping rebellion and the opening of Chinese ports to foreign trade and settlement disturbed alike the homogeneity and the seclusion of China.

Meanwhile foreign activity made itself felt in all quarters, not alone on the coast, but along the great river arteries and in the remoter districts, carrying new ideas and introducing new associations among a primitive people which had pursued for centuries a national policy of isolation.

The telegraph and the railway spreading over their land, the steamers plying on their waterways, the merchant and the missionary penetrating year by year farther to the interior, became to the Chinese mind types of an alien invasion, changing the course of their national life and fraught with vague forebodings of disaster to their beliefs and their self-control.

Page 1690

For several years before the present troubles all the resources of foreign diplomacy, backed by moral demonstrations of the physical force of fleets and arms, have been needed to secure due respect for the treaty rights of foreigners and to obtain satisfaction from the responsible authorities for the sporadic outrages upon the persons and property of unoffending sojourners, which from time to time occurred at widely separated points in the northern provinces, as in the case of the outbreaks in Sze-chuen and Shan-tung.

Posting of antiforeign placards became a daily occurrence, which the repeated reprobation of the Imperial power failed to check or punish. These inflammatory appeals to the ignorance and superstition of the masses, mendacious and absurd in their accusations and deeply hostile in their spirit, could not but work cumulative harm. They aimed at no particular class of foreigners; they were impartial in attacking everything foreign.

An outbreak in Shan-tung, in which German missionaries were slain, was the too natural result of these malevolent teachings.

The posting of seditious placards, exhorting to the utter destruction of foreigners and of every foreign thing, continued unrebuked. Hostile demonstrations toward the stranger gained strength by organization.

The sect, commonly styled the Boxers, developed greatly in the provinces north of the Yang-Tse, and with the collusion of many notable officials, including some in the immediate councils of the Throne itself, became alarmingly aggressive. No foreigner's life, outside of the protected treaty ports, was safe. No foreign interest was secure from spoliation.

The diplomatic representatives of the powers in Peking strove in vain to check this movement. Protest was followed by demand and demand by renewed protest, to be met with perfunctory edicts from the Palace and evasive and futile assurances from the Tsung-li Yamen. The circle of the Boxer influence narrowed about Peking, and while nominally stigmatized as seditious, it was felt that its spirit pervaded the capital itself, that the Imperial forces were imbued with its doctrines, and that the immediate counselors of the Empress Dowager were in full sympathy with the antiforeign movement.

The increasing gravity of the conditions in China and the imminence of peril to our own diversified interests in the Empire, as well as to those of all the other treaty governments, were soon appreciated by this Government, causing it profound solicitude. The United States from the earliest days of foreign intercourse with China had followed a policy of peace, omitting no occasions to testify good will, to further the extension of lawful trade, to respect the sovereignty of its Government, and to insure by all legitimate and kindly but earnest means the fullest measure of protection for the lives

and property of our law-abiding citizens and for the exercise of their beneficent callings among the Chinese people.

Page 1691

Mindful of this, it was felt to be appropriate that our purposes should be pronounced in favor of such course as would hasten united action of the powers at Peking to promote the administrative reforms so greatly needed for strengthening the Imperial Government and maintaining the integrity of China, in which we believed the whole western world to be alike concerned. To these ends I caused to be addressed to the several powers occupying territory and maintaining spheres of influence in China the circular proposals of 1899, inviting from them declarations of their intentions and views as to the desirability of the adoption of measures insuring the benefits of equality of treatment of all foreign trade throughout China.

With gratifying unanimity the responses coincided in this common policy, enabling me to see in the successful termination of these negotiations proof of the friendly spirit which animates the various powers interested in the untrammeled development of commerce and industry in the Chinese Empire as a source of vast benefit to the whole commercial world.

In this conclusion, which I had the gratification to announce as a completed engagement to the interested powers on March 20, 1900, I hopefully discerned a potential factor for the abatement of the distrust of foreign purposes which for a year past had appeared to inspire the policy of the Imperial Government, and for the effective exertion by it of power and authority to quell the critical antiforeign movement in the northern provinces most immediately influenced by the Manchu sentiment.

Seeking to testify confidence in the willingness and ability of the Imperial administration to redress the wrongs and prevent the evils we suffered and feared, the marine guard, which had been sent to Peking in the autumn of 1899 for the protection of the legation, was withdrawn at the earliest practicable moment, and all pending questions were remitted, as far as we were concerned, to the ordinary resorts of diplomatic intercourse.

The Chinese Government proved, however, unable to check the rising strength of the Boxers and appeared to be a prey to internal dissensions. In the unequal contest the antiforeign influences soon gained the ascendancy under the leadership of Prince Tuan. Organized armies of Boxers, with which the Imperial forces affiliated, held the country between Peking and the coast, penetrated into Manchuria up to the Russian borders, and through their emissaries threatened a like rising throughout northern China.

Attacks upon foreigners, destruction of their property, and slaughter of native converts were reported from all sides. The Tsung-li Yamen, already permeated with hostile sympathies, could make no effective response to the appeals of the legations. At this critical juncture, in the early spring of this year, a proposal was made by the other powers that a combined fleet should be assembled in Chinese waters as a moral demonstration, under cover of which to exact of the Chinese Government respect for foreign treaty rights and the suppression of the Boxers.

Page 1692

The United States, while not participating in the joint demonstration, promptly sent from the Philippines all ships that could be spared for service on the Chinese coast. A small force of marines was landed at Taku and sent to Peking for the protection of the American legation. Other powers took similar action, until some four hundred men were assembled in the capital as legation guards.

Still the peril increased. The legations reported the development of the seditious movement in Peking and the need of increased provision for defense against it. While preparations were in progress for a larger expedition, to strengthen the legation guards and keep the railway open, an attempt of the foreign ships to make a landing at Taku was met by a fire from the Chinese forts. The forts were thereupon shelled by the foreign vessels, the American admiral taking no part in the attack, on the ground that we were not at war with China and that a hostile demonstration might consolidate the antiforeign elements and strengthen the Boxers to oppose the relieving column.

Two days later the Taku forts were captured after a sanguinary conflict. Severance of communication with Peking followed, and a combined force of additional guards, which was advancing to Peking by the Pei-Ho, was checked at Langfang. The isolation of the legations was complete.

The siege and the relief of the legations has passed into undying history. In all the stirring chapter which records the heroism of the devoted band, clinging to hope in the face of despair, and the undaunted spirit that led their relievers through battle and suffering to the goal, it is a memory of which my countrymen may be justly proud that the honor of our flag was maintained alike in the siege and the rescue, and that stout American hearts have again set high, in fervent emulation with true men of other race and language, the indomitable courage that ever strives for the cause of right and justice.

By June 19 the legations were cut off. An identical note from the, Yamen ordered each minister to leave Peking, under a promised escort, within twenty-four hours. To gain time they replied, asking prolongation of the time, which was afterwards granted, and requesting an interview with the Tsung-li Yamen on the following day. No reply being received, on the morning of the 20th the German minister, Baron von Ketteler, set out for the Yamen to obtain a response, and oil the way was murdered.

An attempt by the legation guard to recover his body was foiled by the Chinese. Armed forces turned out against the legations. Their quarters were surrounded and attacked. The mission compounds were abandoned, their inmates taking refuge in the British legation, where all the other legations and guards gathered for more effective defense. Four hundred persons were crowded in its narrow compass. Two thousand native converts were assembled in a nearby palace under protection of the foreigners. Lines of defense were strengthened, trenches dug, barricades raised, and preparations made to stand a siege, which at once began.

Page 1693

From June 20 until July 17, writes Minister Conger, “there was scarcely an hour during which there was not firing upon some part of our lines and into some of the legations, varying from a single shot to a general and continuous attack along the whole line.” Artillery was placed around the legations and on the over-looking palace walls, and thousands Of 3-inch shot and shell were fired, destroying some buildings and damaging all. So thickly did the balls rain, that, when the ammunition of the besieged ran low, five quarts of Chinese bullets were gathered in an hour in one compound and recast.

Attempts were made to burn the legations by setting neighboring houses on fire, but the flames were successfully fought off, although the Austrian, Belgian, Italian. and Dutch legations were then and subsequently burned. With the aid of the native converts, directed by the missionaries, to whose helpful co-operation Mr. Conger awards unstinted praise, the British legation was made a veritable fortress. The British minister, Sir Claude MacDonald, was chosen general commander of the defense, with the secretary of the American legation, Mr. E. G. Squiers, as chief of staff.

To save life and ammunition the besieged sparingly returned the incessant fire of the Chinese soldiery, fighting only to repel attack or make an occasional successful sortie for strategic advantage, such as that of fifty-five American, British, and Russian marines led by Captain Myers, of the United States Marine Corps, which resulted in the capture of a formidable barricade on the wall that gravely menaced the American position. It was held to the last, and proved an invaluable acquisition, because commanding the water gate through which the relief column entered.

During the siege the defenders lost 65 killed, 135 wounded, and 7 by disease, the last all children.

On July 14 the besieged had their first communication with the Tsung-li Yamen, from whom a message came inviting to a conference, which was declined. Correspondence, however, ensued and a sort of armistice was agreed upon, which stopped the bombardment and lessened the rifle fire for a time. Even then no protection whatever was afforded, nor any aid given, save to send to the legations a small supply of fruit and three sacks of flour.

Indeed, the only communication had with the Chinese Government related to the occasional delivery or dispatch of a telegram or to the demands of the Tsung-li Yamen for the withdrawal of the legations to the coast under escort. Not only are the protestations of the Chinese Government that it protected and succored the legations positively contradicted, but irresistible proof accumulates that the attacks upon them were made by Imperial troops, regularly uniformed, armed, and officered, belonging to the command of Jung Lu, the Imperial commander in chief. Decrees encouraging the Boxers, organizing them tinder prominent Imperial officers, provisioning them, and even granting them large sums in the name of the Empress Dowager, are known to exist. Members of the Tsung-li Yamen who counseled protection of the foreigners were

beheaded. Even in the distant provinces men suspected of foreign sympathy were put to death, prominent among these being Chang Yen-hoon, formerly Chinese minister in Washington.

Page 1694

With the negotiation of the partial armistice of July 14, a proceeding which was doubtless promoted by the representations of the Chinese envoy in Washington, the way was opened for the conveyance to Mr. Conger of a test message sent by the Secretary of State through the kind offices of Minister Wu Ting-fang. Mr. Conger's reply, dispatched from Peking on July 18 through the same channel, afforded to the outside world the first tidings that the inmates of the legations were still alive and hoping for succor.

This news stimulated the preparations for a joint relief expedition in numbers sufficient to overcome the resistance which for a month had been organizing between Taku and the capital. Reinforcements sent by all the co-operating Governments were constantly arriving. The United States contingent, hastily assembled from the Philippines or dispatched from this country, amounted to some 5,000 men, under the able command first of the lamented Colonel Liscurn and afterwards of General Chaffee.

Toward the end of July the movement began. A severe conflict followed at Tientsin, in which Colonel Liscurn was killed. The city was stormed and partly destroyed. Its capture afforded the base of operations from which to make the final advance, which began in the first days of August, the expedition being made up of Japanese, Russian, British, and American troops at the outset.

Another battle was fought and won at Yangtsun. Thereafter the disheartened Chinese troops offered little show of resistance. A few days later the important position of Ho-si-woo was taken. A rapid march brought the united forces to the populous city of Tung Chow, which capitulated without a contest.

On August 14 the capital was reached. After a brief conflict beneath the walls the relief column entered and the legations were saved. The United States soldiers, sailors, and marines, officers and men alike, in those distant climes and unusual surroundings, showed the same valor, discipline, and good conduct and gave proof of the same high degree of intelligence and efficiency which have distinguished them in every emergency.

The Imperial family and the Government had fled a few days before. The city was without visible control. The remaining Imperial soldiery had made on the night of the 13th a last attempt to exterminate the besieged, which was gallantly repelled. It fell to the occupying forces to restore order and organize a provisional administration.

Happily the acute disturbances were confined to the northern provinces. It is a relief to recall and a pleasure to record the loyal conduct of the viceroys and local authorities of the southern and eastern provinces. Their efforts were continuously directed to the pacific control of the vast populations under their rule and to the scrupulous observance of foreign treaty rights. At critical moments they did not hesitate to memorialize the Throne, urging

Page 1695

the protection of the legations, the restoration of communication, and the assertion of the Imperial authority against the subversive elements. They maintained excellent relations with the official representatives of foreign powers. To their kindly disposition is largely due the success of the consuls in removing many of the missionaries from the interior to places of safety. In this relation the action of the consuls should be highly commended. In Shan-tung and eastern Chi-li the task was difficult, but, thanks to their energy and the cooperation of American and foreign naval commanders, hundreds of foreigners, including those of other nationalities than ours, were rescued from imminent peril.

The policy of the United States through all this trying period was clearly announced and scrupulously carried out. A circular note to the powers dated July 3 proclaimed our attitude. Treating the condition in the north as one of virtual anarchy, in which the great provinces of the south and southeast had no share, we regarded the local authorities in the latter quarters as representing the Chinese people with whom we sought to remain in peace and friendship. Our declared aims involved no war against the Chinese nation. We adhered to the legitimate office of rescuing the imperiled legation, obtaining redress for wrongs already suffered, securing wherever possible the safety of American life and property in China, and preventing a spread of the disorders or their recurrence.

As was then said, “The policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.”

Faithful to those professions which, as it proved, reflected the views and purposes of the other co-operating Governments, all our efforts have been directed toward ending the anomalous situation in China by negotiations for a settlement at the earliest possible moment. As soon as the sacred duty of relieving our legation and its dependents was accomplished we withdrew from active hostilities, leaving our legation under an adequate guard in Peking as a channel of negotiation and settlement—a course adopted by others of the interested powers. Overtures of the empowered representatives of the Chinese Emperor have been considerately entertained.

The Russian proposition looking to the restoration of the Imperial power in Peking has been accepted as in full consonance with our own desires, for we have held and hold that effective reparation for wrongs suffered and an enduring settlement that will make their recurrence impossible can best be brought about under an authority which the Chinese nation reverences and obeys. While so doing we forego no jot of our undoubted right to exact exemplary and deterrent punishment of the responsible

authors and abettors of the criminal acts whereby we and other nations have suffered grievous injury.

Page 1696

For the real culprits, the evil counselors who have misled the Imperial judgment and diverted the sovereign authority to their own guilty ends, full expiation becomes imperative within the rational limits of retributive Justice. Regarding this as the initial condition of an acceptable settlement between China and the powers, I said in my message of October 18 to the Chinese Emperor: I trust that negotiations may begin so soon as we and the other offended Governments shall be effectively satisfied of Your Majesty's ability and power to treat with just sternness the principal offenders, who are doubly culpable, not alone toward the foreigners, but toward Your Majesty, under whose rule the purpose of China to dwell in concord with the world had hitherto found expression in the welcome and protection assured to strangers. Taking, as a point of departure, the Imperial edict appointing Earl Li Hung Chang and Prince Ching plenipotentiaries to arrange a settlement, and the edict of September 25, whereby certain high officials were designated for punishment, this Government has moved, in concert with the other powers, toward the opening of negotiations, which Mr. Conger, assisted by Mr. Rockhill, has been authorized to conduct on behalf of the United States.

General bases of negotiation formulated by the Government of the French Republic have been accepted with certain reservations as to details, made necessary by our own circumstances, but, like similar reservations by other powers, open to discussion in the progress of the negotiations. The disposition of the Emperor's Government to admit liability for wrongs done to foreign Governments and their nationals, and to act upon such additional designation of the guilty persons as the foreign ministers at Peking may be in a position to make, gives hope of a complete settlement of all questions involved, assuring foreign rights of residence and intercourse on terms of equality for all the world.

I regard as one of the essential factors of a durable adjustment the securement of adequate guarantees for liberty of faith, since insecurity of those natives who may embrace alien creeds is a scarcely less effectual assault upon the rights of foreign worship and teaching than would be the direct invasion thereof.

The matter of indemnity for our wronged citizens is a question of grave concern. Measured in money alone, a sufficient reparation may prove to be beyond the ability of China to meet. All the powers concur in emphatic disclaimers of any purpose of aggrandizement through the dismemberment of the Empire. I am disposed to think that due compensation may be made in part by increased guarantees of security for foreign rights and immunities, and, most important of all, by the opening of China to the equal commerce of all the world. These views have been and will be earnestly advocated by our representatives.

The Government of Russia has put forward a suggestion, that in the event of protracted divergence of views in regard to indemnities the matter may be relegated to the Court of Arbitration at The Hague. I favorably incline to this, believing that high tribunal could not

fail to reach a solution no less conducive to the stability and enlarged prosperity of China itself than immediately beneficial to the powers.

Page 1697

Ratifications of a treaty of extradition with the Argentine Republic were exchanged on June 2 last.

While the Austro-Hungarian Government has in the many cases that have been reported of the arrest of our naturalized citizens for alleged evasion of military service faithfully observed the provisions of the treaty and released such persons from military obligations, it has in some instances expelled those whose presence in the community of their origin was asserted to have a pernicious influence. Representations have been made against this course whenever its adoption has appeared unduly onerous.

We have been urgently solicited by Belgium to ratify the International Convention of June, 1899, amendatory of the previous Convention of 1890 in respect to the regulation of the liquor trade in Africa. Compliance was necessarily withheld, in the absence of the advice and consent of the Senate thereto. The principle involved has the cordial sympathy of this Government, which in the reversionary negotiations advocated more drastic measures, and I would gladly see its extension, by international agreement, to the restriction of the liquor traffic with all uncivilized peoples, especially in the Western Pacific.

A conference will be held at Brussels December 11, 1900, under the Convention for the protection of industrial property, concluded at Paris March 20, 1883, to which delegates from this country have been appointed. Any lessening of the difficulties that our inventors encounter in obtaining patents abroad for their inventions and that our farmers, manufacturers, and merchants may have in the protection of their trade-marks is worthy of careful consideration, and your attention will be called to the results of the conference at the proper time.

In the interest of expanding trade between this country and South America, efforts have been made during the past year to conclude conventions with the southern republics for the enlargement of postal facilities. Two such agreements, signed with Bolivia on April 24, of which that establishing the money-order system is undergoing certain changes suggested by the Post-Office Department, have not yet been ratified by this Government. A treaty of extradition with that country, signed on the same day, is before the Senate.

A boundary dispute between Brazil and Bolivia over the territory of Acre is in a fair way of friendly adjustment, a protocol signed in December, 1899, having agreed on a definite frontier and provided for its demarcation by a joint commission.

Conditions in Brazil have weighed heavily on our export trade to that country in marked contrast to the favorable conditions upon which Brazilian products are admitted into our markets. Urgent representations have been made to that Government on the subject and some amelioration has been effected. We rely upon the reciprocal justice and good

will of that Government to assure to us a further improvement in our commercial relations.

Page 1698

The Convention signed May 24, 1897, for the final settlement of claims left in abeyance upon the dissolution of the Commission of 1893, was at length ratified by the Chilean Congress and the supplemental Commission has been organized.

It remains for the Congress to appropriate for the necessary expenses of the Commission.

The insurrectionary movement which disturbed Colombia in the latter part of 1899 has been practically suppressed, although guerrillas still operate in some departments. The executive power of that Republic changed hands in August last by the act of Vice-President Marroquin in assuming the reins of government during the absence of President San Clemente from the capital. The change met with no serious opposition, and, following the precedents in such cases, the United States minister entered into relations with the new defacto Government on September 17.

It is gratifying to announce that the residual questions between Costa Rica and Nicaragua growing out of the Award of President Cleveland in 1888 have been adjusted through the choice of an American engineer, General E. P. Alexander, as umpire to run the disputed line. His task has been accomplished to the satisfaction of both contestants.

A revolution in the Dominican Republic toward the close of last year resulted in the installation of President Jimenez, whose Government was formally recognized in January. Since then final payment has been made of the American claim in regard to the Ozama bridge.

The year of the exposition has been fruitful in occasions for displaying the good will that exists between this country and France. This great competition brought together from every nation the best in natural productions, industry, science, and the arts, submitted in generous rivalry to a judgment made all the more searching because of that rivalry. The extraordinary increase of exportations from this country during the past three years and the activity with which our inventions and wares had invaded new markets caused much interest to center upon the American exhibit, and every encouragement was offered in the way of space and facilities to permit of its being comprehensive as a whole and complete in every part.

It was, however, not an easy task to assemble exhibits that could fitly illustrate our diversified resources and manufactures. Singularly enough, our national prosperity lessened the incentive to exhibit. The dealer in raw materials knew that the user must come to him; the great factories were contented with the phenomenal demand for their output, not alone at home, but also abroad, where merit had already won a profitable trade.

Appeals had to be made to the patriotism of exhibitors to induce them to incur outlays promising no immediate return. This was especially the case where it became needful to complete an industrial sequence or illustrate a class of processes. One manufacturer after another had to be visited and importuned, and at times, after a promise to exhibit in a particular section had been obtained, it would be withdrawn, owing to pressure of trade orders, and a new quest would have to be made.

Page 1699

The installation of exhibits, too, encountered many obstacles and involved unexpected cost. The exposition was far from ready at the date fixed for its opening. The French transportation lines were congested with offered freight. Belated goods had to be hastily installed in unfinished quarters with whatever labor could be obtained in the prevailing confusion. Nor was the task of the Commission lightened by the fact that, owing to the scheme of classification adopted, it was impossible to have the entire exhibit of any one country in the same building or more than one group of exhibits in the same part of any building. Our installations were scattered on both sides of the Seine and in widely remote suburbs of Paris, so that additional assistants were needed for the work of supervision and arrangement.

Despite all these drawbacks the contribution of the United States was not only the largest foreign display, but was among the earliest in place and the most orderly in arrangement. Our exhibits were shown in one hundred and one out of one hundred and twenty-one classes, and more completely covered the entire classification than those of any other nation. In total number they ranked next after those of France, and the attractive form in which they were presented secured general attention.

A criterion of the extent and success of our participation and of the thoroughness with which our exhibits were organized is seen in the awards granted to American exhibitors by the international jury, namely, grand prizes, 240; gold medals, 597; silver medals, 776; bronze medals, 541, and honorable mentions, 322—2,476 in all, being the greatest total number given to the exhibit of any exhibiting nation, as well as the largest number in each grade. This significant recognition of merit in competition with the chosen exhibits of all other nations and at the hands of juries almost wholly made up of representatives of France and other competing countries is not only most gratifying, but is especially valuable, since it sets us to the front in international questions of supply and demand, while the large proportion of awards in the classes of art and artistic manufactures afforded unexpected proof of the stimulation of national culture by the prosperity that flows from natural productiveness joined to industrial excellence.

Apart from the exposition several occasions for showing international good will occurred. The inauguration in Paris of the Lafayette Monument, presented by the school children of the United States, and the designing of a commemorative coin by our Mint and the presentation of the first piece struck to the President of the Republic, were marked by appropriate ceremonies, and the Fourth of July was especially observed in the French capital.

Good will prevails in our relations with the German Empire. An amicable adjustment of the long-pending question of the admission of our life-insurance companies to do business in Prussia has been reached. One of the principal companies has already been readmitted and the way is opened for the others to share the privilege.

Page 1700

The settlement of the Samoan problem, to which I adverted in my last message, has accomplished good results. Peace and contentment prevail in the islands, especially in Tutuila, where a convenient administration that has won the confidence and esteem of the kindly disposed natives has been organized under the direction of the commander of the United States naval station at Pago-Pago.

An Imperial meat inspection law has been enacted for Germany. While it may simplify the inspections, it prohibits certain products heretofore admitted. There is still great uncertainty as to whether our well-nigh extinguished German trade in meat products can revive tinder its new burdens. Much will depend upon regulations not yet promulgated, which we confidently hope will be free from the discriminations which attended the enforcement of the old statutes.

The remaining link in the new lines of direct telegraphic communication between the United States and the German Empire has recently been completed, affording a gratifying occasion for exchange of friendly congratulations with the German Emperor.

Our friendly relations with Great Britain continue. The war in Southern Africa introduced important questions. A condition unusual in international wars was presented in that while one belligerent had control of the seas, the other had no ports, shipping, or direct trade, but was only accessible through the territory of a neutral. Vexatious questions arose through Great Britain's action in respect to neutral cargoes, not contraband in their own nature, shipped to Portuguese South Africa, on the score of probable or suspected ultimate destination to the Boer States.

Such consignments in British ships, by which alone direct trade is kept up between our ports and Southern Africa, were seized in application of a municipal law prohibiting British vessels from trading with the enemy without regard to any contraband character of the goods, while cargoes shipped to Delagoa Bay in neutral bottoms were arrested on the ground of alleged destination to enemy's country. Appropriate representations on our part resulted in the British Government agreeing to purchase outright all such goods shown to be the actual property of American citizens, thus closing the incident to the satisfaction of the immediately interested parties, although, unfortunately, without a broad settlement of the question of a neutral's right to send goods not contraband per se to a neutral port adjacent to a belligerent area.

The work of marking certain provisional boundary points, for convenience of administration, around the head of Lynn Canal, in accordance with the temporary arrangement of October, 1899, Was completed by a joint survey in July last. The modus vivendi has so far worked without friction, and the Dominion Government has provided rules and regulations for securing to our citizens the benefit of the reciprocal stipulation that the citizens or subjects of either power found

Page 1701

by that arrangement within the temporary jurisdiction of the other shall suffer no diminution of the rights and privileges they have hitherto enjoyed. But however necessary such an expedient may have been to tide over the grave emergencies of the situation, it is at best but an unsatisfactory makeshift, which should not be suffered to delay the speedy and complete establishment of the frontier line to which we are entitled under the Russo-American treaty for the cession of Alaska.

In this relation I may refer again to the need of definitely marking the Alaskan boundary where it follows the one hundred and forty-first meridian. A convention to that end has been before the Senate for some two years, but as no action has been taken I contemplate negotiating a new convention for a joint determination of the meridian by telegraphic observations. These, it is believed, will give more accurate and unquestionable results than the sidereal methods heretofore independently followed, which, as is known, proved discrepant at several points on the line, although not varying at any place more than 700 feet.

The pending claim of R. H. May against the Guatemalan Government has been settled by arbitration, Mr. George F. B. Jenner, British minister at Guatemala, who was chosen as sole arbitrator, having awarded $143,750.73 in gold to the claimant.

Various American claims against Haiti have been or are being advanced to the resort of arbitration.

As the result of negotiations with the Government of Honduras in regard to the indemnity demanded for the murder of Frank H. Pears in Honduras, that Government has paid $10,000 in settlement of the claim of the heirs.

The assassination of King Humbert called forth sincere expressions of sorrow from this Government and people, and occasion was fitly taken to testify to the Italian nation the high regard here felt for the memory of the lamented ruler.

In my last message I referred at considerable length to the lynching of five Italians at Tallulah. Notwithstanding the efforts of the Federal Government, the production of evidence tending to inculpate the authors of this grievous offense against our civilization, and the repeated inquests set on foot by the authorities of the State of Louisiana, no punishments have followed. Successive grand juries have failed to indict. The representations of the Italian Government in the face of this miscarriage have been most temperate and just.

Setting the principle at issue high above all consideration of merely pecuniary indemnification, such as this Government made in the three previous cases, Italy has solemnly invoked the pledges of existing treaty and asked that the justice to which she

is entitled shall be meted in regard to her unfortunate countrymen in our territory with the same full measure she herself would give to any American were his reciprocal treaty rights contemned.

Page 1702

I renew the urgent recommendations I made last year that the Congress appropriately confer upon the Federal courts jurisdiction in this class of international cases where the ultimate responsibility of the Federal Government may be involved, and I invite action upon the bills to accomplish this which were introduced in the Sen. ate and House. It is incumbent upon us to remedy the statutory omission which has led, and may again lead, to such untoward results. I have pointed out the necessity and the precedent for legislation of this character. Its enactment is a simple measure of previsory justice toward the nations with which we as a sovereign equal make treaties requiring reciprocal observance.

While the Italian Government naturally regards such action as the primary and, indeed, the most essential element in the disposal of the Tallulah incident, I advise that, in accordance with precedent, and in view of the improbability of that particular case being reached by the bill now pending, Congress make gracious provision for indemnity to the Italian sufferers in the same form and proportion as heretofore.

In my inaugural address I referred to the general subject of lynching in these words: Lynching must not be tolerated in a great and civilized country like the United States; courts, not mobs, must execute the penalties of the law. The preservation of public order, the right of discussion, the integrity of courts, and the orderly administration of justice must continue forever the rock of safety upon which our Government securely rests. This I most urgently reiterate and again invite the attention of my countrymen to this reproach upon our civilization.

The closing year has witnessed a decided strengthening of Japan's relations to other states. The development of her independent judicial and administrative functions under the treaties which took effect July 17, 1899, has proceeded without international friction, showing the competence of the Japanese to hold a foremost place among modern peoples.

In the treatment of the difficult Chinese problems Japan has acted in harmonious concert with the other powers, and her generous cooperation materially aided in the joint relief of the beleaguered legations in Peking and in bringing about an understanding preliminary to a settlement of the issues between the powers and China. Japan's declarations in favor of the integrity of the Chinese Empire and the conservation of open world trade therewith have been frank and positive. As a factor for promoting the general interests of peace, order, and fair commerce in the Far East the influence of Japan can hardly be overestimated.

The valuable aid and kindly courtesies extended by the Japanese Government and naval officers to the battle ship Oregon are gratefully appreciated.

Complaint was made last summer of the discriminatory enforcement of a bubonic quarantine against Japanese on the Pacific coast and of interference with their travel in

California and Colorado under the health laws of those States. The latter restrictions have been adjudged by a Federal court to be unconstitutional. No recurrence of either cause of complaint is apprehended.

Page 1703

No noteworthy incident has occurred in our relations with our important southern neighbor. Commercial intercourse with Mexico continues to thrive, and the two Governments neglect no opportunity to foster their mutual interests in all practicable ways.

Pursuant to the declaration of the Supreme Court that the awards of the late joint Commission in the La Abra and Weil claims were obtained through fraud, the sum awarded in the first case, $403,030.08, has been returned to Mexico, and the amount of the Weil award will be returned in like manner.

A Convention indefinitely extending the time for the labors of the United States and Mexican International (Water) Boundary Commission has been signed.

It is with satisfaction that I am able to announce the formal notification at The Hague, on September 4, of the deposit of ratifications of the Convention for the Pacific Settlement of International Disputes by sixteen powers, namely, the United States, Austria, Belgium, Denmark, England, France, Germany, Italy, Persia, Portugal, Roumania, Russia, Siam, Spain, Sweden and Norway, and the Netherlands. Japan also has since ratified the Convention.

The Administrative Council of the Permanent Court of Arbitration has been organized and has adopted rules of order and a constitution for the International Arbitration Bureau. In accordance with Article XXIII of the Convention providing for the appointment by each signatory power of persons of known competency in questions of international law as arbitrators, I have appointed as members of this Court, Hon. Benjamin Harrison, of Indiana, ex-President of the United States; Hon. Melville W. Fuller, of Illinois, Chief justice of the United States; Hon. John W. Griggs, of New Jersey, Attorney General of the United States; and Hon. George Gray, of Delaware, a judge of the circuit court of the United States.

As an incident of the brief revolution in the Mosquito district of Nicaragua early in 1899 the insurgents forcibly collected from American merchants duties upon imports. On the restoration of order the Nicaraguan authorities demanded a second payment of such duties on the ground that they were due to the titular Government and that their diversion had aided the revolt.

This position was not accepted by us. After prolonged discussion a compromise was effected under which the amount of the second payments was deposited with the British consul at San Juan del Norte in trust until the two Governments should determine whether the first payments had been made under compulsion to a de facto authority. Agreement as to this was not reached, and the point was waived by the act of the Nicaraguan Government in requesting the British consul to return the deposits to the merchants.

Menacing differences between several of the Central American States have been accommodated, our ministers rendering good offices toward an understanding.

Page 1704

The all-important matter of an interoceanic canal has assumed a new phase. Adhering to its refusal to reopen the question of the forfeiture of the contract of the Maritime Canal Company, which was terminated for alleged nonexecution in October, 1899, the Government of Nicaragua has since supplemented that action by declaring the so styled Eyre-Cragin option void for nonpayment of the stipulated advance. Protests in relation to these acts have been filed in the State Department and are under consideration. Deeming itself relieved from existing engagements, the Nicaraguan Government shows a disposition to deal freely with the canal question either in the way of negotiations with the United States or by taking measures to promote the waterway.

Overtures for a convention to effect the building of a canal under the auspices of the United States are under consideration. In the meantime, the views of the Congress upon the general subject, in the light of the report of the Commission appointed to examine the comparative merits of the various trans-Isthmian ship-canal projects, may be awaited.

I commend to the early attention of the Senate the Convention with Great Britain to facilitate the construction of such a canal and to remove any objection which might arise out of the Convention commonly called the Clayton-Bulwer Treaty.

The long-standing contention with Portugal, growing out of the seizure of the Delagoa Bay Railway, has been at last determined by a favorable award of the tribunal of arbitration at Berne, to which it was submitted. The amount of the award, which was deposited in London awaiting arrangements by the Governments of the United States and Great Britain for its disposal, has recently been paid over to the two Governments.

A lately signed Convention of Extradition with Peru as amended by the Senate has been ratified by the Peruvian Congress.

Another illustration of the policy of this Government to refer international disputes to impartial arbitration is seen in the agreement reached with Russia to submit the claims on behalf of American sealing vessels seized in Bering Sea to determination by Mr. T. M. C. Asser, a distinguished statesman and jurist of the Netherlands.

Thanks are due to the Imperial Russian Government for the kindly aid rendered by its authorities in eastern Siberia to American missionaries fleeing from Manchuria.

Satisfactory progress has been made toward the conclusion of a general treaty of friendship and intercourse with Spain, in replacement of the old treaty, which passed into abeyance by reason of the late war. A new convention of extradition is approaching completion, and I should be much pleased were a commercial arrangement to follow. I feel that we should not suffer to pass any opportunity to reaffirm the cordial ties that existed between us and Spain from the time of our earliest independence, and to

enhance the mutual benefits of that commercial intercourse which is natural between the two countries.

Page 1705

By the terms of the Treaty of Peace the line bounding the ceded Philippine group in the southwest failed to include several small islands lying westward of the Sulus, which have always been recognized as under Spanish control. The occupation of Sibutd and Cagayan Sulu by our naval forces elicited a claim on the part of Spain, the essential equity of which could not be gainsaid. In order to cure the defect of the treaty by removing all possible ground of future misunderstanding respecting the interpretation of its third article, I directed the negotiation of a supplementary treaty, which will be forthwith laid before the Senate, whereby Spain quits all title and claim of title to the islands named as well as to any and all islands belonging to the Philippine Archipelago lying outside the lines described in said third article, and agrees that all such islands shall be comprehended in the cession of the archipelago as fully as if they had been expressly included within those lines. In consideration of this cession the United States is to pay to Spain the sum of $100,000.

A bill is now pending to effect the recommendation made in my last annual message that appropriate legislation be had to carry into execution Article VII of the Treaty of Peace with Spain, by which the United States assumed the payment of certain claims for indemnity of its citizens against Spain. I ask that action be taken to fulfill this obligation.

The King of Sweden and Norway has accepted the joint invitation of the United States, Germany, and Great Britain to arbitrate claims growing out of losses sustained in the Samoan Islands in the course of military operations made necessary by the disturbances in 1899.

Our claims upon the Government of the Sultan for reparation for injuries suffered by American citizens in Armenia and elsewhere give promise of early and satisfactory settlement. His Majesty's good disposition in this regard has been evinced by the issuance of an irade for rebuilding the American college at Harpoot.

The failure of action by the Senate at its last session upon the commercial conventions then submitted for its consideration and approval, although caused by the great pressure of other legislative business, has caused much disappointment to the agricultural and industrial interests of the country, which hoped to profit by their provisions. The conventional periods for their ratification having expired, it became necessary to sign additional articles extending the time for that purpose. This was requested on our part, and the other Governments interested have concurred with the exception of one convention, in respect to which no formal reply has been received.

Since my last communication to the Congress on this subject special commercial agreements under the third section of the tariff act have been proclaimed with Portugal, with Italy, and with Germany. Commercial conventions tinder the general limitations of the fourth section of the same act have been concluded with Nicaragua, with Ecuador, with the Dominican Republic, with Great Britain on behalf of the island of Trinidad, and

with Denmark on behalf of the island of St. Croix. These will be early communicated to the Senate. Negotiations with other Governments are in progress for the improvement and security of our commercial relations.

Page 1706

The policy of reciprocity so manifestly rests upon the principles of international equity and has been so repeatedly approved by the people of the United States that there ought to be no hesitation in either branch of the Congress in giving to it full effect.

This Government desires to preserve the most just and amicable commercial relations with all foreign countries, unmoved by the industrial rivalries necessarily developed in the expansion of international trade. It is believed that the foreign Governments generally entertain the same purpose, although in some instances there are clamorous demands upon them for legislation specifically hostile to American interests. Should these demands prevail I shall communicate with the Congress with the view of advising such legislation as may be necessary to meet the emergency.

The exposition of the resources and products of the Western Hemisphere to be held at Buffalo next year promises important results not only for the United States but for the other participating countries. It is gratifying that the Latin-American States have evinced the liveliest interest, and the fact that an International American Congress will be held in the City of Mexico while the exposition is in progress encourages the hope of a larger display at Buffalo than might otherwise be practicable. The work of preparing an exhibit of our national resources is making satisfactory progress under the direction of different officials of the Federal Government, and the various States of the Union have shown a disposition toward the most liberal participation in the enterprise.

The Bureau of the American Republics continues to discharge, with the happiest results, the important work of promoting cordial relations between the United States and the Latin-American countries, all of which are now active members of the International Union. The Bureau has been instrumental in bringing about the agreement for another International American Congress, which is to meet in the City of Mexico in October, 1901. The Bureau's future for another term of ten years is assured by the international compact, but the congress will doubtless have much to do with shaping new lines of work and a general policy. Its usefulness to the interests of Latin-American trade is widely appreciated and shows a gratifying development.

The practical utility of the consular service in obtaining a wide range of information as to the industries and commerce of other countries and the opportunities thereby afforded for introducing the sale of our goods have kept steadily in advance of the notable expansion of our foreign trade, and abundant evidence has been furnished, both at home and abroad, of the fact that the Consular Reports, including many from our diplomatic representatives, have to a considerable extent pointed out ways and means of disposing of a great variety of manufactured goods which otherwise might not have found sale abroad.

Page 1707

Testimony of foreign observers to the commercial efficiency of the consular corps seems to be conclusive, and our own manufacturers and exporters highly appreciate the value of the services rendered not only in the printed reports but also in the individual efforts of consular officers to promote American trade. An increasing part of the work of the Bureau of Foreign Commerce, whose primary duty it is to compile and print the reports, is to answer inquiries from trade organizations, business houses, *etc*., as to conditions in various parts of the world, and, notwithstanding the smallness of the force employed, the work has been so systematized that responses are made with such promptitude and accuracy as to elicit flattering encomiums. The experiment of printing the Consular Reports daily for immediate use by trade bodies, exporters, and the press, which was begun in January, 1898, continues to give general satisfaction.

It is gratifying to be able to state that the surplus revenues for the fiscal year ended June 30, 1900, were $79,527,060.18. For the six preceding years we had only deficits, the aggregate of which from 1894 to 1899, inclusive, amounted to $283,022,991.14. The receipts for the year from all sources, exclusive of postal revenues, aggregated $567,240,851.89, and expenditures for all purposes, except for the administration of the postal department, aggregated $487,713,791.71. The receipts from customs were $233,164,871.16, an increase over the preceding year Of $27,036,389.41. The receipts from internal revenue were $295,327,926.76, an increase Of $21,890,765.25 over 1899. The receipts from miscellaneous sources were $38,748,053.97, as against $36,394,976.92 for the previous year.

It is gratifying also to note that during the year a considerable reduction is shown in the expenditures of the Government. The War Department expenditures for the fiscal year 1900 were $134,774,767.78, a reduction of $95,066,486.69 over those of 1899. In the Navy Department the expenditures were $55,953,077.72 for the year 1900, as against $63,942,104.25 for the preceding year, a decrease of $7,989,026.53. In the expenditures on account of Indians there was a decrease in 1900 over 1899 Of $2,630,604.38; and in the civil and miscellaneous expenses for 1900 there was a reduction Of $13,418,065.74.

Because of the excess of revenues over expenditures the Secretary of the Treasury was enabled to apply bonds and other securities to the sinking fund to the amount Of $56,544,556.06. The details of the sinking fund are set forth in the report of the Secretary of the Treasury, to which I invite attention. The Secretary of the Treasury estimates that the receipts for the current fiscal year will aggregate $580,000,000 and the expenditures $500,000,000, leaving an excess of revenues over expenditures of $80,000,000. The present condition of the Treasury is one of undoubted strength. The available cash balance November 30 was $139,303,794.50. Under the form of statement prior to the financial law of March 14 last there would have been included in the statement of available cash gold coin and bullion held for the redemption of United States notes.

Page 1708

If this form were pursued, the cash balance including the present gold reserve of $150,000,000, would be $289,303,794.50. Such balance November 30, 1899, was $296,495,301.55. In the general fund, which is wholly separate from the reserve and trust funds, there was on November 30, $70,090,073.15 in gold coin and bullion, to which should be added $22,957,300 in gold certificates subject to issue, against which there is held in the Division of Redemption gold coin and bullion, making a total holding of free gold amounting to $93,047,373.15.

It will be the duty as I am sure it will be the disposition of the Congress to provide whatever further legislation is needed to insure the continued parity under all conditions between our two forms of metallic money, silver and gold.

Our surplus revenues have permitted the Secretary of the Treasury since the close of the fiscal year to call in the funded loan of 1891 continued at 2 per cent, in the sum of $25,364,500. To and including November 30, $23,458,100 Of these bonds have been paid. This sum, together with the amount which may accrue from further redemptions under the call, will be applied to the sinking fund.

The law of March 14, 1900, provided for refunding into 2 per cent thirty-year bonds, payable, principal and interest, in gold coin of the present standard value, that portion of the public debt represented by the 3 per cent bonds of 1908, the 4 percents Of 1907, and the 5 percents of 1904, Of which there was outstanding at the date of said law $839,149,930, The holders of the old bonds presented them for exchange between March 14 and November 30 to the amount of $364,943,750. The net saving to the Government on these transactions aggregates $9,106,166.

Another effect of the operation, as stated by the Secretary, is to reduce the charge upon the Treasury for the payment of interest from the dates of refunding to February 1, 1904, by the sum of more than seven million dollars annually. From February 1, 1904, to July 1, 11907, the annual interest charge will be reduced by the sum of more than five millions, and for the thirteen months ending August 1, 1908, by about one million. The full details of the refunding are given in the annual report of the Secretary of the Treasury.

The beneficial effect of the financial act of 1900, so far as it relates to a modification of the national banking act, is already apparent. The provision for the incorporation of national banks with a capital of not less than $25,000 in places not exceeding three thousand inhabitants has resulted in the extension of banking facilities to many small communities hitherto unable to provide themselves with banking institutions under the national system. There were organized from the enactment of the law up to and including November 30, 369 national banks, of which 266 were with capital less than $50,000, and 103 with capital of $50,000 or more.

It is worthy of mention that the greater number of banks being organized under the new law are in sections where the need of banking facilities has been most pronounced. Iowa stands first, with 30 banks of the smaller class, while Texas, Oklahoma, Indian Territory, and the middle and western sections of the country have also availed themselves largely of the privileges under the new law.

Page 1709

A large increase in national bank-note circulation has resulted from the provision of the act which permits national banks to issue circulating notes to the par value of the United States bonds deposited as security instead of only go per cent thereof, as heretofore. The increase in circulating notes from March 14 to November 30 is $77,889,570.

The party in power is committed to such legislation as will better make the currency responsive to the varying needs of business at all seasons and in all sections.

Our foreign trade shows a remarkable record of commercial and industrial progress. The total of imports and exports for the first time in the history of the country exceeded two billions of dollars. The exports are greater than they have ever been before, the total for the fiscal year 1900 being $1,394,483,082, an increase over 1899 of $167,459,780, an increase over 1898 of $163,000,752, over 1897 Of $343,489,526, and greater than 1896 by $511,876,144.

The growth of manufactures in the United States is evidenced by the fact that exports of manufactured products largely exceed those of any previous year, their value for 1900 being $433,851,756, against $339,592,146 in 1899, an increase of 28 per cent.

Agricultural products were also exported during 1900 in greater volume than in 1899, the total for the year being $835,858,123, against $784,776,142 in 1899.

The imports for the year amounted to $849,941,184, an increase over 1899 of $152,792,695. This increase is largely in materials for manufacture, and is in response to the rapid development of manufacturing in the United States. While there was imported for use in manufactures in 1900 material to the value of $79,768,972 in excess of 1899, it is reassuring to observe that there is a tendency toward decrease in the importation of articles manufactured ready for consumption, which in 1900 formed 15.17 per cent of the total imports, against 15.54 per cent in 1899 and 21.09 per cent in 1896.

I recommend that the Congress at its present session reduce the internal-revenue taxes imposed to meet the expenses of the war with Spain. in the sum of thirty millions of dollars. This reduction should be secured by the remission of those taxes which experience has shown to be the most burdensome to the industries of the people.

I specially urge that there be included in whatever reduction is made the legacy tax on bequests for public uses of a literary, educational, or charitable character.

American vessels during the past three years have carried about 9 per cent of our exports and imports. Foreign ships should carry the least, not the greatest, part of American trade. The remarkable growth of our steel industries, the progress of shipbuilding for the domestic trade, and our steadily maintained expenditures for the Navy have created an opportunity to place the United States in the first rank of commercial maritime powers.

Page 1710

Besides realizing a proper national aspiration this will mean the establishment and healthy growth along all our coasts of a distinctive national industry, expanding the field for the profitable employment of labor and capital. It will increase the transportation facilities and reduce freight charges on the vast volume of products brought from the interior to the seaboard for export, and will strengthen an arm of the national defense upon which the founders of the Government and their successors have relied. In again urging immediate action by the Congress on measures to promote American shipping and foreign trade, I direct attention to the recommendations on the subject in previous messages, and particularly to the opinion expressed in the message of 1899: I am satisfied the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and upbuild our sea-carrying capacity for the products of agriculture and manufacture, which, with the increase of our Navy, mean more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world. The attention of the Congress is invited to the recommendation of the Secretary of the Treasury in his annual report for legislation in behalf of the Revenue-Cutter Service, and favorable action is urged.

In my last annual message to the Congress I called attention to the necessity for early action to remedy such evils as might be found to exist in connection with combinations of capital organized into trusts, and again invite attention to my discussion of the subject at that time, which concluded with these words: It is apparent that uniformity of legislation upon this subject in the several States is much to be desired. It is to be hoped that such uniformity, founded in a wise and just discrimination between what is injurious and what is useful and necessary in business operations, may be obtained, and that means may be found for the Congress, within the limitations of its constitutional power, so to supplement an effective code of State legislation as to make a complete system of laws throughout the United States adequate to compel a general observance of the salutary rules to which I have referred.

The whole question is so important and far-reaching that I am sure no part of it will be lightly considered, but every phase of it will have the studied deliberation of the Congress, resulting in wise and judicious action. Restraint upon such combinations as are injurious, and which are within Federal jurisdiction, should be promptly applied by the Congress.

Page 1711

In my last annual message I dwelt at some length upon the condition of affairs in the Philippines. While seeking to impress upon you that the grave responsibility of the future government of those islands rests with the Congress of the United States, I abstained from recommending at that time a specific and final form of government for the territory actually held by the United States forces and in which as long as insurrection continues the military arm must necessarily be supreme. I stated my purpose, until the Congress shall have made the formal expression of its will, to use the authority vested in me by the Constitution and the statutes to uphold the sovereignty of the United States in those distant islands as in all other places where our flag rightfully floats, placing, to that end, at the disposal of the army and navy all the means which the liberality of the Congress and the people have provided. No contrary expression of the will of the Congress having been made, I have steadfastly pursued the purpose so declared, employing the civil arm as well toward the accomplishment of pacification and the institution of local governments within the lines of authority and law.

Progress in the hoped-for direction has been favorable. Our forces have successfully controlled the greater part of the islands, overcoming the organized forces of the insurgents and carrying order and administrative regularity to all quarters. What opposition remains is for the most part scattered, obeying no concerted plan of strategic action, operating only by the methods common to the traditions of guerrilla warfare, which, while ineffective to alter the general control now established, are still sufficient to beget insecurity among the populations that have felt the good results of our control and thus delay the conferment upon them of the fuller measures of local self-government, of education, and of industrial and agricultural development which we stand ready to give to them.

By the spring of this year the effective opposition of the dissatisfied Tagals to the authority of the United States was virtually ended, thus opening the door for the extension of a stable administration over much of the territory of the Archipelago. Desiring to bring this about, I appointed in March last a civil Commission composed of the Hon. William H. Taft, of Ohio; Prof. Dean C. Worcester, of Michigan; the Hon. Luke I. Wright, of Tennessee; the Hon. Henry C. Ide, of Vermont, and Prof. Bernard Moses, of California. The aims of their mission and the scope of their authority are clearly set forth in my instructions of April 7, 1900, addressed to the Secretary of War to be transmitted to them:

In the message transmitted to the Congress on the 5th of December, 1899, I said, speaking of the Philippine Islands: “As long as the insurrection continues the military arm must necessarily be supreme. But there is no reason why steps should not be taken from time to time to inaugurate governments essentially popular in their form as fast as territory is held and controlled by our troops. To this end I am considering the advisability of the return of the Commission, or such of the members thereof as can be secured, to aid the existing authorities and facilitate this work throughout the islands.”

Page 1712

To give effect to the intention thus expressed, I have appointed Hon. William H. Taft, of Ohio; Prof. Dean C. Worcester, of Michigan; Non. Luke I. Wright, of Tennessee; Hon. Henry C. Ide, of Vermont, and Prof. Bernard Moses, of California, Commissioners to the Philippine Islands to continue and perfect the work of organizing and establishing civil government already commenced by the military authorities, subject in all respects to any laws which Congress may hereafter enact.

The Commissioners named will meet and act as a board, and the Hon. William H. Taft t is designated as president of the board. It is probable that the transfer of authority from military commanders to civil officers will be gradual and will occupy a considerable period. Its successful accomplishment and the maintenance of peace and order in the meantime will require the most perfect co-operation between the civil and military authorities in the islands, and both should be directed during the transition period by the same Executive Department. The Commission will therefore report to the Secretary of War, and all their action will be subject to your approval and control.

You will instruct the Commission to proceed to the city of Manila, where they will make their principal office, and to communicate with the Military Governor of the Philippine Islands, whom you will at the same time direct to render to them every assistance within his power in the performance of their duties. Without hampering them by too specific instructions, they should in general be enjoined, after making themselves familiar with the conditions and needs of the country, to devote their attention in the first instance to the establishment of municipal governments, in which the natives of the islands, both in the cities and in the rural communities, shall be afforded the opportunity to manage their own local affairs to the fullest extent of which they are capable and subject to the least degree of supervision and control which a careful study of their capacities and observation of the workings of native control show to be consistent with the maintenance of law, order, and loyalty.

The next subject in order of importance should be the organization of government in the larger administrative divisions corresponding to counties, departments, or provinces, in which the common interests of many or several municipalities falling within the same tribal lines, or the same natural geographical limits, may best be subserved by a common administration. Whenever the Commission is of the opinion that the condition of affairs in the islands is such that the central administration may safely be transferred from military to civil control they will report that conclusion to you, with their recommendations as to the form of central government to be established for the purpose of taking over the control.

Page 1713

Beginning with the 1st day of September, 1900, the authority to exercise, subject to my approval, through the Secretary of War, that part of the power of government in the Philippine Islands which is of a legislative nature is to be transferred from the Military Governor of the islands to this Commission, to be thereafter exercised by them in the place and stead of the Military Governor, under such rules and regulations as you shall prescribe, until the establishment of the civil central government for the islands contemplated in the last foregoing paragraph, or until Congress shall otherwise provide. Exercise of this legislative authority will include the making of rules and orders, having the effect of law, for the raising of revenue by taxes, customs duties, and imposts; the appropriation and expenditure of public funds of the islands; the establishment of an educational system throughout the islands; the establishment of a system to secure an efficient civil service; the organization and establishment of courts; the organization and establishment of municipal and departmental governments, and all other matters of a civil nature for which the Military Governor is now competent to provide by rules or orders of a legislative character.

The Commission will also have power during the same period to appoint to office such officers under the judicial, educational, and civil-service systems and in the municipal and departmental governments as shall be provided for. Until the complete transfer of control the Military Governor will remain the chief executive head of the government of the islands, and will exercise the executive authority now possessed by him and not herein expressly assigned to the Commission, subject, however, to the rules and orders enacted by the Commission in the exercise of the legislative powers conferred upon them. In the meantime the municipal and departmental governments will continue to report to the Military Governor and be subject to his administrative supervision and control, under your direction, but that supervision and control will be confined within the narrowest limits consistent with the requirement that the powers of government in the municipalities and departments shall be honestly and effectively exercised and that law and order and individual freedom shall be maintained.

All legislative rules and orders, establishments of government, and appointments to office by the Commission will take effect immediately, or at such times as they shall designate, subject to your approval and action upon the coming in of the Commission's reports, which are to be made from time to time as their action is taken. Wherever civil governments are constituted under the direction of the Commission such military posts, garrisons, and forces will be continued for the suppression of insurrection and brigandage and the maintenance of law and order as the Military Commander shall deem requisite, and the military forces shall be at all times subject, under his orders, to the call of the civil authorities for the maintenance of law and order and the enforcement of their authority.

Page 1714

In the establishment of municipal governments the Commission will take as the basis of their work the governments established by the Military Governor under his order of August 8, 1899. and under the report of the board constituted by the Military Governor by his order of January 29, 1900, to formulate and report a plan of municipal government, of which His Honor Cayetano Arellano, President of the Audiencia, was chairman, and they will give to the conclusions of that board the weight and consideration which the high character and distinguished abilities of its members justify.

In the constitution of departmental or provincial governments they will give especial attention to the existing government of the island of Negros, constituted, with the approval of the people of that island, under the order of the Military Governor of July 22, 1899, and after verifying, so far as may be practicable, the reports of the successful working of that government they will be guided by the experience thus acquired so far as it may be applicable to the condition existing in other portions of the Philippines. They will avail themselves, to the fullest degree practicable, of the conclusions reached by the previous Commission to the Philippines.

In the distribution of powers among the governments organized by the Commission, the presumption is always to be in favor of the smaller subdivision, so that all the powers which can properly be exercised by the municipal government shall be vested in that government, and all the powers of a more general character which can be exercised by the departmental government shall be vested in that government, and so that in the governmental system, which is the result of the process, the central government of the islands, following the example of the distribution of the powers between the States and the National Government of the United States, shall have no direct administration except of matters of purely general concern, and shall have only such supervision and control over local governments as may be necessary to secure and enforce faithful and efficient administration by local officers.

The many Different degrees of civilization and varieties of custom and capacity among the people of the different islands preclude very definite instruction as to the part which the people shall take in the selection of their own officers; but these general rules are to be observed: That in all cases the municipal officers, who administer the local affairs of the people, are to be selected by the people, and that wherever officers of more extended jurisdiction are to be selected in any way, natives of the islands are to be preferred, and if they can be found competent and willing to perform the duties, they are to receive the offices in preference to any others.

Page 1715

It will be necessary to fill some offices for the present with Americans which after a time may well be filled by natives of the islands. As soon as practicable a system for ascertaining the merit and fitness of candidates for civil office should be put in force. An indispensable qualification for all offices and positions of trust and authority in the islands must be absolute and unconditional loyalty to the United States, and absolute and unhampered authority and power to remove and punish any officer deviating from that standard must at all times be retained in the hands of the central authority of the islands.

In all the forms of government and administrative provisions which they are authorized to prescribe the Commission should bear in mind that the government which they are establishing is designed not for our satisfaction, or for the expression of our theoretical views, but for the happiness, peace, and prosperity of the people of the Philippine Islands, and the measures adopted should be made to conform to their customs, their habits, and even heir prejudices, to the fullest extent consistent with the accomplishment of the Indispensable requisites of just and effective government.

At the same time the Commission should bear in mind, and the people of the islands should be made plainly to understand, that there are certain great principles of government which have been made the basis of our governmental system which we deem essential to the rule of law and the maintenance of individual freedom, and of which they have, unfortunately, been denied the experience possessed by us; that there are also certain practical rules of government which we have found to be essential to the preservation of these great principles of liberty and law, and that these principles and these rules of government must be established and maintained in their islands for the sake of their liberty and happiness, however much they may conflict with the customs or laws of procedure with which they are familiar.

It is evident that the most enlightened thought of the Philippine Islands fully appreciates the importance of these principles and rules, and they will inevitably within a short time command universal assent. Upon every division and branch of the government of the Philippines, therefore, must be imposed these inviolable rules:

That no person shall be deprived of life, liberty, or property without due process of law; that private property shall not be taken for public use without just compensation; that in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense; that excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted; that no person

Page 1716

shall be put twice in jeopardy for the same offense, or be compelled in any criminal case to be a witness against himself; that the right to be secure against unreasonable searches and seizures shall not be violated; that neither slavery nor involuntary servitude shall exist except as a punishment for crime; that no bill of attainder or ex-post facto law shall be passed; that no law shall be passed abridging the freedom of speech or of the press, or the rights of the people to peaceably assemble and petition the Government for a redress of grievances; that no law shall be made respecting an establishment of religion, or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed.

It will be the duty of the Commission to make a thorough investigation into the titles to the large tracts of land held or claimed by individuals or by religious orders; into the justice of the claims and complaints made against such landholders by the people of the island or any part of the people, and to seek by wise and peaceable measures a just settlement of the controversies and redress of wrongs which have caused strife and bloodshed in the past. In the performance of this duty the Commission is enjoined to see that no injustice is done; to have regard for substantial rights and equity, disregarding technicalities so far as substantial right permits, and to observe the following rules:

That the provision of the Treaty of Paris pledging the United States to the protection of all rights of property in the islands, and as well the principle of our own Government which prohibits the taking of private property without due process of law, shall not be violated; that the welfare of the people of the islands, which should be a paramount consideration, shall be attained consistently with this rule of property right; that if it becomes necessary for the public interest of the people of the islands to dispose of claims to property which the Commission finds to be not lawfully acquired and held disposition shall be made thereof by due legal procedure, in which there shall be full opportunity for fair and impartial hearing and judgment; that if the same public interests require the extinguishment of property rights lawfully acquired and held due compensation shall be made out of the public treasury therefore; that no form of religion and no minister of religion shall be forced upon any community or upon any citizen of the islands; that, upon the other hand, no minister of religion shall be interfered with or molested in following his calling, and that the separation between State and Church shall be real, entire, and absolute.

Page 1717

It will be the duty of the Commission to promote and extend, and, as they find occasion, to improve the system of education already inaugurated by the military authorities. In doing this they should regard as of first importance the extension of a system of primary education which shall be free to all, and which shall tend to fit the people for the duties of citizenship and for the ordinary avocations of a civilized community. This instruction should be given in the first instance in every part of the islands in the language of the people. In view of the great number of languages spoken by the different tribes, it is especially important to the prosperity of the islands that a common medium of communication may be established, and it is obviously desirable that this medium should be the English language. Especial attention should be at once given to affording full opportunity to all the people of the islands to acquire the use of the English language.

It may be well that the main changes which should be made in the system of taxation and in the body of the laws under which the people are governed, except such changes as have already been made by the military government, should be relegated to the civil government which is to be established under the auspices of the Commission. It will, however, be the duty of the Commission to inquire diligently as to whether there are any further changes which ought not to be delayed, and if so, they are authorized to make such changes subject to your approval. In doing so they are to bear in mind that taxes which tend 6 penalize or repress industry and enterprise are to be avoided; that provisions for taxation should be simple, so that they may be understood by the people; that they should affect the fewest practicable subjects of taxation which will serve for the general distribution of the burden.

The main body of the laws which regulate the rights and obligations of the people should be maintained with as little interference as possible. Changes made should be mainly in procedure, and in the criminal laws to secure speedy and impartial trials, and at the same time effective administration and respect for individual rights.

In dealing with the uncivilized tribes of the islands the Commission should adopt the same course followed by Congress in permitting the tribes of our North American Indians to maintain their tribal organization and government, and under which many of those tribes are now living in peace and contentment, surrounded by a civilization to which they are unable or unwilling to conform. Such tribal governments should, however, be subjected to wise and firm regulation, and, without undue or petty interference, constant and active effort should be exercised to prevent barbarous practices and introduce civilized customs.

Upon all officers and employees of the United States, both civil and military, should be impressed a sense of the duty to observe not merely the material but the personal and social rights of the people of the islands, and to treat them with the same courtesy and respect for their personal dignity which the people of the United States are accustomed W require from each other.

Page 1718

The articles of capitulation of the city of Manila on the 13th of August, 1898, concluded with these words:

“This city, its inhabitants, its churches and religious worship, its educational establishments, and its private property of all descriptions, are placed under the special safeguard of the faith and honor of the American Army.”

I believe that this pledge has been faithfully kept. As high and sacred an obligation rests upon the Government of the United States to give protection for property and life, civil and religious freedom, and wise, firm, and unselfish guidance in the paths of peace and prosperity to all the people of the Philippine Islands. I charge this Commission to labor for the full performance of this obligation, which concerns the honor and conscience of their country, in the firm hope that through their labors all the inhabitants of the Philippine Islands may come to look back with gratitude to the day when God gave victory to American arms at Manila and set their land under the sovereignty and the protection of the people of the United States.

Coincidently with the entrance of the Commission upon its labors I caused to be issued by General MacArthur, the Military Governor of the Philippines, on June 21, 1900, a proclamation of amnesty in generous terms, of which many of the insurgents took advantage, among them a number of important leaders.

This Commission, composed of eminent citizens representing the diverse geographical and political interests of the country, and bringing to their task the ripe fruits of long and intelligent service in educational, administrative, and judicial careers, made great progress from the outset. As early as August 21, 1900, it submitted a preliminary report, which will be laid before the Congress, and from which it appears that already the good effects of returning order are felt; that business, interrupted by hostilities, is improving as peace extends; that a larger area is under sugar cultivation than ever before; that the customs revenues are greater than at any time during the Spanish rule; that economy and efficiency in the military administration have created a surplus fund of $6,000,000, available for needed public improvements; that a stringent civil-service law is in preparation; that railroad communications are expanding, opening up rich districts, and that a comprehensive scheme of education is being organized.

Later reports from the Commission show yet more encouraging advance toward insuring the benefits of liberty and good government to the Filipinos, in the interest of humanity and with the aim of building up an enduring, self-supporting, and self-administering community in those far eastern seas. I would impress upon the Congress that whatever legislation may be enacted in respect to the Philippine Islands should be along these generous lines. The fortune of war has thrown upon this nation an unsought trust which should be unselfishly discharged, and devolved upon this Government a moral as well as material responsibility toward these millions whom we have freed from an oppressive yoke.

Page 1719

I have on another occasion called the Filipinos the wards of the nation. Our obligation as guardian was not lightly assumed; it must not be otherwise than honestly fulfilled, aiming first of all to benefit those who have come under our fostering care. It is our duty so to treat them that our flag may be no less beloved in the mountains of Luzon and the fertile zones of Mindanao and Negros than it is at home, that there as here it shall be the revered symbol of liberty, enlightenment, and progress in every avenue of development.

The Filipinos are a race quick to learn and to profit by knowledge He would be rash who, with the teachings of contemporaneous history in view, would fix a limit to the degree of culture and advancement yet within the reach of these people if our duty toward them be faithfully performed.

The civil government of Puerto Rico provided for by the act of the Congress approved April 12, 1900 is in successful operation The courts have been established. The Governor and his associates, working intelligently and harmoniously, are meeting with Commendable success.

On the 6th of November a general election was held in the island for members of the Legislature, and the body elected has been called to convene on the first Monday of December.

I recommend that legislation be enacted by the Congress conferring upon the Secretary of the Interior supervision over the public lands in Puerto Rico, and that he be directed to ascertain the location and quantity of lands the title to which remained in the Crown of Spain at the date of cession of Puerto Rico to the United States, and that appropriations necessary for surveys be made, and that the methods of the disposition of such lands be prescribed by law.

On the 25th of July, 1900, I directed that a call be issued for an election in Cuba for members of a constitutional convention to frame a constitution as a basis for a stable and independent government in the island. In pursuance thereof the Military Governor issued the following instructions: Whereas the Congress of the United States, by its joint resolution of April 20, 1898, declared:

“That the people of the island of Cuba are, and of right ought to be, free and independent.

“That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people;”

And whereas, the people of Cuba have established municipal governments, deriving their authority from the suffrages of the people given under just and equal laws, and are now ready, in like manner, to proceed to the establishment of a general government which shall assume and exercise sovereignty, jurisdiction, and control over the island:

Page 1720

Therefore, it is ordered that a general election be held in the island of Cuba on the third Saturday of September, in the year nineteen hundred, to elect delegates to a convention to meet in the city of Havana at twelve o'clock noon on the first Monday of November, in the year nineteen hundred, to frame and adopt a constitution for the people of Cuba, and as a part thereof to provide for and agree with the Government of the United States upon the relations to exist between that Government and the Government of Cuba, and to provide for the election by the people of officers under such constitution and the transfer of government to the officers so elected.

The election will be held in the several voting precincts of the island under, and pursuant to, the provisions of the electoral law of April 18, 1900, and the amendments thereof. The election was held on the 15th of September, and the convention assembled on the 5th of November, 1900, and is now in session.

In calling the convention to order, the Military Governor of Cuba made the following statement: As Military Governor of the island, representing the President of the United States, I call this convention to order.

It will be your duty, first, to frame and adopt a constitution for Cuba, and when that has been done to formulate what in your opinion ought to be the relations between Cuba and the United States.

The constitution must be adequate to secure a stable, orderly, and free government.

When you have formulated the relations which in your opinion ought to exist between Cuba and the United States the Government of the United States will doubtless take such action on its part as shall lead to a final and authoritative agreement between the people of the two countries to the promotion of their common interests.

All friends of Cuba will follow your deliberations with the deepest interest, earnestly desiring that you shall reach just conclusions, and that by the dignity, individual self-restraint, and wise conservatism which shall characterize your proceedings the capacity of the Cuban people for representative government may be signally illustrated.

The fundamental distinction between true representative government and dictatorship is that in the former every representative of the people, in whatever office, confines himself strictly within the limits of his defined powers. Without such restraint there can be no free constitutional government.

Under the order pursuant to which you have been elected and convened you have no duty and no authority to take part in the present government of the island. Your powers are strictly limited by the terms of that order. When the convention concludes its labors I will transmit to the Congress the constitution as framed by the convention for its consideration and for such action as it may deem advisable.

Page 1721

I renew the recommendation made in my special message of February 10, 1899, as to the necessity for cable communication between the United States and Hawaii, with extension to Manila. Since then circumstances have strikingly emphasized this need. Surveys have shown the entire feasibility of a chain of cables which at each stopping place shall touch on American territory, so that the system shall be under our own complete control. Manila once within telegraphic reach, connection with the systems of the Asiatic coast would open increased and profitable opportunities for a more direct cable route from our shores to the Orient than is now afforded by the trans-Atlantic, continental, and trans-Asian lines. I urge attention to this important matter.

The present strength of the Army is 100,000 men—65,000 regulars and 35,000 volunteers. Under the act of March 2, 1899, on the 30th of June next the present volunteer force will be discharged and the Regular Army will be reduced to 2,447 officers and 29,025 enlisted men.

In 1888 a Board of Officers convened by President Cleveland adopted a comprehensive scheme of coast-defense fortifications which involved the outlay of something over one hundred million dollars. This plan received the approval of the Congress, and since then regular appropriations have been made and the work of fortification has steadily progressed.

More than sixty millions of dollars have been invested in a great number of forts and guns, with all the complicated and scientific machinery and electrical appliances necessary for their use. The proper care of this defensive machinery requires men trained in its use. The number of men necessary to perform this duty alone is ascertained by the War Department, at a minimum allowance, to be 18,420.

There are fifty-eight or more military posts in the United States other than the coast-defense fortifications.

The number of these posts is being constantly increased by the Congress. More than $22,000,000 have been expended in building and equipment, and they can only be cared for by the Regular Army. The posts now in existence and others to be built provide for accommodations for, and if fully garrisoned require, 26,000 troops. Many of these posts are along our frontier or at important strategic points, the occupation of which is necessary.

We have in Cuba between 5,000 and 6,000 troops. For the present our troops in that island cannot be withdrawn or materially diminished, and certainly not until the conclusion of the labors of the constitutional convention now in session and a government provided by the new constitution shall have been established and its stability assured.

In Puerto Rico we have reduced the garrisons to 1,636, which includes 879 native troops. There is no room for further reduction here.

We will be required to keep a considerable force in the Philippine Islands for some time to come. From the best information obtainable we will need there for the immediate future from 45,000 to 60,000 men. I am sure the number may be reduced as the insurgents shall come to acknowledge the authority of the United States, of which there are assuring indications.

Page 1722

It must be apparent that we will require an army of about 60,000, and that during present conditions in Cuba and the Philippines the President should have authority to increase the force to the present number of 100,000. Included in this number authority should be given to raise native troops in the Philippines up to 15,000, which the Taft Commission believe will be more effective in detecting and suppressing guerrillas, assassins, and ladrones than our own soldiers.

The full discussion of this subject by the Secretary of War in his annual report is called to your earnest attention.

I renew the recommendation made in my last annual message that the Congress provide a special medal of honor for the volunteers, regulars, sailors, and marines on duty in the Philippines who voluntarily remained in the service after their terms of enlistment had expired.

I favor the recommendation of the Secretary of War for the detail oil officers from the line of the Army when vacancies occur in the Adjutant-General's Department, Inspector-General's Department, Quartermaster's Department, Subsistence Department, Pay Department, Ordnance Department, and Signal Corps.

The Army cannot be too highly commended for its faithful and effective service in active military operations in the field and the difficult work of civil administration.

The continued and rapid growth of the postal service is a sure index of the great and increasing business activity of the country. Its most striking new development is the extension of rural free delivery. This has come almost wholly within the last year. At the beginning of the fiscal year 1899, 1900 the number of routes in operation was only 391, and most of these had been running less than twelve months. On the 15th of November, 1900, the number had increased to 2,614, reaching into forty-four States and Territories, and serving a population of 1,801,524. The number of applications now pending and awaiting action nearly equals all those granted up to the present time, and by the close of the current fiscal year about 4,000 routes will have been established, providing for the daily delivery of mails at the scattered homes of about three and a half millions of rural population.

This service ameliorates the isolation of farm life, conduces to good roads, and quickens and extends the dissemination of general information. Experience thus far has tended to allay the apprehension that it would be so expensive as to forbid its general adoption or make it a serious burden. Its actual application has shown that it increases postal receipts, and can be accompanied by reductions in other branches of the service, so that the augmented revenues and the accomplished savings together materially reduce the net cost. The evidences which point to these conclusions are presented in detail in the annual report of the Postmaster-General, which with its recommendations is commended to the consideration of the Congress. The full

development of this special service, however, requires such a large outlay of money that it should be undertaken only after a careful study and thorough understanding of all that it involves.

Page 1723

Very efficient service has been rendered by the Navy in connection with the insurrection in the Philippines and the recent disturbance in China.

A very satisfactory settlement has been made of the long-pending question of the manufacture of armor plate. A reasonable price has been secured and the necessity for a Government armor plant avoided.

I approve of the recommendations of the Secretary for new vessels and for additional officers and men which the required increase of the Navy makes necessary. I commend to the favorable action of the Congress the measure now pending for the erection of a statue to the memory of the late Admiral David D. Porter. I commend also the establishment of a national naval reserve and of the grade of vice-admiral. Provision should be made, as recommended by the Secretary, for suitable rewards for special merit. Many officers who rendered the most distinguished service during the recent war with Spain have received in return no recognition from the Congress.

The total area of public lands as given by the Secretary of the Interior is approximately 1,071,881,662 acres, of which 917,135,880 acres are undisposed of and 154,745,782 acres have been reserved for various purposes. The public lands disposed of during the year amount to 13,453,887.96 acres, including 62,423.09 acres of Indian lands, an increase Of 4,271,474.80 over the preceding year. The total receipts from the sale of public lands during the fiscal year were $4,379,758.10, an increase of $1,309,620.76 over the preceding year.

The results obtained from our forest policy have demonstrated its wisdom and the necessity in the interest of the public for its continuance and increased appropriations by the Congress for the carrying on of the work. On June 30, 1900, there were thirty-seven forest reserves, created by Presidential proclamations under section 24 Of the act of March 3, 1891, embracing an area Of 46,425,529 acres.

During the past year the Olympic Reserve, in the State of Washington, was reduced 265,040 acres, leaving its present area at 1,923,840 acres. The Prescott Reserve, in Arizona, was increased from 10,240 acres to 423,680 acres, and the Big Horn Reserve, in Wyoming, was increased from 1,127,680 acres to 1,180,800 acres. A new reserve; the Santa Ynez, in California, embracing an area of 145,000 acres, was created during this year. On October 10, 1900, the Crow Creek Forest Reserve, in Wyoming, was created, with an area of 56,320 acres.

At the end of the fiscal year there were on the pension roll 993,529 names, a net increase Of 2,010 over the fiscal year 1899. The number added to the rolls during the year was 45,344. The amount disbursed for Army pensions during the year was $134,700,597.24 and for Navy pensions $3,761,533.41, a total of $138,462,130.65, leaving an unexpended balance of $5,542,768.25 to be covered into the Treasury, which shows an increase over the previous year's expenditure Of $107,077.70. There

were 684 names added to the rolls during the year by special acts passed at the first session of the Fifty-sixth Congress.

Page 1724

The act of May 9, 1900, among other things provides for an extension of income to widows pensioned under said act to $250 per annum. The Secretary of the Interior believes that by the operations of this act the number of persons pensioned under it will increase and the increased annual payment for pensions will be between $3,000,000 and $4,000,000.

The Government justly appreciates the services of its soldiers and sailors by making pension payments liberal beyond precedent to them, their widows and orphans.

There were 26,540 letters patent granted, including reissues and designs, during the fiscal year ended June 30, 1900; 1,660 trademarks, 682 labels, and 93 prints registered. The number of patents which expired was 19,988. The total receipts for patents were $1,358,228.35. The expenditures were $1,247,827.58, showing a surplus Of $110,400.77

The attention of the Congress is called to the report of the Secretary of the Interior touching the necessity for the further establishment of schools in the Territory of Alaska, and favorable action is invited thereon.

Much interesting information is given in the report of the Governor of Hawaii as to the progress and development of the islands during the period from July 7, 1898, the date of the approval of the joint resolution of the Congress providing for their annexation, up to April 30, 1900, the date of the approval of the act providing a government for the Territory, and thereafter.

The last Hawaiian census, taken in the year 1896, gives a total population of 109,020, Of Which 31,019 were native Hawaiians. The number of Americans reported was 8,485. The results of the Federal census, taken this year, show the islands to have a total population Of 154,001, showing an increase over that reported in 1896 of 44,981, or 41.2 per cent.

There has been marked progress in the educational, agricultural, and railroad development of the islands.

In the Territorial act of April 30, 1900, section 7 of said act repeals Chapter 34 Of the Civil Laws of Hawaii whereby the Government was to assist in encouraging and developing the agricultural resources of the Republic, especially irrigation. The Governor of Hawaii recommends legislation looking to the development of such water supply as may exist on the public lands, with a view of promoting land settlement. The earnest consideration of the Congress is invited to this important recommendation and others, as embodied in the report of the Secretary of the Interior.

The Director of the Census states that the work in connection with the Twelfth Census is progressing favorably. This national undertaking, ordered by the Congress each

decade, has finally resulted in the collection of an aggregation of statistical facts to determine the industrial growth of the country, its manufacturing and mechanical resources, its richness in mines and forests, the number of its agriculturists, their farms and products, its educational and religious opportunities, as well as questions pertaining to sociological conditions.

Page 1725

The labors of the officials in charge of the Bureau indicate that the four important and most desired subjects, namely, population, agricultural, manufacturing, and vital statistics, will be completed within the limit prescribed by the law of March 3, 1899.

The field work incident to the above inquiries is now practically finished, and as a result the population of the States and Territories, including the Hawaiian Islands and Alaska, has been announced. The growth of population during the last decade amounts to over 13,000,000, a greater numerical increase than in any previous census in the history of the country.

Bulletins will be issued as rapidly as possible giving the population by States and Territories, by minor civil divisions. Several announcements of this kind have already been made, and it is hoped that the list will be completed by January 1. Other bulletins giving the results of the manufacturing and agricultural inquiries will be given to the public as rapidly as circumstances will admit.

The Director, while confident of his ability to complete the different branches of the undertaking in the allotted time, finds himself embarrassed by the lack of a trained force properly equipped for statistical work, thus raising the question whether in the interest of economy and a thorough execution of the census work there should not be retained in the Government employ a certain number of experts not only to aid in the preliminary organization prior to the taking of the decennial census, but in addition to have the advantage in the field and office work of the Bureau of trained assistants to facilitate the early completion of this enormous undertaking.

I recommend that the Congress at its present session apportion representation among the several States as provided by the Constitution.

The Department of Agriculture has been extending its work during the past year, reaching farther for new varieties of seeds and plants; co-operating more fully with the States and Territories in research along useful lines; making progress in meteorological work relating to lines of wireless telegraphy and forecasts for ocean-going vessels; continuing inquiry as to animal disease; looking into the extent and character of food adulteration; outlining plans for the care, preservation, and intelligent harvesting of our woodlands; studying soils that producers may cultivate with better knowledge of conditions, and helping to clothe desert places with grasses suitable to our and regions. Our island possessions are being considered that their peoples may be helped to produce the tropical products now so extensively brought into the United States. Inquiry into methods of improving our roads has been active during the year; help has been given to many localities, and scientific investigation of material in the States and Territories has been inaugurated. Irrigation problems in our semiarid regions are receiving careful and increased consideration.

Page 1726

An extensive exhibit at Paris of the products of agriculture has made the peoples of many countries more familiar with the varied products of our fields and their comparative excellence.

The collection of statistics regarding our crops is being improved and sources of information are being enlarged, to the end that producers may have the earliest advices regarding crop conditions. There has never been a time when those for whom it was established have shown more appreciation of the services of the Department.

In my annual message of December 5, 1898, I called attention to the necessity for some amendment of the alien contract law. There still remain important features of the rightful application of the eight-hour law for the benefit of labor and of the principle of arbitration, and I again commend these subjects to the careful attention of the Congress.

That there may be secured the best service possible in the Philippine Islands, I have issued, under date of November 30, 1900, the following order: The United States Civil Service Commission is directed to render such assistance as may be practicable to the Civil Service Board, created under the act of the United States Philippine Commission, for the establishment and maintenance of an honest and efficient civil service in the Philippine Islands, and for that purpose to conduct examinations for the civil service of the Philippine islands, upon the request of the Civil Service Board of said islands, under such regulations as may be agreed upon by the said Board and the said United States Civil Service Commission. The Civil Service Commission is greatly embarrassed in its work for want of an adequate permanent force for clerical and other assistance. Its needs are fully set forth in its report. I invite attention to the report, and especially urge upon the Congress that this important bureau of the public service, which passes upon the qualifications and character of so large a number of the officers and employees of the Government, should be supported by all needed appropriations to secure promptness and efficiency.

I am very much impressed with the statement made by the heads of all the Departments of the urgent necessity of a hall of public records. In every departmental building in Washington, so far as I am informed, the space for official records is not only exhausted, but the walls of rooms are lined with shelves, the middle floor space of many rooms is filled with the cases, and garrets and basements, which were never intended and are unfitted for their accommodation, are crowded with them. Aside from the inconvenience there is great danger, not only from fire, but from the weight of these records upon timbers not intended for their support. There should be a separate building especially designed for the purpose of receiving and preserving the annually accumulating archives of the several Executive Departments. Such a hall need not be a costly structure, but should be so arranged as to admit of enlargement from time to time. I urgently recommend that the Congress take early action in this matter.

Page 1727

I transmit to the Congress a resolution adopted at a recent meeting of the American Bar Association concerning the proposed celebration of John Marshall Day, February 4, 1901. Fitting exercises have been arranged, and it is earnestly desired by the committee that the Congress may participate in this movement to honor the memory of the great jurist.

The transfer of the Government to this city is a fact of great historical interest. Among the people there is a feeling of genuine pride in the Capital of the Republic.

It is a matter of interest in this connection that in 1800 the population of the District of Columbia was 14,093; to-day it is 278,718. The population of the city of Washington was then 3,210; to-day it is 218,196.

The Congress having provided for “an appropriate national celebration of the Centennial Anniversary of the Establishment of the Seat of the Government in the District of Columbia,” the committees authorized by it have prepared a programme for the 12th of December, 1900, which date has been selected as the anniversary day. Deep interest has been shown in the arrangements for the celebration by the members of the committees of the Senate and House of Representatives, the committee of Governors appointed by the President, and the committees appointed by the citizens and inhabitants of the District of Columbia generally. The programme, in addition to a reception and other exercises at the Executive Mansion, provides commemorative exercises to be held jointly by the Senate and House of Representatives in the Hall of the House of Representatives, and a reception in the evening at the Corcoran Gallery of Art in honor of the Governors of the States and Territories.

In our great prosperity we must guard against the danger it invites of extravagance in Government expenditures and appropriations; and the chosen representatives of the people will, I doubt not, furnish an example in their legislation of that wise economy which in a season of plenty husbands for the future. In this era of great business activity and opportunity caution is not untimely. It will not abate, but strengthen, confidence. It will not retard, but promote, legitimate industrial and commercial expansion. Our growing power brings with it temptations and perils requiring constant vigilance to avoid. It must not be used to invite conflicts, nor for oppression, but for the more effective maintenance of those principles of equality and justice upon which our institutions and happiness depend. Let us keep always in mind that the foundation of our Government is liberty; its superstructure peace.

***

State of the Union Address
Theodore Roosevelt
December 3, 1901

To the Senate and House of Representatives:

The Congress assembles this year under the shadow of a great calamity. On the sixth of September, President McKinley was shot by an anarchist while attending the Pan-American Exposition at Buffalo, and died in that city on the fourteenth of that month.

Page 1728

Of the last seven elected Presidents, he is the third who has been murdered, and the bare recital of this fact is sufficient to justify grave alarm among all loyal American citizens. Moreover, the circumstances of this, the third assassination of an American President, have a peculiarly sinister significance. Both President Lincoln and President Garfield were killed by assassins of types unfortunately not uncommon in history; President Lincoln falling a victim to the terrible passions aroused by four years of civil war, and President Garfield to the revengeful vanity of a disappointed office-seeker. President McKinley was killed by an utterly depraved criminal belonging to that body of criminals who object to all governments, good and bad alike, who are against any form of popular liberty if it is guaranteed by even the most just and liberal laws, and who are as hostile to the upright exponent of a free people's sober will as to the tyrannical and irresponsible despot.

It is not too much to say that at the time of President McKinley's death he was the most widely loved man in all the United States; while we have never had any public man of his position who has been so wholly free from the bitter animosities incident to public life. His political opponents were the first to bear the heartiest and most generous tribute to the broad kindliness of nature, the sweetness and gentleness of character which so endeared him to his close associates. To a standard of lofty integrity in public life he united the tender affections and home virtues which are all-important in the make-up of national character. A gallant soldier in the great war for the Union, he also shone as an example to all our people because of his conduct in the most sacred and intimate of home relations. There could be no personal hatred of him, for he never acted with aught but consideration for the welfare of others. No one could fail to respect him who knew him in public or private life. The defenders of those murderous criminals who seek to excuse their criminality by asserting that it is exercised for political ends, inveigh against wealth and irresponsible power. But for this assassination even this base apology cannot be urged.

President McKinley was a man of moderate means, a man whose stock sprang from the sturdy tillers of the soil, who had himself belonged among the wage-workers, who had entered the Army as a private soldier. Wealth was not struck at when the President was assassinated, but the honest toil which is content with moderate gains after a lifetime of unremitting labor, largely in the service of the public. Still less was power struck at in the sense that power is irresponsible or centered in the hands of any one individual. The blow was not aimed at tyranny or wealth. It was aimed at one of the strongest champions the wage-worker has ever had; at one of the most faithful representatives of the system of public rights and representative government who has ever risen to public

Page 1729

office. President McKinley filled that political office for which the entire people vote, and no President not even Lincoln himself—was ever more earnestly anxious to represent the well thought-out wishes of the people; his one anxiety in every crisis was to keep in closest touch with the people—to find out what they thought and to endeavor to give expression to their thought, after having endeavored to guide that thought aright. He had just been reelected to the Presidency because the majority of our citizens, the majority of our farmers and wage-workers, believed that he had faithfully upheld their interests for four years. They felt themselves in close and intimate touch with him. They felt that he represented so well and so honorably all their ideals and aspirations that they wished him to continue for another four years to represent them.

And this was the man at whom the assassin struck That there might be nothing lacking to complete the Judas-like infamy of his act, he took advantage of an occasion when the President was meeting the people generally; and advancing as if to take the hand out-stretched to him in kindly and brotherly fellowship, he turned the noble and generous confidence of the victim into an opportunity to strike the fatal blow. There is no baser deed in all the annals of crime.

The shock, the grief of the country, are bitter in the minds of all who saw the dark days, while the President yet hovered between life and death. At last the light was stilled in the kindly eyes and the breath went from the lips that even in mortal agony uttered no words save of forgiveness to his murderer, of love for his friends, and of faltering trust in the will of the Most High. Such a death, crowning the glory of such a life, leaves us with infinite sorrow, but with such pride in what he had accomplished and in his own personal character, that we feel the blow not as struck at him, but as struck at the Nation We mourn a good and great President who is dead; but while we mourn we are lifted up by the splendid achievements of his life and the grand heroism with which he met his death.

When we turn from the man to the Nation, the harm done is so great as to excite our gravest apprehensions and to demand our wisest and most resolute action. This criminal was a professed anarchist, inflamed by the teachings of professed anarchists, and probably also by the reckless utterances of those who, on the stump and in the public press, appeal to the dark and evil spirits of malice and greed, envy and sullen hatred. The wind is sowed by the men who preach such doctrines, and they cannot escape their share of responsibility for the whirlwind that is reaped. This applies alike to the deliberate demagogue, to the exploiter of sensationalism, and to the crude and foolish visionary who, for whatever reason, apologizes for crime or excites aimless discontent.

Page 1730

The blow was aimed not at this President, but at all Presidents; at every symbol of government. President McKinley was as emphatically the embodiment of the popular will of the Nation expressed through the forms of law as a New England town meeting is in similar fashion the embodiment of the law-abiding purpose and practice of the people of the town. On no conceivable theory could the murder of the President be accepted as due to protest against “inequalities in the social order,” save as the murder of all the freemen engaged in a town meeting could be accepted as a protest against that social inequality which puts a malefactor in jail. Anarchy is no more an expression of “social discontent” than picking pockets or wife-beating.

The anarchist, and especially the anarchist in the United States, is merely one type of criminal, more dangerous than any other because he represents the same depravity in a greater degree. The man who advocates anarchy directly or indirectly, in any shape or fashion, or the man who apologizes for anarchists and their deeds, makes himself morally accessory to murder before the fact. The anarchist is a criminal whose perverted instincts lead him to prefer confusion and chaos to the most beneficent form of social order. His protest of concern for workingmen is outrageous in its impudent falsity; for if the political institutions of this country do not afford opportunity to every honest and intelligent son of toil, then the door of hope is forever closed against him. The anarchist is everywhere not merely the enemy of system and of progress, but the deadly foe of liberty. If ever anarchy is triumphant, its triumph will last for but one red moment, to be succeeded, for ages by the gloomy night of despotism.

For the anarchist himself, whether he preaches or practices his doctrines, we need not have one particle more concern than for any ordinary murderer. He is not the victim of social or political injustice. There are no wrongs to remedy in his case. The cause of his criminality is to be found in his own evil passions and in the evil conduct of those who urge him on, not in any failure by others or by the State to do justice to him or his. He is a malefactor and nothing else. He is in no sense, in no shape or way, a “product of social conditions,” save as a highwayman is “produced” by the fact than an unarmed man happens to have a purse. It is a travesty upon the great and holy names of liberty and freedom to permit them to be invoked in such a cause. No man or body of men preaching anarchistic doctrines should be allowed at large any more than if preaching the murder of some specified private individual. Anarchistic speeches, writings, and meetings are essentially seditious and treasonable.

Page 1731

I earnestly recommend to the Congress that in the exercise of its wise discretion it should take into consideration the coming to this country of anarchists or persons professing principles hostile to all government and justifying the murder of those placed in authority. Such individuals as those who not long ago gathered in open meeting to glorify the murder of King Humbert of Italy perpetrate a crime, and the law should ensure their rigorous punishment. They and those like them should be kept out of this country; and if found here they should be promptly deported to the country whence they came; and far-reaching provision should be made for the punishment of those who stay. No matter calls more urgently for the wisest thought of the Congress.

The Federal courts should be given jurisdiction over any man who kills or attempts to kill the President or any man who by the Constitution or by law is in line of succession for the Presidency, while the punishment for an unsuccessful attempt should be proportioned to the enormity of the offense against our institutions.

Anarchy is a crime against the whole human race; and all mankind should band against the anarchist. His crime should be made an offense against the law of nations, like piracy and that form of man-stealing known as the slave trade; for it is of far blacker infamy than either. It should be so declared by treaties among all civilized powers. Such treaties would give to the Federal Government the power of dealing with the crime.

A grim commentary upon the folly of the anarchist position was afforded by the attitude of the law toward this very criminal who had just taken the life of the President. The people would have torn him limb from limb if it had not been that the law he defied was at once invoked in his behalf. So far from his deed being committed on behalf of the people against the Government, the Government was obliged at once to exert its full police power to save him from instant death at the hands of the people. Moreover, his deed worked not the slightest dislocation in our governmental system, and the danger of a recurrence of such deeds, no matter how great it might grow, would work only in the direction of strengthening and giving harshness to the forces of order. No man will ever be restrained from becoming President by any fear as to his personal safety. If the risk to the President's life became great, it would mean that the office would more and more come to be filled by men of a spirit which would make them resolute and merciless in dealing with every friend of disorder. This great country will not fall into anarchy, and if anarchists should ever become a serious menace to its institutions, they would not merely be stamped out, but would involve in their own ruin every active or passive sympathizer with their doctrines. The American people are slow to wrath, but when their wrath is once kindled it burns like a consuming flame.

Page 1732

During the last five years business confidence has been restored, and the nation is to be congratulated because of its present abounding prosperity. Such prosperity can never be created by law alone, although it is easy enough to destroy it by mischievous laws. If the hand of the Lord is heavy upon any country, if flood or drought comes, human wisdom is powerless to avert the calamity. Moreover, no law can guard us against the consequences of our own folly. The men who are idle or credulous, the men who seek gains not by genuine work with head or hand but by gambling in any form, are always a source of menace not only to themselves but to others. If the business world loses its head, it loses what legislation cannot supply. Fundamentally the welfare of each citizen, and therefore the welfare of the aggregate of citizens which makes the nation, must rest upon individual thrift and energy, resolution, and intelligence. Nothing can take the place of this individual capacity; but wise legislation and honest and intelligent administration can give it the fullest scope, the largest opportunity to work to good effect.

The tremendous and highly complex industrial development which went on with ever accelerated rapidity during the latter half of the nineteenth century brings us face to face, at the beginning of the twentieth, with very serious social problems. The old laws, and the old customs which had almost the binding force of law, were once quite sufficient to regulate the accumulation and distribution of wealth. Since the industrial changes which have so enormously increased the productive power of mankind, they are no longer sufficient.

The growth of cities has gone on beyond comparison faster than the growth of the country, and the upbuilding of the great industrial centers has meant a startling increase, not merely in the aggregate of wealth, but in the number of very large individual, and especially of very large corporate, fortunes. The creation of these great corporate fortunes has not been due to the tariff nor to any other governmental action, but to natural causes in the business world, operating in other countries as they operate in our own.

The process has aroused much antagonism, a great part of which is wholly without warrant. It is not true that as the rich have grown richer the poor have grown poorer. On the contrary, never before has the average man, the wage-worker, the farmer, the small trader, been so well off as in this country and at the present time. There have been abuses connected with the accumulation of wealth; yet it remains true that a fortune accumulated in legitimate business can be accumulated by the person specially benefited only on condition of conferring immense incidental benefits upon others. Successful enterprise, of the type which benefits all mankind, can only exist if the conditions are such as to offer great prizes as the rewards of success.

Page 1733

The captains of industry who have driven the railway systems across this continent, who have built up our commerce, who have developed our manufactures, have on the whole done great good to our people. Without them the material development of which we are so justly proud could never have taken place. Moreover, we should recognize the immense importance of this material development of leaving as unhampered as is compatible with the public good the strong and forceful men upon whom the success of business operations inevitably rests. The slightest study of business conditions will satisfy anyone capable of forming a judgment that the personal equation is the most important factor in a business operation; that the business ability of the man at the head of any business concern, big or little, is usually the factor which fixes the gulf between striking success and hopeless failure.

An additional reason for caution in dealing with corporations is to be found in the international commercial conditions of to-day. The same business conditions which have produced the great aggregations of corporate and individual wealth have made them very potent factors in international Commercial competition. Business concerns which have the largest means at their disposal and are managed by the ablest men are naturally those which take the lead in the strife for commercial supremacy among the nations of the world. America has only just begun to assume that commanding position in the international business world which we believe will more and more be hers. It is of the utmost importance that this position be not jeoparded, especially at a time when the overflowing abundance of our own natural resources and the skill, business energy, and mechanical aptitude of our people make foreign markets essential. Under such conditions it would be most unwise to cramp or to fetter the youthful strength of our Nation.

Moreover, it cannot too often be pointed out that to strike with ignorant violence at the interests of one set of men almost inevitably endangers the interests of all. The fundamental rule in our national life—the rule which underlies all others—is that, on the whole, and in the long run, we shall go up or down together. There are exceptions; and in times of prosperity some will prosper far more, and in times of adversity, some will suffer far more, than others; but speaking generally, a period of good times means that all share more or less in them, and in a period of hard times all feel the stress to a greater or less degree. It surely ought not to be necessary to enter into any proof of this statement; the memory of the lean years which began in 1893 is still vivid, and we can contrast them with the conditions in this very year which is now closing. Disaster to great business enterprises can never have its effects limited to the men at the top. It spreads throughout, and while it is bad for everybody, it is worst for those farthest down. The capitalist may be shorn of his luxuries; but the wage-worker may be deprived of even bare necessities.

Page 1734

The mechanism of modern business is so delicate that extreme care must be taken not to interfere with it in a spirit of rashness or ignorance. Many of those who have made it their vocation to denounce the great industrial combinations which are popularly, although with technical inaccuracy, known as “trusts,” appeal especially to hatred and fear. These are precisely the two emotions, particularly when combined with ignorance, which unfit men for the exercise of cool and steady judgment. In facing new industrial conditions, the whole history of the world shows that legislation will generally be both unwise and ineffective unless undertaken after calm inquiry and with sober self-restraint. Much of the legislation directed at the trusts would have been exceedingly mischievous had it not also been entirely ineffective. In accordance with a well-known sociological law, the ignorant or reckless agitator has been the really effective friend of the evils which he has been nominally opposing. In dealing with business interests, for the Government to undertake by crude and ill-considered legislation to do what may turn out to be bad, would be to incur the risk of such far-reaching national disaster that it would be preferable to undertake nothing at all. The men who demand the impossible or the undesirable serve as the allies of the forces with which they are nominally at war, for they hamper those who would endeavor to find out in rational fashion what the wrongs really are and to what extent and in what manner it is practicable to apply remedies.

All this is true; and yet it is also true that there are real and grave evils, one of the chief being over-capitalization because of its many baleful consequences; and a resolute and practical effort must be made to correct these evils.

There is a widespread conviction in the minds of the American people that the great corporations known as trusts are in certain of their features and tendencies hurtful to the general welfare. This springs from no spirit of envy or uncharitableness, nor lack of pride in the great industrial achievements that have placed this country at the head of the nations struggling for commercial supremacy. It does not rest upon a lack of intelligent appreciation of the necessity of meeting changing and changed conditions of trade with new methods, nor upon ignorance of the fact that combination of capital in the effort to accomplish great things is necessary when the world’s progress demands that great things be done. It is based upon sincere conviction that combination and concentration should be, not prohibited, but supervised and within reasonable limits controlled; and in my judgment this conviction is right.

Page 1735

It is no limitation upon property rights or freedom of contract to require that when men receive from Government the privilege of doing business under corporate form, which frees them from individual responsibility, and enables them to call into their enterprises the capital of the public, they shall do so upon absolutely truthful representations as to the value of the property in which the capital is to be invested. Corporations engaged in interstate commerce should be regulated if they are found to exercise a license working to the public injury. It should be as much the aim of those who seek for social betterment to rid the business world of crimes of cunning as to rid the entire body politic of crimes of violence. Great corporations exist only because they are created and safeguarded by our institutions; and it is therefore our right and our duty to see that they work in harmony with these institutions.

The first essential in determining how to deal with the great industrial combinations is knowledge of the facts—publicity. In the interest of the public, the Government should have the right to inspect and examine the workings of the great corporations engaged in interstate business. Publicity is the only sure remedy which we can now invoke. What further remedies are needed in the way of governmental regulation, or taxation, can only be determined after publicity has been obtained, by process of law, and in the course of administration. The first requisite is knowledge, full and complete—-knowledge which may be made public to the world.

Artificial bodies, such as corporations and joint stock or other associations, depending upon any statutory law for their existence or privileges, should be subject to proper governmental supervision, and full and accurate information as to their operations should be made public regularly at reasonable intervals.

The large corporations, commonly called trusts, though organized in one State, always do business in many States, often doing very little business in the State where they are incorporated. There is utter lack of uniformity in the State laws about them; and as no State has any exclusive interest in or power over their acts, it has in practice proved impossible to get adequate regulation through State action. Therefore, in the interest of the whole people, the Nation should, without interfering with the power of the States in the matter itself, also assume power of supervision and regulation over all corporations doing an interstate business. This is especially true where the corporation derives a portion of its wealth from the existence of some monopolistic element or tendency in its business. There would be no hardship in such supervision; banks are subject to it, and in their case it is now accepted as a simple matter of course. Indeed, it is probable that supervision of corporations by the National Government need not go so far as is now the case with the supervision exercised over them by so conservative a State as Massachusetts, in order to produce excellent results.

Page 1736

When the Constitution was adopted, at the end of the eighteenth century, no human wisdom could foretell the sweeping changes, alike in industrial and political conditions, which were to take place by the beginning of the twentieth century. At that time it was accepted as a matter of course that the several States were the proper authorities to regulate, so far as was then necessary, the comparatively insignificant and strictly localized corporate bodies of the day. The conditions are now wholly different and wholly different action is called for. I believe that a law can be framed which will enable the National Government to exercise control along the lines above indicated; profiting by the experience gained through the passage and administration of the Interstate-Commerce Act. If, however, the judgment of the Congress is that it lacks the constitutional power to pass such an act, then a constitutional amendment should be submitted to confer the power.

There should be created a Cabinet officer, to be known as Secretary of Commerce and Industries, as provided in the bill introduced at the last session of the Congress. It should be his province to deal with commerce in its broadest sense; including among many other things whatever concerns labor and all matters affecting the great business corporations and our merchant marine.

The course proposed is one phase of what should be a comprehensive and far-reaching scheme of constructive statesmanship for the purpose of broadening our markets, securing our business interests on a safe basis, and making firm our new position in the international industrial world; while scrupulously safeguarding the rights of wage-worker and capitalist, of investor and private citizen, so as to secure equity as between man and man in this Republic.

With the sole exception of the farming interest, no one matter is of such vital moment to our whole people as the welfare of the wage-workers. If the farmer and the wage-worker are well off, it is absolutely certain that all others will be well off too. It is therefore a matter for hearty congratulation that on the whole wages are higher to-day in the United States than ever before in our history, and far higher than in any other country. The standard of living is also higher than ever before. Every effort of legislator and administrator should be bent to secure the permanency of this condition of things and its improvement wherever possible. Not only must our labor be protected by the tariff, but it should also be protected so far as it is possible from the presence in this country of any laborers brought over by contract, or of those who, coming freely, yet represent a standard of living so depressed that they can undersell our men in the labor market and drag them to a lower level. I regard it as necessary, with this end in view, to re-enact immediately the law excluding Chinese laborers and to strengthen it wherever necessary in order to make its enforcement entirely effective.

Page 1737

The National Government should demand the highest quality of service from its employees; and in return it should be a good employer. If possible legislation should be passed, in connection with the Interstate Commerce Law, which will render effective the efforts of different States to do away with the competition of convict contract labor in the open labor market. So far as practicable under the conditions of Government work, provision should be made to render the enforcement of the eight-hour law easy and certain. In all industries carried on directly or indirectly for the United States Government women and children should be protected from excessive hours of labor, from night work, and from work under unsanitary conditions. The Government should provide in its contracts that all work should be done under “fair” conditions, and in addition to setting a high standard should uphold it by proper inspection, extending if necessary to the subcontractors. The Government should forbid all night work for women and children, as well as excessive overtime. For the District of Columbia a good factory law should be passed; and, as a powerful indirect aid to such laws, provision should be made to turn the inhabited alleys, the existence of which is a reproach to our Capital city, into minor streets, where the inhabitants can live under conditions favorable to health and morals.

American wage-workers work with their heads as well as their hands. Moreover, they take a keen pride in what they are doing; so that, independent of the reward, they wish to turn out a perfect job. This is the great secret of our success in competition with the labor of foreign countries.

The most vital problem with which this country, and for that matter the whole civilized world, has to deal, is the problem which has for one side the betterment of social conditions, moral and physical, in large cities, and for another side the effort to deal with that tangle of far-reaching questions which we group together when we speak of “labor.” The chief factor in the success of each man—wage-worker, farmer, and capitalist alike—must ever be the sum total of his own individual qualities and abilities. Second only to this comes the power of acting in combination or association with others. Very great good has been and will be accomplished by associations or unions of wage-workers, when managed with forethought, and when they combine insistence upon their own rights with law-abiding respect for the rights of others. The display of these qualities in such bodies is a duty to the nation no less than to the associations themselves. Finally, there must also in many cases be action by the Government in order to safeguard the rights and interests of all. Under our Constitution there is much more scope for such action by the State and the municipality than by the nation. But on points such as those touched on above the National Government can act.

Page 1738

When all is said and done, the rule of brotherhood remains as the indispensable prerequisite to success in the kind of national life for which we strive. Each man must work for himself, and unless he so works no outside help can avail him; but each man must remember also that he is indeed his brother's keeper, and that while no man who refuses to walk can be carried with advantage to himself or anyone else, yet that each at times stumbles or halts, that each at times needs to have the helping hand outstretched to him. To be permanently effective, aid must always take the form of helping a man to help himself; and we can all best help ourselves by joining together in the work that is of common interest to all.

Our present immigration laws are unsatisfactory. We need every honest and efficient immigrant fitted to become an American citizen, every immigrant who comes here to stay, who brings here a strong body, a stout heart, a good head, and a resolute purpose to do his duty well in every way and to bring up his children as law-abiding and God-fearing members of the community. But there should be a comprehensive law enacted with the object of working a threefold improvement over our present system. First, we should aim to exclude absolutely not only all persons who are known to be believers in anarchistic principles or members of anarchistic societies, but also all persons who are of a low moral tendency or of unsavory reputation. This means that we should require a more thorough system of inspection abroad and a more rigid system of examination at our immigration ports, the former being especially necessary.

The second object of a proper immigration law ought to be to secure by a careful and not merely perfunctory educational test some intelligent capacity to appreciate American institutions and act sanely as American citizens. This would not keep out all anarchists, for many of them belong to the intelligent criminal class. But it would do what is also in point, that is, tend to decrease the sum of ignorance, so potent in producing the envy, suspicion, malignant passion, and hatred of order, out of which anarchistic sentiment inevitably springs. Finally, all persons should be excluded who are below a certain standard of economic fitness to enter our industrial field as competitors with American labor. There should be proper proof of personal capacity to earn an American living and enough money to insure a decent start under American conditions. This would stop the influx of cheap labor, and the resulting competition which gives rise to so much of bitterness in American industrial life; and it would dry up the springs of the pestilential social conditions in our great cities, where anarchistic organizations have their greatest possibility of growth.

Both the educational and economic tests in a wise immigration law should be designed to protect and elevate the general body politic and social. A very close supervision should be exercised over the steamship companies which mainly bring over the immigrants, and they should be held to a strict accountability for any infraction of the law.

Page 1739

There is general acquiescence in our present tariff system as a national policy. The first requisite to our prosperity is the continuity and stability of this economic policy. Nothing could be more unwise than to disturb the business interests of the country by any general tariff change at this time. Doubt, apprehension, uncertainty are exactly what we most wish to avoid in the interest of our commercial and material well-being. Our experience in the past has shown that sweeping revisions of the tariff are apt to produce conditions closely approaching panic in the business world. Yet it is not only possible, but eminently desirable, to combine with the stability of our economic system a supplementary system of reciprocal benefit and obligation with other nations. Such reciprocity is an incident and result of the firm establishment and preservation of our present economic policy. It was specially provided for in the present tariff law.

Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries. Just how far this is must be determined according to the individual case, remembering always that every application of our tariff policy to meet our shifting national needs must be conditioned upon the cardinal fact that the duties must never be reduced below the point that will cover the difference between the labor cost here and abroad. The well-being of the wage-worker is a prime consideration of our entire policy of economic legislation.

Subject to this proviso of the proper protection necessary to our industrial well-being at home, the principle of reciprocity must command our hearty support. The phenomenal growth of our export trade emphasizes the urgency of the need for wider markets and for a liberal policy in dealing with foreign nations. Whatever is merely petty and vexatious in the way of trade restrictions should be avoided. The customers to whom we dispose of our surplus products in the long run, directly or indirectly, purchase those surplus products by giving us something in return. Their ability to purchase our products should as far as possible be secured by so arranging our tariff as to enable us to take from them those products which we can use without harm to our own industries and labor, or the use of which will be of marked benefit to us.

It is most important that we should maintain the high level of our present prosperity. We have now reached the point in the development of our interests where we are not only able to supply our own markets but to produce a constantly growing surplus for which we must find markets abroad. To secure these markets we can utilize existing duties in any case where they are no longer needed for the purpose of protection, or in any case where the article is not produced here and the duty is no longer necessary for revenue, as giving us something to offer in exchange for what we ask. The cordial relations with other nations which are so desirable will naturally be promoted by the course thus required by our own interests.

Page 1740

The natural line of development for a policy of reciprocity will be in connection with those of our productions which no longer require all of the support once needed to establish them upon a sound basis, and with those others where either because of natural or of economic causes we are beyond the reach of successful competition.

I ask the attention of the Senate to the reciprocity treaties laid before it by my predecessor.

The condition of the American merchant marine is such as to call for immediate remedial action by the Congress. It is discreditable to us as a Nation that our merchant marine should be utterly insignificant in comparison to that of other nations which we overtop in other forms of business. We should not longer submit to conditions under which only a trifling portion of our great commerce is carried in our own ships. To remedy this state of things would not .merely serve to build up our shipping interests, but it would also result in benefit to all who are interested in the permanent establishment of a wider market for American products, and would provide an auxiliary force for the Navy. Ships work for their own countries just as railroads work for their terminal points. Shipping lines, if established to the principal countries with which we have dealings, would be of political as well as commercial benefit. From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American-built ships.

At present American shipping is under certain great disadvantages when put in competition with the shipping of foreign countries. Many of the fast foreign steamships, at a speed of fourteen knots or above, are subsidized; and all our ships, sailing vessels and steamers alike, cargo carriers of slow speed and mail carriers of high speed, have to meet the fact that the original cost of building American ships is greater than is the case abroad; that the wages paid American officers and seamen are very much higher than those paid the officers and seamen of foreign competing countries; and that the standard of living on our ships is far superior to the standard of living on the ships of our commercial rivals.

Our Government should take such action as will remedy these inequalities. The American merchant marine should be restored to the ocean.

The Act of March 14, 1900, intended unequivocally to establish gold as the standard money and to maintain at a parity therewith all forms of money medium in use with us, has been shown to be timely and judicious. The price of our Government bonds in the world's market, when compared with the price of similar obligations issued by other nations, is a flattering tribute to our public credit. This condition it is evidently desirable to maintain.

In many respects the National Banking Law furnishes sufficient liberty for the proper exercise of the banking function; but there seems to be need of better safeguards against the deranging influence of commercial crises and financial panics. Moreover, the currency of the country should be made responsive to the demands of our domestic trade and commerce.

Page 1741

The collections from duties on imports and internal taxes continue to exceed the ordinary expenditures of the Government, thanks mainly to the reduced army expenditures. The utmost care should be taken not to reduce the revenues so that there will be any possibility of a deficit; but, after providing against any such contingency, means should be adopted which will bring the revenues more nearly within the limit of our actual needs. In his report to the Congress the Secretary of the Treasury considers all these questions at length, and I ask your attention to the report and recommendations.

I call special attention to the need of strict economy in expenditures. The fact that our national needs forbid us to be niggardly in providing whatever is actually necessary to our well-being, should make us doubly careful to husband our national resources, as each of us husbands his private resources, by scrupulous avoidance of anything like wasteful or reckless expenditure. Only by avoidance of spending money on what is needless or unjustifiable can we legitimately keep our income to the point required to meet our needs that are genuine.

In 1887 a measure was enacted for the regulation of interstate railways, commonly known as the Interstate Commerce Act. The cardinal provisions of that act were that railway rates should be just and reasonable and that all shippers, localities, and commodities should be accorded equal treatment. A commission was created and endowed with what were supposed to be the necessary powers to execute the provisions of this act. That law was largely an experiment. Experience has shown the wisdom of its purposes, but has also shown, possibly that some of its requirements are wrong, certainly that the means devised for the enforcement of its provisions are defective. Those who complain of the management of the railways allege that established rates are not maintained; that rebates and similar devices are habitually resorted to; that these preferences are usually in favor of the large shipper; that they drive out of business the smaller competitor; that while many rates are too low, many others are excessive; and that gross preferences are made, affecting both localities and commodities. Upon the other hand, the railways assert that the law by its very terms tends to produce many of these illegal practices by depriving carriers of that right of concerted action which they claim is necessary to establish and maintain non-discriminating rates.

The act should be amended. The railway is a public servant. Its rates should be just to and open to all shippers alike. The Government should see to it that within its jurisdiction this is so and should provide a speedy, inexpensive, and effective remedy to that end. At the same time it must not be forgotten that our railways are the arteries through which the commercial lifeblood of this Nation flows. Nothing could be more foolish than the enactment of legislation which would unnecessarily interfere with the development and operation of these commercial agencies. The subject is one of great importance and calls for the earnest attention of the Congress.

Page 1742

The Department of Agriculture during the past fifteen years has steadily broadened its work on economic lines, and has accomplished results of real value in upbuilding domestic and foreign trade. It has gone into new fields until it is now in touch with all sections of our country and with two of the island groups that have lately come under our jurisdiction, whose people must look to agriculture as a livelihood. It is searching the world for grains, grasses, fruits, and vegetables specially fitted for introduction into localities in the several States and Territories where they may add materially to our resources. By scientific attention to soil survey and possible new crops, to breeding of new varieties of plants, to experimental shipments, to animal industry and applied chemistry, very practical aid has been given our farming and stock-growing interests. The products of the farm have taken an unprecedented place in our export trade during the year that has just closed.

Public opinion throughout the United States has moved steadily toward a just appreciation of the value of forests, whether planted or of natural growth. The great part played by them in the creation and maintenance of the national wealth is now more fully realized than ever before.

Wise forest protection does not mean the withdrawal of forest resources, whether of wood, water, or grass, from contributing their full share to the welfare of the people, but, on the contrary, gives the assurance of larger and more certain supplies. The fundamental idea of forestry is the perpetuation of forests by use. Forest protection is not an end of itself; it is a means to increase and sustain the resources of our country and the industries which depend upon them. The preservation of our forests is an imperative business necessity. We have come to see clearly that whatever destroys the forest, except to make way for agriculture, threatens our well being.

The practical usefulness of the national forest reserves to the mining, grazing, irrigation, and other interests of the regions in which the reserves lie has led to a widespread demand by the people of the West for their protection and extension. The forest reserves will inevitably be of still greater use in the future than in the past. Additions should be made to them whenever practicable, and their usefulness should be increased by a thoroughly business-like management.

At present the protection of the forest reserves rests with the General Land Office, the mapping and description of their timber with the United States Geological Survey, and the preparation of plans for their conservative use with the Bureau of Forestry, which is also charged with the general advancement of practical forestry in the United States. These various functions should be united in the Bureau of Forestry, to which they properly belong. The present diffusion of responsibility is bad from every standpoint. It

Page 1743

prevents that effective co-operation between the Government and the men who utilize the resources of the reserves, without which the interests of both must suffer. The scientific bureaus generally should be put under the Department of Agriculture. The President should have by law the power of transferring lands for use as forest reserves to the Department of Agriculture. He already has such power in the case of lands needed by the Departments of War and the Navy.

The wise administration of the forest reserves will be not less helpful to the interests which depend on water than to those which depend on wood and grass. The water supply itself depends upon the forest. In the arid region it is water, not land, which measures production. The western half of the United States would sustain a population greater than that of our whole country to-day if the waters that now run to waste were saved and used for irrigation. The forest and water problems are perhaps the most vital internal questions of the United States.

Certain of the forest reserves should also be made preserves for the wild forest creatures. All of the reserves should be better protected from fires. Many of them need special protection because of the great injury done by live stock, above all by sheep. The increase in deer, elk, and other animals in the Yellowstone Park shows what may be expected when other mountain forests are properly protected by law and properly guarded. Some of these areas have been so denuded of surface vegetation by overgrazing that the ground breeding birds, including grouse and quail, and many mammals, including deer, have been exterminated or driven away. At the same time the water-storing capacity of the surface has been decreased or destroyed, thus promoting floods in times of rain and diminishing the flow of streams between rains.

In cases where natural conditions have been restored for a few years, vegetation has again carpeted the ground, birds and deer are coming back, and hundreds of persons, especially from the immediate neighborhood, come each summer to enjoy the privilege of camping. Some at least of the forest reserves should afford perpetual protection to the native fauna and flora, safe havens of refuge to our rapidly diminishing wild animals of the larger kinds, and free camping grounds for the ever-increasing numbers of men and women who have learned to find rest, health, and recreation in the splendid forests and flower-clad meadows of our mountains. The forest reserves should be set apart forever for the use and benefit of our people as a whole and not sacrificed to the shortsighted greed of a few.

The forests are natural reservoirs. By restraining the streams in flood and replenishing them in drought they make possible the use of waters otherwise wasted. They prevent the soil from washing, and so protect the storage reservoirs from filling up with silt. Forest conservation is therefore an essential condition of water conservation.

Page 1744

The forests alone cannot, however, fully regulate and conserve the waters of the arid region. Great storage works are necessary to equalize the flow of streams and to save the flood waters. Their construction has been conclusively shown to be an undertaking too vast for private effort. Nor can it be best accomplished by the individual States acting alone. Far-reaching interstate problems are involved; and the resources of single States would often be inadequate. It is properly a national function, at least in some of its features. It is as right for the National Government to make the streams and rivers of the arid region useful by engineering works for water storage as to make useful the rivers and harbors of the humid region by engineering works of another kind. The storing of the floods in reservoirs at the headwaters of our rivers is but an enlargement of our present policy of river control, under which levees are built on the lower reaches of the same streams.

The Government should construct and maintain these reservoirs as it does other public works. Where their purpose is to regulate the flow of streams, the water should be turned freely into the channels in the dry season to take the same course under the same laws as the natural flow.

The reclamation of the unsettled arid public lands presents a different problem. Here it is not enough to regulate the flow of streams. The object of the Government is to dispose of the land to settlers who will build homes upon it. To accomplish this object water must be brought within their reach.

The pioneer settlers on the arid public domain chose their homes along streams from which they could themselves divert the water to reclaim their holdings. Such opportunities are practically gone. There remain, however, vast areas of public land which can be made available for homestead settlement, but only by reservoirs and main-line canals impracticable for private enterprise. These irrigation works should be built by the National Government. The lands reclaimed by them should be reserved by the Government for actual settlers, and the cost of construction should so far as possible be repaid by the land reclaimed. The distribution of the water, the division of the streams among irrigators, should be left to the settlers themselves in conformity with State laws and without interference with those laws or with vested fights. The policy of the National Government should be to aid irrigation in the several States and Territories in such manner as will enable the people in the local communities to help themselves, and as will stimulate needed reforms in the State laws and regulations governing irrigation.

Page 1745

The reclamation and settlement of the arid lands will enrich every portion of our country, just as the settlement of the Ohio and Mississippi valleys brought prosperity to the Atlantic States. The increased demand for manufactured articles will stimulate industrial production, while wider home markets and the trade of Asia will consume the larger food supplies and effectually prevent Western competition with Eastern agriculture. Indeed, the products of irrigation will be consumed chiefly in upbuilding local centers of mining and other industries, which would otherwise not come into existence at all. Our people as a whole will profit, for successful home-making is but another name for the upbuilding of the nation.

The necessary foundation has already been laid for the inauguration of the policy just described. It would be unwise to begin by doing too much, for a great deal will doubtless be learned, both as to what can and what cannot be safely attempted, by the early efforts, which must of necessity be partly experimental in character. At the very beginning the Government should make clear, beyond shadow of doubt, its intention to pursue this policy on lines of the broadest public interest. No reservoir or canal should ever be built to satisfy selfish personal or local interests; but only in accordance with the advice of trained experts, after long investigation has shown the locality where all the conditions combine to make the work most needed and fraught with the greatest usefulness to the community as a whole. There should be no extravagance, and the believers in the need of irrigation will most benefit their cause by seeing to it that it is free from the least taint of excessive or reckless expenditure of the public moneys.

Whatever the nation does for the extension of irrigation should harmonize with, and tend to improve, the condition of those now living on irrigated land. We are not at the starting point of this development. Over two hundred millions of private capital has already been expended in the construction of irrigation works, and many million acres of arid land reclaimed. A high degree of enterprise and ability has been shown in the work itself; but as much cannot be said in reference to the laws relating thereto. The security and value of the homes created depend largely on the stability of titles to water; but the majority of these rest on the uncertain foundation of court decisions rendered in ordinary suits at law. With a few creditable exceptions, the arid States have failed to provide for the certain and just division of streams in times of scarcity. Lax and uncertain laws have made it possible to establish rights to water in excess of actual uses or necessities, and many streams have already passed into private ownership, or a control equivalent to ownership.

Whoever controls a stream practically controls the land it renders productive, and the doctrine of private ownership of water apart from land cannot prevail without causing enduring wrong. The recognition of such ownership, which has been permitted to grow up in the arid regions, should give way to a more enlightened and larger recognition of the rights of the public in the control and disposal of the public water supplies. Laws founded upon conditions obtaining in humid regions, where water is too abundant to justify hoarding it, have no proper application in a dry country.

Page 1746

In the arid States the only right to water which should be recognized is that of use. In irrigation this right should attach to the land reclaimed and be inseparable therefrom. Granting perpetual water rights to others than users, without compensation to the public, is open to all the objections which apply to giving away perpetual franchises to the public utilities of cities. A few of the Western States have already recognized this, and have incorporated in their constitutions the doctrine of perpetual State ownership of water.

The benefits which have followed the unaided development of the past justify the nation's aid and co-operation in the more difficult and important work yet to be accomplished. Laws so vitally affecting homes as those which control the water supply will only be effective when they have the sanction of the irrigators; reforms can only be final and satisfactory when they come through the enlightenment of the people most concerned. The larger development which national aid insures should, however, awaken in every arid State the determination to make its irrigation system equal in justice and effectiveness that of any country in the civilized world. Nothing could be more unwise than for isolated communities to continue to learn everything experimentally, instead of profiting by what is already known elsewhere. We are dealing with a new and momentous question, in the pregnant years while institutions are forming, and what we do will affect not only the present but future generations.

Our aim should be not simply to reclaim the largest area of land and provide homes for the largest number of people, but to create for this new industry the best possible social and industrial conditions; and this requires that we not only understand the existing situation, but avail ourselves of the best experience of the time in the solution of its problems. A careful study should be made, both by the Nation and the States, of the irrigation laws and conditions here and abroad. Ultimately it will probably be necessary for the Nation to co-operate with the several arid States in proportion as these States by their legislation and administration show themselves fit to receive it.

In Hawaii our aim must be to develop the Territory on the traditional American lines. We do not wish a region of large estates tilled by cheap labor; we wish a healthy American community of men who themselves till the farms they own. All our legislation for the islands should be shaped with this end in view; the well-being of the average home-maker must afford the true test of the healthy development of the islands. The land policy should as nearly as possible be modeled on our homestead system.

Page 1747

It is a pleasure to say that it is hardly more necessary to report as to Puerto Rico than as to any State or Territory within our continental limits. The island is thriving as never before, and it is being administered efficiently and honestly. Its people are now enjoying liberty and order under the protection of the United States, and upon this fact we congratulate them and ourselves. Their material welfare must be as carefully and jealously considered as the welfare of any other portion of our country. We have given them the great gift of free access for their products to the markets of the United States. I ask the attention of the Congress to the need of legislation concerning the public lands of Puerto Rico.

In Cuba such progress has been made toward putting the independent government of the island upon a firm footing that before the present session of the Congress closes this will be an accomplished fact. Cuba will then start as her own mistress; and to the beautiful Queen of the Antilles, as she unfolds this new page of her destiny, we extend our heartiest greetings and good wishes. Elsewhere I have discussed the question of reciprocity. In the case of Cuba, however, there are weighty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in the tariff duties on Cuban imports into the United States. Cuba has in her constitution affirmed what we desired: that she should stand, in international matters, in closer and more friendly relations with us than with any other power; and we are bound by every consideration of honor and expediency to pass commercial measures in the interest of her material well-being.

In the Philippines our problem is larger. They are very rich tropical islands, inhabited by many varying tribes, representing widely different stages of progress toward civilization. Our earnest effort is to help these people upward along the stony and difficult path that leads to self-government. We hope to make our administration of the islands honorable to our Nation by making it of the highest benefit to the Filipinos themselves; and as an earnest of what we intend to do, we point to what we have done. Already a greater measure of material prosperity and of governmental honesty and efficiency has been attained in the Philippines than ever before in their history.

It is no light task for a nation to achieve the temperamental qualities without which the institutions of free government are but an empty mockery. Our people are now successfully governing themselves, because for more than a thousand years they have been slowly fitting themselves, sometimes consciously, sometimes unconsciously, toward this end. What has taken us thirty generations to achieve, we cannot expect to have another race accomplish out of hand, especially when large portions

Page 1748

of that race start very far behind the point which our ancestors had reached even thirty generations ago. In dealing with the Philippine people we must show both patience and strength, forbearance and steadfast resolution. Our aim is high. We do not desire to do for the islanders merely what has elsewhere been done for tropic peoples by even the best foreign governments. We hope to do for them what has never before been done for any people of the tropics—to make them fit for self-government after the fashion of the really free nations.

History may safely be challenged to show a single instance in which a masterful race such as ours, having been forced by the exigencies of war to take possession of an alien land, has behaved to its inhabitants with the disinterested zeal for their progress that our people have shown in the Philippines. To leave the islands at this time would mean that they would fall into a welter of murderous anarchy. Such desertion of duty on our part would be a crime against humanity. The character of Governor Taft and of his associates and subordinates is a proof, if such be needed, of the sincerity of our effort to give the islanders a constantly increasing measure of self-government, exactly as fast as they show themselves fit to exercise it. Since the civil government was established not an appointment has been made in the islands with any reference to considerations of political influence, or to aught else Save the fitness of the man and the needs of the service.

In our anxiety for the welfare and progress of the Philippines, may be that here and there we have gone too rapidly in giving them local self-government. It is on this side that our error, if any, has been committed. No competent observer, sincerely desirous of finding out the facts and influenced only by a desire for the welfare of the natives, can assert that we have not gone far enough. We have gone to the very verge of safety in hastening the process. To have taken a single step farther or faster in advance would have been folly and weakness, and might well have been crime. We are extremely anxious that the natives shall show the power of governing themselves. We are anxious, first for their sakes, and next, because it relieves us of a great burden. There need not be the slightest fear of our not continuing to give them all the liberty for which they are fit.

The only fear is test in our overanxiety we give them a degree of independence for which they are unfit, thereby inviting reaction and disaster. As fast as there is any reasonable hope that in a given district the people can govern themselves, self-government has been given in that district. There is not a locality fitted for self-government which has not received it. But it may well be that in certain cases it will have to be withdrawn because the inhabitants show themselves unfit to exercise it; such instances have already occurred. In other words, there is not the slightest chance of our failing to show a sufficiently humanitarian spirit. The danger comes in the opposite direction.

Page 1749

There are still troubles ahead in the islands. The insurrection has become an affair of local banditti and marauders, who deserve no higher regard than the brigands of portions of the Old World. Encouragement, direct or indirect, to these insurrectors stands on the same footing as encouragement to hostile Indians in the days when we still had Indian wars. Exactly as our aim is to give to the Indian who remains peaceful the fullest and amplest consideration, but to have it understood that we will show no weakness if he goes on the warpath, so we must make it evident, unless we are false to our own traditions and to the demands of civilization and humanity, that while we will do everything in our power for the Filipino who is peaceful, we will take the sternest measures with the Filipino who follows the path of the insurrecto and the ladrone.

The heartiest praise is due to large numbers of the natives of the islands for their steadfast loyalty. The Macabebes have been conspicuous for their courage and devotion to the flag. I recommend that the Secretary of War be empowered to take some systematic action in the way of aiding those of these men who are crippled in the service and the families of those who are killed.

The time has come when there should be additional legislation for the Philippines. Nothing better can be done for the islands than to introduce industrial enterprises. Nothing would benefit them so much as throwing them open to industrial development. The connection between idleness and mischief is proverbial, and the opportunity to do remunerative work is one of the surest preventatives of war. Of course no business man will go into the Philippines unless it is to his interest to do so; and it is immensely to the interest of the islands that he should go in. It is therefore necessary that the Congress should pass laws by which the resources of the islands can be developed; so that franchises (for limited terms of years) can be granted to companies doing business in them, and every encouragement be given to the incoming of business men of every kind.

Not to permit this is to do a wrong to the Philippines. The franchises must be granted and the business permitted only under regulations which will guarantee the islands against any kind of improper exploitation. But the vast natural wealth of the islands must be developed, and the capital willing to develop it must be given the opportunity. The field must be thrown open to individual enterprise, which has been the real factor in the development of every region over which our flag has flown. It is urgently necessary to enact suitable laws dealing with general transportation, mining, banking, currency, homesteads, and the use and ownership of the lands and timber. These laws will give free play to industrial enterprise; and the commercial development which will surely follow will accord to the people of the islands the best proofs of the sincerity of our desire to aid them.

Page 1750

I call your attention most earnestly to the crying need of a cable to Hawaii and the Philippines, to be continued from the Philippines to points in Asia. We should not defer a day longer than necessary the construction of such a cable. It is demanded not merely for commercial but for political and military considerations.

Either the Congress should immediately provide for the construction of a Government cable, or else an arrangement should be made by which like advantages to those accruing from a Government cable may be secured to the Government by contract with a private cable company.

No single great material work which remains to be undertaken on this continent is of such consequence to the American people as the building of a canal across the Isthmus connecting North and South America. Its importance to the Nation is by no means limited merely to its material effects upon our business prosperity; and yet with view to these effects alone it would be to the last degree important for us immediately to begin it. While its beneficial effects would perhaps be most marked upon the Pacific Coast and the Gulf and South Atlantic States, it would also greatly benefit other sections. It is emphatically a work which it is for the interest of the entire country to begin and complete as soon as possible; it is one of those great works which only a great nation can undertake with prospects of success, and which when done are not only permanent assets in the nation's material interests, but standing monuments to its constructive ability.

I am glad to be able to announce to you that our negotiations on this subject with Great Britain, conducted on both sides in a spirit of friendliness and mutual good will and respect, have resulted in my being able to lay before the Senate a treaty which if ratified will enable us to begin preparations for an Isthmian canal at any time, and which guarantees to this Nation every right that it has ever asked in connection with the canal. In this treaty, the old Clayton-Bulwer treaty, so long recognized as inadequate to supply the base for the construction and maintenance of a necessarily American ship canal, is abrogated. It specifically provides that the United States alone shall do the work of building and assume the responsibility of safeguarding the canal and shall regulate its neutral use by all nations on terms of equality without the guaranty or interference of any outside nation from any quarter. The signed treaty will at once be laid before the Senate, and if approved the Congress can then proceed to give effect to the advantages it secures us by providing for the building of the canal.

Page 1751

The true end of every great and free people should be self-respecting peace; and this Nation most earnestly desires sincere and cordial friendship with all others. Over the entire world, of recent years, wars between the great civilized powers have become less and less frequent. Wars with barbarous or semi-barbarous peoples come in an entirely different category, being merely a most regrettable but necessary international police duty which must be performed for the sake of the welfare of mankind. Peace can only be kept with certainty where both sides wish to keep it; but more and more the civilized peoples are realizing the wicked folly of war and are attaining that condition of just and intelligent regard for the rights of others which will in the end, as we hope and believe, make world-wide peace possible. The peace conference at The Hague gave definite expression to this hope and belief and marked a stride toward their attainment.

This same peace conference acquiesced in our statement of the Monroe Doctrine as compatible with the purposes and aims of the conference.

The Monroe Doctrine should be the cardinal feature of the foreign policy of all the nations of the two Americas, as it is of the United States. Just seventy-eight years have passed since President Monroe in his Annual Message announced that “The American continents are henceforth not to be considered as subjects for future colonization by any European power.” In other words, the Monroe Doctrine is a declaration that there must be no territorial aggrandizement by any non-American power at the expense of any American power on American soil. It is in no wise intended as hostile to any nation in the Old World. Still less is it intended to give cover to any aggression by one New World power at the expense of any other. It is simply a step, and a long step, toward assuring the universal peace of the world by securing the possibility of permanent peace on this hemisphere.

During the past century other influences have established the permanence and independence of the smaller states of Europe. Through the Monroe Doctrine we hope to be able to safeguard like independence and secure like permanence for the lesser among the New World nations.

This doctrine has nothing to do with the commercial relations of any American power, save that it in truth allows each of them to form such as it desires. In other words, it is really a guaranty of the commercial independence of the Americas. We do not ask under this doctrine for any exclusive commercial dealings with any other American state. We do not guarantee any state against punishment if it misconducts itself, provided that punishment does not take the form of the acquisition of territory by any non-American power.

Page 1752

Our attitude in Cuba is a sufficient guaranty of our own good faith. We have not the slightest desire to secure any territory at the expense of any of our neighbors. We wish to work with them hand in hand, so that all of us may be uplifted together, and we rejoice over the good fortune of any of them, we gladly hail their material prosperity and political stability, and are concerned and alarmed if any of them fall into industrial or political chaos. We do not wish to see any Old World military power grow up on this continent, or to be compelled to become a military power ourselves. The peoples of the Americas can prosper best if left to work out their own salvation in their own way.

The work of upbuilding the Navy must be steadily continued. No one point of our policy, foreign or domestic, is more important than this to the honor and material welfare, and above all to the peace, of our nation in the future. Whether we desire it or not, we must henceforth recognize that we have international duties no less than international rights. Even if our flag were hauled down in the Philippines and Puerto Rico, even if we decided not to build the Isthmian Canal, we should need a thoroughly trained Navy of adequate size, or else be prepared definitely and for all time to abandon the idea that our nation is among those whose sons go down to the sea in ships. Unless our commerce is always to be carried in foreign bottoms, we must have war craft to protect it.

Inasmuch, however, as the American people have no thought of abandoning the path upon which they have entered, and especially in view of the fact that the building of the Isthmian Canal is fast becoming one of the matters which the whole people are united in demanding, it is imperative that our Navy should be put and kept in the highest state of efficiency, and should be made to answer to our growing needs. So far from being in any way a provocation to war, an adequate and highly trained navy is the best guaranty against war, the cheapest and most effective peace insurance. The cost of building and maintaining such a navy represents the very lightest premium for insuring peace which this nation can possibly pay.

Probably no other great nation in the world is so anxious for peace as we are. There is not a single civilized power which has anything whatever to fear from aggressiveness on our part. All we want is peace; and toward this end we wish to be able to secure the same respect for our rights from others which we are eager and anxious to extend to their rights in return, to insure fair treatment to us commercially, and to guarantee the safety of the American people.

Our people intend to abide by the Monroe Doctrine and to insist upon it as the one sure means of securing the peace of the Western Hemisphere. The Navy offers us the only means of making our insistence upon the Monroe Doctrine anything but a subject of derision to whatever nation chooses to disregard it. We desire the peace which comes as of right to the just man armed; not the peace granted on terms of ignominy to the craven and the weakling.

Page 1753

It is not possible to improvise a navy after war breaks out. The ships must be built and the men trained long in advance. Some auxiliary vessels can be turned into makeshifts which will do in default of any better for the minor work, and a proportion of raw men can be mixed with the highly trained, their shortcomings being made good by the skill of their fellows; but the efficient fighting force of the Navy when pitted against an equal opponent will be found almost exclusively in the war ships that have been regularly built and in the officers and men who through years of faithful performance of sea duty have been trained to handle their formidable but complex and delicate weapons with the highest efficiency. In the late war with Spain the ships that dealt the decisive blows at Manila and Santiago had been launched from two to fourteen years, and they were able to do as they did because the men in the conning towers, the gun turrets, and the engine-rooms had through long years of practice at sea learned how to do their duty.

Our present Navy was begun in 1882. At that period our Navy consisted of a collection of antiquated wooden ships, already almost as out of place against modern war vessels as the galleys of Alcibiades and Hamilcar—certainly as the ships of Tromp and Blake. Nor at that time did we have men fit to handle a modern man-of-war. Under the wise legislation of the Congress and the successful administration of a succession of patriotic Secretaries of the Navy, belonging to both political parties, the work of upbuilding the Navy went on, and ships equal to any in the world of their kind were continually added; and what was even more important, these ships were exercised at sea singly and in squadrons until the men aboard them were able to get the best possible service out of them. The result was seen in the short war with Spain, which was decided with such rapidity because of the infinitely greater preparedness of our Navy than of the Spanish Navy.

While awarding the fullest honor to the men who actually commanded and manned the ships which destroyed the Spanish sea forces in the Philippines and in Cuba, we must not forget that an equal meed of praise belongs to those without whom neither blow could have been struck. The Congressmen who voted years in advance the money to lay down the ships, to build the guns, to buy the armor-plate; the Department officials and the business men and wage-workers who furnished what the Congress had authorized; the Secretaries of the Navy who asked for and expended the appropriations; and finally the officers who, in fair weather and foul, on actual sea service, trained and disciplined the crews of the ships when there was no war in sight—all are entitled to a full share in the glory of Manila and Santiago, and the respect accorded by every true American to those who wrought such signal triumph for our country. It was forethought and preparation which secured us the overwhelming triumph of 1898. If we fail to show forethought and preparation now, there may come a time when disaster will befall us instead of triumph; and should this time come, the fault will rest primarily, not upon those whom the accident of events puts in supreme command at the moment, but upon those who have failed to prepare in advance.

Page 1754

There should be no cessation in the work of completing our Navy. So far ingenuity has been wholly unable to devise a substitute for the great war craft whose hammering guns beat out the mastery of the high seas. It is unsafe and unwise not to provide this year for several additional Battle ships and heavy armored cruisers, with auxiliary and lighter craft in proportion; for the exact numbers and character I refer you to the report of the Secretary of the Navy. But there is something we need even more than additional ships, and this is additional officers and men. To provide battle ships and cruisers and then lay them up, with the expectation of leaving them unmanned until they are needed in actual war, would be worse than folly; it would be a crime against the Nation.

To send any war ship against a competent enemy unless those aboard it have been trained by years of actual sea service, including incessant gunnery practice, would be to invite not merely disaster, but the bitterest shame and humiliation. Four thousand additional seamen and one thousand additional marines should be provided; and an increase in the officers should be provided by making a large addition to the classes at Annapolis. There is one small matter which should be mentioned in connection with Annapolis. The pretentious and unmeaning title of “naval cadet” should be abolished; the title of “midshipman,” full of historic association, should be restored.

Even in time of peace a war ship should be used until it wears out, for only so can it be kept fit to respond to any emergency. The officers and men alike should be kept as much as possible on blue water, for it is there only they can learn their duties as they should be learned. The big vessels should be manoeuvred in squadrons containing not merely battle ships, but the necessary proportion of cruisers and scouts. The torpedo boats should be handled by the younger officers in such manner as will best fit the latter to take responsibility and meet the emergencies of actual warfare.

Every detail ashore which can be performed by a civilian should be so performed, the officer being kept for his special duty in the sea service. Above all, gunnery practice should be unceasing. It is important to have our Navy of adequate size, but it is even more important that ship for ship it should equal in efficiency any navy in the world. This is possible only with highly drilled crews and officers, and this in turn imperatively demands continuous and progressive instruction in target practice, ship handling, squadron tactics, and general discipline. Our ships must be assembled in squadrons actively cruising away from harbors and never long at anchor. The resulting wear upon engines and hulls must be endured; a battle ship worn out in long training of officers and men is well paid for by the results, while, on the other hand, no matter in how excellent condition, it is useless if the crew be not expert.

Page 1755

We now have seventeen battle ships appropriated for, of which nine are completed and have been commissioned for actual service. The remaining eight will be ready in from two to four years, but it will take at least that time to recruit and train the men to fight them. It is of vast concern that we have trained crews ready for the vessels by the time they are commissioned. Good ships and good guns are simply good weapons, and the best weapons are useless save in the hands of men who know how to fight with them. The men must be trained and drilled under a thorough and well-planned system of progressive instruction, while the recruiting must be carried on with still greater vigor. Every effort must be made to exalt the main function of the officer—the command of men. The leading graduates of the Naval Academy should be assigned to the combatant branches, the line and marines.

Many of the essentials of success are already recognized by the General Board, which, as the central office of a growing staff, is moving steadily toward a proper war efficiency and a proper efficiency of the whole Navy, under the Secretary. This General Board, by fostering the creation of a general staff, is providing for the official and then the general recognition of our altered conditions as a Nation and of the true meaning of a great war fleet, which meaning is, first, the best men, and, second, the best ships.

Messages and Papers of the Presidents, Theodore Roosevelt, vol. 9, p.6667

The Naval Militia forces are State organizations, and are trained for coast service, and in event of war they will constitute the inner line of defense. They should receive hearty encouragement from the General Government.

But in addition we should at once provide for a National Naval Reserve, organized and trained under the direction of the Navy Department, and subject to the call of the Chief Executive whenever war becomes imminent. It should be a real auxiliary to the naval seagoing peace establishment, and offer material to be drawn on at once for manning our ships in time of war. It should be composed of graduates of the Naval Academy, graduates of the Naval Militia, officers and crews of coast-line steamers, longshore schooners, fishing vessels, and steam yachts, together with the coast population about such centers as lifesaving stations and light-houses.

The American people must either build and maintain an adequate navy or else make up their minds definitely to accept a secondary position in international affairs, not merely in political, but in commercial, matters. It has been well said that there is no surer way of courting national disaster than to be “opulent, aggressive, and unarmed.”

It is not necessary to increase our Army beyond its present size at this time. But it is necessary to keep it at the highest point of efficiency. The individual units who as officers and enlisted men compose this Army, are, we have good reason to believe, at least as efficient as those of any other army in the entire world. It is our duty to see that

their training is of a kind to insure the highest possible expression of power to these units when acting in combination.

Page 1756

The conditions of modern war are such as to make an infinitely heavier demand than ever before upon the individual character and capacity of the officer and the enlisted man, and to make it far more difficult for men to act together with effect. At present the fighting must be done in extended order, which means that each man must act for himself and at the same time act in combination with others with whom he is no longer in the old-fashioned elbow-to-elbow touch. Under such conditions a few men of the highest excellence are worth more than many men without the special skill which is only found as the result of special training applied to men of exceptional physique and morale. But nowadays the most valuable fighting man and the most difficult to perfect is the rifleman who is also a skillful and daring rider.

The proportion of our cavalry regiments has wisely been increased. The American cavalryman, trained to manoeuvre and fight with equal facility on foot and on horseback, is the best type of soldier for general purposes now to be found in the world. The ideal cavalryman of the present day is a man who can fight on foot as effectively as the best infantryman, and who is in addition unsurpassed in the care and management of his horse and in his ability to fight on horseback.

A general staff should be created. As for the present staff and supply departments, they should be filled by details from the line, the men so detailed returning after a while to their line duties. It is very undesirable to have the senior grades of the Army composed of men who have come to fill the positions by the mere fact of seniority. A system should be adopted by which there shall be an elimination grade by grade of those who seem unfit to render the best service in the next grade. Justice to the veterans of the Civil War who are still in the Army would seem to require that in the matter of retirements they be given by law the same privileges accorded to their comrades in the Navy.

The process of elimination of the least fit should be conducted in a manner that would render it practically impossible to apply political or social pressure on behalf of any candidate, so that each man may be judged purely on his own merits. Pressure for the promotion of civil officials for political reasons is bad enough, but it is tenfold worse where applied on behalf of officers of the Army or Navy. Every promotion and every detail under the War Department must be made solely with regard to the good of the service and to the capacity and merit of the man himself. No pressure, political, social, or personal, of any kind, will be permitted to exercise the least effect in any question of promotion or detail; and if there is reason to believe that such pressure is exercised at the instigation of the officer concerned, it will be held to militate against him. In our Army we cannot afford to have rewards or duties distributed save on the simple ground that those who by their own merits are entitled to the rewards get them, and that those who are peculiarly fit to do the duties are chosen to perform them.

Page 1757

Every effort should be made to bring the Army to a constantly increasing state of efficiency. When on actual service no work save that directly in the line of such service should be required. The paper work in the Army, as in the Navy, should be greatly reduced. What is needed is proved power of command and capacity to work well in the field. Constant care is necessary to prevent dry rot in the transportation and commissary departments.

Our Army is so small and so much scattered that it is very difficult to give the higher officers (as well as the lower officers and the enlisted men) a chance to practice manoeuvres in mass and on a comparatively large scale. In time of need no amount of individual excellence would avail against the paralysis which would follow inability to work as a coherent whole, under skillful and daring leadership. The Congress should provide means whereby it will be possible to have field exercises by at least a division of regulars, and if possible also a division of national guardsmen, once a year. These exercises might take the form of field manoeuvres; or, if on the Gulf Coast or the Pacific or Atlantic Seaboard, or in the region of the Great Lakes, the army corps when assembled could be marched from some inland point to some point on the water, there embarked, disembarked after a couple of days' journey at some other point, and again marched inland. Only by actual handling and providing for men in masses while they are marching, camping, embarking, and disembarking, will it be possible to train the higher officers to perform their duties well and smoothly.

A great debt is owing from the public to the men of the Army and Navy. They should be so treated as to enable them to reach the highest point of efficiency, so that they may be able to respond instantly to any demand made upon them to sustain the interests of the Nation and the honor of the flag. The individual American enlisted man is probably on the whole a more formidable fighting man than the regular of any other army. Every consideration should be shown him, and in return the highest standard of usefulness should be exacted from him. It is well worth while for the Congress to consider whether the pay of enlisted men upon second and subsequent enlistments should not be increased to correspond with the increased value of the veteran soldier.

Much good has already come from the act reorganizing the Army, passed early in the present year. The three prime reforms, all of them of literally inestimable value, are, first, the substitution of four-year details from the line for permanent appointments in the so-called staff divisions; second, the establishment of a corps of artillery with a chief at the head; third, the establishment of a maximum and minimum limit for the Army. It would be difficult to overestimate the improvement in the efficiency of our Army which these three reforms are making, and have in part already effected.

Page 1758

The reorganization provided for by the act has been substantially accomplished. The improved conditions in the Philippines have enabled the War Department materially to reduce the military charge upon our revenue and to arrange the number of soldiers so as to bring this number much nearer to the minimum than to the maximum limit established by law. There is, however, need of supplementary legislation. Thorough military education must be provided, and in addition to the regulars the advantages of this education should be given to the officers of the National Guard and others in civil life who desire intelligently to fit themselves for possible military duty. The officers should be given the chance to perfect themselves by study in the higher branches of this art. At West Point the education should be of the kind most apt to turn out men who are good in actual field service; too much stress should not be laid on mathematics, nor should proficiency therein be held to establish the right of entry to a corps d'elite. The typical American officer of the best kind need not be a good mathematician; but he must be able to master himself, to control others, and to show boldness and fertility of resource in every emergency.

Action should be taken in reference to the militia and to the raising of volunteer forces. Our militia law is obsolete and worthless. The organization and armament of the National Guard of the several States, which are treated as militia in the appropriations by the Congress, should be made identical with those provided for the regular forces. The obligations and duties of the Guard in time of war should be carefully defined, and a system established by law under which the method of procedure of raising volunteer forces should be prescribed in advance. It is utterly impossible in the excitement and haste of impending war to do this satisfactorily if the arrangements have not been made long beforehand. Provision should be made for utilizing in the first volunteer organizations called out the training of those citizens who have already had experience under arms, and especially for the selection in advance of the officers of any force which may be raised; for careful selection of the kind necessary is impossible after the outbreak of war.

That the Army is not at all a mere instrument of destruction has been shown during the last three years. In the Philippines, Cuba, and Puerto Rico it has proved itself a great constructive force, a most potent implement for the upbuilding of a peaceful civilization.

No other citizens deserve so well of the Republic as the veterans, the survivors of those who saved the Union. They did the one deed which if left undone would have meant that all else in our history went for nothing. But for their steadfast prowess in the greatest crisis of our history, all our annals would be meaningless, and our great experiment in popular freedom and self-government a gloomy failure.

Page 1759

Moreover, they not only left us a united Nation, but they left us also as a heritage the memory of the mighty deeds by which the Nation was kept united. We are now indeed one Nation, one in fact as well as in name; we are united in our devotion to the flag which is the symbol of national greatness and unity; and the very completeness of our union enables us all, in every part of the country, to glory in the valor shown alike by the sons of the North and the sons of the South in the times that tried men's souls.

The men who in the last three years have done so well in the East and the West Indies and on the mainland of Asia have shown that this remembrance is not lost. In any serious crisis the United States must rely for the great mass of its fighting men upon the volunteer soldiery who do not make a permanent profession of the military career; and whenever such a crisis arises the deathless memories of the Civil War will give to Americans the lift of lofty purpose which comes to those whose fathers have stood valiantly in the forefront of the battle.

The merit system of making appointments is in its essence as democratic and American as the common school system itself. It simply means that in clerical and other positions where the duties are entirely non-political, all applicants should have a fair field and no favor, each standing on his merits as he is able to show them by practical test. Written competitive examinations offer the only available means in many cases for applying this system. In other cases, as where laborers are employed, a system of registration undoubtedly can be widely extended. There are, of course, places where the written competitive examination cannot be applied, and others where it offers by no means an ideal solution, but where under existing political conditions it is, though an imperfect means, yet the best present means of getting satisfactory results.

Wherever the conditions have permitted the application of the merit system in its fullest and widest sense, the gain to the Government has been immense. The navy-yards and postal service illustrate, probably better than any other branches of the Government, the great gain in economy, efficiency, and honesty due to the enforcement of this principle.

I recommend the passage of a law which will extend the classified service to the District of Columbia, or will at least enable the President thus to extend it. In my judgment all laws providing for the temporary employment of clerks should hereafter contain a provision that they be selected under the Civil Service Law.

It is important to have this system obtain at home, but it is even more important to have it applied rigidly in our insular possessions. Not an office should be filled in the Philippines or Puerto Rico with any regard to the man's partisan affiliations or services, with any regard to the political, social, or personal influence which he may have at his command; in short, heed should be paid to absolutely nothing save the man's own character and capacity and the needs of the service.

Page 1760

The administration of these islands should be as wholly free from the suspicion of partisan politics as the administration of the Army and Navy. All that we ask from the public servant in the Philippines or Puerto Rico is that he reflect honor on his country by the way in which he makes that country's rule a benefit to the peoples who have come under it. This is all that we should ask, and we cannot afford to be content with less.

The merit system is simply one method of securing honest and efficient administration of the Government; and in the long run the sole justification of any type of government lies in its proving itself both honest and efficient.

The consular service is now organized under the provisions of a law passed in 1856, which is entirely inadequate to existing conditions. The interest shown by so many commercial bodies throughout the country in the reorganization of the service is heartily commended to your attention. Several bills providing for a new consular service have in recent years been submitted to the Congress. They are based upon the just principle that appointments to the service should be made only after a practical test of the applicant's fitness, that promotions should be governed by trustworthiness, adaptability, and zeal in the performance of duty, and that the tenure of office should be unaffected by partisan considerations.

The guardianship and fostering of our rapidly expanding foreign commerce, the protection of American citizens resorting to foreign countries in lawful pursuit of their affairs, and the maintenance of the dignity of the nation abroad, combine to make it essential that our consuls should be men of character, knowledge and enterprise. It is true that the service is now, in the main, efficient, but a standard of excellence cannot be permanently maintained until the principles set forth in the bills heretofore submitted to the Congress on this subject are enacted into law.

In my judgment the time has arrived when we should definitely make up our minds to recognize the Indian as an individual and not as a member of a tribe. The General Allotment Act is a mighty pulverizing engine to break up the tribal mass. It acts directly upon the family and the individual. Under its provisions some sixty thousand Indians have already become citizens of the United States. We should now break up the tribal funds, doing for them what allotment does for the tribal lands; that is, they should be divided into individual holdings. There will be a transition period during which the funds will in many cases have to be held in trust. This is the case also with the lands. A stop should be put upon the indiscriminate permission to Indians to lease their allotments. The effort should be steadily to make the Indian work like any other man on his own ground. The marriage laws of the Indians should be made the same as those of the whites.

Page 1761

In the schools the education should be elementary and largely industrial. The need of higher education among the Indians is very, very limited. On the reservations care should be taken to try to suit the teaching to the needs of the particular Indian. There is no use in attempting to induce agriculture in a country suited only for cattle raising, where the Indian should be made a stock grower. The ration system, which is merely the corral and the reservation system, is highly detrimental to the Indians. It promotes beggary, perpetuates pauperism, and stifles industry. It is an effectual barrier to progress. It must continue to a greater or less degree as long as tribes are herded on reservations and have everything in common. The Indian should be treated as an individual—like the white man. During the change of treatment inevitable hardships will occur; every effort should be made to minimize these hardships; but we should not because of them hesitate to make the change. There should be a continuous reduction in the number of agencies.

In dealing with the aboriginal races few things are more important than to preserve them from the terrible physical and moral degradation resulting from the liquor traffic. We are doing all we can to save our own Indian tribes from this evil. Wherever by international agreement this same end can be attained as regards races where we do not possess exclusive control, every effort should be made to bring it about.

I bespeak the most cordial support from the Congress and the people for the St. Louis Exposition to commemorate the One Hundredth Anniversary of the Louisiana Purchase. This purchase was the greatest instance of expansion in our history. It definitely decided that we were to become a great continental republic, by far the foremost power in the Western Hemisphere. It is one of three or four great landmarks in our history—the great turning points in our development. It is eminently fitting that all our people should join with heartiest good will in commemorating it, and the citizens of St. Louis, of Missouri, of all the adjacent region, are entitled to every aid in making the celebration a noteworthy event in our annals. We earnestly hope that foreign nations will appreciate the deep interest our country takes in this Exposition, and our view of its importance from every standpoint, and that they will participate in securing its success. The National Government should be represented by a full and complete set of exhibits.

The people of Charleston, with great energy and civic spirit, are carrying on an Exposition which will continue throughout most of the present session of the Congress. I heartily commend this Exposition to the good will of the people. It deserves all the encouragement that can be given it. The managers of the Charleston Exposition have requested the Cabinet officers to place thereat the Government exhibits which have been at Buffalo, promising to pay the necessary expenses. I have taken the responsibility of directing that this be done, for I feel that it is due to Charleston to help her in her praiseworthy effort. In my opinion the management should not be required to pay all these expenses. I earnestly recommend that the Congress appropriate at once the small sum necessary for this purpose.

Page 1762

The Pan-American Exposition at Buffalo has just closed. Both from the industrial and the artistic standpoint this Exposition has been in a high degree creditable and useful, not merely to Buffalo but to the United States. The terrible tragedy of the President's assassination interfered materially with its being a financial success. The Exposition was peculiarly in harmony with the trend of our public policy, because it represented an effort to bring into closer touch all the peoples of the Western Hemisphere, and give them an increasing sense of unity. Such an effort was a genuine service to the entire American public.

The advancement of the highest interests of national science and learning and the custody of objects of art and of the valuable results of scientific expeditions conducted by the United States have been committed to the Smithsonian Institution. In furtherance of its declared purpose—for the "increase and diffusion of knowledge among men"—the Congress has from time to time given it other important functions. Such trusts have been executed by the Institution with notable fidelity. There should be no halt in the work of the Institution, in accordance with the plans which its Secretary has presented, for the preservation of the vanishing races of great North American animals in the National Zoological Park. The urgent needs of the National Museum are recommended to the favorable consideration of the Congress.

Perhaps the most characteristic educational movement of the past fifty years is that which has created the modern public library and developed it into broad and active service. There are now over five thousand public libraries in the United States, the product of this period. In addition to accumulating material, they are also striving by organization, by improvement in method, and by co-operation, to give greater efficiency to the material they hold, to make it more widely useful, and by avoidance of unnecessary duplication in process to reduce the cost of its administration.

In these efforts they naturally look for assistance to the Federal library, which, though still the Library of Congress, and so entitled, is the one national library of the United States. Already the largest single collection of books on the Western Hemisphere, and certain to increase more rapidly than any other through purchase, exchange, and the operation of the copyright law, this library has a unique opportunity to render to the libraries of this country—to American scholarship—service of the highest importance. It is housed in a building which is the largest and most magnificent yet erected for library uses. Resources are now being provided which will develop the collection properly, equip it with the apparatus and service necessary to its effective use, render its bibliographic work widely available, and enable it to become, not merely a center of research, but the chief factor in great co-operative efforts for the diffusion of knowledge and the advancement of learning.

Page 1763

For the sake of good administration, sound economy, and the advancement of science, the Census Office as now constituted should be made a permanent Government bureau. This would insure better, cheaper, and more satisfactory work, in the interest not only of our business but of statistic, economic, and social science.

The remarkable growth of the postal service is shown in the fact that its revenues have doubled and its expenditures have nearly doubled within twelve years. Its progressive development compels constantly increasing outlay, but in this period of business energy and prosperity its receipts grow so much faster than its expenses that the annual deficit has been steadily reduced from $11,411,779 in 1897 to $3,923,727 in 1901. Among recent postal advances the success of rural free delivery wherever established has been so marked, and actual experience has made its benefits so plain, that the demand for its extension is general and urgent.

It is just that the great agricultural population should share in the improvement of the service. The number of rural routes now in operation is 6,009, practically all established within three years, and there are 6,000 applications awaiting action. It is expected that the number in operation at the close of the current fiscal year will reach 8,600. The mail will then be daily carried to the doors of 5,700,000 of our people who have heretofore been dependent upon distant offices, and one-third of all that portion of the country which is adapted to it will be covered by this kind of service.

The full measure of postal progress which might be realized has long been hampered and obstructed by the heavy burden imposed on the Government through the intrenched and well-understood abuses which have grown up in connection with second-class mail matter. The extent of this burden appears when it is stated that while the second-class matter makes nearly three-fifths of the weight of all the mail, it paid for the last fiscal year only $4,294,445 of the aggregate postal revenue of $111,631,193. If the pound rate of postage, which produces the large loss thus entailed, and which was fixed by the Congress with the purpose of encouraging the dissemination of public information, were limited to the legitimate newspapers and periodicals actually contemplated by the law, no just exception could be taken. That expense would be the recognized and accepted cost of a liberal public policy deliberately adopted for a justifiable end. But much of the matter which enjoys the privileged rate is wholly outside of the intent of the law, and has secured admission only through an evasion of its requirements or through lax construction. The proportion of such wrongly included matter is estimated by postal experts to be one-half of the whole volume of second-class mail. If it be only one-third or one-quarter, the magnitude of the burden is apparent. The Post-Office Department has now undertaken to remove the abuses so far as is possible by a stricter application of the law; and it should be sustained in its effort.

Page 1764

Owing to the rapid growth of our power and our interests on the Pacific, whatever happens in China must be of the keenest national concern to us.

The general terms of the settlement of the questions growing out of the antiforeign uprisings in China of 1900, having been formulated in a joint note addressed to China by the representatives of the injured powers in December last, were promptly accepted by the Chinese Government. After protracted conferences the plenipotentiaries of the several powers were able to sign a final protocol with the Chinese plenipotentiaries on the 7th of last September, setting forth the measures taken by China in compliance with the demands of the joint note, and expressing their satisfaction therewith. It will be laid before the Congress, with a report of the plenipotentiary on behalf of the United States, Mr. William Woodville Rockhill, to whom high praise is due for the tact, good judgment, and energy he has displayed in performing an exceptionally difficult and delicate task.

The agreement reached disposes in a manner satisfactory to the powers of the various grounds of complaint, and will contribute materially to better future relations between China and the powers. Reparation has been made by China for the murder of foreigners during the uprising and punishment has been inflicted on the officials, however high in rank, recognized as responsible for or having participated in the outbreak. Official examinations have been forbidden for a period of five years in all cities in which foreigners have been murdered or cruelly treated, and edicts have been issued making all officials directly responsible for the future safety of foreigners and for the suppression of violence against them.

Provisions have been made for insuring the future safety of the foreign representatives in Peking by setting aside for their exclusive use a quarter of the city which the powers can make defensible and in which they can if necessary maintain permanent military guards; by dismantling the military works between the capital and the sea; and by allowing the temporary maintenance of foreign military posts along this line. An edict has been issued by the Emperor of China prohibiting for two years the importation of arms and ammunition into China. China has agreed to pay adequate indemnities to the states, societies, and individuals for the losses sustained by them and for the expenses of the military expeditions sent by the various powers to protect life and restore order.

Under the provisions of the joint note of December, 1900, China has agreed to revise the treaties of commerce and navigation and to take such other steps for the purpose of facilitating foreign trade as the foreign powers may decide to be needed.

Page 1765

The Chinese Government has agreed to participate financially in the work of bettering the water approaches to Shanghai and to Tientsin, the centers of foreign trade in central and northern China, and an international conservancy board, in which the Chinese Government is largely represented, has been provided for the improvement of the Shanghai River and the control of its navigation. In the same line of commercial advantages a revision of the present tariff on imports has been assented to for the purpose of substituting specific for ad valorem duties, and an expert has been sent abroad on the part of the United States to assist in this work. A list of articles to remain free of duty, including flour, cereals, and rice, gold and silver coin and bullion, has also been agreed upon in the settlement.

During these troubles our Government has unswervingly advocated moderation, and has materially aided in bringing about an adjustment which tends to enhance the welfare of China and to lead to a more beneficial intercourse between the Empire and the modern world; while in the critical period of revolt and massacre we did our full share in safe-guarding life and property, restoring order, and vindicating the national interest and honor. It behooves us to continue in these paths, doing what lies in our power to foster feelings of good will, and leaving no effort untried to work out the great policy of full and fair intercourse between China and the nations, on a footing of equal rights and advantages to all. We advocate the “open door” with all that it implies; not merely the procurement of enlarged commercial opportunities on the coasts, but access to the interior by the waterways with which China has been so extraordinarily favored. Only by bringing the people of China into peaceful and friendly community of trade with all the peoples of the earth can the work now auspiciously begun be carried to fruition. In the attainment of this purpose we necessarily claim parity of treatment, under the conventions, throughout the Empire for our trade and our citizens with those of all other powers.

We view with lively interest and keen hopes of beneficial results the proceedings of the Pan-American Congress, convoked at the invitation of Mexico, and now sitting at the Mexican capital. The delegates of the United States are under the most liberal instructions to cooperate with their colleagues in all matters promising advantage to the great family of American commonwealths, as well in their relations among themselves as in their domestic advancement and in their intercourse with the world at large.

My predecessor communicated to the Congress the fact that the Weil and La Abra awards against Mexico have been adjudged by the highest courts of our country to have been obtained through fraud and perjury on the part of the claimants, and that in accordance with the acts of the Congress the money remaining in the hands of the Secretary of State on these awards has been returned to Mexico. A considerable portion of the money received from Mexico on these awards had been paid by this Government to the claimants before the decision of the courts was rendered. My judgment is that the Congress should return to Mexico an amount equal to the sums thus already paid to the claimants.

Page 1766

The death of Queen Victoria caused the people of the United States deep and heartfelt sorrow, to which the Government gave full expression. When President McKinley died, our Nation in turn received from every quarter of the British Empire expressions of grief and sympathy no less sincere. The death of the Empress Dowager Frederick of Germany also aroused the genuine sympathy of the American people; and this sympathy was cordially reciprocated by Germany when the President was assassinated. Indeed, from every quarter of the civilized world we received, at the time of the President's death, assurances of such grief and regard as to touch the hearts of our people. In the midst of our affliction we reverently thank the Almighty that we are at peace with the nations of mankind; and we firmly intend that our policy shall be such as to continue unbroken these international relations of mutual respect and good will.

***

State of the Union Address
Theodore Roosevelt
December 2, 1902

To the Senate and House of Representatives:

We still continue in a period of unbounded prosperity. This prosperity is not the creature of law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy it. There will undoubtedly be periods of depression. The wave will recede; but the tide will advance. This Nation is seated on a continent flanked by two great oceans. It is composed of men the descendants of pioneers, or, in a sense, pioneers themselves; of men winnowed out from among the nations of the Old World by the energy, boldness, and love of adventure found in their own eager hearts. Such a Nation, so placed, will surely wrest success from fortune.

As a people we have played a large part in the world, and we are bent upon making our future even larger than the past. In particular, the events of the last four years have definitely decided that, for woe or for weal, our place must be great among the nations. We may either fall greatly or succeed greatly; but we can not avoid the endeavor from which either great failure or great success must come. Even if we would, we can not play a small part. If we should try, all that would follow would be that we should play a large part ignobly and shamefully.

But our people, the sons of the men of the Civil War, the sons of the men who had iron in their blood, rejoice in the present and face the future high of heart and resolute of will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triumphant endeavor. We do not shrink from the struggle before us. There are many problems for us to face at the outset of the twentieth century—grave problems abroad and still graver at home; but we know that we can solve them and solve them

well, provided only that we bring to the solution the qualities of head and heart which were shown by the men who, in the days of Washington, rounded this Government, and, in the days of Lincoln, preserved it.

Page 1767

No country has ever occupied a higher plane of material well-being than ours at the present moment. This well-being is due to no sudden or accidental causes, but to the play of the economic forces in this country for over a century; to our laws, our sustained and continuous policies; above all, to the high individual average of our citizenship. Great fortunes have been won by those who have taken the lead in this phenomenal industrial development, and most of these fortunes have been won not by doing evil, but as an incident to action which has benefited the community as a whole. Never before has material well-being been so widely diffused among our people. Great fortunes have been accumulated, and yet in the aggregate these fortunes are small Indeed when compared to the wealth of the people as a whole. The plain people are better off than they have ever been before. The insurance companies, which are practically mutual benefit societies—especially helpful to men of moderate means—represent accumulations of capital which are among the largest in this country. There are more deposits in the savings banks, more owners of farms, more well-paid wage-workers in this country now than ever before in our history. Of course, when the conditions have favored the growth of so much that was good, they have also favored somewhat the growth of what was evil. It is eminently necessary that we should endeavor to cut out this evil, but let us keep a due sense of proportion; let us not in fixing our gaze upon the lesser evil forget the greater good. The evils are real and some of them are menacing, but they are the outgrowth, not of misery or decadence, but of prosperity—of the progress of our gigantic industrial development. This industrial development must not be checked, but side by side with it should go such progressive regulation as will diminish the evils. We should fail in our duty if we did not try to remedy the evils, but we shall succeed only if we proceed patiently, with practical common sense as well as resolution, separating the good from the bad and holding on to the former while endeavoring to get rid of the latter.

In my Message to the present Congress at its first session I discussed at length the question of the regulation of those big corporations commonly doing an interstate business, often with some tendency to monopoly, which are popularly known as trusts. The experience of the past year has emphasized, in my opinion, the desirability of the steps I then proposed. A fundamental requisite of social efficiency is a high standard of individual energy and excellence; but this is in no wise inconsistent with power to act in combination for aims which can not so well be achieved by the individual acting alone. A fundamental base of civilization is the inviolability of property; but this is in no wise inconsistent with the right of society to regulate the exercise of the artificial powers which it confers upon the owners of property,

Page 1768

under the name of corporate franchises, in such a way as to prevent the misuse of these powers. Corporations, and especially combinations of corporations, should be managed under public regulation. Experience has shown that under our system of government the necessary supervision can not be obtained by State action. It must therefore be achieved by national action. Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevitable development of modern industrialism, and the effort to destroy them would be futile unless accomplished in ways that would work the utmost mischief to the entire body politic. We can do nothing of good in the way of regulating and supervising these corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth. The capitalist who, alone or in conjunction with his fellows, performs some great industrial feat by which he wins money is a welldoer, not a wrongdoer, provided only he works in proper and legitimate lines. We wish to favor such a man when he does well. We wish to supervise and control his actions only to prevent him from doing ill. Publicity can do no harm to the honest corporation; and we need not be over tender about sparing the dishonest corporation. In curbing and regulating the combinations of capital which are, or may become, injurious to the public we must be careful not to stop the great enterprises which have legitimately reduced the cost of production, not to abandon the place which our country has won in the leadership of the international industrial world, not to strike down wealth with the result of closing factories and mines, of turning the wage-worker idle in the streets and leaving the farmer without a market for what he grows. Insistence upon the impossible means delay in achieving the possible, exactly as, on the other hand, the stubborn defense alike of what is good and what is bad in the existing system, the resolute effort to obstruct any attempt at betterment, betrays blindness to the historic truth that wise evolution is the sure safeguard against revolution.

No more important subject can come before the Congress than this of the regulation of interstate business. This country can not afford to sit supine on the plea that under our peculiar system of government we are helpless in the presence of the new conditions, and unable to grapple with them or to cut out whatever of evil has arisen in connection with them. The power of the Congress to regulate interstate commerce is an absolute and unqualified grant, and without limitations other than those prescribed by the Constitution. The Congress has constitutional authority to make all laws necessary and proper for executing this power, and I am satisfied that this power has not been exhausted by any legislation now on the statute books. It is evident, therefore, that evils restrictive of commercial freedom and entailing restraint upon national commerce fall within the regulative power of the Congress, and that a wise and reasonable law would be a necessary and proper exercise of Congressional authority to the end that such evils should be eradicated.

Page 1769

I believe that monopolies, unjust discriminations, which prevent or cripple competition, fraudulent overcapitalization, and other evils in trust organizations and practices which injuriously affect interstate trade can be prevented under the power of the Congress to "regulate commerce with foreign nations and among the several States" through regulations and requirements operating directly upon such commerce, the instrumentalities thereof, and those engaged therein.

I earnestly recommend this subject to the consideration of the Congress with a view to the passage of a law reasonable in its provisions and effective in its operations, upon which the questions can be finally adjudicated that now raise doubts as to the necessity of constitutional amendment. If it prove impossible to accomplish the purposes above set forth by such a law, then, assuredly, we should not shrink from amending the Constitution so as to secure beyond peradventure the power sought.

The Congress has not heretofore made any appropriation for the better enforcement of the antitrust law as it now stands. Very much has been done by the Department of Justice in securing the enforcement of this law, but much more could be done if the Congress would make a special appropriation for this purpose, to be expended under the direction of the Attorney-General.

One proposition advocated has been the reduction of the tariff as a means of reaching the evils of the trusts which fall within the category I have described. Not merely would this be wholly ineffective, but the diversion of our efforts in such a direction would mean the abandonment of all intelligent attempt to do away with these evils. Many of the largest corporations, many of those which should certainly be included in any proper scheme of regulation, would not be affected in the slightest degree by a change in the tariff, save as such change interfered with the general prosperity of the country. The only relation of the tariff to big corporations as a whole is that the tariff makes manufactures profitable, and the tariff remedy proposed would be in effect simply to make manufactures unprofitable. To remove the tariff as a punitive measure directed against trusts would inevitably result in ruin to the weaker competitors who are struggling against them. Our aim should be not by unwise tariff changes to give foreign products the advantage over domestic products, but by proper regulation to give domestic competition a fair chance; and this end can not be reached by any tariff changes which would affect unfavorably all domestic competitors, good and bad alike. The question of regulation of the trusts stands apart from the question of tariff revision.

Page 1770

Stability of economic policy must always be the prime economic need of this country. This stability should not be fossilization. The country has acquiesced in the wisdom of the protective-tariff principle. It is exceedingly undesirable that this system should be destroyed or that there should be violent and radical changes therein. Our past experience shows that great prosperity in this country has always come under a protective tariff; and that the country can not prosper under fitful tariff changes at short intervals. Moreover, if the tariff laws as a whole work well, and if business has prospered under them and is prospering, it is better to endure for a time slight inconveniences and inequalities in some schedules than to upset business by too quick and too radical changes. It is most earnestly to be wished that we could treat the tariff from the standpoint solely of our business needs. It is, perhaps, too much to hope that partisanship may be entirely excluded from consideration of the subject, but at least it can be made secondary to the business interests of the country—that is, to the interests of our people as a whole. Unquestionably these business interests will best be served if together with fixity of principle as regards the tariff we combine a system which will permit us from time to time to make the necessary reapplication of the principle to the shifting national needs. We must take scrupulous care that the reapplication shall be made in such a way that it will not amount to a dislocation of our system, the mere threat of which (not to speak of the performance) would produce paralysis in the business energies of the community. The first consideration in making these changes would, of course, be to preserve the principle which underlies our whole tariff system—-that is, the principle of putting American business interests at least on a full equality with interests abroad, and of always allowing a sufficient rate of duty to more than cover the difference between the labor cost here and abroad. The well-being of the wage-worker, like the well-being of the tiller of the soil, should be treated as an essential in shaping our whole economic policy. There must never be any change which will jeopardize the standard of comfort, the standard of wages of the American wage-worker.

One way in which the readjustment sought can be reached is by reciprocity treaties. It is greatly to be desired that such treaties may be adopted. They can be used to widen our markets and to give a greater field for the activities of our producers on the one hand, and on the other hand to secure in practical shape the lowering of duties when they are no longer needed for protection among our own people, or when the minimum of damage done may be disregarded for the sake of the maximum of good accomplished. If it prove impossible to ratify the pending treaties, and if there seem to be no warrant for the endeavor to execute others, or to amend the pending treaties so that they can be ratified, then the same end—to secure reciprocity—should be met by direct legislation.

Page 1771

Wherever the tariff conditions are such that a needed change can not with advantage be made by the application of the reciprocity idea, then it can be made outright by a lowering of duties on a given product. If possible, such change should be made only after the fullest consideration by practical experts, who should approach the subject from a business standpoint, having in view both the particular interests affected and the commercial well-being of the people as a whole. The machinery for providing such careful investigation can readily be supplied. The executive department has already at its disposal methods of collecting facts and figures; and if the Congress desires additional consideration to that which will be given the subject by its own committees, then a commission of business experts can be appointed whose duty it should be to recommend action by the Congress after a deliberate and scientific examination of the various schedules as they are affected by the changed and changing conditions. The unhurried and unbiased report of this commission would show what changes should be made in the various schedules, and how far these changes could go without also changing the great prosperity which this country is now enjoying, or upsetting its fixed economic policy.

The cases in which the tariff can produce a monopoly are so few as to constitute an inconsiderable factor in the question; but of course if in any case it be found that a given rate of duty does promote a monopoly which works ill, no protectionist would object to such reduction of the duty as would equalize competition.

In my judgment, the tariff on anthracite coal should be removed, and anthracite put actually, where it now is nominally, on the free list. This would have no effect at all save in crises; but in crises it might be of service to the people.

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

It would be both unwise and unnecessary at this time to attempt to reconstruct our financial system, which has been the growth of a century; but some additional legislation is, I think, desirable. The mere outline of any plan sufficiently comprehensive to meet these requirements would transgress the appropriate limits of this communication. It is suggested, however, that all future legislation on the subject should be with the view of encouraging the use of such instrumentalities as will automatically supply every legitimate demand of productive industries and of commerce, not only in the amount, but in the character of circulation; and of making all

kinds of money interchangeable, and, at the will of the holder, convertible into the established gold standard.

Page 1772

I again call your attention to the need of passing a proper immigration law, covering the points outlined in my Message to you at the first session of the present Congress; substantially such a bill has already passed the House.

How to secure fair treatment alike for labor and for capital, how to hold in check the unscrupulous man, whether employer or employee, without weakening individual initiative, without hampering and cramping the industrial development of the country, is a problem fraught with great difficulties and one which it is of the highest importance to solve on lines of sanity and far-sighted common sense as well as of devotion to the right. This is an era of federation and combination. Exactly as business men find they must often work through corporations, and as it is a constant tendency of these corporations to grow larger, so it is often necessary for laboring men to work in federations, and these have become important factors of modern industrial life. Both kinds of federation, capitalistic and labor, can do much good, and as a necessary corollary they can both do evil. Opposition to each kind of organization should take the form of opposition to whatever is bad in the conduct of any given corporation or union—not of attacks upon corporations as such nor upon unions as such; for some of the most far-reaching beneficent work for our people has been accomplished through both corporations and unions. Each must refrain from arbitrary or tyrannous interference with the rights of others. Organized capital and organized labor alike should remember that in the long run the interest of each must be brought into harmony with the interest of the general public; and the conduct of each must conform to the fundamental rules of obedience to the law, of individual freedom, and of justice and fair dealing toward all. Each should remember that in addition to power it must strive after the realization of healthy, lofty, and generous ideals. Every employer, every wage-worker, must be guaranteed his liberty and his right to do as he likes with his property or his labor so long as he does not infringe upon the rights of others. It is of the highest importance that employer and employee alike should endeavor to appreciate each the viewpoint of the other and the sure disaster that will come upon both in the long run if either grows to take as habitual an attitude of sour hostility and distrust toward the other. Few people deserve better of the country than those representatives both of capital and labor—and there are many such—who work continually to bring about a good understanding of this kind, based upon wisdom and upon broad and kindly sympathy between employers and employed. Above all, we need to remember that any kind of class animosity in the political world is, if possible, even more wicked, even more destructive to national welfare, than sectional, race, or religious animosity. We can get good government only upon

Page 1773

condition that we keep true to the principles upon which this Nation was founded, and judge each man not as a part of a class, but upon his individual merits. All that we have a right to ask of any man, rich or poor, whatever his creed, his occupation, his birthplace, or his residence, is that he shall act well and honorably by his neighbor and by, his country. We are neither for the rich man as such nor for the poor man as such; we are for the upright man, rich or poor. So far as the constitutional powers of the National Government touch these matters of general and vital moment to the Nation, they should be exercised in conformity with the principles above set forth.

It is earnestly hoped that a secretary of commerce may be created, with a seat in the Cabinet. The rapid multiplication of questions affecting labor and capital, the growth and complexity of the organizations through which both labor and capital now find expression, the steady tendency toward the employment of capital in huge corporations, and the wonderful strides of this country toward leadership in the international business world justify an urgent demand for the creation of such a position. Substantially all the leading commercial bodies in this country have united in requesting its creation. It is desirable that some such measure as that which has already passed the Senate be enacted into law. The creation of such a department would in itself be an advance toward dealing with and exercising supervision over the whole subject of the great corporations doing an interstate business; and with this end in view, the Congress should endow the department with large powers, which could be increased as experience might show the need.

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

Cuba lies at our doors, and whatever affects her for good or for ill affects us also. So much have our people felt this that in the Platt amendment we definitely took the ground that Cuba must hereafter have closer political relations with us than with any other power. Thus in a sense Cuba has become a part of our international political system. This makes it necessary that in return she should be given some of the benefits of becoming part of our economic system. It is, from our own standpoint, a short-sighted and mischievous policy to fail to recognize this need. Moreover, it is unworthy of a mighty and generous nation, itself the greatest and most successful republic in history, to refuse to stretch out a helping hand to a young and weak sister republic just entering upon its career of independence. We should always fearlessly insist upon our rights in the face of the strong, and we should with ungrudging hand do our generous duty by the weak. I urge

Page 1774

the adoption of reciprocity with Cuba not only because it is eminently for our own interests to control the Cuban market and by every means to foster our supremacy in the tropical lands and waters south of us, but also because we, of the giant republic of the north, should make all our sister nations of the American Continent feel that whenever they will permit it we desire to show ourselves disinterestedly and effectively their friend.

A convention with Great Britain has been concluded, which will be at once laid before the Senate for ratification, providing for reciprocal trade arrangements between the United States and Newfoundland on substantially the lines of the convention formerly negotiated by the Secretary of State, Mr. Blaine. I believe reciprocal trade relations will be greatly to the advantage of both countries.

As civilization grows warfare becomes less and less the normal condition of foreign relations. The last century has seen a marked diminution of wars between civilized powers; wars with uncivilized powers are largely mere matters of international police duty, essential for the welfare of the world. Wherever possible, arbitration or some similar method should be employed in lieu of war to settle difficulties between civilized nations, although as yet the world has not progressed sufficiently to render it possible, or necessarily desirable, to invoke arbitration in every case. The formation of the international tribunal which sits at The Hague is an event of good omen from which great consequences for the welfare of all mankind may flow. It is far better, where possible, to invoke such a permanent tribunal than to create special arbitrators for a given purpose.

It is a matter of sincere congratulation to our country that the United States and Mexico should have been the first to use the good offices of The Hague Court. This was done last summer with most satisfactory results in the case of a claim at issue between us and our sister Republic. It is earnestly to be hoped that this first case will serve as a precedent for others, in which not only the United States but foreign nations may take advantage of the machinery already in existence at The Hague.

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

The Congress has wisely provided that we shall build at once an isthmian canal, if possible at Panama. The Attorney-General reports that we can undoubtedly acquire good title from the French Panama Canal Company. Negotiations are now pending with Colombia to secure her assent to our building the canal. This canal will be one of the greatest engineering feats of the twentieth century; a greater engineering feat than has yet been accomplished during the history of mankind. The work should be carried out as a continuing policy without regard to change of Administration; and it should be

begun under circumstances which will make it a matter of pride for all Administrations to continue the policy.

Page 1775

The canal will be of great benefit to America, and of importance to all the world. It will be of advantage to us industrially and also as improving our military position. It will be of advantage to the countries of tropical America. It is earnestly to be hoped that all of these countries will do as some of them have already done with signal success, and will invite to their shores commerce and improve their material conditions by recognizing that stability and order are the prerequisites of successful development. No independent nation in America need have the slightest fear of aggression from the United States. It behoves each one to maintain order within its own borders and to discharge its just obligations to foreigners. When this is done, they can rest assured that, be they strong or weak, they have nothing to dread from outside interference. More and more the increasing interdependence and complexity of international political and economic relations render it incumbent on all civilized and orderly powers to insist on the proper policing of the world.

During the fall of 1901 a communication was addressed to the Secretary of State, asking whether permission would be granted by the President to a corporation to lay a cable from a point on the California coast to the Philippine Islands by way of Hawaii. A statement of conditions or terms upon which such corporation would undertake to lay and operate a cable was volunteered.

Inasmuch as the Congress was shortly to convene, and Pacific-cable legislation had been the subject of consideration by the Congress for several years, it seemed to me wise to defer action upon the application until the Congress had first an opportunity to act. The Congress adjourned without taking any action, leaving the matter in exactly the same condition in which it stood when the Congress convened.

Meanwhile it appears that the Commercial Pacific Cable Company had promptly proceeded with preparations for laying its cable. It also made application to the President for access to and use of soundings taken by the U. S. S. Nero, for the purpose of discovering a practicable route for a trans-Pacific cable, the company urging that with access to these soundings it could complete its cable much sooner than if it were required to take soundings upon its own account. Pending consideration of this subject, it appeared important and desirable to attach certain conditions to the permission to examine and use the soundings, if it should be granted.

In consequence of this solicitation of the cable company, certain conditions were formulated, upon which the President was willing to allow access to these soundings and to consent to the landing and laying of the cable, subject to any alterations or additions thereto imposed by the Congress. This was deemed proper, especially as it was clear that a cable connection of some kind with China, a foreign country, was a part of the company's plan. This course was, moreover, in accordance with a line of precedents, including President Grant's action in the case of the first French cable, explained to the Congress in his Annual Message of December, 1875, and the instance

occurring in 1879 of the second French cable from Brest to St. Pierre, with a branch to Cape Cod.

Page 1776

These conditions prescribed, among other things, a maximum rate for commercial messages and that the company should construct a line from the Philippine Islands to China, there being at present, as is well known, a British line from Manila to Hongkong.

The representatives of the cable company kept these conditions long under consideration, continuing, in the meantime, to prepare for laying the cable. They have, however, at length acceded to them, and an all-American line between our Pacific coast and the Chinese Empire, by way of Honolulu and the Philippine Islands, is thus provided for, and is expected within a few months to be ready for business.

Among the conditions is one reserving the power of the Congress to modify or repeal any or all of them. A copy of the conditions is herewith transmitted.

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

On July 4 last, on the one hundred and twenty-sixth anniversary of the declaration of our independence, peace and amnesty were promulgated in the Philippine Islands. Some trouble has since from time to time threatened with the Mohammedan Moros, but with the late insurrectionary Filipinos the war has entirely ceased. Civil government has now been introduced. Not only does each Filipino enjoy such rights to life, liberty, and the pursuit of happiness as he has never before known during the recorded history of the islands, but the people taken as a whole now enjoy a measure of self-government greater than that granted to any other Orientals by any foreign power and greater than that enjoyed by any other Orientals under their own governments, save the Japanese alone. We have not gone too far in granting these rights of liberty and self-government; but we have certainly gone to the limit that in the interests of the Philippine people themselves it was wise or just to go. To hurry matters, to go faster than we are now going, would entail calamity on the people of the islands. No policy ever entered into by the American people has vindicated itself in more signal manner than the policy of holding the Philippines. The triumph of our arms, above all the triumph of our laws and principles, has come sooner than we had any right to expect. Too much praise can not be given to the Army for what it has done in the Philippines both in warfare and from an administrative standpoint in preparing the way for civil government; and similar credit belongs to the civil authorities for the way in which they have planted the seeds of self-government in the ground thus made ready for them. The courage, the unflinching endurance, the high soldierly efficiency; and the general kind-heartedness and humanity of our troops have been strikingly manifested. There now remain only some fifteen thousand troops in the

Page 1777

islands. All told, over one hundred thousand have been sent there. Of course, there have been individual instances of wrongdoing among them. They warred under fearful difficulties of climate and surroundings; and under the strain of the terrible provocations which they continually received from their foes, occasional instances of cruel retaliation occurred. Every effort has been made to prevent such cruelties, and finally these efforts have been completely successful. Every effort has also been made to detect and punish the wrongdoers. After making all allowance for these misdeeds, it remains true that few indeed have been the instances in which war has been waged by a civilized power against semicivilized or barbarous forces where there has been so little wrongdoing by the victors as in the Philippine Islands. On the other hand, the amount of difficult, important, and beneficent work which has been done is well-nigh incalculable.

Taking the work of the Army and the civil authorities together, it may be questioned whether anywhere else in modern times the world has seen a better example of real constructive statesmanship than our people have given in the Philippine Islands. High praise should also be given those Filipinos, in the aggregate very numerous, who have accepted the new conditions and joined with our representatives to work with hearty good will for the welfare of the islands.

The Army has been reduced to the minimum allowed by law. It is very small for the size of the Nation, and most certainly should be kept at the highest point of efficiency. The senior officers are given scant chance under ordinary conditions to exercise commands commensurate with their rank, under circumstances which would fit them to do their duty in time of actual war. A system of maneuvering our Army in bodies of some little size has been begun and should be steadily continued. Without such maneuvers it is folly to expect that in the event of hostilities with any serious foe even a small army corps could be handled to advantage. Both our officers and enlisted men are such that we can take hearty pride in them. No better material can be found. But they must be thoroughly trained, both as individuals and in the mass. The marksmanship of the men must receive special attention. In the circumstances of modern warfare the man must act far more on his own individual responsibility than ever before, and the high individual efficiency of the unit is of the utmost importance. Formerly this unit was the regiment; it is now not the regiment, not even the troop or company; it is the individual soldier. Every effort must be made to develop every workmanlike and soldierly quality in both the officer and the enlisted man.

I urgently call your attention to the need of passing a bill providing for a general staff and for the reorganization of the supply departments on the lines of the bill proposed by the Secretary of War last year. When the young officers enter the Army from West Point they probably stand above their compeers in any other military service. Every effort

should be made, by training, by reward of merit, by scrutiny into their careers and capacity, to keep them of the same high relative excellence throughout their careers.

Page 1778

The measure providing for the reorganization of the militia system and for securing the highest efficiency in the National Guard, which has already passed the House, should receive prompt attention and action. It is of great importance that the relation of the National Guard to the militia and volunteer forces of the United States should be defined, and that in place of our present obsolete laws a practical and efficient system should be adopted.

Provision should be made to enable the Secretary of War to keep cavalry and artillery horses, worn-out in long performance of duty. Such horses fetch but a trifle when sold; and rather than turn them out to the misery awaiting them when thus disposed of, it would be better to employ them at light work around the posts, and when necessary to put them painlessly to death.

For the first time in our history naval maneuvers on a large scale are being held under the immediate command of the Admiral of the Navy. Constantly increasing attention is being paid to the gunnery of the Navy, but it is yet far from what it should be. I earnestly urge that the increase asked for by the Secretary of the Navy in the appropriation for improving the markmanship be granted. In battle the only shots that count are the shots that hit. It is necessary to provide ample funds for practice with the great guns in time of peace. These funds must provide not only for the purchase of projectiles, but for allowances for prizes to encourage the gun crews, and especially the gun pointers, and for perfecting an intelligent system under which alone it is possible to get good practice.

There should be no halt in the work of building up the Navy, providing every year additional fighting craft. We are a very rich country, vast in extent of territory and great in population; a country, moreover, which has an Army diminutive indeed when compared with that of any other first-class power. We have deliberately made our own certain foreign policies which demand the possession of a first-class navy. The isthmian canal will greatly increase the efficiency of our Navy if the Navy is of sufficient size; but if we have an inadequate navy, then the building of the canal would be merely giving a hostage to any power of superior strength. The Monroe Doctrine should be treated as the cardinal feature of American foreign policy; but it would be worse than idle to assert it unless we intended to back it up, and it can be backed up only by a thoroughly good navy. A good navy is not a provocative of war. It is the surest guaranty of peace.

Each individual unit of our Navy should be the most efficient of its kind as regards both material and personnel that is to be found in the world. I call your special attention to the need of providing for the manning of the ships. Serious trouble threatens us if we can not do better than we are now doing as regards securing the services of a sufficient number of the highest type of sailormen, of sea mechanics.

Page 1779

The veteran seamen of our war ships are of as high a type as can be found in any navy which rides the waters of the world; they are unsurpassed in daring, in resolution, in readiness, in thorough knowledge of their profession. They deserve every consideration that can be shown them. But there are not enough of them. It is no more possible to improvise a crew than it is possible to improvise a war ship. To build the finest ship, with the deadliest battery, and to send it afloat with a raw crew, no matter how brave they were individually, would be to insure disaster if a foe of average capacity were encountered. Neither ships nor men can be improvised when war has begun.

We need a thousand additional officers in order to properly man the ships now provided for and under construction. The classes at the Naval School at Annapolis should be greatly enlarged. At the same time that we thus add the officers where we need them, we should facilitate the retirement of those at the head of the list whose usefulness has become impaired. Promotion must be fostered if the service is to be kept efficient.

The lamentable scarcity of officers, and the large number of recruits and of unskilled men necessarily put aboard the new vessels as they have been commissioned, has thrown upon our officers, and especially on the lieutenants and junior grades, unusual labor and fatigue and has gravely strained their powers of endurance. Nor is there sign of any immediate let-up in this strain. It must continue for some time longer, until more officers are graduated from Annapolis, and until the recruits become trained and skillful in their duties. In these difficulties incident upon the development of our war fleet the conduct of all our officers has been creditable to the service, and the lieutenants and junior grades in particular have displayed an ability and a steadfast cheerfulness which entitles them to the ungrudging thanks of all who realize the disheartening trials and fatigues to which they are of necessity subjected.

There is not a cloud on the horizon at present. There seems not the slightest chance of trouble with a foreign power. We most earnestly hope that this state of things may continue; and the way to insure its continuance is to provide for a thoroughly efficient navy. The refusal to maintain such a navy would invite trouble, and if trouble came would insure disaster. Fatuous self-complacency or vanity, or short-sightedness in refusing to prepare for danger, is both foolish and wicked in such a nation as ours; and past experience has shown that such fatuity in refusing to recognize or prepare for any crisis in advance is usually succeeded by a mad panic of hysterical fear once the crisis has actually arrived.

The striking increase in the revenues of the Post-Office Department shows clearly the prosperity of our people and the increasing activity of the business of the country.

The receipts of the Post-Office Department for the fiscal year ending June 30 last amounted to $121,848,047.26, an increase of $10,216,853.87 over the preceding year, the largest increase known in the history of the postal service. The magnitude of this increase will best appear from the fact that the entire postal receipts for the year 1860 amounted to but $8,518,067.

Page 1780

Rural free-delivery service is no longer in the experimental stage; it has become a fixed policy. The results following its introduction have fully justified the Congress in the large appropriations made for its establishment and extension. The average yearly increase in post-office receipts in the rural districts of the country is about two per cent. We are now able, by actual results, to show that where rural free-delivery service has been established to such an extent as to enable us to make comparisons the yearly increase has been upward of ten per cent.

On November 1, 1902, 11,650 rural free-delivery routes had been established and were in operation, covering about one-third of the territory of the United States available for rural free-delivery service. There are now awaiting the action of the Department petitions and applications for the establishment of 10,748 additional routes. This shows conclusively the want which the establishment of the service has met and the need of further extending it as rapidly as possible. It is justified both by the financial results and by the practical benefits to our rural population; it brings the men who live on the soil into close relations with the active business world; it keeps the farmer in daily touch with the markets; it is a potential educational force; it enhances the value of farm property, makes farm life far pleasanter and less isolated, and will do much to check the undesirable current from country to city.

It is to be hoped that the Congress will make liberal appropriations for the continuance of the service already established and for its further extension.

Few subjects of more importance have been taken up by the Congress in recent years than the inauguration of the system of nationally-aided irrigation for the arid regions of the far West. A good beginning therein has been made. Now that this policy of national irrigation has been adopted, the need of thorough and scientific forest protection will grow more rapidly than ever throughout the public-land States.

Legislation should be provided for the protection of the game, and the wild creatures generally, on the forest reserves. The senseless slaughter of game, which can by judicious protection be permanently preserved on our national reserves for the people as a whole, should be stopped at once. It is, for instance, a serious count against our national good sense to permit the present practice of butchering off such a stately and beautiful creature as the elk for its antlers or tusks.

So far as they are available for agriculture, and to whatever extent they may be reclaimed under the national irrigation law, the remaining public lands should be held rigidly for the home builder, the settler who lives on his land, and for no one else. In their actual use the desert-land law, the timber and stone law, and the commutation clause of the homestead law have been so perverted from the intention with

Page 1781

which they were enacted as to permit the acquisition of large areas of the public domain for other than actual settlers and the consequent prevention of settlement. Moreover, the approaching exhaustion of the public ranges has of late led to much discussion as to the best manner of using these public lands in the West which are suitable chiefly or only for grazing. The sound and steady development of the West depends upon the building up of homes therein. Much of our prosperity as a nation has been due to the operation of the homestead law. On the other hand, we should recognize the fact that in the grazing region the man who corresponds to the homesteader may be unable to settle permanently if only allowed to use the same amount of pasture land that his brother, the homesteader, is allowed to use of arable land. One hundred and sixty acres of fairly rich and well-watered soil, or a much smaller amount of irrigated land, may keep a family in plenty, whereas no one could get a living from one hundred and sixty acres of dry pasture land capable of supporting at the outside only one head of cattle to every ten acres. In the past great tracts of the public domain have been fenced in by persons having no title thereto, in direct defiance of the law forbidding the maintenance or construction of any such unlawful inclosure of public land. For various reasons there has been little interference with such inclosures in the past, but ample notice has now been given the trespassers, and all the resources at the command of the Government will hereafter be used to put a stop to such trespassing.

In view of the capital importance of these matters, I commend them to the earnest consideration of the Congress, and if the Congress finds difficulty in dealing with them from lack of thorough knowledge of the subject, I recommend that provision be made for a commission of experts specially to investigate and report upon the complicated questions involved.

I especially urge upon the Congress the need of wise legislation for Alaska. It is not to our credit as a nation that Alaska, which has been ours for thirty-five years, should still have as poor a system Of laws as is the case. No country has a more valuable possession—in mineral wealth, in fisheries, furs, forests, and also in land available for certain kinds of farming and stockgrowing. It is a territory of great size and varied resources, well fitted to support a large permanent population. Alaska needs a good land law and such provisions for homesteads and pre-emptions as will encourage permanent settlement. We should shape legislation with a view not to the exploiting and abandoning of the territory, but to the building up of homes therein. The land laws should be liberal in type, so as to hold out inducements to the actual settler whom we most desire to see take possession of the country. The forests of Alaska should be protected, and, as a secondary but still important matter, the game also, and at the same time

Page 1782

it is imperative that the settlers should be allowed to cut timber, under proper regulations, for their own use. Laws should be enacted to protect the Alaskan salmon fisheries against the greed which would destroy them. They should be preserved as a permanent industry and food supply. Their management and control should be turned over to the Commission of Fish and Fisheries. Alaska should have a Delegate in the Congress. It would be well if a Congressional committee could visit Alaska and investigate its needs on the ground.

In dealing with the Indians our aim should be their ultimate absorption into the body of our people. But in many cases this absorption must and should be very slow. In portions of the Indian Territory the mixture of blood has gone on at the same time with progress in wealth and education, so that there are plenty of men with varying degrees of purity of Indian blood who are absolutely indistinguishable in point of social, political, and economic ability from their white associates. There are other tribes which have as yet made no perceptible advance toward such equality. To try to force such tribes too fast is to prevent their going forward at all. Moreover, the tribes live under widely different conditions. Where a tribe has made considerable advance and lives on fertile farming soil it is possible to allot the members lands in severalty much as is the case with white settlers. There are other tribes where such a course is not desirable. On the arid prairie lands the effort should be to induce the Indians to lead pastoral rather than agricultural lives, and to permit them to settle in villages rather than to force them into isolation.

The large Indian schools situated remote from any Indian reservation do a special and peculiar work of great importance. But, excellent though these are, an immense amount of additional work must be done on the reservations themselves among the old, and above all among the young, Indians.

The first and most important step toward the absorption of the Indian is to teach him to earn his living; yet it is not necessarily to be assumed that in each community all Indians must become either tillers of the soil or stock raisers. Their industries may properly be diversified, and those who show special desire or adaptability for industrial or even commercial pursuits should be encouraged so far as practicable to follow out each his own bent.

Every effort should be made to develop the Indian along the lines of natural aptitude, and to encourage the existing native industries peculiar to certain tribes, such as the various kinds of basket weaving, canoe building, smith work, and blanket work. Above all, the Indian boys and girls should be given confident command of colloquial English, and should ordinarily be prepared for a vigorous struggle with the conditions under which their people live, rather than for immediate absorption into some more highly developed community.

Page 1783

The officials who represent the Government in dealing with the Indians work under hard conditions, and also under conditions which render it easy to do wrong and very difficult to detect wrong. Consequently they should be amply paid on the one hand, and on the other hand a particularly high standard of conduct should be demanded from them, and where misconduct can be proved the punishment should be exemplary.

In no department of governmental work in recent years has there been greater success than in that of giving scientific aid to the farming population, thereby showing them how most efficiently to help themselves. There is no need of insisting upon its importance, for the welfare of the farmer is fundamentally necessary to the welfare of the Republic as a whole. In addition to such work as quarantine against animal and vegetable plagues, and warring against them when here introduced, much efficient help has been rendered to the farmer by the introduction of new plants specially fitted for cultivation under the peculiar conditions existing in different portions of the country. New cereals have been established in the semi-arid West. For instance, the practicability of producing the best types of macaroni wheats in regions of an annual rainfall of only ten inches or thereabouts has been conclusively demonstrated. Through the introduction of new rices in Louisiana and Texas the production of rice in this country has been made to about equal the home demand. In the South-west the possibility of regrassing overstocked range lands has been demonstrated; in the North many new forage crops have been introduced, while in the East it has been shown that some of our choicest fruits can be stored and shipped in such a way as to find a profitable market abroad.

I again recommend to the favorable consideration of the Congress the plans of the Smithsonian Institution for making the Museum under its charge worthy of the Nation, and for preserving at the National Capital not only records of the vanishing races of men but of the animals of this continent which, like the buffalo, will soon become extinct unless specimens from which their representatives may be renewed are sought in their native regions and maintained there in safety.

The District of Columbia is the only part of our territory in which the National Government exercises local or municipal functions, and where in consequence the Government has a free hand in reference to certain types of social and economic legislation which must be essentially local or municipal in their character. The Government should see to it, for instance, that the hygienic and sanitary legislation affecting Washington is of a high character. The evils of slum dwellings, whether in the shape of crowded and congested tenement-house districts or of the back-alley type, should never be permitted to grow up in Washington. The city should be a model in every respect for all the cities

Page 1784

of the country. The charitable and correctional systems of the District should receive consideration at the hands of the Congress to the end that they may embody the results of the most advanced thought in these fields. Moreover, while Washington is not a great industrial city, there is some industrialism here, and our labor legislation, while it would not be important in itself, might be made a model for the rest of the Nation. We should pass, for instance, a wise employer's-liability act for the District of Columbia, and we need such an act in our navy-yards. Railroad companies in the District ought to be required by law to block their frogs.

The safety-appliance law, for the better protection of the lives and limbs of railway employees, which was passed in 1893, went into full effect on August 1, 1901. It has resulted in averting thousands of casualties. Experience shows, however, the necessity of additional legislation to perfect this law. A bill to provide for this passed the Senate at the last session. It is to be hoped that some such measure may now be enacted into law.

There is a growing tendency to provide for the publication of masses of documents for which there is no public demand and for the printing of which there is no real necessity. Large numbers of volumes are turned out by the Government printing presses for which there is no justification. Nothing should be printed by any of the Departments unless it contains something of permanent value, and the Congress could with advantage cut down very materially on all the printing which it has now become customary to provide. The excessive cost of Government printing is a strong argument against the position of those who are inclined on abstract grounds to advocate the Government's doing any work which can with propriety be left in private hands.

Gratifying progress has been made during the year in the extension of the merit system of making appointments in the Government service. It should be extended by law to the District of Columbia. It is much to be desired that our consular system be established by law on a basis providing for appointment and promotion only in consequence of proved fitness.

Through a wise provision of the Congress at its last session the White House, which had become disfigured by incongruous additions and changes, has now been restored to what it was planned to be by Washington. In making the restorations the utmost care has been exercised to come as near as possible to the early plans and to supplement these plans by a careful study of such buildings as that of the University of Virginia, which was built by Jefferson. The White House is the property of the Nation, and so far as is compatible with living therein it should be kept as it originally was, for the same reasons that we keep Mount Vernon as it originally was. The stately simplicity of its architecture is an expression of the character of the period in which it was built, and is in accord with the purposes it was designed to serve. It is a good thing to preserve such

buildings as historic monuments which keep alive our sense of continuity with the Nation's past.

Page 1785

The reports of the several Executive Departments are submitted to the Congress with this communication.

***

State of the Union Address
Theodore Roosevelt
December 7, 1903

To the Senate and House of Representatives:

The country is to be congratulated on the amount of substantial achievement which has marked the past year both as regards our foreign and as regards our domestic policy.

With a nation as with a man the most important things are those of the household, and therefore the country is especially to be congratulated on what has been accomplished in the direction of providing for the exercise of supervision over the great corporations and combinations of corporations engaged in interstate commerce. The Congress has created the Department of Commerce and Labor, including the Bureau of Corporations, with for the first time authority to secure proper publicity of such proceedings of these great corporations as the public has the right to know. It has provided for the expediting of suits for the enforcement of the Federal anti-trust law; and by another law it has secured equal treatment to all producers in the transportation of their goods, thus taking a long stride forward in making effective the work of the Interstate Commerce Commission.

The establishment of the Department of Commerce and Labor, with the Bureau of Corporations thereunder, marks a real advance in the direction of doing all that is possible for the solution of the questions vitally affecting capitalists and wage-workers. The act creating Department was approved on February 14, 1903, and two days later the head of the Department was nominated and confirmed by the Senate. Since then the work of organization has been pushed as rapidly as the initial appropriations permitted, and with due regard to thoroughness and the broad purposes which the Department is designed to serve. After the transfer of the various bureaus and branches to the Department at the beginning of the current fiscal year, as provided for in the act, the personnel comprised 1,289 employees in Washington and 8,836 in the country at large. The scope of the Department's duty and authority embraces the commercial and industrial interests of the Nation. It is not designed to restrict or control the fullest liberty of legitimate business action, but to secure exact and authentic information which will aid the Executive in enforcing existing laws, and which will enable the Congress to enact additional legislation, if any should be found necessary, in order to prevent the few from obtaining privileges at the expense of diminished opportunities for the many.

Page 1786

The preliminary work of the Bureau of Corporations in the Department has shown the wisdom of its creation. Publicity in corporate affairs will tend to do away with ignorance, and will afford facts upon which intelligent action may be taken. Systematic, intelligent investigation is already developing facts the knowledge of which is essential to a right understanding of the needs and duties of the business world. The corporation which is honestly and fairly organized, whose managers in the conduct of its business recognize their obligation to deal squarely with their stockholders, their competitors, and the public, has nothing to fear from such supervision. The purpose of this Bureau is not to embarrass or assail legitimate business, but to aid in bringing about a better industrial condition—a condition under which there shall be obedience to law and recognition of public obligation by all corporations, great or small. The Department of Commerce and Labor will be not only the clearing house for information regarding the business transactions of the Nation, but the executive arm of the Government to aid in strengthening our domestic and foreign markets, in perfecting our transportation facilities, in building up our merchant marine, in preventing the entrance of undesirable immigrants, in improving commercial and industrial conditions, and in bringing together on common ground those necessary partners in industrial progress—capital and labor. Commerce between the nations is steadily growing in volume, and the tendency of the times is toward closer trade relations. Constant watchfulness is needed to secure to Americans the chance to participate to the best advantage in foreign trade; and we may confidently expect that the new Department will justify the expectation of its creators by the exercise of this watchfulness, as well as by the businesslike administration of such laws relating to our internal affairs as are intrusted to its care.

In enacting the laws above enumerated the Congress proceeded on sane and conservative lines. Nothing revolutionary was attempted; but a common-sense and successful effort was made in the direction of seeing that corporations are so handled as to subserve the public good. The legislation was moderate. It was characterized throughout by the idea that we were not attacking corporations, but endeavoring to provide for doing away with any evil in them; that we drew the line against misconduct, not against wealth; gladly recognizing the great good done by the capitalist who alone, or in conjunction with his fellows, does his work along proper and legitimate lines. The purpose of the legislation, which purpose will undoubtedly be fulfilled, was to favor such a man when he does well, and to supervise his action only to prevent him from doing ill. Publicity can do no harm to the honest corporation. The only corporation that has cause to dread it is the corporation which shrinks from the light, and about the welfare of such corporations we need not be oversensitive. The work of the Department of Commerce and Labor has been conditioned upon this theory, of securing fair treatment alike for labor and for capital.

Page 1787

The consistent policy of the National Government, so far as it has the power, is to hold in check the unscrupulous man, whether employer or employee; but to refuse to weaken individual initiative or to hamper or cramp the industrial development of the country. We recognize that this is an era of federation and combination, in which great capitalistic corporations and labor unions have become factors of tremendous importance in all industrial centers. Hearty recognition is given the far-reaching, beneficent work which has been accomplished through both corporations and unions, and the line as between different corporations, as between different unions, is drawn as it is between different individuals; that is, it is drawn on conduct, the effort being to treat both organized capital and organized labor alike; asking nothing save that the interest of each shall be brought into harmony with the interest of the general public, and that the conduct of each shall conform to the fundamental rules of obedience to law, of individual freedom, and of justice and fair dealing towards all. Whenever either corporation, labor union, or individual disregards the law or acts in a spirit of arbitrary and tyrannous interference with the rights of others, whether corporations or individuals, then where the Federal Government has jurisdiction, it will see to it that the misconduct is stopped, paying not the slightest heed to the position or power of the corporation, the union or the individual, but only to one vital fact—that is, the question whether or not the conduct of the individual or aggregate of individuals is in accordance with the law of the land. Every man must be guaranteed his liberty and his right to do as he likes with his property or his labor, so long as he does not infringe the rights of others. No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right; not asked as a favor.

We have cause as a nation to be thankful for the steps that have been so successfully taken to put these principles into effect. The progress has been by evolution, not by revolution. Nothing radical has been done; the action has been both moderate and resolute. Therefore the work will stand. There shall be no backward step. If in the working of the laws it proves desirable that they shall at any point be expanded or amplified, the amendment can be made as its desirability is shown. Meanwhile they are being administered with judgment, but with insistence upon obedience to them, and their need has been emphasized in signal fashion by the events of the past year.

Page 1788

From all sources, exclusive of the postal service, the receipts of the Government for the last fiscal year aggregated $560,396,674. The expenditures for the same period were $506,099,007, the surplus for the fiscal year being $54,297,667. The indications are that the surplus for the present fiscal year will be very small, if indeed there be any surplus. From July to November the receipts from customs were, approximately, nine million dollars less than the receipts from the same source for a corresponding portion of last year. Should this decrease continue at the same ratio throughout the fiscal year, the surplus would be reduced by, approximately, thirty million dollars. Should the revenue from customs suffer much further decrease during the fiscal year, the surplus would vanish. A large surplus is certainly undesirable. Two years ago the war taxes were taken off with the express intention of equalizing the governmental receipts and expenditures, and though the first year thereafter still showed a surplus, it now seems likely that a substantial equality of revenue and expenditure will be attained. Such being the case it is of great moment both to exercise care and economy in appropriations, and to scan sharply any change in our fiscal revenue system which may reduce our income. The need of strict economy in our expenditures is emphasized by the fact that we can not afford to be parsimonious in providing for what is essential to our national well-being. Careful economy wherever possible will alone prevent our income from falling below the point required in order to meet our genuine needs.

The integrity of our currency is beyond question, and under present conditions it would be unwise and unnecessary to attempt a reconstruction of our entire monetary system. The same liberty should be granted the Secretary of the Treasury to deposit customs receipts as is granted him in the deposit of receipts from other sources. In my Message of December 2, 1902, I called attention to certain needs of the financial situation, and I again ask the consideration of the Congress for these questions.

During the last session of the Congress at the suggestion of a joint note from the Republic of Mexico and the Imperial Government of China, and in harmony with an act of the Congress appropriating $25,000 to pay the expenses thereof, a commission was appointed to confer with the principal European countries in the hope that some plan might be devised whereby a fixed rate of exchange could be assured between the gold-standard countries and the silver-standard countries. This commission has filed its preliminary report, which has been made public. I deem it important that the commission be continued, and that a sum of money be appropriated sufficient to pay the expenses of its further labors.

Page 1789

A majority of our people desire that steps be taken in the interests of American shipping, so that we may once more resume our former position in the ocean carrying trade. But hitherto the differences of opinion as to the proper method of reaching this end have been so wide that it has proved impossible to secure the adoption of any particular scheme. Having in view these facts, I recommend that the Congress direct the Secretary of the Navy, the Postmaster-General, and the Secretary of Commerce and Labor, associated with such a representation from the Senate and House of Representatives as the Congress in its wisdom may designate, to serve as a commission for the purpose of investigating and reporting to the Congress at its next session what legislation is desirable or necessary for the development of the American merchant marine and American commerce, and incidentally of a national ocean mail service of adequate auxiliary naval crusiers and naval reserves. While such a measure is desirable in any event, it is especially desirable at this time, in view of the fact that our present governmental contract for ocean mail with the American Line will expire in 1905. Our ocean mail act was passed in 1891. In 1895 our 20-knot transatlantic mail line was equal to any foreign line. Since then the Germans have put on 23-knot, steamers, and the British have contracted for 24-knot steamers. Our service should equal the best. If it does not, the commercial public will abandon it. If we are to stay in the business it ought to be with a full understanding of the advantages to the country on one hand, and on the other with exact knowledge of the cost and proper methods of carrying it on. Moreover, lines of cargo ships are of even more importance than fast mail lines; save so far as the latter can be depended upon to furnish swift auxiliary cruisers in time of war. The establishment of new lines of cargo ships to South America, to Asia, and elsewhere would be much in the interest of our commercial expansion.

We can not have too much immigration of the right kind, and we should have none at all of the wrong kind. The need is to devise some system by which undesirable immigrants shall be kept out entirely, while desirable immigrants are properly distributed throughout the country. At present some districts which need immigrants have none; and in others, where the population is already congested, immigrants come in such numbers as to depress the conditions of life for those already there. During the last two years the immigration service at New York has been greatly improved, and the corruption and inefficiency which formerly obtained there have been eradicated. This service has just been investigated by a committee of New York citizens of high standing, Messrs. Arthur V. Briesen, Lee K. Frankel, Eugene A. Philbin, Thomas W. Hynes, and Ralph Trautman. Their report deals with the whole situation at length, and concludes with certain recommendations for administrative and legislative action. It is now receiving the attention of the Secretary of Commerce and Labor.

Page 1790

The special investigation of the subject of naturalization under the direction of the Attorney-General, and the consequent prosecutions reveal a condition of affairs calling for the immediate attention of the Congress. Forgeries and perjuries of shameless and flagrant character have been perpetrated, not only in the dense centers of population, but throughout the country; and it is established beyond doubt that very many so-called citizens of the United States have no title whatever to that right, and are asserting and enjoying the benefits of the same through the grossest frauds. It is never to be forgotten that citizenship is, to quote the words recently used by the Supreme Court of the United States, an “inestimable heritage,” whether it proceeds from birth within the country or is obtained by naturalization; and we poison the sources of our national character and strength at the fountain, if the privilege is claimed and exercised without right, and by means of fraud and corruption. The body politic can not be sound and healthy if many of its constituent members claim their standing through the prostitution of the high right and calling of citizenship. It should mean something to become a citizen of the United States; and in the process no loophole whatever should be left open to fraud.

The methods by which these frauds—now under full investigation with a view to meting out punishment and providing adequate remedies—are perpetrated, include many variations of procedure by which false certificates of citizenship are forged in their entirety; or genuine certificates fraudulently or collusively obtained in blank are filled in by the criminal conspirators; or certificates are obtained on fraudulent statements as to the time of arrival and residence in this country; or imposition and substitution of another party for the real petitioner occur in court; or certificates are made the subject of barter and sale and transferred from the rightful holder to those not entitled to them; or certificates are forged by erasure of the original names and the insertion of the names of other persons not entitled to the same.

It is not necessary for me to refer here at large to the causes leading to this state of affairs. The desire for naturalization is heartily to be commended where it springs from a sincere and permanent intention to become citizens, and a real appreciation of the privilege. But it is a source of untold evil and trouble where it is traceable to selfish and dishonest motives, such as the effort by artificial and improper means, in wholesale fashion to create voters who are ready-made tools of corrupt politicians, or the desire to evade certain labor laws creating discriminations against alien labor. All good citizens, whether naturalized or native born, are equally interested in protecting our citizenship against fraud in any form, and, on the other hand, in affording every facility for naturalization to those who in good faith desire to share alike our privileges and our responsibilities.

Page 1791

The Federal grand jury lately in session in New York City dealt with this subject and made a presentment which states the situation briefly and forcibly and contains important suggestions for the consideration of the Congress. This presentment is included as an appendix to the report of the Attorney-General.

In my last annual Message, in connection with the subject of the due regulation of combinations of capital which are or may become injurious to the public, I recommend a special appropriation for the better enforcement of the antitrust law as it now stands, to be extended under the direction of the Attorney-General. Accordingly (by the legislative, executive, and judicial appropriation act of February 25, 1903, 32 Stat., 854, 904), the Congress appropriated, for the purpose of enforcing the various Federal trust and interstate-commerce laws, the sum of five hundred thousand dollars, to be expended under the direction of the Attorney-General in the employment of special counsel and agents in the Department of Justice to conduct proceedings and prosecutions under said laws in the courts of the United States. I now recommend, as a matter of the utmost importance and urgency, the extension of the purposes of this appropriation, so that it may be available, under the direction of the Attorney-General, and until used, for the due enforcement of the laws of the United States in general and especially of the civil and criminal laws relating to public lands and the laws relating to postal crimes and offenses and the subject of naturalization. Recent investigations have shown a deplorable state of affairs in these three matters of vital concern. By various frauds and by forgeries and perjuries, thousands of acres of the public domain, embracing lands of different character and extending through various sections of the country, have been dishonestly acquired. It is hardly necessary to urge the importance of recovering these dishonest acquisitions, stolen from the people, and of promptly and duly punishing the offenders. I speak in another part of this Message of the widespread crimes by which the sacred right of citizenship is falsely asserted and that “inestimable heritage” perverted to base ends. By similar means—that is, through frauds, forgeries, and perjuries, and by shameless briberies—the laws relating to the proper conduct of the public service in general and to the due administration of the Post-Office Department have been notoriously violated, and many indictments have been found, and the consequent prosecutions are in course of hearing or on the eve thereof. For the reasons thus indicated, and so that the Government may be prepared to enforce promptly and with the greatest effect the due penalties for such violations of law, and to this end may be furnished with sufficient instrumentalities and competent legal assistance for the investigations and trials which will be necessary at many different points of the country, I urge upon the Congress the necessity of making the said appropriation available for immediate use for all such purposes, to be expended under the direction of the Attorney-General.

Page 1792

Steps have been taken by the State Department looking to the making of bribery an extraditable offense with foreign powers. The need of more effective treaties covering this crime is manifest. The exposures and prosecutions of official corruption in St. Louis, Mo., and other cities and States have resulted in a number of givers and takers of bribes becoming fugitives in foreign lands. Bribery has not been included in extradition treaties heretofore, as the necessity for it has not arisen. While there may have been as much official corruption in former years, there has been more developed and brought to light in the immediate past than in the preceding century of our country's history. It should be the policy of the United States to leave no place on earth where a corrupt man fleeing from this country can rest in peace. There is no reason why bribery should not be included in all treaties as extraditable. The recent amended treaty with Mexico, whereby this crime was put in the list of extraditable offenses, has established a salutary precedent in this regard. Under this treaty the State Department has asked, and Mexico has granted, the extradition of one of the St. Louis bribe givers.

There can be no crime more serious than bribery. Other offenses violate one law while corruption strikes at the foundation of all law. Under our form of Government all authority is vested in the people and by them delegated to those who represent them in official capacity. There can be no offense heavier than that of him in whom such a sacred trust has been reposed, who sells it for his own gain and enrichment; and no less heavy is the offense of the bribe giver. He is worse than the thief, for the thief robs the individual, while the corrupt official plunders an entire city or State. He is as wicked as the murderer, for the murderer may only take one life against the law, while the corrupt official and the man who corrupts the official alike aim at the assassination of the commonwealth itself. Government of the people, by the people, for the people will perish from the face of the earth if bribery is tolerated. The givers and takers of bribes stand on an evil pre-eminence of infamy. The exposure and punishment of public corruption is an honor to a nation, not a disgrace. The shame lies in toleration, not in correction. No city or State, still less the Nation, can be injured by the enforcement of law. As long as public plunderers when detected can find a haven of refuge in any foreign land and avoid punishment, just so long encouragement is given them to continue their practices. If we fail to do all that in us lies to stamp out corruption we can not escape our share of responsibility for the guilt. The first requisite of successful self-government is unflinching enforcement of the law and the cutting out of corruption.

Page 1793

For several years past the rapid development of Alaska and the establishment of growing American interests in regions theretofore unsurveyed and imperfectly known brought into prominence the urgent necessity of a practical demarcation of the boundaries between the jurisdictions of the United States and Great Britain. Although the treaty of 1825 between Great Britain and Russia, the provisions of which were copied in the treaty of 1867, whereby Russia conveyed Alaska to the United States, was positive as to the control, first by Russia and later by the United States, of a strip of territory along the continental mainland from the western shore of Portland Canal to Mount St. Elias, following and surrounding the indentations of the coast and including the islands to the westward, its description of the landward margin of the strip was indefinite, resting on the supposed existence of a continuous ridge or range of mountains skirting the coast, as figured in the charts of the early navigators. It had at no time been possible for either party in interest to lay down, under the authority of the treaty, a line so obviously exact according to its provisions as to command the assent of the other. For nearly three-fourths of a century the absence of tangible local interests demanding the exercise of positive jurisdiction on either side of the border left the question dormant. In 1878 questions of revenue administration on the Stikine River led to the establishment of a provisional demarcation, crossing the channel between two high peaks on either side about twenty-four miles above the river mouth. In 1899 similar questions growing out of the extraordinary development of mining interests in the region about the head of Lynn Canal brought about a temporary modus vivendi, by which a convenient separation was made at the watershed divides of the White and Chilkoot passes and to the north of Klukwan, on the Klehini River. These partial and tentative adjustments could not, in the very nature of things, be satisfactory or lasting. A permanent disposition of the matter became imperative.

After unavailing attempts to reach an understanding through a Joint High Commission, followed by prolonged negotiations, conducted in an amicable spirit, a convention between the United States and Great Britain was signed, January 24, 1903, providing for an examination of the subject by a mixed tribunal of six members, three on a side, with a view to its final disposition. Ratifications were exchanged on March 3 last, whereupon the two Governments appointed their respective members. Those on behalf of the United States were Elihu Root, Secretary of War, Henry Cabot Lodge, a Senator of the United States, and George Turner, an ex-Senator of the United States, while Great Britain named the Right Honourable Lord Alverstone, Lord Chief Justice of England, Sir Louis Amable Jette, K. C. M. G., retired judge of the Supreme Court of Quebec, and A. B. Aylesworth, K. C., of Toronto. This Tribunal met in London

Page 1794

on September 3, under the Presidency of Lord Alverstone. The proceedings were expeditious, and marked by a friendly and conscientious spirit. The respective cases, counter cases, and arguments presented the issues clearly and fully. On the 20th of October a majority of the Tribunal reached and signed an agreement on all the questions submitted by the terms of the Convention. By this award the right of the United States to the control of a continuous strip or border of the mainland shore, skirting all the tide-water inlets and sinuosities of the coast, is confirmed; the entrance to Portland Canal (concerning which legitimate doubt appeared) is defined as passing by Tongass Inlet and to the northwestward of Wales and Pearse islands; a line is drawn from the head of Portland Canal to the fifty-sixth degree of north latitude; and the interior border line of the strip is fixed by lines connecting certain mountain summits lying between Portland Canal and Mount St. Elias, and running along the crest of the divide separating the coast slope from the inland watershed at the only part of the frontier where the drainage ridge approaches the coast within the distance of ten marine leagues stipulated by the treaty as the extreme width of the strip around the heads of Lynn Canal and its branches.

While the line so traced follows the provisional demarcation of 1878 at the crossing of the Stikine River, and that of 1899 at the summits of the White and Chilkoot passes, it runs much farther inland from the Klehini than the temporary line of the later modus vivendi, and leaves the entire mining district of the Porcupine River and Glacier Creek within the jurisdiction of the United States.

The result is satisfactory in every way. It is of great material advantage to our people in the Far Northwest. It has removed from the field of discussion and possible danger a question liable to become more acutely accentuated with each passing year. Finally, it has furnished a signal proof of the fairness and good will with which two friendly nations can approach and determine issues involving national sovereignty and by their nature incapable of submission to a third power for adjudication.

The award is self-executing on the vital points. To make it effective as regards the others it only remains for the two Governments to appoint, each on its own behalf, one or more scientific experts, who shall, with all convenient speed, proceed together to lay down the boundary line in accordance with the decision of the majority of the Tribunal. I recommend that the Congress make adequate provision for the appointment, compensation, and expenses of the members to serve on this joint boundary commission on the part of the United States.

Page 1795

It will be remembered that during the second session of the last Congress Great Britain, Germany, and Italy formed an alliance for the purpose of blockading the ports of Venezuela and using such other means of pressure as would secure a settlement of claims due, as they alleged, to certain of their subjects. Their employment of force for the collection of these claims was terminated by an agreement brought about through the offices of the diplomatic representatives of the United States at Caracas and the Government at Washington, thereby ending a situation which was bound to cause increasing friction, and which jeoparded the peace of the continent. Under this agreement Venezuela agreed to set apart a certain percentage of the customs receipts of two of her ports to be applied to the payment of whatever obligations might be ascertained by mixed commissions appointed for that purpose to be due from her, not only to the three powers already mentioned, whose proceedings against her had resulted in a state of war, but also to the United States, France, Spain, Belgium, the Netherland Sweden and Norway, and Mexico, who had not employed force for the collection of the claims alleged to be due to certain of their citizens.

A demand was then made by the so-called blockading powers that the sums ascertained to be due to their citizens by such mixed commissions should be accorded payment in full before anything was paid upon the claims of any of the so-called peace powers. Venezuela, on the other hand, insisted that all her creditors should be paid upon a basis of exact equality. During the efforts to adjust this dispute it was suggested by the powers in interest that it should be referred to me for decision, but I was clearly of the opinion that a far wiser course would be to submit the question to the Permanent Court of Arbitration at The Hague. It seemed to me to offer an admirable opportunity to advance the practice of the peaceful settlement of disputes between nations and to secure for the Hague Tribunal a memorable increase of its practical importance. The nations interested in the controversy were so numerous and in many instances so powerful as to make it evident that beneficent results would follow from their appearance at the same time before the bar of that august tribunal of peace.

Our hopes in that regard have been realized. Russia and Austria are represented in the persons of the learned and distinguished jurists who compose the Tribunal, while Great Britain, Germany, France, Spain, Italy, Belgium, the Netherlands, Sweden and Norway, Mexico, the United States, and Venezuela are represented by their respective agents and counsel. Such an imposing concourse of nations presenting their arguments to and invoking the decision of that high court of international justice and international peace can hardly fail to secure a like submission of many future controversies. The nations now appearing there will find it far easier to appear there a second time, while no nation can imagine its just pride will be lessened by following the example now presented. This triumph of the principle of international arbitration is a subject of warm congratulation and offers a happy augury for the peace of the world.

Page 1796

There seems good ground for the belief that there has been a real growth among the civilized nations of a sentiment which will permit a gradual substitution of other methods than the method of war in the settlement of disputes. It is not pretended that as yet we are near a position in which it will be possible wholly to prevent war, or that a just regard for national interest and honor will in all cases permit of the settlement of international disputes by arbitration; but by a mixture of prudence and firmness with wisdom we think it is possible to do away with much of the provocation and excuse for war, and at least in many cases to substitute some other and more rational method for the settlement of disputes. The Hague Court offers so good an example of what can be done in the direction of such settlement that it should be encouraged in every way.

Further steps should be taken. In President McKinley's annual Message of December 5, 1898, he made the following recommendation:

"The experiences of the last year bring forcibly home to us a sense of the burdens and the waste of war. We desire in common with most civilized nations, to reduce to the lowest possible point the damage sustained in time of war by peaceable trade and commerce. It is true we may suffer in such cases less than other communities, but all nations are damaged more or less by the state of uneasiness and apprehension into which an outbreak of hostilities throws the entire commercial world. It should be our object, therefore, to minimize, so far as practicable, this inevitable loss and disturbance. This purpose can probably best be accomplished by an international agreement to regard all private property at sea as exempt from capture or destruction by the forces of belligerent powers. The United States Government has for many years advocated this humane and beneficent principle, and is now in a position to recommend it to other powers without the imputation of selfish motives. I therefore suggest for your consideration that the Executive be authorized to correspond with the governments of the principal maritime powers with a view of incorporating into the permanent law of civilized nations the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerent powers."

I cordially renew this recommendation.

The Supreme Court, speaking on December 11. 1899, through Peckham, J., said:

"It is, we think, historically accurate to say that this Government has always been, in its views, among the most advanced of the governments of the world in favor of mitigating, as to all non-combatants, the hardships and horrors of war. To accomplish that object it has always advocated those rules which would in most cases do away with the right to capture the private property of an enemy on the high seas."

Page 1797

I advocate this as a matter of humanity and morals. It is anachronistic when private property is respected on land that it should not be respected at sea. Moreover, it should be borne in mind that shipping represents, internationally speaking, a much more generalized species of private property than is the case with ordinary property on land—that is, property found at sea is much less apt than is the case with property found on land really to belong to any one nation. Under the modern system of corporate ownership the flag of a vessel often differs from the flag which would mark the nationality of the real ownership and money control of the vessel; and the cargo may belong to individuals of yet a different nationality. Much American capital is now invested in foreign ships; and among foreign nations it often happens that the capital of one is largely invested in the shipping of another. Furthermore, as a practical matter, it may be mentioned that while commerce destroying may cause serious loss and great annoyance, it can never be more than a subsidiary factor in bringing to terms a resolute foe. This is now well recognized by all of our naval experts. The fighting ship, not the commerce destroyer, is the vessel whose feats add renown to a nation's history, and establish her place among the great powers of the world.

Last year the Interparliamentary Union for International Arbitration met at Vienna, six hundred members of the different legislatures of civilized countries attending. It was provided that the next meeting should be in 1904 at St. Louis, subject to our Congress extending an invitation. Like the Hague Tribunal, this Interparliamentary Union is one of the forces tending towards peace among the nations of the earth, and it is entitled to our support. I trust the invitation can be extended.

Early in July, having received intelligence, which happily turned out to be erroneous, of the assassination of our vice-consul at Beirut, I dispatched a small squadron to that port for such service as might be found necessary on arrival. Although the attempt on the life of our vice-consul had not been successful, yet the outrage was symptomatic of a state of excitement and disorder which demanded immediate attention. The arrival of the vessels had the happiest result. A feeling of security at once took the place of the former alarm and disquiet; our officers were cordially welcomed by the consular body and the leading merchants, and ordinary business resumed its activity. The Government of the Sultan gave a considerate hearing to the representations of our minister; the official who was regarded as responsible for the disturbed condition of affairs was removed. Our relations with the Turkish Government remain friendly; our claims rounded on inequitable treatment of some of our schools and missions appear to be in process of amicable adjustment.

Page 1798

The signing of a new commercial treaty with China, which took place at Shanghai on the 8th of October, is a cause for satisfaction. This act, the result of long discussion and negotiation, places our commercial relations with the great Oriental Empire on a more satisfactory footing than they have ever heretofore enjoyed. It provides not only for the ordinary rights and privileges of diplomatic and consular officers, but also for an important extension of our commerce by increased facility of access to Chinese ports, and for the relief of trade by the removal of some of the obstacles which have embarrassed it in the past. The Chinese Government engages, on fair and equitable conditions, which will probably be accepted by the principal commercial nations, to abandon the levy of “liken” and other transit dues throughout the Empire, and to introduce other desirable administrative reforms. Larger facilities are to be given to our citizens who desire to carry on mining enterprises in China. We have secured for our missionaries a valuable privilege, the recognition of their right to rent and lease in perpetuity such property as their religious societies may need in all parts of the Empire. And, what was an indispensable condition for the advance and development of our commerce in Manchuria, China, by treaty with us, has opened to foreign commerce the cities of Mukden, the capital of the province of Manchuria, and An-tung, an important port on the Yalu River, on the road to Korea. The full measure of development which our commerce may rightfully expect can hardly be looked for until the settlement of the present abnormal state of things in the Empire; but the foundation for such development has at last been laid.

I call your attention to the reduced cost in maintaining the consular service for the fiscal year ending June 30, 1903, as shown in the annual report of the Auditor for the State and other Departments, as compared with the year previous. For the year under consideration the excess of expenditures over receipts on account of the consular service amounted to $26,125.12, as against $96,972.50 for the year ending June 30, 1902, and $147,040.16 for the year ending June 30, 1901. This is the best showing in this respect for the consular service for the past fourteen years, and the reduction in the cost of the service to the Government has been made in spite of the fact that the expenditures for the year in question were more than $20,000 greater than for the previous year.

The rural free-delivery service has been steadily extended. The attention of the Congress is asked to the question of the compensation of the letter carriers and clerks engaged in the postal service, especially on the new rural free-delivery routes. More routes have been installed since the first of July last than in any like period in the Department’s history. While a due regard to economy must be kept in mind in the establishment of new routes, yet

Page 1799

the extension of the rural free-delivery system must be continued, for reasons of sound public policy. No governmental movement of recent years has resulted in greater immediate benefit to the people of the country districts. Rural free delivery, taken in connection with the telephone, the bicycle, and the trolley, accomplishes much toward lessening the isolation of farm life and making it brighter and more attractive. In the immediate past the lack of just such facilities as these has driven many of the more active and restless young men and women from the farms to the cities; for they rebelled at loneliness and lack of mental companionship. It is unhealthy and undesirable for the cities to grow at the expense of the country; and rural free delivery is not only a good thing in itself, but is good because it is one of the causes which check this unwholesome tendency towards the urban concentration of our population at the expense of the country districts. It is for the same reason that we sympathize with and approve of the policy of building good roads. The movement for good roads is one fraught with the greatest benefit to the country districts.

I trust that the Congress will continue to favor in all proper ways the Louisiana Purchase Exposition. This Exposition commemorates the Louisiana purchase, which was the first great step in the expansion which made us a continental nation. The expedition of Lewis and Clark across the continent followed thereon, and marked the beginning of the process of exploration and colonization which thrust our national boundaries to the Pacific. The acquisition of the Oregon country, including the present States of Oregon and Washington, was a fact of immense importance in our history; first giving us our place on the Pacific seaboard, and making ready the way for our ascendency in the commerce of the greatest of the oceans. The centennial of our establishment upon the western coast by the expedition of Lewis and Clark is to be celebrated at Portland, Oregon, by an exposition in the summer of 1905, and this event should receive recognition and support from the National Government.

I call your special attention to the Territory of Alaska. The country is developing rapidly, and it has an assured future. The mineral wealth is great and has as yet hardly been tapped. The fisheries, if wisely handled and kept under national control, will be a business as permanent as any other, and of the utmost importance to the people. The forests if properly guarded will form another great source of wealth. Portions of Alaska are fitted for farming and stock raising, although the methods must be adapted to the peculiar conditions of the country. Alaska is situated in the far north; but so are Norway and Sweden and Finland; and Alaska can prosper and play its part in the New World just as those nations have prospered and played their parts in the Old World. Proper land laws should be enacted; and the survey

Page 1800

of the public lands immediately begun. Coal-land laws should be provided whereby the coal-land entryman may make his location and secure patent under methods kindred to those now prescribed for homestead and mineral entrymen. Salmon hatcheries, exclusively under Government control, should be established. The cable should be extended from Sitka westward. Wagon roads and trails should be built, and the building of railroads promoted in all legitimate ways. Light-houses should be built along the coast. Attention should be paid to the needs of the Alaska Indians; provision should be made for an officer, with deputies, to study their needs, relieve their immediate wants, and help them adapt themselves to the new conditions.

The commission appointed to investigate, during the season of 1903, the condition and needs of the Alaskan salmon fisheries, has finished its work in the field, and is preparing a detailed report thereon. A preliminary report reciting the measures immediately required for the protection and preservation of the salmon industry has already been submitted to the Secretary of Commerce and Labor for his attention and for the needed action.

I recommend that an appropriation be made for building light-houses in Hawaii, and taking possession of those already built. The Territory should be reimbursed for whatever amounts it has already expended for light-houses. The governor should be empowered to suspend or remove any official appointed by him, without submitting the matter to the legislature.

Of our insular possessions the Philippines and Porto Rico it is gratifying to say that their steady progress has been such as to make it unnecessary to spend much time in discussing them. Yet the Congress should ever keep in mind that a peculiar obligation rests upon us to further in every way the welfare of these communities. The Philippines should be knit closer to us by tariff arrangements. It would, of course, be impossible suddenly to raise the people of the islands to the high pitch of industrial prosperity and of governmental efficiency to which they will in the end by degrees attain; and the caution and moderation shown in developing them have been among the main reasons why this development has hitherto gone on so smoothly. Scrupulous care has been taken in the choice of governmental agents, and the entire elimination of partisan politics from the public service. The condition of the islanders is in material things far better than ever before, while their governmental, intellectual, and moral advance has kept pace with their material advance. No one people ever benefited another people more than we have benefited the Filipinos by taking possession of the islands.

The cash receipts of the General Land Office for the last fiscal year were $11,024,743.65, an increase of $4,762,816.47 over the preceding year. Of this sum, approximately, $8,461,493 will go to the credit of the fund for the reclamation of arid

land, making the total of this fund, up to the 30th of June, 1903, approximately, $16,191,836.

Page 1801

A gratifying disposition has been evinced by those having unlawful inclosures of public land to remove their fences. Nearly two million acres so inclosed have been thrown open on demand. In but comparatively few cases has it been necessary to go into court to accomplish this purpose. This work will be vigorously prosecuted until all unlawful inclosures have been removed.

Experience has shown that in the western States themselves, as well as in the rest of the country, there is widespread conviction that certain of the public-land laws and the resulting administrative practice no longer meet the present needs. The character and uses of the remaining public lands differ widely from those of the public lands which Congress had especially in view when these laws were passed. The rapidly increasing rate of disposal of the public lands is not followed by a corresponding increase in home building. There is a tendency to mass in large holdings public lands, especially timber and grazing lands, and thereby to retard settlement. I renew and emphasize my recommendation of last year that so far as they are available for agriculture in its broadest sense, and to whatever extent they may be reclaimed under the national irrigation law, the remaining public lands should be held rigidly for the home builder. The attention of the Congress is especially directed to the timber and stone law, the desert-land law, and the commutation clause of the homestead law, which in their operation have in many respects conflicted with wise public-land policy. The discussions in the Congress and elsewhere have made it evident that there is a wide divergence of opinions between those holding opposite views on these subjects; and that the opposing sides have strong and convinced representatives of weight both within and without the Congress; the differences being not only as to matters of opinion but as to matters of fact. In order that definite information may be available for the use of the Congress, I have appointed a commission composed of W. A. Richards, Commissioner of the General Land Office; Gifford Pinchot, Chief of the Bureau of Forestry of the Department of Agriculture, and F. H. Newell, Chief Hydrographer of the Geological Survey, to report at the earliest practicable moment upon the condition, operation, and effect of the present land laws and on the use, condition, disposal, and settlement of the public lands. The commission will report especially what changes in organization, laws, regulations, and practice affecting the public lands are needed to effect the largest practicable disposition of the public lands to actual settlers who will build permanent homes upon them, and to secure in permanence the fullest and most effective use of the resources of the public lands; and it will make such other reports and recommendations as its study of these questions may suggest. The commission is to report immediately upon those points concerning which its judgment is clear; on any point upon which it has doubt it will take the time necessary to make investigation and reach a final judgment.

Page 1802

The work of reclamation of the arid lands of the West is progressing steadily and satisfactorily under the terms of the law setting aside the proceeds from the disposal of public lands. The corps of engineers known as the Reclamation Service, which is conducting the surveys and examinations, has been thoroughly organized, especial pains being taken to secure under the civil-service rules a body of skilled, experienced, and efficient men. Surveys and examinations are progressing throughout the arid States and Territories, plans for reclaiming works being prepared and passed upon by boards of engineers before approval by the Secretary of the Interior. In Arizona and Nevada, in localities where such work is pre-eminently needed, construction has already been begun. In other parts of the arid West various projects are well advanced towards the drawing up of contracts, these being delayed in part by necessities of reaching agreements or understanding as regards rights of way or acquisition of real estate. Most of the works contemplated for construction are of national importance, involving interstate questions or the securing of stable, self-supporting communities in the midst of vast tracts of vacant land. The Nation as a whole is of course the gainer by the creation of these homes, adding as they do to the wealth and stability of the country, and furnishing a home market for the products of the East and South. The reclamation law, while perhaps not ideal, appears at present to answer the larger needs for which it is designed. Further legislation is not recommended until the necessities of change are more apparent.

The study of the opportunities of reclamation of the vast extent of arid land shows that whether this reclamation is done by individuals, corporations, or the State, the sources of water supply must be effectively protected and the reservoirs guarded by the preservation of the forests at the headwaters of the streams. The engineers making the preliminary examinations continually emphasize this need and urge that the remaining public lands at the headwaters of the important streams of the West be reserved to insure permanency of water supply for irrigation. Much progress in forestry has been made during the past year. The necessity for perpetuating our forest resources, whether in public or private hands, is recognized now as never before. The demand for forest reserves has become insistent in the West, because the West must use the water, wood, and summer range which only such reserves can supply. Progressive lumbermen are striving, through forestry, to give their business permanence. Other great business interests are awakening to the need of forest preservation as a business matter. The Government's forest work should receive from the Congress hearty support, and especially support adequate for the protection of the forest reserves against fire. The forest-reserve policy of the Government has passed beyond the experimental stage and has reached a condition where scientific methods are essential to its successful prosecution. The administrative features of forest reserves are at present unsatisfactory, being divided between three Bureaus of two Departments. It is therefore recommended that all matters pertaining to forest reserves, except those involving or pertaining to land titles, be consolidated in the Bureau of Forestry of the Department of Agriculture.

Page 1803

The cotton-growing States have recently been invaded by a weevil that has done much damage and threatens the entire cotton industry. I suggest to the Congress the prompt enactment of such remedial legislation as its judgment may approve.

In granting patents to foreigners the proper course for this country to follow is to give the same advantages to foreigners here that the countries in which these foreigners dwell extend in return to our citizens; that is, to extend the benefits of our patent laws on inventions and the like where in return the articles would be patentable in the foreign countries concerned—where an American could get a corresponding patent in such countries.

The Indian agents should not be dependent for their appointment or tenure of office upon considerations of partisan politics; the practice of appointing, when possible, ex-army officers or bonded superintendents to the vacancies that occur is working well. Attention is invited to the widespread illiteracy due to lack of public schools in the Indian Territory. Prompt heed should be paid to the need of education for the children in this Territory.

In my last annual Message the attention of the Congress was called to the necessity of enlarging the safety-appliance law, and it is gratifying to note that this law was amended in important respects. With the increasing railway mileage of the country, the greater number of men employed, and the use of larger and heavier equipment, the urgency for renewed effort to prevent the loss of life and limb upon the railroads of the country, particularly to employees, is apparent. For the inspection of water craft and the Life-Saving Service upon the water the Congress has built up an elaborate body of protective legislation and a thorough method of inspection and is annually spending large sums of money. It is encouraging to observe that the Congress is alive to the interests of those who are employed upon our wonderful arteries of commerce—the railroads—who so safely transport millions of passengers and billions of tons of freight. The Federal inspection, of safety appliances, for which the Congress is now making appropriations, is a service analogous to that which the Government has upheld for generations in regard to vessels, and it is believed will prove of great practical benefit, both to railroad employees and the traveling public. As the greater part of commerce is interstate and exclusively under the control of the Congress the needed safety and uniformity must be secured by national legislation.

No other class of our citizens deserves so well of the Nation as those to whom the Nation owes its very being, the veterans of the civil war. Special attention is asked to the excellent work of the Pension Bureau in expediting and disposing of pension claims. During the fiscal year ending July 1, 1903, the Bureau settled 251,982 claims, an average of 825 claims for each working day of the year. The number of settlements since July 1, 1903, has been in excess of last year's average, approaching 1,000 claims for each working day, and it is believed that the work of the Bureau will be current at the close of the present fiscal year.

Page 1804

During the year ended June 30 last 25,566 persons were appointed through competitive examinations under the civil-service rules. This was 12,672 more than during the preceding year, and 40 per cent of those who passed the examinations. This abnormal growth was largely occasioned by the extension of classification to the rural free-delivery service and the appointment last year of over 9,000 rural carriers. A revision of the civil-service rules took effect on April 15 last, which has greatly improved their operation. The completion of the reform of the civil service is recognized by good citizens everywhere as a matter of the highest public importance, and the success of the merit system largely depends upon the effectiveness of the rules and the machinery provided for their enforcement. A very gratifying spirit of friendly co-operation exists in all the Departments of the Government in the enforcement and uniform observance of both the letter and spirit of the civil-service act. Executive orders of July 3, 1902; March 26, 1903, and July 8, 1903, require that appointments of all unclassified laborers, both in the Departments at Washington and in the field service, shall be made with the assistance of the United States Civil Service Commission, under a system of registration to test the relative fitness of applicants for appointment or employment. This system is competitive, and is open to all citizens of the United States qualified in respect to age, physical ability, moral character, industry, and adaptability for manual labor; except that in case of veterans of the Civil War the element of age is omitted. This system of appointment is distinct from the classified service and does not classify positions of mere laborer under the civil-service act and rules. Regulations in aid thereof have been put in operation in several of the Departments and are being gradually extended in other parts of the service. The results have been very satisfactory, as extravagance has been checked by decreasing the number of unnecessary positions and by increasing the efficiency of the employees remaining.

The Congress, as the result of a thorough investigation of the charities and reformatory institutions in the District of Columbia, by a joint select committee of the two Houses which made its report in March, 1898, created in the act approved June 6, 1900, a board of charities for the District of Columbia, to consist of five residents of the District, appointed by the President of the United States, by and with the advice and consent of the Senate, each for a term of three years, to serve without compensation. President McKinley appointed five men who had been active and prominent in the public charities in Washington, all of whom upon taking office July 1, 1900, resigned from the different charities with which they had been connected. The members of the board have been reappointed in successive years. The board serves under the Commissioners of the District of Columbia. The

Page 1805

board gave its first year to a careful and impartial study of the special problems before it, and has continued that study every year in the light of the best practice in public charities elsewhere. Its recommendations in its annual reports to the Congress through the Commissioners of the District of Columbia “for the economical and efficient administration of the charities and reformatories of the District of Columbia,” as required by the act creating it, have been based upon the principles commended by the joint select committee of the Congress in its report of March, 1898, and approved by the best administrators of public charities, and make for the desired systematization and improvement of the affairs under its supervision. They are worthy of favorable consideration by the Congress.

The effect of the laws providing a General Staff for the Army and for the more effective use of the National Guard has been excellent. Great improvement has been made in the efficiency of our Army in recent years. Such schools as those erected at Fort Leavenworth and Fort Riley and the institution of fall maneuver work accomplish satisfactory results. The good effect of these maneuvers upon the National Guard is marked, and ample appropriation should be made to enable the guardsmen of the several States to share in the benefit. The Government should as soon as possible secure suitable permanent camp sites for military maneuvers in the various sections of the country. The service thereby rendered not only to the Regular Army, but to the National Guard of the several States, will be so great as to repay many times over the relatively small expense. We should not rest satisfied with what has been done, however. The only people who are contented with a system of promotion by mere seniority are those who are contented with the triumph of mediocrity over excellence. On the other hand, a system which encouraged the exercise of social or political favoritism in promotions would be even worse. But it would surely be easy to devise a method of promotion from grade to grade in which the opinion of the higher officers of the service upon the candidates should be decisive upon the standing and promotion of the latter. Just such a system now obtains at West Point. The quality of each year’s work determines the standing of that year’s class, the man being dropped or graduated into the next class in the relative position which his military superiors decide to be warranted by his merit. In other words, ability, energy, fidelity, and all other similar qualities determine the rank of a man year after year in West Point, and his standing in the Army when he graduates from West Point; but from that time on, all effort to find which man is best or worst, and reward or punish him accordingly, is abandoned; no brilliancy, no amount of hard work, no eagerness in the performance of duty, can advance him, and no slackness or indifference that falls short of a court-martial offense can retard him. Until this system is changed we can not hope that our officers will be of as high grade as we have a right to expect, considering the material upon which we draw. Moreover, when a man renders such service as Captain Pershing rendered last spring in the Moro campaign, it ought to be possible to reward him without at once jumping him to the grade of brigadier-general.

Page 1806

Shortly after the enunciation of that famous principle of American foreign policy now known as the “Monroe Doctrine,” President Monroe, in a special Message to Congress on January 30, 1824, spoke as follows: “The Navy is the arm from which our Government will always derive most aid in support of our rights. Every power engaged in war will know the strength of our naval power, the number of our ships of each class, their condition, and the promptitude with which we may bring them into service, and will pay due consideration to that argument.”

I heartily congratulate the Congress upon the steady progress in building up the American Navy. We can not afford a let-up in this great work. To stand still means to go back. There should be no cessation in adding to the effective units of the fighting strength of the fleet. Meanwhile the Navy Department and the officers of the Navy are doing well their part by providing constant service at sea under conditions akin to those of actual warfare. Our officers and enlisted men are learning to handle the battleships, cruisers, and torpedo boats with high efficiency in fleet and squadron formations, and the standard of marksmanship is being steadily raised. The best work ashore is indispensable, but the highest duty of a naval officer is to exercise command at sea.

The establishment of a naval base in the Philippines ought not to be longer postponed. Such a base is desirable in time of peace; in time of war it would be indispensable, and its lack would be ruinous. Without it our fleet would be helpless. Our naval experts are agreed that Subig Bay is the proper place for the purpose. The national interests require that the work of fortification and development of a naval station at Subig Bay be begun at an early date; for under the best conditions it is a work which will consume much time.

It is eminently desirable, however, that there should be provided a naval general staff on lines similar to those of the General Staff lately created for the Army. Within the Navy Department itself the needs of the service have brought about a system under which the duties of a general staff are partially performed; for the Bureau of Navigation has under its direction the War College, the Office of Naval Intelligence, and the Board of Inspection, and has been in close touch with the General Board of the Navy. But though under the excellent officers at their head, these boards and bureaus do good work, they have not the authority of a general staff, and have not sufficient scope to insure a proper readiness for emergencies. We need the establishment by law of a body of trained officers, who shall exercise a systematic control of the military affairs of the Navy, and be authorized advisers of the Secretary concerning it.

Page 1807

By the act of June 28, 1902, the Congress authorized the President to enter into treaty with Colombia for the building of the canal across the Isthmus of Panama; it being provided that in the event of failure to secure such treaty after the lapse of a reasonable time, recourse should be had to building a canal through Nicaragua. It has not been necessary to consider this alternative, as I am enabled to lay before the Senate a treaty providing for the building of the canal across the Isthmus of Panama. This was the route which commended itself to the deliberate judgment of the Congress, and we can now acquire by treaty the right to construct the canal over this route. The question now, therefore, is not by which route the isthmian canal shall be built, for that question has been definitely and irrevocably decided. The question is simply whether or not we shall have an isthmian canal.

When the Congress directed that we should take the Panama route under treaty with Colombia, the essence of the condition, of course, referred not to the Government which controlled that route, but to the route itself; to the territory across which the route lay, not to the name which for the moment the territory bore on the map. The purpose of the law was to authorize the President to make a treaty with the power in actual control of the Isthmus of Panama. This purpose has been fulfilled.

In the year 1846 this Government entered into a treaty with New Granada, the predecessor upon the Isthmus of the Republic of Colombia and of the present Republic of Panama, by which treaty it was provided that the Government and citizens of the United States should always have free and open right of way or transit across the Isthmus of Panama by any modes of communication that might be constructed, while in turn our Government guaranteed the perfect neutrality of the above-mentioned Isthmus with the view that the free transit from the one to the other sea might not be interrupted or embarrassed. The treaty vested in the United States a substantial property right carved out of the rights of sovereignty and property which New Granada then had and possessed over the said territory. The name of New Granada has passed away and its territory has been divided. Its successor, the Government of Colombia, has ceased to own any property in the Isthmus. A new Republic, that of Panama, which was at one time a sovereign state, and at another time a mere department of the successive confederations known as New Granada and Columbia, has now succeeded to the rights which first one and then the other formerly exercised over the Isthmus. But as long as the Isthmus endures, the mere geographical fact of its existence, and the peculiar interest therein which is required by our position, perpetuate the solemn contract which binds the holders of the territory to respect our right to freedom of transit across it, and binds us in return to safeguard for the Isthmus and the world the exercise of that inestimable privilege. The true interpretation of the obligations upon which the United States entered in this treaty of 1846 has been given repeatedly in the utterances of Presidents and Secretaries of State. Secretary Cuss in 1858 officially stated the position of this Government as follows:

Page 1808

“The progress of events has rendered the interoceanic route across the narrow portion of Central America vastly important to the commercial world, and especially to the United States, whose possessions extend along the Atlantic and Pacific coasts, and demand the speediest and easiest modes of communication. While the rights of sovereignty of the states occupying this region should always be respected, we shall expect that these rights be exercised in a spirit befitting the occasion and the wants and circumstances that have arisen. Sovereignty has its duties as well as its rights, and none of these local governments, even if administered with more regard to the just demands of other nations than they have been, would be permitted, in a spirit of Eastern isolation, to close the gates of intercourse on the great highways of the world, and justify the act by the pretension that these avenues of trade and travel belong to them and that they choose to shut them, or, what is almost equivalent, to encumber them with such unjust relations as would prevent their general use.”

Seven years later, in 1865, Mr. Seward in different communications took the following position:

“The United States have taken and will take no interest in any question of internal revolution in the State of Panama, or any State of the United States of Colombia, but will maintain a perfect neutrality in connection with such domestic altercations. The United States will, nevertheless, hold themselves ready to protect the transit trade across the Isthmus against invasion of either domestic or foreign disturbers of the peace of the State of Panama. Neither the text nor the spirit of the stipulation in that article by which the United States engages to preserve the neutrality of the Isthmus of Panama, imposes an obligation on this Government to comply with the requisition of the President of the United States of Colombia for a force to protect the Isthmus of Panama from a body of insurgents of that country. The purpose of the stipulation was to guarantee the Isthmus against seizure or invasion by a foreign power only.”

Attorney-General Speed, under date of November 7, 1865, advised Secretary Seward as follows:

“From this treaty it can not be supposed that New Granada invited the United States to become a party to the intestine troubles of that Government, nor did the United States become bound to take sides in the domestic broils of New Granada. The United States did guarantee New Granada in the sovereignty and property over the territory. This was as against other and foreign governments.”

Page 1809

For four hundred years, ever since shortly after the discovery of this hemisphere, the canal across the Isthmus has been planned. For two score years it has been worked at. When made it is to last for the ages. It is to alter the geography of a continent and the trade routes of the world. We have shown by every treaty we have negotiated or attempted to negotiate with the peoples in control of the Isthmus and with foreign nations in reference thereto our consistent good faith in observing our obligations; on the one hand to the peoples of the Isthmus, and on the other hand to the civilized world whose commercial rights we are safeguarding and guaranteeing by our action. We have done our duty to others in letter and in spirit, and we have shown the utmost forbearance in exacting our own rights.

Last spring, under the act above referred to, a treaty concluded between the representatives of the Republic of Colombia and of our Government was ratified by the Senate. This treaty was entered into at the urgent solicitation of the people of Colombia and after a body of experts appointed by our Government especially to go into the matter of the routes across the Isthmus had pronounced unanimously in favor of the Panama route. In drawing up this treaty every concession was made to the people and to the Government of Colombia. We were more than just in dealing with them. Our generosity was such as to make it a serious question whether we had not gone too far in their interest at the expense of our own; for in our scrupulous desire to pay all possible heed, not merely to the real but even to the fancied rights of our weaker neighbor, who already owed so much to our protection and forbearance, we yielded in all possible ways to her desires in drawing up the treaty. Nevertheless the Government of Colombia not merely repudiated the treaty, but repudiated it in such manner as to make it evident by the time the Colombian Congress adjourned that not the scantiest hope remained of ever getting a satisfactory treaty from them. The Government of Colombia made the treaty, and yet when the Colombian Congress was called to ratify it the vote against ratification was unanimous. It does not appear that the Government made any real effort to secure ratification.

Immediately after the adjournment of the Congress a revolution broke out in Panama. The people of Panama had long been discontented with the Republic of Colombia, and they had been kept quiet only by the prospect of the conclusion of the treaty, which was to them a matter of vital concern. When it became evident that the treaty was hopelessly lost, the people of Panama rose literally as one man. Not a shot was fired by a single man on the Isthmus in the interest of the Colombian Government. Not a life was lost in the accomplishment of the revolution. The Colombian troops stationed on the Isthmus, who had long been unpaid, made common cause with the people of Panama, and with astonishing unanimity the new

Page 1810

Republic was started. The duty of the United States in the premises was clear. In strict accordance with the principles laid down by Secretaries Cass and Seward in the official documents above quoted, the United States gave notice that it would permit the landing of no expeditionary force, the arrival of which would mean chaos and destruction along the line of the railroad and of the proposed Canal, and an interruption of transit as an inevitable consequence. The de facto Government of Panama was recognized in the following telegram to Mr. Ehrman:

“The people of Panama have, by apparently unanimous movement, dissolved their political connection with the Republic of Colombia and resumed their independence. When you are satisfied that a de facto government, republican in form and without substantial opposition from its own people, has been established in the State of Panama, you will enter into relations with it as the responsible government of the territory and look to it for all due action to protect the persons and property of citizens of the United States and to keep open the isthmian transit, in accordance with the obligations of existing treaties governing the relations of the United States to that Territory.”

The Government of Colombia was notified of our action by the following telegram to Mr. Beaupre:

“The people of Panama having, by an apparently unanimous movement, dissolved their political connection with the Republic of Colombia and resumed their independence, and having adopted a Government of their own, republican in form, with which the Government of the United States of America has entered into relations, the President of the United States, in accordance with the ties of friendship which have so long and so happily existed between the respective nations, most earnestly commends to the Governments of Colombia and of Panama the peaceful and equitable settlement of all questions at issue between them. He holds that he is bound not merely by treaty obligations, but by the interests of civilization, to see that the peaceful traffic of the world across the Isthmus of Panama shall not longer be disturbed by a constant succession of unnecessary and wasteful civil wars.”

When these events happened, fifty-seven years had elapsed since the United States had entered into its treaty with New Granada. During that time the Governments of New Granada and of its successor, Colombia, have been in a constant state of flux. The following is a partial list of the disturbances on the Isthmus of Panama during the period in question as reported to us by our consuls. It is not possible to give a complete list, and some of the reports that speak of “revolutions” must mean unsuccessful revolutions. May 22, 1850.—Outbreak; two Americans killed. War vessel demanded to quell outbreak. October, 1850.—Revolutionary plot to bring about independence of the Isthmus. July 22, 1851.—Revolution in four southern

Page 1811

provinces. November 14, 1851.—Outbreak at Chagres. Man-of-war requested for Chagres. June 27, 1853.—Insurrection at Bogota, and consequent disturbance on Isthmus. War vessel demanded. May 23, 1854—Political disturbances; war vessel requested. June 28, 1854.—Attempted revolution. October 24, 1854.—Independence of Isthmus demanded by provincial legislature. April, 1856.—Riot, and massacre of Americans. May 4, 1856.—Riot. May 18, 1856.—Riot. June 3, 1856.—Riot. October 2, 1856.—Conflict between two native parties. United States forces landed. December 18, 1858.—Attempted secession of Panama. April, 1859.—Riots. September, 1860.—-Outbreak. October 4, 1860.—Landing of United States forces in consequence. May 23, 1861.—Intervention of the United States forces required by intendente. October 2, 1861.—Insurrection and civil war. April 4, 1862.—Measures to prevent rebels crossing Isthmus. June 13, 1862.—Mosquera's troops refused admittance to Panama. March, 1865.—Revolution, and United States troops landed. August, 1865.—Riots; unsuccessful attempt to invade Panama. March, 1866.—Unsuccessful revolution. April, 1867.—Attempt to overthrow Government. August, 1867.—Attempt at revolution. July 5, 1868.—Revolution; provisional government inaugurated. August 29, 1868.—-Revolution; provisional government overthrown. April, 1871.—Revolution; followed apparently by counter revolution. April, 1873.—Revolution and civil war which lasted to October, 1875. August, 1876.—Civil war which lasted until April, 1877. July, 1878.—-Rebellion. December, 1878.—Revolt. April, 1879.—Revolution. June, 1879.—-Revolution. March, 1883.—Riot. May, 1883.—Riot. June, 1884.—Revolutionary attempt. December, 1884.—Revolutionary attempt. January, 1885.—Revolutionary disturbances. March, 1885.—Revolution. April, 1887.—Disturbance on Panama Railroad. November, 1887.—Disturbance on line of canal. January, 1889.—Riot. January, 1895.—Revolution which lasted until April. March, 1895.—Incendiary attempt. October, 1899.—Revolution. February, 1900, to July, 1900.—Revolution. January, 1901—Revolution. July, 1901.—Revolutionary disturbances. September, 1901.—City of Colon taken by rebels. March, 1902.—Revolutionary disturbances. July, 1902.—-Revolution. The above is only a partial list of the revolutions, rebellions, insurrections, riots, and other outbreaks that have occurred during the period in question; yet they number 53 for the 57 years. It will be noted that one of them lasted for nearly three years before it was quelled; another for nearly a year. In short, the experience of over half a century has shown Colombia to be utterly incapable of keeping order on the Isthmus. Only the active interference of the United States has enabled her to preserve so much as a semblance of sovereignty. Had it not been for the exercise by the United States of the police power in her interest, her connection with the

Page 1812

Isthmus would have been sundered long ago. In 1856, in 1860, in 1873, in 1885, in 1901, and again in 1902, sailors and marines from United States war ships were forced to land in order to patrol the Isthmus, to protect life and property, and to see that the transit across the Isthmus was kept open. In 1861, in 1862, in 1885, and in 1900, the Colombian Government asked that the United States Government would land troops to protect its interests and maintain order on the Isthmus. Perhaps the most extraordinary request is that which has just been received and which runs as follows:

"Knowing that revolution has already commenced in Panama [an eminent Colombian] says that if the Government of the United States will land troops to preserve Colombian sovereignty, and the transit, if requested by Colombian charge d'affaires, this Government will declare martial law; and, by virtue of vested constitutional authority, when public order is disturbed, will approve by decree ratification of the canal treaty as signed; or, if the Government of the United States prefers, will call extra session of the Congress—with new and friendly members—next May to approve the treaty. [An eminent Colombian] has the perfect confidence of vice-president, he says, and if it became necessary will go to the Isthmus or send representatives there to adjust matters along above lines to the satisfaction of the people there."

This dispatch is noteworthy from two standpoints. Its offer of immediately guaranteeing the treaty to us is in sharp contrast with the positive and contemptuous refusal of the Congress which has just closed its sessions to consider favorably such a treaty; it shows that the Government which made the treaty really had absolute control over the situation, but did not choose to exercise this control. The dispatch further calls on us to restore order and secure Colombian supremacy in the Isthmus from which the Colombian Government has just by its action decided to bar us by preventing the construction of the canal.

The control, in the interest of the commerce and traffic of the whole civilized world, of the means of undisturbed transit across the Isthmus of Panama has become of transcendent importance to the United States. We have repeatedly exercised this control by intervening in the course of domestic dissension, and by protecting the territory from foreign invasion. In 1853 Mr. Everett assured the Peruvian minister that we should not hesitate to maintain the neutrality of the Isthmus in the case of war between Peru and Colombia. In 1864 Colombia, which has always been vigilant to avail itself of its privileges conferred by the treaty, expressed its expectation that in the event of war between Peru and Spain the United States would carry into effect the guaranty of neutrality. There have been few administrations of the State Department in which this treaty has not, either by the one side or the other, been used as a basis of more or less

Page 1813

important demands. It was said by Mr. Fish in 1871 that the Department of State had reason to believe that an attack upon Colombian sovereignty on the Isthmus had, on several occasions, been averted by warning from this Government. In 1886, when Colombia was under the menace of hostilities from Italy in the Cerruti case, Mr. Bayard expressed the serious concern that the United States could not but feel, that a European power should resort to force against a sister republic of this hemisphere, as to the sovereign and uninterrupted use of a part of whose territory we are guarantors under the solemn faith of a treaty.

The above recital of facts establishes beyond question: First, that the United States has for over half a century patiently and in good faith carried out its obligations under the treaty of 1846; second, that when for the first time it became possible for Colombia to do anything in requital of the services thus repeatedly rendered to it for fifty-seven years by the United States, the Colombian Government peremptorily and offensively refused thus to do its part, even though to do so would have been to its advantage and immeasurably to the advantage of the State of Panama, at that time under its jurisdiction; third, that throughout this period revolutions, riots, and factional disturbances of every kind have occurred one after the other in almost uninterrupted succession, some of them lasting for months and even for years, while the central government was unable to put them down or to make peace with the rebels; fourth, that these disturbances instead of showing any sign of abating have tended to grow more numerous and more serious in the immediate past; fifth, that the control of Colombia over the Isthmus of Panama could not be maintained without the armed intervention and assistance of the United States. In other words, the Government of Colombia, though wholly unable to maintain order on the Isthmus, has nevertheless declined to ratify a treaty the conclusion of which opened the only chance to secure its own stability and to guarantee permanent peace on, and the construction of a canal across, the Isthmus.

Under such circumstances the Government of the United States would have been guilty of folly and weakness, amounting in their sum to a crime against the Nation, had it acted otherwise than it did when the revolution of November 3 last took place in Panama. This great enterprise of building the interoceanic canal can not be held up to gratify the whims, or out of respect to the governmental impotence, or to the even more sinister and evil political peculiarities, of people who, though they dwell afar off, yet, against the wish of the actual dwellers on the Isthmus, assert an unreal supremacy over the territory. The possession of a territory fraught with such peculiar capacities as the Isthmus in question carries with it obligations to mankind. The course of events has shown that this canal can not be built by private enterprise, or by any other nation than our own; therefore it must be built by the United States.

Page 1814

Every effort has been made by the Government of the United States to persuade Colombia to follow a course which was essentially not only to our interests and to the interests of the world, but to the interests of Colombia itself. These efforts have failed; and Colombia, by her persistence in repulsing the advances that have been made, has forced us, for the sake of our own honor, and of the interest and well-being, not merely of our own people, but of the people of the Isthmus of Panama and the people of the civilized countries of the world, to take decisive steps to bring to an end a condition of affairs which had become intolerable. The new Republic of Panama immediately offered to negotiate a treaty with us. This treaty I herewith submit. By it our interests are better safeguarded than in the treaty with Colombia which was ratified by the Senate at its last session. It is better in its terms than the treaties offered to us by the Republics of Nicaragua and Costa Rica. At last the right to begin this great undertaking is made available. Panama has done her part. All that remains is for the American Congress to do its part, and forthwith this Republic will enter upon the execution of a project colossal in its size and of well-nigh incalculable possibilities for the good of this country and the nations of mankind.

By the provisions of the treaty the United States guarantees and will maintain the independence of the Republic of Panama. There is granted to the United States in perpetuity the use, occupation, and control of a strip ten miles wide and extending three nautical miles into the sea at either terminal, with all lands lying outside of the zone necessary for the construction of the canal or for its auxiliary works, and with the islands in the Bay of Panama. The cities of Panama and Colon are not embraced in the canal zone, but the United States assumes their sanitation and, in case of need, the maintenance of order therein; the United States enjoys within the granted limits all the rights, power, and authority which it would possess were it the sovereign of the territory to the exclusion of the exercise of sovereign rights by the Republic. All railway and canal property rights belonging to Panama and needed for the canal pass to the United States, including any property of the respective companies in the cities of Panama and Colon; the works, property, and personnel of the canal and railways are exempted from taxation as well in the cities of Panama and Colon as in the canal zone and its dependencies. Free immigration of the personnel and importation of supplies for the construction and operation of the canal are granted. Provision is made for the use of military force and the building of fortifications by the United States for the protection of the transit. In other details, particularly as to the acquisition of the interests of the New Panama Canal Company and the Panama Railway by the United States and the condemnation of private property for the uses of the canal, the stipulations of the Hay-Herran treaty are closely followed, while the compensation to be given for these enlarged grants remains the same, being ten millions of dollars payable on exchange of ratifications; and, beginning nine years from that date, an annual payment of $250,000 during the life of the convention.

Page 1815

***

State of the Union Address
Theodore Roosevelt
December 6, 1904

To the Senate and House of Representatives:

The Nation continues to enjoy noteworthy prosperity. Such prosperity is of course primarily due to the high individual average of our citizenship, taken together with our great natural resources; but an important factor therein is the working of our long-continued governmental policies. The people have emphatically expressed their approval of the principles underlying these policies, and their desire that these principles be kept substantially unchanged, although of course applied in a progressive spirit to meet changing conditions.

The enlargement of scope of the functions of the National Government required by our development as a nation involves, of course, increase of expense; and the period of prosperity through which the country is passing justifies expenditures for permanent improvements far greater than would be wise in hard times. Battle ships and forts, public buildings, and improved waterways are investments which should be made when we have the money; but abundant revenues and a large surplus always invite extravagance, and constant care should be taken to guard against unnecessary increase of the ordinary expenses of government. The cost of doing Government business should be regulated with the same rigid scrutiny as the cost of doing a private business.

In the vast and complicated mechanism of our modern civilized life the dominant note is the note of industrialism; and the relations of capital and labor, and especially of organized capital and organized labor, to each other and to the public at large come second in importance only to the intimate questions of family life. Our peculiar form of government, with its sharp division of authority between the Nation and the several States, has been on the whole far more advantageous to our development than a more strongly centralized government. But it is undoubtedly responsible for much of the difficulty of meeting with adequate legislation the new problems presented by the total change in industrial conditions on this continent during the last half century. In actual practice it has proved exceedingly difficult, and in many cases impossible, to get unanimity of wise action among the various States on these subjects. From the very nature of the case this is especially true of the laws affecting the employment of capital in huge masses.

With regard to labor the problem is no less important, but it is simpler. As long as the States retain the primary control of the police power the circumstances must be altogether extreme which require interference by the Federal authorities, whether in the

way of safeguarding the rights of labor or in the way of seeing that wrong is not done by unruly persons who shield themselves behind the name of labor. If there is resistance to the Federal courts, interference with

Page 1816

the mails, or interstate commerce, or molestation of Federal property, or if the State authorities in some crisis which they are unable to face call for help, then the Federal Government may interfere; but though such interference may be caused by a condition of things arising out of trouble connected with some question of labor, the interference itself simply takes the form of restoring order without regard to the questions which have caused the breach of order—for to keep order is a primary duty and in a time of disorder and violence all other questions sink into abeyance until order has been restored. In the District of Columbia and in the Territories the Federal law covers the entire field of government; but the labor question is only acute in populous centers of commerce, manufactures, or mining. Nevertheless, both in the enactment and in the enforcement of law the Federal Government within its restricted sphere should set an example to the State governments, especially in a matter so vital as this affecting labor. I believe that under modern industrial conditions it is often necessary, and even where not necessary it is yet often wise, that there should be organization of labor in order better to secure the rights of the individual wage-worker. All encouragement should be given to any such organization so long as it is conducted with a due and decent regard for the rights of others. There are in this country some labor unions which have habitually, and other labor unions which have often, been among the most effective agents in working for good citizenship and for uplifting the condition of those whose welfare should be closest to our hearts. But when any labor union seeks improper ends, or seeks to achieve proper ends by improper means, all good citizens and more especially all honorable public servants must oppose the wrongdoing as resolutely as they would oppose the wrongdoing of any great corporation. Of course any violence, brutality, or corruption, should not for one moment be tolerated. Wage-workers have an entire right to organize and by all peaceful and honorable means to endeavor to persuade their fellows to join with them in organizations. They have a legal right, which, according to circumstances, may or may not be a moral right, to refuse to work in company with men who decline to join their organizations. They have under no circumstances the right to commit violence upon these, whether capitalists or wage-workers, who refuse to support their organizations, or who side with those with whom they are at odds; for mob rule is intolerable in any form.

The wage-workers are peculiarly entitled to the protection and the encouragement of the law. From the very nature of their occupation railroad men, for instance, are liable to be maimed in doing the legitimate work of their profession, unless the railroad companies are required by law to make ample provision for their safety. The Administration has been zealous in enforcing the existing law for this purpose. That law should be amended and strengthened. Wherever the National Government has power there should be a stringent employer's liability law, which should apply to the Government itself where the Government is an employer of labor.

Page 1817

In my Message to the Fifty-seventh Congress, at its second session, I urged the passage of an employer's liability law for the District of Columbia. I now renew that recommendation, and further recommend that the Congress appoint a commission to make a comprehensive study of employer's liability with the view of extending the provisions of a great and constitutional law to all employments within the scope of Federal power.

The Government has recognized heroism upon the water, and bestows medals of honor upon those persons who by extreme and heroic daring have endangered their lives in saving, or endeavoring to save, lives from the perils of the sea in the waters over which the United States has jurisdiction, or upon an American vessel. This recognition should be extended to cover cases of conspicuous bravery and self-sacrifice in the saving of life in private employments under the jurisdiction of the United States, and particularly in the land commerce of the Nation.

The ever-increasing casualty list upon our railroads is a matter of grave public concern, and urgently calls for action by the Congress. In the matter of speed and comfort of railway travel our railroads give at least as good service as those of any other nation, and there is no reason why this service should not also be as safe as human ingenuity can make it. Many of our leading roads have been foremost in the adoption of the most approved safeguards for the protection of travelers and employees, yet the list of clearly avoidable accidents continues unduly large. The passage of a law requiring the adoption of a block-signal system has been proposed to the Congress. I earnestly concur in that recommendation, and would also point out to the Congress the urgent need of legislation in the interest of the public safety limiting the hours of labor for railroad employees in train service upon railroads engaged in interstate commerce, and providing that only trained and experienced persons be employed in positions of responsibility connected with the operation of trains. Of course nothing can ever prevent accidents caused by human weakness or misconduct; and there should be drastic punishment for any railroad employee, whether officer or man, who by issuance of wrong orders or by disobedience of orders causes disaster. The law of 1901, requiring interstate railroads to make monthly reports of all accidents to passengers and employees on duty, should also be amended so as to empower the Government to make a personal investigation, through proper officers, of all accidents involving loss of life which seem to require investigation, with a requirement that the results of such investigation be made public.

The safety-appliance law, as amended by the act of March 2, 1903, has proved beneficial to railway employees, and in order that its provisions may be properly carried out, the force of inspectors provided for by appropriation should be largely increased. This service is analogous to the Steamboat-Inspection Service, and deals with even more important interests. It has passed the experimental stage and demonstrated its utility, and should receive generous recognition by the Congress.

Page 1818

There is no objection to employees of the Government forming or belonging to unions; but the Government can neither discriminate for nor discriminate against nonunion men who are in its employment, or who seek to be employed under it. Moreover, it is a very grave impropriety for Government employees to band themselves together for the purpose of extorting improperly high salaries from the Government. Especially is this true of those within the classified service. The letter carriers, both municipal and rural, are as a whole an excellent body of public servants. They should be amply paid. But their payment must be obtained by arguing their claims fairly and honorably before the Congress, and not by banding together for the defeat of those Congressmen who refuse to give promises which they can not in conscience give. The Administration has already taken steps to prevent and punish abuses of this nature; but it will be wise for the Congress to supplement this action by legislation.

Much can be done by the Government in labor matters merely by giving publicity to certain conditions. The Bureau of Labor has done excellent work of this kind in many different directions. I shall shortly lay before you in a special message the full report of the investigation of the Bureau of Labor into the Colorado mining strike, as this was a strike in which certain very evil forces, which are more or less at work everywhere under the conditions of modern industrialism, became startlingly prominent. It is greatly to be wished that the Department of Commerce and Labor, through the Labor Bureau, should compile and arrange for the Congress a list of the labor laws of the various States, and should be given the means to investigate and report to the Congress upon the labor conditions in the manufacturing and mining regions throughout the country, both as to wages, as to hours of labor, as to the labor of women and children, and as to the effect in the various labor centers of immigration from abroad. In this investigation especial attention should be paid to the conditions of child labor and child-labor legislation in the several States. Such an investigation must necessarily take into account many of the problems with which this question of child labor is connected. These problems can be actually met, in most cases, only by the States themselves; but the lack of proper legislation in one State in such a matter as child labor often renders it excessively difficult to establish protective restriction upon the work in another State having the same industries, so that the worst tends to drag down the better. For this reason, it would be well for the Nation at least to endeavor to secure comprehensive information as to the conditions of labor of children in the different States. Such investigation and publication by the National Government would tend toward the securing of approximately uniform legislation of the proper character among the several States.

Page 1819

When we come to deal with great corporations the need for the Government to act directly is far greater than in the case of labor, because great corporations can become such only by engaging in interstate commerce, and interstate commerce is peculiarly the field of the General Government. It is an absurdity to expect to eliminate the abuses in great corporations by State action. It is difficult to be patient with an argument that such matters should be left to the States because more than one State pursues the policy of creating on easy terms corporations which are never operated within that State at all, but in other States whose laws they ignore. The National Government alone can deal adequately with these great corporations. To try to deal with them in an intemperate, destructive, or demagogic spirit would, in all probability, mean that nothing whatever would be accomplished, and, with absolute certainty, that if anything were accomplished it would be of a harmful nature. The American people need to continue to show the very qualities that they have shown—that is, moderation, good sense, the earnest desire to avoid doing any damage, and yet the quiet determination to proceed, step by step, without halt and without hurry, in eliminating or at least in minimizing whatever of mischief or evil there is to interstate commerce in the conduct of great corporations. They are acting in no spirit of hostility to wealth, either individual or corporate. They are not against the rich man any more than against the poor man. On the contrary, they are friendly alike toward rich man and toward poor man, provided only that each acts in a spirit of justice and decency toward his fellows. Great corporations are necessary, and only men of great and singular mental power can manage such corporations successfully, and such men must have great rewards. But these corporations should be managed with due regard to the interest of the public as a whole. Where this can be done under the present laws it must be done. Where these laws come short others should be enacted to supplement them.

Yet we must never forget the determining factor in every kind of work, of head or hand, must be the man's own good sense, courage, and kindliness. More important than any legislation is the gradual growth of a feeling of responsibility and forbearance among capitalists, and wage-workers alike; a feeling of respect on the part of each man for the rights of others; a feeling of broad community of interest, not merely of capitalists among themselves, and of wage-workers among themselves, but of capitalists and wage-workers in their relations to each other, and of both in their relations to their fellows who with them make up the body politic. There are many captains of industry, many labor leaders, who realize this. A recent speech by the president of one of our great railroad systems to the employees of that system contains sound common sense. It rims in part as follows:

Page 1820

“It is my belief we can better serve each other, better understand the man as well as his business, when meeting face to face, exchanging views, and realizing from personal contact we serve but one interest, that of our mutual prosperity.

“Serious misunderstandings can not occur where personal good will exists and opportunity for personal explanation is present.

“In my early business life I had experience with men of affairs of a character to make me desire to avoid creating a like feeling of resentment to myself and the interests in my charge, should fortune ever place me in authority, and I am solicitous of a measure of confidence on the part of the public and our employees that I shall hope may be warranted by the fairness and good fellowship I intend shall prevail in our relationship.

“But do not feel I am disposed to grant unreasonable requests, spend the money of our company unnecessarily or without value received, nor expect the days of mistakes are disappearing, or that cause for complaint will not continually occur; simply to correct such abuses as may be discovered, to better conditions as fast as reasonably may be expected, constantly striving, with varying success, for that improvement we all desire, to convince you there is a force at work in the right direction, all the time making progress—is the disposition with which I have come among you, asking your good will and encouragement.

“The day has gone by when a corporation can be handled successfully in defiance of the public will, even though that will be unreasonable and wrong. A public may be led, but not driven, and I prefer to go with it and shape or modify, in a measure, its opinion, rather than be swept from my bearings, with loss to myself and the interests in my charge.

“Violent prejudice exists towards corporate activity and capital today, much of it founded in reason, more in apprehension, and a large measure is due to the personal traits of arbitrary, unreasonable, incompetent, and offensive men in positions of authority. The accomplishment of results by indirection, the endeavor to thwart the intention, if not the expressed letter of the law (the will of the people), a disregard of the rights of others, a disposition to withhold what is due, to force by main strength or inactivity a result not justified, depending upon the weakness of the claimant and his indisposition to become involved in litigation, has created a sentiment harmful in the extreme and a disposition to consider anything fair that gives gain to the individual at the expense of the company.

“If corporations are to continue to do the world’s work, as they are best fitted to, these qualities in their representatives that have resulted in the present prejudice against them must be relegated to the background. The corporations must come out into the open and see and be seen. They must take the public into their confidence and ask for what they want, and no more, and be prepared to explain satisfactorily what advantage will accrue to the public if they are given their desires; for they are permitted to exist not that

they may make money solely, but that they may effectively serve those from whom they derive their power.

Page 1821

“Publicity, and not secrecy, will win hereafter, and laws be construed by their intent and not by their letter, otherwise public utilities will be owned and operated by the public which created them, even though the service be less efficient and the result less satisfactory from a financial standpoint.”

The Bureau of Corporations has made careful preliminary investigation of many important corporations. It will make a special report on the beef industry.

The policy of the Bureau is to accomplish the purposes of its creation by co-operation, not antagonism; by making constructive legislation, not destructive prosecution, the immediate object of its inquiries; by conservative investigation of law and fact, and by refusal to issue incomplete and hence necessarily inaccurate reports. Its policy being thus one of open inquiry into, and not attack upon, business, the Bureau has been able to gain not only the confidence, but, better still, the cooperation of men engaged in legitimate business.

The Bureau offers to the Congress the means of getting at the cost of production of our various great staples of commerce.

Of necessity the careful investigation of special corporations will afford the Commissioner knowledge of certain business facts, the publication of which might be an improper infringement of private rights. The method of making public the results of these investigations affords, under the law, a means for the protection of private rights. The Congress will have all facts except such as would give to another corporation information which would injure the legitimate business of a competitor and destroy the incentive for individual superiority and thrift.

The Bureau has also made exhaustive examinations into the legal condition under which corporate business is carried on in the various States; into all judicial decisions on the subject; and into the various systems of corporate taxation in use. I call special attention to the report of the chief of the Bureau; and I earnestly ask that the Congress carefully consider the report and recommendations of the Commissioner on this subject.

The business of insurance vitally affects the great mass of the people of the United States and is national and not local in its application. It involves a multitude of transactions among the people of the different States and between American companies and foreign governments. I urge that the Congress carefully consider whether the power of the Bureau of Corporations can not constitutionally be extended to cover interstate transactions in insurance.

Page 1822

Above all else, we must strive to keep the highways of commerce open to all on equal terms; and to do this it is necessary to put a complete stop to all rebates. Whether the shipper or the railroad is to blame makes no difference; the rebate must be stopped, the abuses of the private car and private terminal-track and side-track systems must be stopped, and the legislation of the Fifty-eighth Congress which declares it to be unlawful for any person or corporation to offer, grant, give, solicit, accept, or receive any rebate, concession, or discrimination in respect of the transportation of any property in interstate or foreign commerce whereby such property shall by any device whatever be transported at a less rate than that named in the tariffs published by the carrier must be enforced. For some time after the enactment of the Act to Regulate Commerce it remained a mooted question whether that act conferred upon the Interstate Commerce Commission the power, after it had found a challenged rate to be unreasonable, to declare what thereafter should, prima facie, be the reasonable maximum rate for the transportation in dispute. The Supreme Court finally resolved that question in the negative, so that as the law now stands the Commission simply possess the bare power to denounce a particular rate as unreasonable. While I am of the opinion that at present it would be undesirable, if it were not impracticable, finally to clothe the Commission with general authority to fix railroad rates, I do believe that, as a fair security to shippers, the Commission should be vested with the power, where a given rate has been challenged and after full hearing found to be unreasonable, to decide, subject to judicial review, what shall be a reasonable rate to take its place; the ruling of the Commission to take effect immediately, and to obtain unless and until it is reversed by the court of review. The Government must in increasing degree supervise and regulate the workings of the railways engaged in interstate commerce; and such increased supervision is the only alternative to an increase of the present evils on the one hand or a still more radical policy on the other. In my judgment the most important legislative act now needed as regards the regulation of corporations is this act to confer on the Interstate Commerce Commission the power to revise rates and regulations, the revised rate to at once go into effect, and stay in effect unless and until the court of review reverses it.

Steamship companies engaged in interstate commerce and protected in our coastwise trade should be held to a strict observance of the interstate commerce act.

Page 1823

In pursuing the set plan to make the city of Washington an example to other American municipalities several points should be kept in mind by the legislators. In the first place, the people of this country should clearly understand that no amount of industrial prosperity, and above all no leadership in international industrial competition, can in any way atone for the sapping of the vitality of those who are usually spoken of as the working classes. The farmers, the mechanics, the skilled and unskilled laborers, the small shop keepers, make up the bulk of the population of any country; and upon their well-being, generation after generation, the well-being of the country and the race depends. Rapid development in wealth and industrial leadership is a good thing, but only if it goes hand in hand with improvement, and not deterioration, physical and moral. The over-crowding of cities and the draining of country districts are unhealthy and even dangerous symptoms in our modern life. We should not permit overcrowding in cities. In certain European cities it is provided by law that the population of towns shall not be allowed to exceed a very limited density for a given area, so that the increase in density must be continually pushed back into a broad zone around the center of the town, this zone having great avenues or parks within it. The death-rate statistics show a terrible increase in mortality, and especially in infant mortality, in overcrowded tenements. The poorest families in tenement houses live in one room, and it appears that in these one-room tenements the average death rate for a number of given cities at home and abroad is about twice what it is in a two-room tenement, four times what it is in a three-room tenement, and eight times what it is in a tenement consisting of four rooms or over. These figures vary somewhat for different cities, but they approximate in each city those given above; and in all cases the increase of mortality, and especially of infant mortality, with the decrease in the number of rooms used by the family and with the consequent overcrowding is startling. The slum exacts a heavy total of death from those who dwell therein; and this is the case not merely in the great crowded slums of high buildings in New York and Chicago, but in the alley slums of Washington. In Washington people can not afford to ignore the harm that this causes. No Christian and civilized community can afford to show a happy-go-lucky lack of concern for the youth of to-day; for, if so, the community will have to pay a terrible penalty of financial burden and social degradation in the to-morrow. There should be severe child-labor and factory-inspection laws. It is very desirable that married women should not work in factories. The prime duty of the man is to work, to be the breadwinner; the prime duty of the woman is to be the mother, the housewife. All questions of tariff and finance sink into utter insignificance when compared with the tremendous,

Page 1824

the vital importance of trying to shape conditions so that these two duties of the man and of the woman can be fulfilled under reasonably favorable circumstances. If a race does not have plenty of children, or if the children do not grow up, or if when they grow up they are unhealthy in body and stunted or vicious in mind, then that race is decadent, and no heaping up of wealth, no splendor of momentary material prosperity, can avail in any degree as offsets. The Congress has the same power of legislation for the District of Columbia which the State legislatures have for the various States. The problems incident to our highly complex modern industrial civilization, with its manifold and perplexing tendencies both for good and for evil, are far less sharply accentuated in the city of Washington than in most other cities. For this very reason it is easier to deal with the various phases of these problems in Washington, and the District of Columbia government should be a model for the other municipal governments of the Nation, in all such matters as supervision of the housing of the poor, the creation of small parks in the districts inhabited by the poor, in laws affecting labor, in laws providing for the taking care of the children, in truant laws, and in providing schools.

In the vital matter of taking care of children, much advantage could be gained by a careful study of what has been accomplished in such States as Illinois and Colorado by the juvenile courts. The work of the juvenile court is really a work of character building. It is now generally recognized that young boys and young girls who go wrong should not be treated as criminals, not even necessarily as needing reformation, but rather as needing to have their characters formed, and for this end to have them tested and developed by a system of probation. Much admirable work has been done in many of our Commonwealths by earnest men and women who have made a special study of the needs of those classes of children which furnish the greatest number of juvenile offenders, and therefore the greatest number of adult offenders; and by their aid, and by profiting by the experiences of the different States and cities in these matters, it would be easy to provide a good code for the District of Columbia.

Several considerations suggest the need for a systematic investigation into and improvement of housing conditions in Washington. The hidden residential alleys are breeding grounds of vice and disease, and should be opened into minor streets. For a number of years influential citizens have joined with the District Commissioners in the vain endeavor to secure laws permitting the condemnation of insanitary dwellings. The local death rates, especially from preventable diseases, are so unduly high as to suggest that the exceptional wholesomeness of Washington's better sections is offset by bad conditions in her poorer neighborhoods. A special "Commission on Housing and Health Conditions in the National Capital"

Page 1825

would not only bring about the reformation of existing evils, but would also formulate an appropriate building code to protect the city from mammoth brick tenements and other evils which threaten to develop here as they have in other cities. That the Nation's Capital should be made a model for other municipalities is an ideal which appeals to all patriotic citizens everywhere, and such a special Commission might map out and organize the city's future development in lines of civic social service, just as Major L'Enfant and the recent Park Commission planned the arrangement of her streets and parks.

It is mortifying to remember that Washington has no compulsory school attendance law and that careful inquiries indicate the habitual absence from school of some twenty per cent of all children between the ages of eight and fourteen. It must be evident to all who consider the problems of neglected child life or the benefits of compulsory education in other cities that one of the most urgent needs of the National Capital is a law requiring the school attendance of all children, this law to be enforced by attendance agents directed by the board of education.

Public play grounds are necessary means for the development of wholesome citizenship in modern cities. It is important that the work inaugurated here through voluntary efforts should be taken up and extended through Congressional appropriation of funds sufficient to equip and maintain numerous convenient small play grounds upon land which can be secured without purchase or rental. It is also desirable that small vacant places be purchased and reserved as small-park play grounds in densely settled sections of the city which now have no public open spaces and are destined soon to be built up solidly. All these needs should be met immediately. To meet them would entail expenses; but a corresponding saving could be made by stopping the building of streets and levelling of ground for purposes largely speculative in outlying parts of the city.

There are certain offenders, whose criminality takes the shape of brutality and cruelty towards the weak, who need a special type of punishment. The wife-beater, for example, is inadequately punished by imprisonment; for imprisonment may often mean nothing to him, while it may cause hunger and want to the wife and children who have been the victims of his brutality. Probably some form of corporal punishment would be the most adequate way of meeting this kind of crime.

The Department of Agriculture has grown into an educational institution with a faculty of two thousand specialists making research into all the sciences of production. The Congress appropriates, directly and indirectly, six millions of dollars annually to carry on this work. It reaches every State and Territory in the Union and the islands of the sea lately come under our flag. Co-operation is had with the State experiment stations, and with many other institutions and individuals. The world is carefully searched for new

varieties of grains, fruits, grasses, vegetables, trees, and shrubs, suitable to various localities in our country; and marked benefit to our producers has resulted.

Page 1826

The activities of our age in lines of research have reached the tillers of the soil and inspired them with ambition to know more of the principles that govern the forces of nature with which they have to deal. Nearly half of the people of this country devote their energies to growing things from the soil. Until a recent date little has been done to prepare these millions for their life work. In most lines of human activity college-trained men are the leaders. The farmer had no opportunity for special training until the Congress made provision for it forty years ago. During these years progress has been made and teachers have been prepared. Over five thousand students are in attendance at our State agricultural colleges. The Federal Government expends ten millions of dollars annually toward this education and for research in Washington and in the several States and Territories. The Department of Agriculture has given facilities for post-graduate work to five hundred young men during the last seven years, preparing them for advance lines of work in the Department and in the State institutions.

The facts concerning meteorology and its relations to plant and animal life are being systematically inquired into. Temperature and moisture are controlling factors in all agricultural operations. The seasons of the cyclones of the Caribbean Sea and their paths are being forecasted with increasing accuracy. The cold winds that come from the north are anticipated and their times and intensity told to farmers, gardeners, and fruiterers in all southern localities.

We sell two hundred and fifty million dollars' worth of animals and animal products to foreign countries every year, in addition to supplying our own people more cheaply and abundantly than any other nation is able to provide for its people. Successful manufacturing depends primarily on cheap food, which accounts to a considerable extent for our growth in this direction. The Department of Agriculture, by careful inspection of meats, guards the health of our people and gives clean bills of health to deserving exports; it is prepared to deal promptly with imported diseases of animals, and maintain the excellence of our flocks and herds in this respect. There should be an annual census of the live stock of the Nation.

We sell abroad about six hundred million dollars' worth of plants and their products every year. Strenuous efforts are being made to import from foreign countries such grains as are suitable to our varying localities. Seven years ago we bought three-fourths of our rice; by helping the rice growers on the Gulf coast to secure seeds from the Orient suited to their conditions, and by giving them adequate protection, they now supply home demand and export to the islands of the Caribbean Sea and to other rice-growing countries. Wheat and other grains have been imported from light-rainfall countries to our lands in the West and Southwest that

Page 1827

have not grown crops because of light precipitation, resulting in an extensive addition to our cropping area and our home-making territory that can not be irrigated. Ten million bushels of first-class macaroni wheat were grown from these experimental importations last year. Fruits suitable to our soils and climates are being imported from all the countries of the Old World—the fig from Turkey, the almond from Spain, the date from Algeria, the mango from India. We are helping our fruit growers to get their crops into European markets by studying methods of preservation through refrigeration, packing, and handling, which have been quite successful. We are helping our hop growers by importing varieties that ripen earlier and later than the kinds they have been raising, thereby lengthening the harvesting season. The cotton crop of the country is threatened with root rot, the bollworm, and the boll weevil. Our pathologists will find immune varieties that will resist the root disease, and the bollworm can be dealt with, but the boll weevil is a serious menace to the cotton crop. It is a Central American insect that has become acclimated in Texas and has done great damage. A scientist of the Department of Agriculture has found the weevil at home in Guatemala being kept in check by an ant, which has been brought to our cotton fields for observation. It is hoped that it may serve a good purpose.

The soils of the country are getting attention from the farmer's standpoint, and interesting results are following. We have duplicates of the soils that grow the wrapper tobacco in Sumatra and the filler tobacco in Cuba. It will be only a question of time when the large amounts paid to these countries will be paid to our own people. The reclamation of alkali lands is progressing, to give object lessons to our people in methods by which worthless lands may be made productive.

The insect friends and enemies of the farmer are getting attention. The enemy of the San Jose scale was found near the Great Wall of China, and is now cleaning up all our orchards. The fig-fertilizing insect imported from Turkey has helped to establish an industry in California that amounts to from fifty to one hundred tons of dried figs annually, and is extending over the Pacific coast. A parasitic fly from South Africa is keeping in subjection the black scale, the worst pest of the orange and lemon industry in California.

Careful preliminary work is being done towards producing our own silk. The mulberry is being distributed in large numbers, eggs are being imported and distributed, improved reels were imported from Europe last year, and two expert reelers were brought to Washington to reel the crop of cocoons and teach the art to our own people.

The crop-reporting system of the Department of Agriculture is being brought closer to accuracy every year. It has two hundred and fifty thousand reporters selected from people in eight vocations in life. It has arrangements with most European countries for

interchange of estimates, so that our people may know as nearly as possible with what they must compete.

Page 1828

During the two and a half years that have elapsed since the passage of the reclamation act rapid progress has been made in the surveys and examinations of the opportunities for reclamation in the thirteen States and three Territories of the arid West. Construction has already been begun on the largest and most important of the irrigation works, and plans are being completed for works which will utilize the funds now available. The operations are being carried on by the Reclamation Service, a corps of engineers selected through competitive civil-service examinations. This corps includes experienced consulting and constructing engineers as well as various experts in mechanical and legal matters, and is composed largely of men who have spent most of their lives in practical affairs connected with irrigation. The larger problems have been solved and it now remains to execute with care, economy, and thoroughness the work which has been laid out. All important details are being carefully considered by boards of consulting engineers, selected for their thorough knowledge and practical experience. Each project is taken up on the ground by competent men and viewed from the standpoint of the creation of prosperous homes, and of promptly refunding to the Treasury the cost of construction. The reclamation act has been found to be remarkably complete and effective, and so broad in its provisions that a wide range of undertakings has been possible under it. At the same time, economy is guaranteed by the fact that the funds must ultimately be returned to be used over again.

It is the cardinal principle of the forest-reserve policy of this Administration that the reserves are for use. Whatever interferes with the use of their resources is to be avoided by every possible means. But these resources must be used in such a way as to make them permanent.

The forest policy of the Government is just now a subject of vivid public interest throughout the West and to the people of the United States in general. The forest reserves themselves are of extreme value to the present as well as to the future welfare of all the western public-land States. They powerfully affect the use and disposal of the public lands. They are of special importance because they preserve the water supply and the supply of timber for domestic purposes, and so promote settlement under the reclamation act. Indeed, they are essential to the welfare of every one of the great interests of the West.

Forest reserves are created for two principal purposes. The first is to preserve the water supply. This is their most important use. The principal users of the water thus preserved are irrigation ranchers and settlers, cities and towns to whom their municipal water supplies are of the very first importance, users and furnishers of water power, and the users of water for domestic, manufacturing, mining, and other purposes. All these are directly dependent upon the forest reserves.

Page 1829

The second reason for which forest reserves are created is to preserve the timber supply for various classes of wood users. Among the more important of these are settlers under the reclamation act and other acts, for whom a cheap and accessible supply of timber for domestic uses is absolutely necessary; miners and prospectors, who are in serious danger of losing their timber supply by fire or through export by lumber companies when timber lands adjacent to their mines pass into private ownership; lumbermen, transportation companies, builders, and commercial interests in general.

Although the wisdom of creating forest reserves is nearly everywhere heartily recognized, yet in a few localities there has been misunderstanding and complaint. The following statement is therefore desirable:

The forest reserve policy can be successful only when it has the full support of the people of the West. It can not safely, and should not in any case, be imposed upon them against their will. But neither can we accept the views of those whose only interest in the forest is temporary; who are anxious to reap what they have not sown and then move away, leaving desolation behind them. On the contrary, it is everywhere and always the interest of the permanent settler and the permanent business man, the man with a stake in the country, which must be considered and which must decide.

The making of forest reserves within railroad and wagon-road land-grant limits will hereafter, as for the past three years, be so managed as to prevent the issue, under the act of June 4, 1897, of base for exchange or lieu selection (usually called scrip). In all cases where forest reserves within areas covered by land grants appear to be essential to the prosperity of settlers, miners, or others, the Government lands within such proposed forest reserves will, as in the recent past, be withdrawn from sale or entry pending the completion of such negotiations with the owners of the land grants as will prevent the creation of so-called scrip.

It was formerly the custom to make forest reserves without first getting definite and detailed information as to the character of land and timber within their boundaries. This method of action often resulted in badly chosen boundaries and consequent injustice to settlers and others. Therefore this Administration adopted the present method of first withdrawing the land from disposal, followed by careful examination on the ground and the preparation of detailed maps and descriptions, before any forest reserve is created.

Page 1830

I have repeatedly called attention to the confusion which exists in Government forest matters because the work is scattered among three independent organizations. The United States is the only one of the great nations in which the forest work of the Government is not concentrated under one department, in consonance with the plainest dictates of good administration and common sense. The present arrangement is bad from every point of view. Merely to mention it is to prove that it should be terminated at once. As I have repeatedly recommended, all the forest work of the Government should be concentrated in the Department of Agriculture, where the larger part of that work is already done, where practically all of the trained foresters of the Government are employed, where chiefly in Washington there is comprehensive first-class knowledge of the problems of the reserves acquired on the ground, where all problems relating to growth from the soil are already gathered, and where all the sciences auxiliary to forestry are at hand for prompt and effective co-operation. These reasons are decisive in themselves, but it should be added that the great organizations of citizens whose interests are affected by the forest-reserves, such as the National Live Stock Association, the National Wool Growers' Association, the American Mining Congress, the national Irrigation Congress, and the National Board of Trade, have uniformly, emphatically, and most of them repeatedly, expressed themselves in favor of placing all Government forest work in the Department of Agriculture because of the peculiar adaptation of that Department for it. It is true, also, that the forest services of nearly all the great nations of the world are under the respective departments of agriculture, while in but two of the smaller nations and in one colony are they under the department of the interior. This is the result of long and varied experience and it agrees fully with the requirements of good administration in our own case.

The creation of a forest service in the Department of Agriculture will have for its important results:

First. A better handling of all forest work; because it will be under a single head, and because the vast and indispensable experience of the Department in all matters pertaining to the forest reserves, to forestry in general, and to other forms of production from the soil, will be easily and rapidly accessible.

Second. The reserves themselves, being handled from the point of view of the man in the field, instead of the man in the office, will be more easily and more widely useful to the people of the West than has been the case hitherto.

Third. Within a comparatively short time the reserves will become self-supporting. This is important, because continually and rapidly increasing appropriations will be necessary for the proper care of this exceedingly important interest of the Nation, and they can and should he offset by returns from the National forests. Under similar circumstances the forest possessions of other great nations form an important source of revenue to their governments.

Page 1831

Every administrative officer concerned is convinced of the necessity for the proposed consolidation of forest work in the Department of Agriculture, and I myself have urged it more than once in former messages. Again I commend it to the early and favorable consideration of the Congress. The interests of the Nation at large and of the West in particular have suffered greatly because of the delay.

I call the attention of the Congress again to the report and recommendation of the Commission on the Public Lands forwarded by me to the second session of the present Congress. The Commission has prosecuted its investigations actively during the past season, and a second report is now in an advanced stage of preparation.

In connection with the work of the forest reserves I desire again to urge upon the Congress the importance of authorizing the President to set aside certain portions of these reserves or other public lands as game refuges for the preservation of the bison, the wapiti, and other large beasts once so abundant in our woods and mountains and on our great plains, and now tending toward extinction. Every support should be given to the authorities of the Yellowstone Park in their successful efforts at preserving the large creatures therein; and at very little expense portions of the public domain in other regions which are wholly unsuited to agricultural settlement could be similarly utilized. We owe it to future generations to keep alive the noble and beautiful creatures which by their presence add such distinctive character to the American wilderness. The limits of the Yellowstone Park should be extended southwards. The Canyon of the Colorado should be made a national park; and the national-park system should include the Yosemite and as many as possible of the groves of giant trees in California.

The veterans of the Civil War have a claim upon the Nation such as no other body of our citizens possess. The Pension Bureau has never in its history been managed in a more satisfactory manner than is now the case.

The progress of the Indians toward civilization, though not rapid, is perhaps all that could be hoped for in view of the circumstances. Within the past year many tribes have shown, in a degree greater than ever before, an appreciation of the necessity of work. This changed attitude is in part due to the policy recently pursued of reducing the amount of subsistence to the Indians, and thus forcing them, through sheer necessity, to work for a livelihood. The policy, though severe, is a useful one, but it is to be exercised only with judgment and with a full understanding of the conditions which exist in each community for which it is intended. On or near the Indian reservations there is usually very little demand for labor, and if the Indians are to earn their living and when work can not be furnished from outside (which is always preferable), then it must be furnished by the Government. Practical instruction of this kind would in a few years result in the forming of habits of regular industry, which would render the Indian a producer and would effect a great reduction in the cost of his maintenance.

Page 1832

It is commonly declared that the slow advance of the Indians is due to the unsatisfactory character of the men appointed to take immediate charge of them, and to some extent this is true. While the standard of the employees in the Indian Service shows great improvement over that of bygone years, and while actual corruption or flagrant dishonesty is now the rare exception, it is nevertheless the fact that the salaries paid Indian agents are not large enough to attract the best men to that field of work. To achieve satisfactory results the official in charge of an Indian tribe should possess the high qualifications which are required in the manager of a large business, but only in exceptional cases is it possible to secure men of such a type for these positions. Much better service, however, might be obtained from those now holding the places were it practicable to get out of them the best that is in them, and this should be done by bringing them constantly into closer touch with their superior officers. An agent who has been content to draw his salary, giving in return the least possible equivalent in effort and service, may, by proper treatment, by suggestion and encouragement, or persistent urging, be stimulated to greater effort and induced to take a more active personal interest in his work.

Under existing conditions an Indian agent in the distant West may be wholly out of touch with the office of the Indian Bureau. He may very well feel that no one takes a personal interest in him or his efforts. Certain routine duties in the way of reports and accounts are required of him, but there is no one with whom he may intelligently consult on matters vital to his work, except after long delay. Such a man would be greatly encouraged and aided by personal contact with some one whose interest in Indian affairs and whose authority in the Indian Bureau were greater than his own, and such contact would be certain to arouse and constantly increase the interest he takes in his work.

The distance which separates the agents—the workers in the field—from the Indian Office in Washington is a chief obstacle to Indian progress. Whatever shall more closely unite these two branches of the Indian Service, and shall enable them to co-operate more heartily and more effectively, will be for the increased efficiency of the work and the betterment of the race for whose improvement the Indian Bureau was established. The appointment of a field assistant to the Commissioner of Indian Affairs would be certain to insure this good end. Such an official, if possessed of the requisite energy and deep interest in the work, would be a most efficient factor in bringing into closer relationship and a more direct union of effort the Bureau in Washington and its agents in the field; and with the co-operation of its branches thus secured the Indian Bureau would, in measure fuller than ever before, lift up the savage toward that self-help and self-reliance which constitute the man.

Page 1833

In 1907 there will be held at Hampton Roads the tricentennial celebration of the settlement at Jamestown, Virginia, with which the history of what has now become the United States really begins. I commend this to your favorable consideration. It is an event of prime historic significance, in which all the people of the United States should feel, and should show, great and general interest.

In the Post-Office Department the service has increased in efficiency, and conditions as to revenue and expenditure continue satisfactory. The increase of revenue during the year was $9,358,181.10, or 6.9 per cent, the total receipts amounting to $143,382,624.34. The expenditures were $152,362,116.70, an increase of about 9 per cent over the previous year, being thus $8,979,492.36 in excess of the current revenue. Included in these expenditures was a total appropriation of $152,956,637.35 for the continuation and extension of the rural free-delivery service, which was an increase of $4,902,237.35 over the amount expended for this purpose in the preceding fiscal year. Large as this expenditure has been the beneficent results attained in extending the free distribution of mails to the residents of rural districts have justified the wisdom of the outlay. Statistics brought down to the 1st of October, 1904, show that on that date there were 27,138 rural routes established, serving approximately 12,000,000 of people in rural districts remote from post-offices, and that there were pending at that time 3,859 petitions for the establishment of new rural routes. Unquestionably some part of the general increase in receipts is due to the increased postal facilities which the rural service has afforded. The revenues have also been aided greatly by amendments in the classification of mail matter, and the curtailment of abuses of the second-class mailing privilege. The average increase in the volume of mail matter for the period beginning with 1902 and ending June, 1905 (that portion for 1905 being estimated), is 40.47 per cent, as compared with 25.46 per cent for the period immediately preceding, and 15.92 for the four-year period immediately preceding that.

Our consular system needs improvement. Salaries should be substituted for fees, and the proper classification, grading, and transfer of consular officers should be provided. I am not prepared to say that a competitive system of examinations for appointment would work well; but by law it should be provided that consuls should be familiar, according to places for which they apply, with the French, German, or Spanish languages, and should possess acquaintance with the resources of the United States.

The collection of objects of art contemplated in section 5586 of the Revised Statutes should be designated and established as a National Gallery of Art; and the Smithsonian Institution should be authorized to accept any additions to said collection that may be received by gift, bequest, or devise.

Page 1834

It is desirable to enact a proper National quarantine law. It is most undesirable that a State should on its own initiative enforce quarantine regulations which are in effect a restriction upon interstate and international commerce. The question should properly be assumed by the Government alone. The Surgeon-General of the National Public Health and Marine-Hospital Service has repeatedly and convincingly set forth the need for such legislation.

I call your attention to the great extravagance in printing and binding Government publications, and especially to the fact that altogether too many of these publications are printed. There is a constant tendency to increase their number and their volume. It is an understatement to say that no appreciable harm would be caused by, and substantial benefit would accrue from, decreasing the amount of printing now done by at least one-half. Probably the great majority of the Government reports and the like now printed are never read at all, and furthermore the printing of much of the material contained in many of the remaining ones serves no useful purpose whatever.

The attention of the Congress should be especially given to the currency question, and that the standing committees on the matter in the two Houses charged with the duty, take up the matter of our currency and see whether it is not possible to secure an agreement in the business world for bettering the system; the committees should consider the question of the retirement of the greenbacks and the problem of securing in our currency such elasticity as is consistent with safety. Every silver dollar should be made by law redeemable in gold at the option of the holder.

I especially commend to your immediate attention the encouragement of our merchant marine by appropriate legislation.

The growing importance of the Orient as a field for American exports drew from my predecessor, President McKinley, an urgent request for its special consideration by the Congress. In his message of 1898 he stated:

“In this relation, as showing the peculiar volume and value of our trade with China and the peculiarly favorable conditions which exist for their expansion in the normal course of trade, I refer to the communication addressed to the Speaker of the House of Representatives by the Secretary of the Treasury on the 14th of last June, with its accompanying letter of the Secretary of State, recommending an appropriation for a commission to study the industrial and commercial conditions in the Chinese Empire and to report as to the opportunities for and the obstacles to the enlargement of markets in China for the raw products and manufactures of the United States. Action was not taken thereon during the last session. I cordially urge that the recommendation receive at your hands the consideration which its importance and timeliness merit.”

In his annual message of 1889 he again called attention to this recommendation, quoting it, and stated further:

Page 1835

“I now renew this recommendation, as the importance of the subject has steadily grown since it was first submitted to you, and no time should be lost in studying for ourselves the resources of this great field for American trade and enterprise.”

The importance of securing proper information and data with a view to the enlargement of our trade with Asia is undiminished. Our consular representatives in China have strongly urged a place for permanent display of American products in some prominent trade center of that Empire, under Government control and management, as an effective means of advancing our export trade therein. I call the attention of the Congress to the desirability of carrying out these suggestions.

In dealing with the questions of immigration and naturalization it is indispensable to keep certain facts ever before the minds of those who share in enacting the laws. First and foremost, let us remember that the question of being a good American has nothing whatever to do with a man’s birthplace any more than it has to do with his creed. In every generation from the time this Government was founded men of foreign birth have stood in the very foremost rank of good citizenship, and that not merely in one but in every field of American activity; while to try to draw a distinction between the man whose parents came to this country and the man whose ancestors came to it several generations back is a mere absurdity. Good Americanism is a matter of heart, of conscience, of lofty aspiration, of sound common sense, but not of birthplace or of creed. The medal of honor, the highest prize to be won by those who serve in the Army and the Navy of the United States decorates men born here, and it also decorates men born in Great Britain and Ireland, in Germany, in Scandinavia, in France, and doubtless in other countries also. In the field of statesmanship, in the field of business, in the field of philanthropic endeavor, it is equally true that among the men of whom we are most proud as Americans no distinction whatever can be drawn between those who themselves or whose parents came over in sailing ship or steamer from across the water and those whose ancestors stepped ashore into the wooded wilderness at Plymouth or at the mouth of the Hudson, the Delaware, or the James nearly three centuries ago. No fellow-citizen of ours is entitled to any peculiar regard because of the way in which he worships his Maker, or because of the birthplace of himself or his parents, nor should he be in any way discriminated against therefor. Each must stand on his worth as a man and each is entitled to be judged solely thereby.

There is no danger of having too many immigrants of the right kind. It makes no difference from what country they come. If they are sound in body and in mind, and, above all, if they are of good character, so that we can rest assured that their children and grandchildren will be worthy fellow-citizens of our children and grandchildren, then we should welcome them with cordial hospitality.

Page 1836

But the citizenship of this country should not be debased. It is vital that we should keep high the standard of well-being among our wage-workers, and therefore we should not admit masses of men whose standards of living and whose personal customs and habits are such that they tend to lower the level of the American wage-worker; and above all we should not admit any man of an unworthy type, any man concerning whom we can say that he will himself be a bad citizen, or that his children and grandchildren will detract from instead of adding to the sum of the good citizenship of the country. Similarly we should take the greatest care about naturalization. Fraudulent naturalization, the naturalization of improper persons, is a curse to our Government; and it is the affair of every honest voter, wherever born, to see that no fraudulent voting is allowed, that no fraud in connection with naturalization is permitted.

In the past year the cases of false, fraudulent, and improper naturalization of aliens coming to the attention of the executive branches of the Government have increased to an alarming degree. Extensive sales of forged certificates of naturalization have been discovered, as well as many cases of naturalization secured by perjury and fraud; and in addition, instances have accumulated showing that many courts issue certificates of naturalization carelessly and upon insufficient evidence.

Under the Constitution it is in the power of the Congress “to establish a uniform rule of naturalization,” and numerous laws have from time to time been enacted for that purpose, which have been supplemented in a few States by State laws having special application. The Federal statutes permit naturalization by any court of record in the United States having common-law jurisdiction and a seal and clerk, except the police court of the District of Columbia, and nearly all these courts exercise this important function. It results that where so many courts of such varying grades have jurisdiction, there is lack of uniformity in the rules applied in conferring naturalization. Some courts are strict and others lax. An alien who may secure naturalization in one place might be denied it in another, and the intent of the constitutional provision is in fact defeated. Furthermore, the certificates of naturalization issued by the courts differ widely in wording and appearance, and when they are brought into use in foreign countries, are frequently subject to suspicion.

There should be a comprehensive revision of the naturalization laws. The courts having power to naturalize should be definitely named by national authority; the testimony upon which naturalization may be conferred should be definitely prescribed; publication of impending naturalization applications should be required in advance of their hearing in court; the form and wording of all certificates issued should be uniform throughout the country, and the courts should be required to make returns to the Secretary of State at stated periods of all naturalizations conferred.

Page 1837

Not only are the laws relating to naturalization now defective, but those relating to citizenship of the United States ought also to be made the subject of scientific inquiry with a view to probable further legislation. By what acts expatriation may be assumed to have been accomplished, how long an American citizen may reside abroad and receive the protection of our passport, whether any degree of protection should be extended to one who has made the declaration of intention to become a citizen of the United States but has not secured naturalization, are questions of serious import, involving personal rights and often producing friction between this Government and foreign governments. Yet upon these question our laws are silent. I recommend that an examination be made into the subjects of citizenship, expatriation, and protection of Americans abroad, with a view to appropriate legislation.

The power of the Government to protect the integrity of the elections of its own officials is inherent and has been recognized and affirmed by repeated declarations of the Supreme Court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. No one defends or excuses corruption, and it would seem to follow that none would oppose vigorous measures to eradicate it. I recommend the enactment of a law directed against bribery and corruption in Federal elections. The details of such a law may be safely left to the wise discretion of the Congress, but it should go as far as under the Constitution it is possible to go, and should include severe penalties against him who gives or receives a bribe intended to influence his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elections of all candidates but also of all contributions received and expenditures made by political committees.

No subject is better worthy the attention of the Congress than that portion of the report of the Attorney-General dealing with the long delays and the great obstruction to justice experienced in the cases of Beavers, Green and Gaynor, and Benson. Were these isolated and special cases, I should not call your attention to them; but the difficulties encountered as regards these men who have been indicted for criminal practices are not exceptional; they are precisely similar in kind to what occurs again and again in the case of criminals who have sufficient means to enable them to take advantage of a system of procedure which has grown up in the Federal courts and which amounts in effect to making the law easy of enforcement against the man who has no money, and difficult of enforcement, even to the point of sometimes securing immunity, as regards the man who has money. In criminal cases the writ of the United States should run throughout its borders. The wheels of justice should not be clogged, as they have been clogged in the cases above mentioned, where it has proved absolutely impossible

Page 1838

to bring the accused to the place appointed by the Constitution for his trial. Of recent years there has been grave and increasing complaint of the difficulty of bringing to justice those criminals whose criminality, instead of being against one person in the Republic, is against all persons in the Republic, because it is against the Republic itself. Under any circumstance and from the very nature of the case it is often exceedingly difficult to secure proper punishment of those who have been guilty of wrongdoing against the Government. By the time the offender can be brought into court the popular wrath against him has generally subsided; and there is in most instances very slight danger indeed of any prejudice existing in the minds of the jury against him. At present the interests of the innocent man are amply safeguarded; but the interests of the Government, that is, the interests of honest administration, that is the interests of the people, are not recognized as they should be. No subject better warrants the attention of the Congress. Indeed, no subject better warrants the attention of the bench and the bar throughout the United States.

Alaska, like all our Territorial acquisitions, has proved resourceful beyond the expectations of those who made the purchase. It has become the home of many hardy, industrious, and thrifty American citizens. Towns of a permanent character have been built. The extent of its wealth in minerals, timber, fisheries, and agriculture, while great, is probably not comprehended yet in any just measure by our people. We do know, however, that from a very small beginning its products have grown until they are a steady and material contribution to the wealth of the nation. Owing to the immensity of Alaska and its location in the far north, it is a difficult matter to provide many things essential to its growth and to the happiness and comfort of its people by private enterprise alone. It should, therefore, receive reasonable aid from the Government. The Government has already done excellent work for Alaska in laying cables and building telegraph lines. This work has been done in the most economical and efficient way by the Signal Corps of the Army.

In some respects it has outgrown its present laws, while in others those laws have been found to be inadequate. In order to obtain information upon which I could rely I caused an official of the Department of Justice, in whose judgment I have confidence, to visit Alaska during the past summer for the purpose of ascertaining how government is administered there and what legislation is actually needed at present. A statement of the conditions found to exist, together with some recommendations and the reasons therefor, in which I strongly concur, will be found in the annual report of the Attorney-General. In some instances I feel that the legislation suggested is so imperatively needed that I am moved briefly to emphasize the Attorney-General's proposals.

Page 1839

Under the Code of Alaska as it now stands many purely administrative powers and duties, including by far the most important, devolve upon the district judges or upon the clerks of the district court acting under the direction of the judges, while the governor, upon whom these powers and duties should logically fall, has nothing specific to do except to make annual reports, issue Thanksgiving Day proclamations, and appoint Indian policemen and notaries public. I believe it essential to good government in Alaska, and therefore recommend, that the Congress divest the district judges and the clerks of their courts of the administrative or executive functions that they now exercise and cast them upon the governor. This would not be an innovation; it would simply conform the government of Alaska to fundamental principles, making the governorship a real instead of a merely nominal office, and leaving the judges free to give their entire attention to their judicial duties and at the same time removing them from a great deal of the strife that now embarrasses the judicial office in Alaska.

I also recommend that the salaries of the district judges and district attorneys in Alaska be increased so as to make them equal to those received by corresponding officers in the United States after deducting the difference in the cost of living; that the district attorneys should be prohibited from engaging in private practice; that United States commissioners be appointed by the governor of the Territory instead of by the district judges, and that a fixed salary be provided for them to take the place of the discredited "fee system," which should be abolished in all offices; that a mounted constabulary be created to police the territory outside the limits of incorporated towns—a vast section now wholly without police protection; and that some provision be made to at least lessen the oppressive delays and costs that now attend the prosecution of appeals from the district court of Alaska. There should be a division of the existing judicial districts, and an increase in the number of judges.

Alaska should have a Delegate in the Congress. Where possible, the Congress should aid in the construction of needed wagon roads. Additional light-houses should be provided. In my judgment, it is especially important to aid in such manner as seems just and feasible in the construction of a trunk line of railway to connect the Gulf of Alaska with the Yukon River through American territory. This would be most beneficial to the development of the resources of the Territory, and to the comfort and welfare of its people.

Salmon hatcheries should be established in many different streams, so as to secure the preservation of this valuable food fish. Salmon fisheries and canneries should be prohibited on certain of the rivers where the mass of those Indians dwell who live almost exclusively on fish.

Page 1840

The Alaskan natives are kindly, intelligent, anxious to learn, and willing to work. Those who have come under the influence of civilization, even for a limited period, have proved their capability of becoming self-supporting, self-respecting citizens, and ask only for the just enforcement of law and intelligent instruction and supervision. Others, living in more remote regions, primitive, simple hunters and fisher folk, who know only the life of the woods and the waters, are daily being confronted with twentieth-century civilization with all of its complexities. Their country is being overrun by strangers, the game slaughtered and driven away, the streams depleted of fish, and hitherto unknown and fatal diseases brought to them, all of which combine to produce a state of abject poverty and want which must result in their extinction. Action in their interest is demanded by every consideration of justice and humanity.

The needs of these people are:

The abolition of the present fee system, whereby the native is degraded, imposed upon, and taught the injustice of law.

The establishment of hospitals at central points, so that contagious diseases that are brought to them continually by incoming whites may be localized and not allowed to become epidemic, to spread death and destitution over great areas.

The development of the educational system in the form of practical training in such industries as will assure the Indians self-support under the changed conditions in which they will have to live.

The duties of the office of the governor should be extended to include the supervision of Indian affairs, with necessary assistants in different districts. He should be provided with the means and the power to protect and advise the native people, to furnish medical treatment in time of epidemics, and to extend material relief in periods of famine and extreme destitution.

The Alaskan natives should be given the right to acquire, hold, and dispose of property upon the same conditions as given other inhabitants; and the privilege of citizenship should be given to such as may be able to meet certain definite requirements. In Hawaii Congress should give the governor power to remove all the officials appointed under him. The harbor of Honolulu should be dredged. The Marine-Hospital Service should be empowered to study leprosy in the islands. I ask special consideration for the report and recommendation of the governor of Porto Rico.

In treating of our foreign policy and of the attitude that this great Nation should assume in the world at large, it is absolutely necessary to consider the Army and the Navy, and the Congress, through which the thought of the Nation finds its expression, should keep ever vividly in mind the fundamental fact that it is impossible to treat our foreign policy,

whether this policy takes shape in the effort to secure justice for others or justice for ourselves, save as conditioned

Page 1841

upon the attitude we are willing to take toward our Army, and especially toward our Navy. It is not merely unwise, it is contemptible, for a nation, as for an individual, to use high-sounding language to proclaim its purposes, or to take positions which are ridiculous if unsupported by potential force, and then to refuse to provide this force. If there is no intention of providing and of keeping the force necessary to back up a strong attitude, then it is far better not to assume such an attitude.

The steady aim of this Nation, as of all enlightened nations, should be to strive to bring ever nearer the day when there shall prevail throughout the world the peace of justice. There are kinds of peace which are highly undesirable, which are in the long run as destructive as any war. Tyrants and oppressors have many times made a wilderness and called it peace. Many times peoples who were slothful or timid or shortsighted, who had been enervated by ease or by luxury, or misled by false teachings, have shrunk in unmanly fashion from doing duty that was stern and that needed self-sacrifice, and have sought to hide from their own minds their shortcomings, their ignoble motives, by calling them love of peace. The peace of tyrannous terror, the peace of craven weakness, the peace of injustice, all these should be shunned as we shun unrighteous war. The goal to set before us as a nation, the goal which should be set before all mankind, is the attainment of the peace of justice, of the peace which comes when each nation is not merely safe-guarded in its own rights, but scrupulously recognizes and performs its duty toward others. Generally peace tells for righteousness; but if there is conflict between the two, then our fealty is due-first to the cause of righteousness. Unrighteous wars are common, and unrighteous peace is rare; but both should be shunned. The right of freedom and the responsibility for the exercise of that right can not be divorced. One of our great poets has well and finely said that freedom is not a gift that tarries long in the hands of cowards. Neither does it tarry long in the hands of those too slothful, too dishonest, or too unintelligent to exercise it. The eternal vigilance which is the price of liberty must be exercised, sometimes to guard against outside foes; although of course far more often to guard against our own selfish or thoughtless shortcomings.

If these self-evident truths are kept before us, and only if they are so kept before us, we shall have a clear idea of what our foreign policy in its larger aspects should be. It is our duty to remember that a nation has no more right to do injustice to another nation, strong or weak, than an individual has to do injustice to another individual; that the same moral law applies in one case as in the other. But we must also remember that it is as much the duty of the Nation to guard its own rights and its own interests as it is the duty of the individual so to

Page 1842

do. Within the Nation the individual has now delegated this right to the State, that is, to the representative of all the individuals, and it is a maxim of the law that for every wrong there is a remedy. But in international law we have not advanced by any means as far as we have advanced in municipal law. There is as yet no judicial way of enforcing a right in international law. When one nation wrongs another or wrongs many others, there is no tribunal before which the wrongdoer can be brought. Either it is necessary supinely to acquiesce in the wrong, and thus put a premium upon brutality and aggression, or else it is necessary for the aggrieved nation valiantly to stand up for its rights. Until some method is devised by which there shall be a degree of international control over offending nations, it would be a wicked thing for the most civilized powers, for those with most sense of international obligations and with keenest and most generous appreciation of the difference between right and wrong, to disarm. If the great civilized nations of the present day should completely disarm, the result would mean an immediate recrudescence of barbarism in one form or another. Under any circumstances a sufficient armament would have to be kept up to serve the purposes of international police; and until international cohesion and the sense of international duties and rights are far more advanced than at present, a nation desirous both of securing respect for itself and of doing good to others must have a force adequate for the work which it feels is allotted to it as its part of the general world duty. Therefore it follows that a self-respecting, just, and far-seeing nation should on the one hand endeavor by every means to aid in the development of the various movements which tend to provide substitutes for war, which tend to render nations in their actions toward one another, and indeed toward their own peoples, more responsive to the general sentiment of humane and civilized mankind; and on the other hand that it should keep prepared, while scrupulously avoiding wrongdoing itself, to repel any wrong, and in exceptional cases to take action which in a more advanced stage of international relations would come under the head of the exercise of the international police. A great free people owes it to itself and to all mankind not to sink into helplessness before the powers of evil.

We are in every way endeavoring to help on, with cordial good will, every movement which will tend to bring us into more friendly relations with the rest of mankind. In pursuance of this policy I shall shortly lay before the Senate treaties of arbitration with all powers which are willing to enter into these treaties with us. It is not possible at this period of the world's development to agree to arbitrate all matters, but there are many matters of possible difference between us and other nations which can be thus arbitrated. Furthermore, at the request of the Interparliamentary Union, an eminent body composed of practical statesmen from all countries, I have asked the Powers to join with this Government in a second Hague conference, at which it is hoped that the work already so happily begun at The Hague may be carried some steps further toward completion. This carries out the desire expressed by the first Hague conference itself.

Page 1843

It is not true that the United States feels any land hunger or entertains any projects as regards the other nations of the Western Hemisphere save such as are for their welfare. All that this country desires is to see the neighboring countries stable, orderly, and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship. If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power. If every country washed by the Caribbean Sea would show the progress in stable and just civilization which with the aid of the Platt amendment Cuba has shown since our troops left the island, and which so many of the republics in both Americas are constantly and brilliantly showing, all question of interference by this Nation with their affairs would be at an end. Our interests and those of our southern neighbors are in reality identical. They have great natural riches, and if within their borders the reign of law and justice obtains, prosperity is sure to come to them. While they thus obey the primary laws of civilized society they may rest assured that they will be treated by us in a spirit of cordial and helpful sympathy. We would interfere with them only in the last resort, and then only if it became evident that their inability or unwillingness to do justice at home and abroad had violated the rights of the United States or had invited foreign aggression to the detriment of the entire body of American nations. It is a mere truism to say that every nation, whether in America or anywhere else, which desires to maintain its freedom, its independence, must ultimately realize that the right of such independence can not be separated from the responsibility of making good use of it.

In asserting the Monroe Doctrine, in taking such steps as we have taken in regard to Cuba, Venezuela, and Panama, and in endeavoring to circumscribe the theater of war in the Far East, and to secure the open door in China, we have acted in our own interest as well as in the interest of humanity at large. There are, however, cases in which, while our own interests are not greatly involved, strong appeal is made to our sympathies. Ordinarily it is very much wiser and more useful for us to concern ourselves with striving for our own moral and material betterment here at home than to concern ourselves with trying to better the condition of things in other nations. We have

Page 1844

plenty of sins of our own to war against, and under ordinary circumstances we can do more for the general uplifting of humanity by striving with heart and soul to put a stop to civic corruption, to brutal lawlessness and violent race prejudices here at home than by passing resolutions about wrongdoing elsewhere. Nevertheless there are occasional crimes committed on so vast a scale and of such peculiar horror as to make us doubt whether it is not our manifest duty to endeavor at least to show our disapproval of the deed and our sympathy with those who have suffered by it. The cases must be extreme in which such a course is justifiable. There must be no effort made to remove the mote from our brother's eye if we refuse to remove the beam from our own. But in extreme cases action may be justifiable and proper. What form the action shall take must depend upon the circumstances of the case; that is, upon the degree of the atrocity and upon our power to remedy it. The cases in which we could interfere by force of arms as we interfered to put a stop to intolerable conditions in Cuba are necessarily very few. Yet it is not to be expected that a people like ours, which in spite of certain very obvious shortcomings, nevertheless as a whole shows by its consistent practice its belief in the principles of civil and religious liberty and of orderly freedom, a people among whom even the worst crime, like the crime of lynching, is never more than sporadic, so that individuals and not classes are molested in their fundamental rights—it is inevitable that such a nation should desire eagerly to give expression to its horror on an occasion like that of the massacre of the Jews in Kishenef, or when it witnesses such systematic and long-extended cruelty and oppression as the cruelty and oppression of which the Armenians have been the victims, and which have won for them the indignant pity of the civilized world.

Even where it is not possible to secure in other nations the observance of the principles which we accept as axiomatic, it is necessary for us firmly to insist upon the rights of our own citizens without regard to their creed or race; without regard to whether they were born here or born abroad. It has proved very difficult to secure from Russia the right for our Jewish fellow-citizens to receive passports and travel through Russian territory. Such conduct is not only unjust and irritating toward us, but it is difficult to see its wisdom from Russia's standpoint. No conceivable good is accomplished by it. If an American Jew or an American Christian misbehaves himself in Russia he can at once be driven out; but the ordinary American Jew, like the ordinary American Christian, would behave just about as he behaves here, that is, behave as any good citizen ought to behave; and where this is the case it is a wrong against which we are entitled to protest to refuse him his passport without regard to his conduct and character, merely on racial and religious grounds. In Turkey our difficulties arise less from the way in which our citizens are sometimes treated than from the indignation inevitably excited in seeing such fearful misrule as has been witnessed both in Armenia and Macedonia.

Page 1845

The strong arm of the Government in enforcing respect for its just rights in international matters is the Navy of the United States. I most earnestly recommend that there be no halt in the work of upbuilding the American Navy. There is no more patriotic duty before us a people than to keep the Navy adequate to the needs of this country's position. We have undertaken to build the Isthmian Canal. We have undertaken to secure for ourselves our just share in the trade of the Orient. We have undertaken to protect our citizens from proper treatment in foreign lands. We continue steadily to insist on the application of the Monroe Doctrine to the Western Hemisphere. Unless our attitude in these and all similar matters is to be a mere boastful sham we can not afford to abandon our naval programme. Our voice is now potent for peace, and is so potent because we are not afraid of war. But our protestations upon behalf of peace would neither receive nor deserve the slightest attention if we were impotent to make them good.

The war which now unfortunately rages in the far East has emphasized in striking fashion the new possibilities of naval warfare. The lessons taught are both strategic and tactical, and are political as well as military. The experiences of the war have shown in conclusive fashion that while sea-going and sea-keeping torpedo destroyers are indispensable, and fast lightly armed and armored cruisers very useful, yet that the main reliance, the main standby, in any navy worthy the name must be the great battle ships, heavily armored and heavily gunned. Not a Russian or Japanese battle ship has been sunk by a torpedo boat, or by gunfire, while among the less protected ships, cruiser after cruiser has been destroyed whenever the hostile squadrons have gotten within range of one another's weapons. There will always be a large field of usefulness for cruisers, especially of the more formidable type. We need to increase the number of torpedo-boat destroyers, paying less heed to their having a knot or two extra speed than to their capacity to keep the seas for weeks, and, if necessary, for months at a time. It is wise to build submarine torpedo boats, as under certain circumstances they might be very useful. But most of all we need to continue building our fleet of battle ships, or ships so powerfully armed that they can inflict the maximum of damage upon our opponents, and so well protected that they can suffer a severe hammering in return without fatal impairment of their ability to fight and maneuver. Of course ample means must be provided for enabling the personnel of the Navy to be brought to the highest point of efficiency. Our great fighting ships and torpedo boats must be ceaselessly trained and maneuvered in squadrons. The officers and men can only learn their trade thoroughly by ceaseless practice on the high seas. In the event of war it would be far better to have no ships at all than to have ships of a poor and ineffective type, or ships

Page 1846

which, however good, were yet manned by untrained and unskillful crews. The best officers and men in a poor ship could do nothing against fairly good opponents; and on the other hand a modern war ship is useless unless the officers and men aboard her have become adepts in their duties. The marksmanship in our Navy has improved in an extraordinary degree during the last three years, and on the whole the types of our battleships are improving; but much remains to be done. Sooner or later we shall have to provide for some method by which there will be promotions for merit as well as for seniority, or else retirement all those who after a certain age have not advanced beyond a certain grade; while no effort must be spared to make the service attractive to the enlisted men in order that they may be kept as long as possible in it. Reservation public schools should be provided wherever there are navy-yards.

Within the last three years the United States has set an example in disarmament where disarmament was proper. By law our Army is fixed at a maximum of one hundred thousand and a minimum of sixty thousand men. When there was insurrection in the Philippines we kept the Army at the maximum. Peace came in the Philippines, and now our Army has been reduced to the minimum at which it is possible to keep it with due regard to its efficiency. The guns now mounted require twenty-eight thousand men, if the coast fortifications are to be adequately manned. Relatively to the Nation, it is not now so large as the police force of New York or Chicago relatively to the population of either city. We need more officers; there are not enough to perform the regular army work. It is very important that the officers of the Army should be accustomed to handle their men in masses, as it is also important that the National Guard of the several States should be accustomed to actual field maneuvering, especially in connection with the regulars. For this reason we are to be congratulated upon the success of the field maneuvers at Manassas last fall, maneuvers in which a larger number of Regulars and National Guard took part than was ever before assembled together in time of peace. No other civilized nation has, relatively to its population, such a diminutive Army as ours; and while the Army is so small we are not to be excused if we fail to keep it at a very high grade of proficiency. It must be incessantly practiced; the standard for the enlisted men should be kept very high, while at the same time the service should be made as attractive as possible; and the standard for the officers should be kept even higher—-which, as regards the upper ranks, can best be done by introducing some system of selection and rejection into the promotions. We should be able, in the event of some sudden emergency, to put into the field one first-class army corps, which should be, as a whole, at least the equal of any body of troops of like number belonging to any other nation.

Page 1847

Great progress has been made in protecting our coasts by adequate fortifications with sufficient guns. We should, however, pay much more heed than at present to the development of an extensive system of floating mines for use in all our more important harbors. These mines have been proved to be a most formidable safeguard against hostile fleets.

I earnestly call the attention of the Congress to the need of amending the existing law relating to the award of Congressional medals of honor in the Navy so as to provide that they may be awarded to commissioned officers and warrant officers as well as to enlisted men. These justly prized medals are given in the Army alike to the officers and the enlisted men, and it is most unjust that the commissioned officers and warrant officers of the Navy should not in this respect have the same rights as their brethren in the Army and as the enlisted men of the Navy.

In the Philippine Islands there has been during the past year a continuation of the steady progress which has obtained ever since our troops definitely got the upper hand of the insurgents. The Philippine people, or, to speak more accurately, the many tribes, and even races, sundered from one another more or less sharply, who go to make up the people of the Philippine Islands, contain many elements of good, and some elements which we have a right to hope stand for progress. At present they are utterly incapable of existing in independence at all or of building up a civilization of their own. I firmly believe that we can help them to rise higher and higher in the scale of civilization and of capacity for self-government, and I most earnestly hope that in the end they will be able to stand, if not entirely alone, yet in some such relation to the United States as Cuba now stands. This end is not yet in sight, and it may be indefinitely postponed if our people are foolish enough to turn the attention of the Filipinos away from the problems of achieving moral and material prosperity, of working for a stable, orderly, and just government, and toward foolish and dangerous intrigues for a complete independence for which they are as yet totally unfit.

On the other hand our people must keep steadily before their minds the fact that the justification for our stay in the Philippines must ultimately rest chiefly upon the good we are able to do in the islands. I do not overlook the fact that in the development of our interests in the Pacific Ocean and along its coasts, the Philippines have played and will play an important part; and that our interests have been served in more than one way by the possession of the islands. But our chief reason for continuing to hold them must be that we ought in good faith to try to do our share of the world's work, and this particular piece of work has been imposed upon us by the results of the war with Spain. The problem presented to us in the Philippine Islands is akin to, but not exactly like, the problems presented

Page 1848

to the other great civilized powers which have possessions in the Orient. There are points of resemblance in our work to the work which is being done by the British in India and Egypt, by the French in Algiers, by the Dutch in Java, by the Russians in Turkestan, by the Japanese in Formosa; but more distinctly than any of these powers we are endeavoring to develop the natives themselves so that they shall take an ever-increasing share in their own government, and as far as is prudent we are already admitting their representatives to a governmental equality with our own. There are commissioners, judges, and governors in the islands who are Filipinos and who have exactly the same share in the government of the islands as have their colleagues who are Americans, while in the lower ranks, of course, the great majority of the public servants are Filipinos. Within two years we shall be trying the experiment of an elective lower house in the Philippine legislature. It may be that the Filipinos will misuse this legislature, and they certainly will misuse it if they are misled by foolish persons here at home into starting an agitation for their own independence or into any factious or improper action. In such case they will do themselves no good and will stop for the time being all further effort to advance them and give them a greater share in their own government. But if they act with wisdom and self-restraint, if they show that they are capable of electing a legislature which in its turn is capable of taking a sane and efficient part in the actual work of government, they can rest assured that a full and increasing measure of recognition will be given them. Above all they should remember that their prime needs are moral and industrial, not political. It is a good thing to try the experiment of giving them a legislature; but it is a far better thing to give them schools, good roads, railroads which will enable them to get their products to market, honest courts, an honest and efficient constabulary, and all that tends to produce order, peace, fair dealing as between man and man, and habits of intelligent industry and thrift. If they are safeguarded against oppression, and if their real wants, material and spiritual, are studied intelligently and in a spirit of friendly sympathy, much more good will be done them than by any effort to give them political power, though this effort may in its own proper time and place be proper enough.

Meanwhile our own people should remember that there is need for the highest standard of conduct among the Americans sent to the Philippine Islands, not only among the public servants but among the private individuals who go to them. It is because I feel this so deeply that in the administration of these islands I have positively refused to permit any discrimination whatsoever for political reasons and have insisted that in choosing the public servants consideration should be paid solely to the worth of the men chosen

Page 1849

and to the needs of the islands. There is no higher body of men in our public service than we have in the Philippine Islands under Governor Wright and his associates. So far as possible these men should be given a free hand, and their suggestions should receive the hearty backing both of the Executive and of the Congress. There is need of a vigilant and disinterested support of our public servants in the Philippines by good citizens here in the United States. Unfortunately hitherto those of our people here at home who have specially claimed to be the champions of the Filipinos have in reality been their worst enemies. This will continue to be the case as long as they strive to make the Filipinos independent, and stop all industrial development of the islands by crying out against the laws which would bring it on the ground that capitalists must not "exploit" the islands. Such proceedings are not only unwise, but are most harmful to the Filipinos, who do not need independence at all, but who do need good laws, good public servants, and the industrial development that can only come if the investment, of American and foreign capital in the islands is favored in all legitimate ways.

Every measure taken concerning the islands should be taken primarily with a view to their advantage. We should certainly give them lower tariff rates on their exports to the United States; if this is not done it will be a wrong to extend our shipping laws to them. I earnestly hope for the immediate enactment into law of the legislation now pending to encourage American capital to seek investment in the islands in railroads, in factories, in plantations, and in lumbering and mining.

***

State of the Union Address
Theodore Roosevelt
December 5, 1905

To the Senate and House of Representatives:

The people of this country continue to enjoy great prosperity. Undoubtedly there will be ebb and flow in such prosperity, and this ebb and flow will be felt more or less by all members of the community, both by the deserving and the undeserving. Against the wrath of the Lord the wisdom of man cannot avail; in time of flood or drought human ingenuity can but partially repair the disaster. A general failure of crops would hurt all of us. Again, if the folly of man mars the general well-being, then those who are innocent of the folly will have to pay part of the penalty incurred by those who are guilty of the folly. A panic brought on by the speculative folly of part of the business community would hurt the whole business community. But such stoppage of welfare, though it might be severe, would not be lasting. In the long run the one vital factor in the permanent prosperity of the country is the high individual character of the average

American worker, the average American citizen, no matter whether his work be mental or manual, whether he be farmer or wage-worker, business man or professional man.

Page 1850

In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight-dealing man who by his efficiency, by his ingenuity and industry, benefits himself must also benefit others. Normally the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit, which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally the wage-worker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability. Something can be done by legislation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate, save as the results of a policy which shall inure to the advantage of all industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, the result will assuredly be that while danger may come to the one struck at, it will visit with an even heavier load the one who strikes the blow. Taken as a whole we must all go up or down together.

Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign—that is, to the Government, which represents the people as a whole—some effective power of supervision over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

Page 1851

So long as the finances of the Nation are kept upon an honest basis no other question of internal economy with which the Congress has the power to deal begins to approach in importance the matter of endeavoring to secure proper industrial conditions under which the individuals—and especially the great corporations—doing an interstate business are to act. The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger today, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by State action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations—that is, by the National Government. I believe that this regulation and supervision can be obtained by the enactment of law by the Congress. If this proves impossible, it will certainly be necessary ultimately to confer in fullest form such power upon the National Government by a proper amendment of the Constitution. It would obviously be unwise to endeavor to secure such an amendment until it is certain that the result cannot be obtained under the Constitution as it now is. The laws of the Congress and of the several States hitherto, as passed upon by the courts, have resulted more often in showing that the States have no power in the matter than that the National Government has power; so that there at present exists a very unfortunate condition of things, under which these great corporations doing an interstate business occupy the position of subjects without a sovereign, neither any State Government nor the National Government having effective control over them. Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the National Government by affirmative action.

This is only in form an innovation. In substance it is merely a restoration; for from the earliest time such regulation of industrial activities has been recognized in the action of the lawmaking bodies; and all that I propose is to meet the changed conditions in such manner as will prevent the Commonwealth abdicating the power it has always possessed not only in this country, but also in England before and since this country became a separate Nation.

Page 1852

It has been a misfortune that the National laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative kind, and still more that they have in part sought to prohibit what could not be effectively prohibited, and have in part in their prohibitions confounded what should be allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. Events have shown that it is not possible adequately to secure the enforcement of any law of this kind by incessant appeal to the courts. The Department of Justice has for the last four years devoted more attention to the enforcement of the anti-trust legislation than to anything else. Much has been accomplished, particularly marked has been the moral effect of the prosecutions; but it is increasingly evident that there will be a very insufficient beneficial result in the way of economic change. The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping prohibition of every arrangement, good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public—as well as such supervision and regulation as will prevent other abuses in no way connected with restriction of competition. Of these abuses, perhaps the chief, although by no means the only one, is overcapitalization—generally itself the result of dishonest promotion—because of the myriad evils it brings in its train; for such overcapitalization often means an inflation that invites business panic; it always conceals the true relation of the profit earned to the capital actually invested, and it creates a burden of interest payments which is a fertile cause of improper reduction in or limitation of wages; it damages the small investor, discourages thrift, and encourages gambling and speculation; while perhaps worst of all is the trickiness and dishonesty which it implies—for harm to morals is worse than any possible harm to material interests, and the debauchery of politics and business by great dishonest corporations is far worse than any actual material evil they do the public. Until the National Government obtains, in some manner which the wisdom of the Congress may suggest, proper control over the big corporations engaged in interstate commerce—that is, over the great majority of the big corporations—it will be impossible to deal adequately with these evils.

Page 1853

I am well aware of the difficulties of the legislation that I am suggesting, and of the need of temperate and cautious action in securing it. I should emphatically protest against improperly radical or hasty action. The first thing to do is to deal with the great corporations engaged in the business of interstate transportation. As I said in my message of December 6 last, the immediate and most pressing need, so far as legislation is concerned, is the enactment into law of some scheme to secure to the agents of the Government such supervision and regulation of the rates charged by the railroads of the country engaged in interstate traffic as shall summarily and effectively prevent the imposition of unjust or unreasonable rates. It must include putting a complete stop to rebates in every shape and form. This power to regulate rates, like all similar powers over the business world, should be exercised with moderation, caution, and self-restraint; but it should exist, so that it can be effectively exercised when the need arises.

The first consideration to be kept in mind is that the power should be affirmative and should be given to some administrative body created by the Congress. If given to the present Interstate Commerce Commission, or to a reorganized Interstate Commerce Commission, such commission should be made unequivocally administrative. I do not believe in the Government interfering with private business more than is necessary. I do not believe in the Government undertaking any work which can with propriety be left in private hands. But neither do I believe in the Government flinching from overseeing any work when it becomes evident that abuses are sure to obtain therein unless there is governmental supervision. It is not my province to indicate the exact terms of the law which should be enacted; but I call the attention of the Congress to certain existing conditions with which it is desirable to deal, In my judgment the most important provision which such law should contain is that conferring upon some competent administrative body the power to decide, upon the case being brought before it, whether a given rate prescribed by a railroad is reasonable and just, and if it is found to be unreasonable and unjust, then, after full investigation of the complaint, to prescribe the limit of rate beyond which it shall not be lawful to go—the maximum reasonable rate, as it is commonly called—this decision to go into effect within a reasonable time and to obtain from thence onward, subject to review by the courts. It sometimes happens at present not that a rate is too high but that a favored shipper is given too low a rate. In such case the commission would have the right to fix this already established minimum rate as the maximum; and it would need only one or two such decisions by the commission to cure railroad companies of the practice of giving improper minimum rates. I call your attention to the fact that my proposal is not to give the commission power to

Page 1854

initiate or originate rates generally, but to regulate a rate already fixed or originated by the roads, upon complaint and after investigation. A heavy penalty should be exacted from any corporation which fails to respect an order of the commission. I regard this power to establish a maximum rate as being essential to any scheme of real reform in the matter of railway regulation. The first necessity is to secure it; and unless it is granted to the commission there is little use in touching the subject at all.

Illegal transactions often occur under the forms of law. It has often occurred that a shipper has been told by a traffic officer to buy a large quantity of some commodity and then after it has been bought an open reduction is made in the rate to take effect immediately, the arrangement resulting to the profit of one shipper and the one railroad and to the damage of all their competitors; for it must not be forgotten that the big shippers are at least as much to blame as any railroad in the matter of rebates. The law should make it clear so that nobody can fail to understand that any kind of commission paid on freight shipments, whether in this form or in the form of fictitious damages, or of a concession, a free pass, reduced passenger rate, or payment of brokerage, is illegal. It is worth while considering whether it would not be wise to confer on the Government the right of civil action against the beneficiary of a rebate for at least twice the value of the rebate; this would help stop what is really blackmail. Elevator allowances should be stopped, for they have now grown to such an extent that they are demoralizing and are used as rebates.

The best possible regulation of rates would, of course, be that regulation secured by an honest agreement among the railroads themselves to carry out the law. Such a general agreement would, for instance, at once put a stop to the efforts of any one big shipper or big railroad to discriminate against or secure advantages over some rival; and such agreement would make the railroads themselves agents for enforcing the law. The power vested in the Government to put a stop to agreements to the detriment of the public should, in my judgment, be accompanied by power to permit, under specified conditions and careful supervision, agreements clearly in the interest of the public. But, in my judgment, the necessity for giving this further power is by no means as great as the necessity for giving the commission or administrative body the other powers I have enumerated above; and it may well be inadvisable to attempt to vest this particular power in the commission or other administrative body until it already possesses and is exercising what I regard as by far the most important of all the powers I recommend—-as indeed the vitally important power—that to fix a given maximum rate, which rate, after the lapse of a reasonable time, goes into full effect, subject to review by the courts.

Page 1855

All private-car lines, industrial roads, refrigerator charges, and the like should be expressly put under the supervision of the Interstate Commerce Commission or some similar body so far as rates, and agreements practically affecting rates, are concerned. The private car owners and the owners of industrial railroads are entitled to a fair and reasonable compensation on their investment, but neither private cars nor industrial railroads nor spur tracks should be utilized as devices for securing preferential rates. A rebate in icing charges, or in mileage, or in a division of the rate for refrigerating charges is just as pernicious as a rebate in any other way. No lower rate should apply on goods imported than actually obtains on domestic goods from the American seaboard to destination except in cases where water competition is the controlling influence. There should be publicity of the accounts of common carriers; no common carrier engaged in interstate business should keep any books or memoranda other than those reported pursuant to law or regulation, and these books or memoranda should be open to the inspection of the Government. Only in this way can violations or evasions of the law be surely detected. A system of examination of railroad accounts should be provided similar to that now conducted into the National banks by the bank examiners; a few first-class railroad accountants, if they had proper direction and proper authority to inspect books and papers, could accomplish much in preventing willful violations of the law. It would not be necessary for them to examine into the accounts of any railroad unless for good reasons they were directed to do so by the Interstate Commerce Commission. It is greatly to be desired that some way might be found by which an agreement as to transportation within a State intended to operate as a fraud upon the Federal interstate commerce laws could be brought under the jurisdiction of the Federal authorities. At present it occurs that large shipments of interstate traffic are controlled by concessions on purely State business, which of course amounts to an evasion of the law. The commission should have power to enforce fair treatment by the great trunk lines of lateral and branch lines.

I urge upon the Congress the need of providing for expeditious action by the Interstate Commerce Commission in all these matters, whether in regulating rates for transportation or for storing or for handling property or commodities in transit. The history of the cases litigated under the present commerce act shows that its efficacy has been to a great degree destroyed by the weapon of delay, almost the most formidable weapon in the hands of those whose purpose it is to violate the law.

Page 1856

Let me most earnestly say that these recommendations are not made in any spirit of hostility to the railroads. On ethical grounds, on grounds of right, such hostility would be intolerable; and on grounds of mere National self-interest we must remember that such hostility would tell against the welfare not merely of some few rich men, but of a multitude of small investors, a multitude of railway employes, wage workers, and most severely against the interest of the public as a whole. I believe that on the whole our railroads have done well and not ill; but the railroad men who wish to do well should not be exposed to competition with those who have no such desire, and the only way to secure this end is to give to some Government tribunal the power to see that justice is done by the unwilling exactly as it is gladly done by the willing. Moreover, if some Government body is given increased power the effect will be to furnish authoritative answer on behalf of the railroad whenever irrational clamor against it is raised, or whenever charges made against it are disproved. I ask this legislation not only in the interest of the public but in the interest of the honest railroad man and the honest shipper alike, for it is they who are chiefly jeoparded by the practices of their dishonest competitors. This legislation should be enacted in a spirit as remote as possible from hysteria and rancor. If we of the American body politic are true to the traditions we have inherited we shall always scorn any effort to make us hate any man because he is rich, just as much as we should scorn any effort to make us look down upon or treat contemptuously any man because he is poor. We judge a man by his conduct—that is, by his character—and not by his wealth or intellect. If he makes his fortune honestly, there is no just cause of quarrel with him. Indeed, we have nothing but the kindliest feelings of admiration for the successful business man who behaves decently, whether he has made his success by building or managing a railroad or by shipping goods over that railroad. The big railroad men and big shippers are simply Americans of the ordinary type who have developed to an extraordinary degree certain great business qualities. They are neither better nor worse than their fellow-citizens of smaller means. They are merely more able in certain lines and therefore exposed to certain peculiarly strong temptations. These temptations have not sprung newly into being; the exceptionally successful among mankind have always been exposed to them; but they have grown amazingly in power as a result of the extraordinary development of industrialism along new lines, and under these new conditions, which the law-makers of old could not foresee and therefore could not provide against, they have become so serious and menacing as to demand entirely new remedies. It is in the interest of the best type of railroad man and the best type of shipper no less than of the public that there should be Governmental supervision

Page 1857

and regulation of these great business operations, for the same reason that it is in the interest of the corporation which wishes to treat its employes aright that there should be an effective Employers' Liability act, or an effective system of factory laws to prevent the abuse of women and children. All such legislation frees the corporation that wishes to do well from being driven into doing ill, in order to compete with its rival, which prefers to do ill. We desire to set up a moral standard. There can be no delusion more fatal to the Nation than the delusion that the standard of profits, of business prosperity, is sufficient in judging any business or political question—from rate legislation to municipal government. Business success, whether for the individual or for the Nation, is a good thing only so far as it is accompanied by and develops a high standard of conduct—-honor, integrity, civic courage. The kind of business prosperity that blunts the standard of honor, that puts an inordinate value on mere wealth, that makes a man ruthless and conscienceless in trade, and weak and cowardly in citizenship, is not a good thing at all, but a very bad thing for the Nation. This Government stands for manhood first and for business only as an adjunct of manhood.

The question of transportation lies at the root of all industrial success, and the revolution in transportation which has taken place during the last half century has been the most important factor in the growth of the new industrial conditions. Most emphatically we do not wish to see the man of great talents refused the reward for his talents. Still less do we wish to see him penalized but we do desire to see the system of railroad transportation so handled that the strong man shall be given no advantage over the weak man. We wish to insure as fair treatment for the small town as for the big city; for the small shipper as for the big shipper. In the old days the highway of commerce, whether by water or by a road on land, was open to all; it belonged to the public and the traffic along it was free. At present the railway is this highway, and we must do our best to see that it is kept open to all on equal terms. Unlike the old highway it is a very difficult and complex thing to manage, and it is far better that it should be managed by private individuals than by the Government. But it can only be so managed on condition that justice is done the public. It is because, in my judgment, public ownership of railroads is highly undesirable and would probably in this country entail far-reaching disaster, but I wish to see such supervision and regulation of them in the interest of the public as will make it evident that there is no need for public ownership. The opponents of Government regulation dwell upon the difficulties to be encountered and the intricate and involved nature of the problem. Their contention is true. It is a complicated and delicate problem, and all kinds of difficulties are sure to arise in

Page 1858

connection with any plan of solution, while no plan will bring all the benefits hoped for by its more optimistic adherents. Moreover, under any healthy plan, the benefits will develop gradually and not rapidly. Finally, we must clearly understand that the public servants who are to do this peculiarly responsible and delicate work must themselves be of the highest type both as regards integrity and efficiency. They must be well paid, for otherwise able men cannot in the long run be secured; and they must possess a lofty probity which will revolt as quickly at the thought of pandering to any gust of popular prejudice against rich men as at the thought of anything even remotely resembling subserviency to rich men. But while I fully admit the difficulties in the way, I do not for a moment admit that these difficulties warrant us in stopping in our effort to secure a wise and just system. They should have no other effect than to spur us on to the exercise of the resolution, the even-handed justice, and the fertility of resource, which we like to think of as typically American, and which will in the end achieve good results in this as in other fields of activity. The task is a great one and underlies the task of dealing with the whole industrial problem. But the fact that it is a great problem does not warrant us in shrinking from the attempt to solve it. At present we face such utter lack of supervision, such freedom from the restraints of law, that excellent men have often been literally forced into doing what they deplored because otherwise they were left at the mercy of unscrupulous competitors. To rail at and assail the men who have done as they best could under such conditions accomplishes little. What we need to do is to develop an orderly system, and such a system can only come through the gradually increased exercise of the right of efficient Government control.

In my annual message to the Fifty-eighth Congress, at its third session, I called attention to the necessity for legislation requiring the use of block signals upon railroads engaged in interstate commerce. The number of serious collisions upon unblocked roads that have occurred within the past year adds force to the recommendation then made. The Congress should provide, by appropriate legislation, for the introduction of block signals upon all railroads engaged in interstate commerce at the earliest practicable date, as a measure of increased safety to the traveling public.

Through decisions of the Supreme Court of the United States and the lower Federal courts in cases brought before them for adjudication the safety appliance law has been materially strengthened, and the Government has been enabled to secure its effective enforcement in almost all cases, with the result that the condition of railroad equipment throughout the country is much improved and railroad employes perform their duties under safer conditions than heretofore. The Government's most effective aid in arriving at this result has been its inspection service, and that these improved conditions are not more general is due to the insufficient number of inspectors employed. The inspection service has fully demonstrated its usefulness, and in appropriating for its maintenance the Congress should make provision for an increase in the number of inspectors.

Page 1859

The excessive hours of labor to which railroad employes in train service are in many cases subjected is also a matter which may well engage the serious attention of the Congress. The strain, both mental and physical, upon those who are engaged in the movement and operation of railroad trains under modern conditions is perhaps greater than that which exists in any other industry, and if there are any reasons for limiting by law the hours of labor in any employment, they certainly apply with peculiar force to the employment of those upon whose vigilance and alertness in the performance of their duties the safety of all who travel by rail depends.

In my annual message to the Fifty-seventh Congress, at its second session, I recommended the passage of an employers' liability law for the District of Columbia and in our navy yards. I renewed that recommendation in my message to the Fifty-eighth Congress, at its second session, and further suggested the appointment of a commission to make a comprehensive study of employers' liability, with a view to the enactment of a wise and Constitutional law covering the subject, applicable to all industries within the scope of the Federal power. I hope that such a law will be prepared and enacted as speedily as possible.

The National Government has, as a rule, but little occasion to deal with the formidable group of problems connected more or less directly with what is known as the labor question, for in the great majority of cases these problems must be dealt with by the State and municipal authorities, and not by the National Government. The National Government has control of the District of Columbia, however, and it should see to it that the City of Washington is made a model city in all respects, both as regards parks, public playgrounds, proper regulation of the system of housing, so as to do away with the evils of alley tenements, a proper system of education, a proper system of dealing with truancy and juvenile offenders, a proper handling of the charitable work of the District. Moreover, there should be proper factory laws to prevent all abuses in the employment of women and children in the District. These will be useful chiefly as object lessons, but even this limited amount of usefulness would be of real National value.

There has been demand for depriving courts of the power to issue injunctions in labor disputes. Such special limitation of the equity powers of our courts would be most unwise. It is true that some judges have misused this power; but this does not justify a denial of the power any more than an improper exercise of the power to call a strike by a labor leader would justify the denial of the right to strike. The remedy is to regulate the procedure by requiring the judge to give due notice to the adverse parties before granting the writ, the hearing to be ex parte if the adverse party does not appear at the time and place ordered. What is due notice must depend upon the facts of the case; it should not be used as a pretext to permit violation of law or the jeopardizing of life or property. Of course, this would not authorize the issuing of a restraining order or injunction in any case in which it is not already authorized by existing law.

Page 1860

I renew the recommendation I made in my last annual message for an investigation by the Department of Commerce and Labor of general labor conditions, especial attention to be paid to the conditions of child labor and child-labor legislation in the several States. Such an investigation should take into account the various problems with which the question of child labor is connected. It is true that these problems can be actually met in most cases only by the States themselves, but it would be well for the Nation to endeavor to secure and publish comprehensive information as to the conditions of the labor of children in the different States, so as to spur up those that are behindhand and to secure approximately uniform legislation of a high character among the several States. In such a Republic as ours the one thing that we cannot afford to neglect is the problem of turning out decent citizens. The future of the Nation depends upon the citizenship of the generations to come; the children of today are those who tomorrow will shape the destiny of our land, and we cannot afford to neglect them. The Legislature of Colorado has recommended that the National Government provide some general measure for the protection from abuse of children and dumb animals throughout the United States. I lay the matter before you for what I trust will be your favorable consideration.

The Department of Commerce and Labor should also make a thorough investigation of the conditions of women in industry. Over five million American women are now engaged in gainful occupations; yet there is an almost complete dearth of data upon which to base any trustworthy conclusions as regards a subject as important as it is vast and complicated. There is need of full knowledge on which to base action looking toward State and municipal legislation for the protection of working women. The introduction of women into industry is working change and disturbance in the domestic and social life of the Nation. The decrease in marriage, and especially in the birth rate, has been coincident with it. We must face accomplished facts, and the adjustment of factory conditions must be made, but surely it can be made with less friction and less harmful effects on family life than is now the case. This whole matter in reality forms one of the greatest sociological phenomena of our time; it is a social question of the first importance, of far greater importance than any merely political or economic question can be, and to solve it we need ample data, gathered in a sane and scientific spirit in the course of an exhaustive investigation.

In any great labor disturbance not only are employer and employe interested, but a third party—the general public. Every considerable labor difficulty in which interstate commerce is involved should be investigated by the Government and the facts officially reported to the public.

Page 1861

The question of securing a healthy, self-respecting, and mutually sympathetic attitude as between employer and employe, capitalist and wage-worker, is a difficult one. All phases of the labor problem prove difficult when approached. But the underlying principles, the root principles, in accordance with which the problem must be solved are entirely simple. We can get justice and right dealing only if we put as of paramount importance the principle of treating a man on his worth as a man rather than with reference to his social position, his occupation or the class to which he belongs. There are selfish and brutal men in all ranks of life. If they are capitalists their selfishness and brutality may take the form of hard indifference to suffering, greedy disregard of every moral restraint which interferes with the accumulation of wealth, and cold-blooded exploitation of the weak; or, if they are laborers, the form of laziness, of sullen envy of the more fortunate, and of willingness to perform deeds of murderous violence. Such conduct is just as reprehensible in one case as in the other, and all honest and farseeing men should join in warring against it wherever it becomes manifest. Individual capitalist and individual wage-worker, corporation and union, are alike entitled to the protection of the law, and must alike obey the law. Moreover, in addition to mere obedience to the law, each man, if he be really a good citizen, must show broad sympathy for his neighbor and genuine desire to look at any question arising between them from the standpoint of that neighbor no less than from his own, and to this end it is essential that capitalist and wage-worker should consult freely one with the other, should each strive to bring closer the day when both shall realize that they are properly partners and not enemies. To approach the questions which inevitably arise between them solely from the standpoint which treats each side in the mass as the enemy of the other side in the mass is both wicked and foolish. In the past the most direful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit, the growth of the spirit which tends to make a man subordinate the welfare of the public as a whole to the welfare of the particular class to which he belongs, the substitution of loyalty to a class for loyalty to the Nation. This inevitably brings about a tendency to treat each man not on his merits as an individual, but on his position as belonging to a certain class in the community. If such a spirit grows up in this Republic it will ultimately prove fatal to us, as in the past it has proved fatal to every community in which it has become dominant. Unless we continue to keep a quick and lively sense of the great fundamental truth that our concern is with the individual worth of the individual man, this Government cannot permanently hold the place which it has achieved among the nations. The vital

Page 1862

lines of cleavage among our people do not correspond, and indeed run at right angles to, the lines of cleavage which divide occupation from occupation, which divide wage-workers from capitalists, farmers from bankers, men of small means from men of large means, men who live in the towns from men who live in the country; for the vital line of cleavage is the line which divides the honest man who tries to do well by his neighbor from the dishonest man who does ill by his neighbor. In other words, the standard we should establish is the standard of conduct, not the standard of occupation, of means, or of social position. It is the man's moral quality, his attitude toward the great questions which concern all humanity, his cleanliness of life, his power to do his duty toward himself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men of one class are favored and all men of another class discriminated against, we shall do irreparable damage to the body politic. I believe that our people are too sane, too self-respecting, too fit for self-government, ever to adopt such an attitude. This Government is not and never shall be government by a plutocracy. This Government is not and never shall be government by a mob. It shall continue to be in the future what it has been in the past, a Government based on the theory that each man, rich or poor, is to be treated simply and solely on his worth as a man, that all his personal and property rights are to be safeguarded, and that he is neither to wrong others nor to suffer wrong from others.

The noblest of all forms of government is self-government; but it is also the most difficult. We who possess this priceless boon, and who desire to hand it on to our children and our children's children, should ever bear in mind the thought so finely expressed by Burke: "Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites; in proportion as they are disposed to listen to the counsels of the wise and good in preference to the flattery of knaves. Society cannot exist unless a controlling power upon will and appetite be placed somewhere, and the less of it there be within the more there must be without. It is ordained in the eternal constitution of things that men of intemperate minds cannot be free. Their passions forge their fetters."

The great insurance companies afford striking examples of corporations whose business has extended so far beyond the jurisdiction of the States which created them as to preclude strict enforcement of supervision and regulation by the parent States. In my last annual message I recommended "that the Congress carefully consider whether the power of the Bureau of Corporations cannot constitutionally be extended to cover interstate transactions in insurance."

Page 1863

Recent events have emphasized the importance of an early and exhaustive consideration of this question, to see whether it is not possible to furnish better safeguards than the several States have been able to furnish against corruption of the flagrant kind which has been exposed. It has been only too clearly shown that certain of the men at the head of these large corporations take but small note of the ethical distinction between honesty and dishonesty; they draw the line only this side of what may be called law-honesty, the kind of honesty necessary in order to avoid falling into the clutches of the law. Of course the only complete remedy for this condition must be found in an aroused public conscience, a higher sense of ethical conduct in the community at large, and especially among business men and in the great profession of the law, and in the growth of a spirit which condemns all dishonesty, whether in rich man or in poor man, whether it takes the shape of bribery or of blackmail. But much can be done by legislation which is not only drastic but practical. There is need of a far stricter and more uniform regulation of the vast insurance interests of this country. The United States should in this respect follow the policy of other nations by providing adequate national supervision of commercial interests which are clearly national in character. My predecessors have repeatedly recognized that the foreign business of these companies is an important part of our foreign commercial relations. During the administrations of Presidents Cleveland, Harrison, and McKinley the State Department exercised its influence, through diplomatic channels, to prevent unjust discrimination by foreign countries against American insurance companies. These negotiations illustrated the propriety of the Congress recognizing the National character of insurance, for in the absence of Federal legislation the State Department could only give expression to the wishes of the authorities of the several States, whose policy was ineffective through want of uniformity.

I repeat my previous recommendation that the Congress should also consider whether the Federal Government has any power or owes any duty with respect to domestic transactions in insurance of an interstate character. That State supervision has proved inadequate is generally conceded. The burden upon insurance companies, and therefore their policy holders, of conflicting regulations of many States, is unquestioned, while but little effective check is imposed upon any able and unscrupulous man who desires to exploit the company in his own interest at the expense of the policy holders and of the public. The inability of a State to regulate effectively insurance corporations created under the laws of other States and transacting the larger part of their business elsewhere is also clear. As a remedy for this evil of conflicting, ineffective, and yet burdensome regulations there has been for many years a widespread demand for Federal supervision.

Page 1864

The Congress has already recognized that interstate insurance may be a proper subject for Federal legislation, for in creating the Bureau of Corporations it authorized it to publish and supply useful information concerning interstate corporations, “including corporations engaged in insurance.” It is obvious that if the compilation of statistics be the limit of the Federal power it is wholly ineffective to regulate this form of commercial intercourse between the States, and as the insurance business has outgrown in magnitude the possibility of adequate State supervision, the Congress should carefully consider whether further legislation can be bad. What is said above applies with equal force to fraternal and benevolent organizations which contract for life insurance.

There is more need of stability than of the attempt to attain an ideal perfection in the methods of raising revenue; and the shock and strain to the business world certain to attend any serious change in these methods render such change inadvisable unless for grave reason. It is not possible to lay down any general rule by which to determine the moment when the reasons for will outweigh the reasons against such a change. Much must depend, not merely on the needs, but on the desires, of the people as a whole; for needs and desires are not necessarily identical. Of course, no change can be made on lines beneficial to, or desired by, one section or one State only. There must be something like a general agreement among the citizens of the several States, as represented in the Congress, that the change is needed and desired in the interest of the people, as a whole; and there should then be a sincere, intelligent, and disinterested effort to make it in such shape as will combine, so far as possible, the maximum of good to the people at large with the minimum of necessary disregard for the special interests of localities or classes. But in time of peace the revenue must on the average, taking a series of years together, equal the expenditures or else the revenues must be increased. Last year there was a deficit. Unless our expenditures can be kept within the revenues then our revenue laws must be readjusted. It is as yet too early to attempt to outline what shape such a readjustment should take, for it is as yet too early to say whether there will be need for it. It should be considered whether it is not desirable that the tariff laws should provide for applying as against or in favor of any other nation maximum and minimum tariff rates established by the Congress, so as to secure a certain reciprocity of treatment between other nations and ourselves. Having in view even larger considerations of policy than those of a purely economic nature, it would, in my judgment, be well to endeavor to bring about closer commercial connections with the other peoples of this continent. I am happy to be able to announce to you that Russia now treats us on the most-favored-nation basis.

Page 1865

I earnestly recommend to Congress the need of economy and to this end of a rigid scrutiny of appropriations. As examples merely, I call your attention to one or two specific matters. All unnecessary offices should be abolished. The Commissioner of the General Land Office recommends the abolishment of the office of Receiver of Public Moneys for the United States Land Office. This will effect a saving of about a quarter of a million dollars a year. As the business of the Nation grows, it is inevitable that there should be from time to time a legitimate increase in the number of officials, and this fact renders it all the more important that when offices become unnecessary they should be abolished. In the public printing also a large saving of public money can be made. There is a constantly growing tendency to publish masses of unimportant information. It is probably not unfair to say that many tens of thousands of volumes are published at which no human being ever looks and for which there is no real demand whatever.

Yet, in speaking of economy, I must in no wise be understood as advocating the false economy which is in the end the worst extravagance. To cut down on the navy, for instance, would be a crime against the Nation. To fail to push forward all work on the Panama Canal would be as great a folly.

In my message of December 2, 1902, to the Congress I said:

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

Every consideration of prudence demands the addition of the element of elasticity to our currency system. The evil does not consist in an inadequate volume of money, but in the rigidity of this volume, which does not respond as it should to the varying needs of communities and of seasons. Inflation must be avoided; but some provision should be made that will insure a larger volume of money during the Fall and Winter months than in the less active seasons of the year; so that the currency will contract against speculation, and will expand for the needs of legitimate business. At present the Treasury Department is at irregularly recurring intervals obliged, in the interest of the business world—that is, in the interests of the American public—to try to avert financial crises by providing a remedy which should be provided by Congressional action.

Page 1866

At various times I have instituted investigations into the organization and conduct of the business of the executive departments. While none of these inquiries have yet progressed far enough to warrant final conclusions, they have already confirmed and emphasized the general impression that the organization of the departments is often faulty in principle and wasteful in results, while many of their business methods are antiquated and inefficient. There is every reason why our executive governmental machinery should be at least as well planned, economical, and efficient as the best machinery of the great business organizations, which at present is not the case. To make it so is a task of complex detail and essentially executive in its nature; probably no legislative body, no matter how wise and able, could undertake it with reasonable prospect of success. I recommend that the Congress consider this subject with a view to provide by legislation for the transfer, distribution, consolidation, and assignment of duties and executive organizations or parts of organizations, and for the changes in business methods, within or between the several departments, that will best promote the economy, efficiency, and high character of the Government work.

In my last annual message I said:

“The power of the Government to protect the integrity of the elections of its own officials is inherent and has been recognized and affirmed by repeated declarations of the Supreme Court. There is no enemy of free government more dangerous and none so insidious as the corruption of the electorate. No one defends or excuses corruption, and it would seem to follow that none would oppose vigorous measures to eradicate it. I recommend the enactment of a law directed against bribery and corruption in Federal elections. The details of such a law may be safely left to the wise discretion of the Congress, but it should go as far as under the Constitution it is possible to go, and should include severe penalties against him who gives or receives a bribe intended to influence his act or opinion as an elector; and provisions for the publication not only of the expenditures for nominations and elections of all candidates, but also of all contributions received and expenditures made by political committees.”

I desire to repeat this recommendation. In political campaigns in a country as large and populous as ours it is inevitable that there should be much expense of an entirely legitimate kind. This, of course, means that many contributions, and some of them of large size, must be made, and, as a matter of fact, in any big political contest such contributions are always made to both sides. It is entirely proper both to give and receive them, unless there is an improper motive connected with either gift or reception. If they are extorted by any kind of pressure or promise, express or implied, direct or indirect, in the way of favor or immunity, then the giving or receiving

Page 1867

becomes not only improper but criminal. It will undoubtedly be difficult, as a matter of practical detail, to shape an act which shall guard with reasonable certainty against such misconduct; but if it is possible to secure by law the full and verified publication in detail of all the sums contributed to and expended by the candidates or committees of any political parties, the result cannot but be wholesome. All contributions by corporations to any political committee or for any political purpose should be forbidden by law; directors should not be permitted to use stockholders' money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts. Not only should both the National and the several State Legislatures forbid any officer of a corporation from using the money of the corporation in or about any election, but they should also forbid such use of money in connection with any legislation save by the employment of counsel in public manner for distinctly legal services.

The first conference of nations held at The Hague in 1899, being unable to dispose of all the business before it, recommended the consideration and settlement of a number of important questions by another conference to be called subsequently and at an early date. These questions were the following: (1) The rights and duties of neutrals; (2) the limitation of the armed forces on land and sea, and of military budgets; (3) the use of new types and calibres of military and naval guns; (4) the inviolability of private property at sea in times of war; (5) the bombardment of ports, cities, and villages by naval forces. In October, 1904, at the instance of the Interparliamentary Union, which, at a conference held in the United States, and attended by the lawmakers of fifteen different nations, had reiterated the demand for a second conference of nations, I issued invitations to all the powers signatory to The Hague Convention to send delegates to such a conference, and suggested that it be again held at The Hague. In its note of December 16, 1904, the United States Government communicated to the representatives of foreign governments its belief that the conference could be best arranged under the provisions of the present Hague treaty.

From all the powers acceptance was received, coupled in some cases with the condition that we should wait until the end of the war then waging between Russia and Japan. The Emperor of Russia, immediately after the treaty of peace which so happily terminated this war, in a note presented to the President on September 13, through Ambassador Rosen, took the initiative in recommending that the conference be now called. The United States Government in response expressed its cordial acquiescence, and stated that it would, as a matter of course, take part in the new conference and endeavor to further its aims. We assume that all civilized governments will support the movement, and that the conference is now an assured fact. This Government will do everything in its power to secure the success of the conference, to the end that substantial progress may be made in the cause of international peace, justice, and good will.

Page 1868

This renders it proper at this time to say something as to the general attitude of this Government toward peace. More and more war is coming to be looked upon as in itself a lamentable and evil thing. A wanton or useless war, or a war of mere aggression—in short, any war begun or carried on in a conscienceless spirit, is to be condemned as a peculiarly atrocious crime against all humanity. We can, however, do nothing of permanent value for peace unless we keep ever clearly in mind the ethical element which lies at the root of the problem. Our aim is righteousness. Peace is normally the hand-maiden of rightousness; but when peace and righteousness conflict then a great and upright people can never for a moment hesitate to follow the path which leads toward righteousness, even though that path also leads to war. There are persons who advocate peace at any price; there are others who, following a false analogy, think that because it is no longer necessary in civilized countries for individuals to protect their rights with a strong hand, it is therefore unnecessary for nations to be ready to defend their rights. These persons would do irreparable harm to any nation that adopted their principles, and even as it is they seriously hamper the cause which they advocate by tending to render it absurd in the eyes of sensible and patriotic men. There can be no worse foe of mankind in general, and of his own country in particular, than the demagogue of war, the man who in mere folly or to serve his own selfish ends continually rails at and abuses other nations, who seeks to excite his countrymen against foreigners on insufficient pretexts, who excites and inflames a perverse and aggressive national vanity, and who may on occasions wantonly bring on conflict between his nation and some other nation. But there are demagogues of peace just as there are demagogues of war, and in any such movement as this for The Hague conference it is essential not to be misled by one set of extremists any more than by the other. Whenever it is possible for a nation or an individual to work for real peace, assuredly it is failure of duty not so to strive, but if war is necessary and righteous then either the man or the nation shrinking from it forfeits all title to self-respect. We have scant sympathy with the sentimentalist who dreads oppression less than physical suffering, who would prefer a shameful peace to the pain and toil sometimes lamentably necessary in order to secure a righteous peace. As yet there is only a partial and imperfect analogy between international law and internal or municipal law, because there is no sanction of force for executing the former while there is in the case of the latter. The private citizen is protected in his rights by the law, because the law rests in the last resort upon force exercised through the forms of law. A man does not have to defend his rights with his own hand, because he can call upon the police, upon the sheriff's posse, upon the militia,

Page 1869

or in certain extreme cases upon the army, to defend him. But there is no such sanction of force for international law. At present there could be no greater calamity than for the free peoples, the enlightened, independent, and peace-loving peoples, to disarm while yet leaving it open to any barbarism or despotism to remain armed. So long as the world is as unorganized as now the armies and navies of those peoples who on the whole stand for justice, offer not only the best, but the only possible, security for a just peace. For instance, if the United States alone, or in company only with the other nations that on the whole tend to act justly, disarmed, we might sometimes avoid bloodshed, but we would cease to be of weight in securing the peace of justice—the real peace for which the most law-abiding and high-minded men must at times be willing to fight. As the world is now, only that nation is equipped for peace that knows how to fight, and that will not shrink from fighting if ever the conditions become such that war is demanded in the name of the highest morality.

So much it is emphatically necessary to say in order both that the position of the United States may not be misunderstood, and that a genuine effort to bring nearer the day of the peace of justice among the nations may not be hampered by a folly which, in striving to achieve the impossible, would render it hopeless to attempt the achievement of the practical. But, while recognizing most clearly all above set forth, it remains our clear duty to strive in every practicable way to bring nearer the time when the sword shall not be the arbiter among nations. At present the practical thing to do is to try to minimize the number of cases in which it must be the arbiter, and to offer, at least to all civilized powers, some substitute for war which will be available in at least a considerable number of instances. Very much can be done through another Hague conference in this direction, and I most earnestly urge that this Nation do all in its power to try to further the movement and to make the result of the decisions of The Hague conference effective. I earnestly hope that the conference may be able to devise some way to make arbitration between nations the customary way of settling international disputes in all save a few classes of cases, which should themselves be as sharply defined and rigidly limited as the present governmental and social development of the world will permit. If possible, there should be a general arbitration treaty negotiated among all the nations represented at the conference. Neutral rights and property should be protected at sea as they are protected on land. There should be an international agreement to this purpose and a similar agreement defining contraband of war.

Page 1870

During the last century there has been a distinct diminution in the number of wars between the most civilized nations. International relations have become closer and the development of The Hague tribunal is not only a symptom of this growing closeness of relationship, but is a means by which the growth can be furthered. Our aim should be from time to time to take such steps as may be possible toward creating something like an organization of the civilized nations, because as the world becomes more highly organized the need for navies and armies will diminish. It is not possible to secure anything like an immediate disarmament, because it would first be necessary to settle what peoples are on the whole a menace to the rest of mankind, and to provide against the disarmament of the rest being turned into a movement which would really chiefly benefit these obnoxious peoples; but it may be possible to exercise some check upon the tendency to swell indefinitely the budgets for military expenditure. Of course such an effort could succeed only if it did not attempt to do too much; and if it were undertaken in a spirit of sanity as far removed as possible from a merely hysterical pseudo-philanthropy. It is worth while pointing out that since the end of the insurrection in the Philippines this Nation has shown its practical faith in the policy of disarmament by reducing its little army one-third. But disarmament can never be of prime importance; there is more need to get rid of the causes of war than of the implements of war.

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

Page 1871

One of the most effective instruments for peace is the Monroe Doctrine as it has been and is being gradually developed by this Nation and accepted by other nations. No other policy could have been as efficient in promoting peace in the Western Hemisphere and in giving to each nation thereon the chance to develop along its own lines. If we had refused to apply the doctrine to changing conditions it would now be completely outworn, would not meet any of the needs of the present day, and, indeed, would probably by this time have sunk into complete oblivion. It is useful at home, and is meeting with recognition abroad because we have adapted our application of it to meet the growing and changing needs of the hemisphere. When we announce a policy such as the Monroe Doctrine we thereby commit ourselves to the consequences of the policy, and those consequences from time to time alter. It is out of the question to claim a right and yet shirk the responsibility for its exercise. Not only we, but all American republics who are benefited by the existence of the doctrine, must recognize the obligations each nation is under as regards foreign peoples no less than its duty to insist upon its own rights.

That our rights and interests are deeply concerned in the maintenance of the doctrine is so clear as hardly to need argument. This is especially true in view of the construction of the Panama Canal. As a mere matter of self-defense we must exercise a close watch over the approaches to this canal; and this means that we must be thoroughly alive to our interests in the Caribbean Sea.

There are certain essential points which must never be forgotten as regards the Monroe Doctrine. In the first place we must as a Nation make it evident that we do not intend to treat it in any shape or way as an excuse for aggrandizement on our part at the expense of the republics to the south. We must recognize the fact that in some South American countries there has been much suspicion lest we should interpret the Monroe Doctrine as in some way inimical to their interests, and we must try to convince all the other nations of this continent once and for all that no just and orderly Government has anything to fear from us. There are certain republics to the south of us which have already reached such a point of stability, order, and prosperity that they themselves, though as yet hardly consciously, are among the guarantors of this doctrine. These republics we now meet not only on a basis of entire equality, but in a spirit of frank and respectful friendship, which we hope is mutual. If all of the republics to the south of us will only grow as those to which I allude have already grown, all need for us to be the especial champions of the doctrine will disappear, for no stable and growing American Republic wishes to see some great non-American military power acquire territory in its neighborhood. All that this country desires is that the other republics on this continent shall be

Page 1872

happy and prosperous; and they cannot be happy and prosperous unless they maintain order within their boundaries and behave with a just regard for their obligations toward outsiders. It must be understood that under no circumstances will the United States use the Monroe Doctrine as a cloak for territorial aggression. We desire peace with all the world, but perhaps most of all with the other peoples of the American Continent. There are, of course, limits to the wrongs which any self-respecting nation can endure. It is always possible that wrong actions toward this Nation, or toward citizens of this Nation, in some State unable to keep order among its own people, unable to secure justice from outsiders, and unwilling to do justice to those outsiders who treat it well, may result in our having to take action to protect our rights; but such action will not be taken with a view to territorial aggression, and it will be taken at all only with extreme reluctance and when it has become evident that every other resource has been exhausted.

Moreover, we must make it evident that we do not intend to permit the Monroe Doctrine to be used by any nation on this Continent as a shield to protect it from the consequences of its own misdeeds against foreign nations. If a republic to the south of us commits a tort against a foreign nation, such as an outrage against a citizen of that nation, then the Monroe Doctrine does not force us to interfere to prevent punishment of the tort, save to see that the punishment does not assume the form of territorial occupation in any shape. The case is more difficult when it refers to a contractual obligation. Our own Government has always refused to enforce such contractual obligations on behalf, of its citizens by an appeal to arms. It is much to be wished that all foreign governments would take the same view. But they do not; and in consequence we are liable at any time to be brought face to face with disagreeable alternatives. On the one hand, this country would certainly decline to go to war to prevent a foreign government from collecting a just debt; on the other hand, it is very inadvisable to permit any foreign power to take possession, even temporarily, of the custom houses of an American Republic in order to enforce the payment of its obligations; for such temporary occupation might turn into a permanent occupation. The only escape from these alternatives may at any time be that we must ourselves undertake to bring about some arrangement by which so much as possible of a just obligation shall be paid. It is far better that this country should put through such an arrangement, rather than allow any foreign country to undertake it. To do so insures the defaulting republic from having to pay debt of an improper character under duress, while it also insures honest creditors of the republic from being passed by in the interest of dishonest or grasping creditors. Moreover, for the United States to take such a position offers the only possible way of insuring us against a clash with some foreign power. The position is, therefore, in the interest of peace as well as in the interest of justice. It is of benefit to our people; it is of benefit to foreign peoples; and most of all it is really of benefit to the people of the country concerned.

Page 1873

This brings me to what should be one of the fundamental objects of the Monroe Doctrine. We must ourselves in good faith try to help upward toward peace and order those of our sister republics which need such help. Just as there has been a gradual growth of the ethical element in the relations of one individual to another, so we are, even though slowly, more and more coming to recognize the duty of bearing one another's burdens, not only as among individuals, but also as among nations.

Santo Domingo, in her turn, has now made an appeal to us to help her, and not only every principle of wisdom but every generous instinct within us bids us respond to the appeal. It is not of the slightest consequence whether we grant the aid needed by Santo Domingo as an incident to the wise development of the Monroe Doctrine or because we regard the case of Santo Domingo as standing wholly by itself, and to be treated as such, and not on general principles or with any reference to the Monroe Doctrine. The important point is to give the needed aid, and the case is certainly sufficiently peculiar to deserve to be judged purely on its own merits. The conditions in Santo Domingo have for a number of years grown from bad to worse until a year ago all society was on the verge of dissolution. Fortunately, just at this time a ruler sprang up in Santo Domingo, who, with his colleagues, saw the dangers threatening their country and appealed to the friendship of the only great and powerful neighbor who possessed the power, and as they hoped also the will to help them. There was imminent danger of foreign intervention. The previous rulers of Santo Domingo had recklessly incurred debts, and owing to her internal disorders she had ceased to be able to provide means of paying the debts. The patience of her foreign creditors had become exhausted, and at least two foreign nations were on the point of intervention, and were only prevented from intervening by the unofficial assurance of this Government that it would itself strive to help Santo Domingo in her hour of need. In the case of one of these nations, only the actual opening of negotiations to this end by our Government prevented the seizure of territory in Santo Domingo by a European power. Of the debts incurred some were just, while some were not of a character which really renders it obligatory on or proper for Santo Domingo to pay them in full. But she could not pay any of them unless some stability was assured her Government and people.

Accordingly, the Executive Department of our Government negotiated a treaty under which we are to try to help the Dominican people to straighten out their finances. This treaty is pending before the Senate. In the meantime a temporary arrangement has been made which will last until the Senate has had time to take action upon the treaty. Under this arrangement the Dominican Government has appointed Americans to all the important positions in the customs service and they are seeing to the honest collection of the revenues, turning over 45 per cent. to the Government for running expenses and putting the other 55 per cent. into a safe depository for equitable division in case the treaty shall be ratified, among the various creditors, whether European or American.

Page 1874

The Custom Houses offer well-nigh the only sources of revenue in Santo Domingo, and the different revolutions usually have as their real aim the obtaining of these Custom Houses. The mere fact that the Collectors of Customs are Americans, that they are performing their duties with efficiency and honesty, and that the treaty is pending in the Senate gives a certain moral power to the Government of Santo Domingo which it has not had before. This has completely discouraged all revolutionary movement, while it has already produced such an increase in the revenues that the Government is actually getting more from the 45 per cent. that the American Collectors turn over to it than it got formerly when it took the entire revenue. It is enabling the poor, harassed people of Santo Domingo once more to turn their attention to industry and to be free from the cure of interminable revolutionary disturbance. It offers to all bona-fide creditors, American and European, the only really good chance to obtain that to which they are justly entitled, while it in return gives to Santo Domingo the only opportunity of defense against claims which it ought not to pay, for now if it meets the views of the Senate we shall ourselves thoroughly examine all these claims, whether American or foreign, and see that none that are improper are paid. There is, of course, opposition to the treaty from dishonest creditors, foreign and American, and from the professional revolutionists of the island itself. We have already reason to believe that some of the creditors who do not dare expose their claims to honest scrutiny are endeavoring to stir up sedition in the island and opposition to the treaty. In the meantime, I have exercised the authority vested in me by the joint resolution of the Congress to prevent the introduction of arms into the island for revolutionary purposes.

Under the course taken, stability and order and all the benefits of peace are at last coming to Santo Domingo, danger of foreign intervention has been suspended, and there is at last a prospect that all creditors will get justice, no more and no less. If the arrangement is terminated by the failure of the treaty chaos will follow; and if chaos follows, sooner or later this Government may be involved in serious difficulties with foreign Governments over the island, or else may be forced itself to intervene in the island in some unpleasant fashion. Under the proposed treaty the independence of the island is scrupulously respected, the danger of violation of the Monroe Doctrine by the intervention of foreign powers vanishes, and the interference of our Government is minimized, so that we shall only act in conjunction with the Santo Domingo authorities to secure the proper administration of the customs, and therefore to secure the payment of just debts and to secure the Dominican Government against demands for unjust debts. The proposed method will give the people of Santo Domingo the same

Page 1875

chance to move onward and upward which we have already given to the people of Cuba. It will be doubly to our discredit as a Nation if we fail to take advantage of this chance; for it will be of damage to ourselves, and it will be of incalculable damage to Santo Domingo. Every consideration of wise policy, and, above all, every consideration of large generosity, bids us meet the request of Santo Domingo as we are now trying to meet it.

We cannot consider the question of our foreign policy without at the same time treating of the Army and the Navy. We now have a very small army indeed, one well-nigh infinitesimal when compared With the army of any other large nation. Of course the army we do have should be as nearly perfect of its kind and for its size as is possible. I do not believe that any army in the world has a better average of enlisted men or a better type of junior officer; but the army should be trained to act effectively in a mass. Provision should be made by sufficient appropriations for manoeuvers of a practical kind, so that the troops may learn how to take care of themselves under actual service conditions; every march, for instance, being made with the soldier loaded exactly as he would be in active campaign. The Generals and Colonels would thereby have opportunity of handling regiments, brigades, and divisions, and the commissary and medical departments would be tested in the field. Provision should be made for the exercise at least of a brigade and by preference of a division in marching and embarking at some point on our coast and disembarking at some other point and continuing its march. The number of posts in which the army is kept in time of peace should be materially diminished and the posts that are left made correspondingly larger. No local interests should be allowed to stand in the way of assembling the greater part of the troops which would at need form our field armies in stations of such size as will permit the best training to be given to the personnel of all grades, including the high officers and staff officers. To accomplish this end we must have not company or regimental garrisons, but brigade and division garrisons. Promotion by mere seniority can never result in a thoroughly efficient corps of officers in the higher ranks unless there accompanies it a vigorous weeding-out process. Such a weeding-out process—-that is, such a process of selection—is a chief feature of the four years' course of the young officer at West Point. There is no good reason why it should stop immediately upon his graduation. While at West Point he is dropped unless he comes up to a certain standard of excellence, and when he graduates he takes rank in the army according to his rank of graduation. The results are good at West Point; and there should be in the army itself something that will achieve the same end. After a certain age has been reached the average officer is unfit to do good work below a certain grade. Provision should

Page 1876

be made for the promotion of exceptionally meritorious men over the heads of their comrades and for the retirement of all men who have reached a given age without getting beyond a given rank; this age of retirement of course changing from rank to rank. In both the army and the navy there should be some principle of selection, that is, of promotion for merit, and there should be a resolute effort to eliminate the aged officers of reputable character who possess no special efficiency.

There should be an increase in the coast artillery force, so that our coast fortifications can be in some degree adequately manned. There is special need for an increase and reorganization of the Medical Department of the army. In both the army and navy there must be the same thorough training for duty in the staff corps as in the fighting line. Only by such training in advance can we be sure that in actual war field operations and those at sea will be carried on successfully. The importance of this was shown conclusively in the Spanish-American and the Russo-Japanese wars. The work of the medical departments in the Japanese army and navy is especially worthy of study. I renew my recommendation of January 9, 1905, as to the Medical Department of the army and call attention to the equal importance of the needs of the staff corps of the navy. In the Medical Department of the navy the first in importance is the reorganization of the Hospital Corps, on the lines of the Gallinger bill, (S. 3,984, February 1, 1904), and the reapportionment of the different grades of the medical officers to meet service requirements. It seems advisable also that medical officers of the army and navy should have similar rank and pay in their respective grades, so that their duties can be carried on without friction when they are brought together. The base hospitals of the navy should be put in condition to meet modern requirements and hospital ships be provided. Unless we now provide with ample forethought for the medical needs of the army and navy appalling suffering of a preventable kind is sure to occur if ever the country goes to war. It is not reasonable to expect successful administration in time of war of a department which lacks a third of the number of officers necessary to perform the medical service in time of peace. We need men who are not merely doctors; they must be trained in the administration of military medical service.

Our navy must, relatively to the navies of other nations, always be of greater size than our army. We have most wisely continued for a number of years to build up our navy, and it has now reached a fairly high standard of efficiency. This standard of efficiency must not only be maintained, but increased. It does not seem to be necessary, however, that the navy should—at least in the immediate future—be increased beyond the present number of units. What is now clearly necessary is to substitute efficient for inefficient units as the latter become worn out

Page 1877

or as it becomes apparent that they are useless. Probably the result would be attained by adding a single battleship to our navy each year, the superseded or outworn vessels being laid up or broken up as they are thus replaced. The four single-turret monitors built immediately after the close of the Spanish war, for instance, are vessels which would be of but little use in the event of war. The money spent upon them could have been more usefully spent in other ways. Thus it would have been far better never to have built a single one of these monitors and to have put the money into an ample supply of reserve guns. Most of the smaller cruisers and gunboats, though they serve a useful purpose so far as they are needed for international police work, would not add to the strength of our navy in a conflict with a serious foe. There is urgent need of providing a large increase in the number of officers, and especially in the number of enlisted men.

Recent naval history has emphasized certain lessons which ought not to, but which do, need emphasis. Seagoing torpedo boats or destroyers are indispensable, not only for making night attacks by surprise upon an enemy, but even in battle for finishing already crippled ships. Under exceptional circumstances submarine boats would doubtless be of use. Fast scouts are needed. The main strength of the navy, however, lies, and can only lie, in the great battleships, the heavily armored, heavily gunned vessels which decide the mastery of the seas. Heavy-armed cruisers also play a most useful part, and unarmed cruisers, if swift enough, are very useful as scouts. Between antagonists of approximately equal prowess the comparative perfection of the instruments of war will ordinarily determine the fight. But it is, of course, true that the man behind the gun, the man in the engine room, and the man in the conning tower, considered not only individually, but especially with regard to the way in which they work together, are even more important than the weapons with which they work. The most formidable battleship is, of course, helpless against even a light cruiser if the men aboard it are unable to hit anything with their guns, and thoroughly well-handled cruisers may count seriously in an engagement with much superior vessels, if the men aboard the latter are ineffective, whether from lack of training or from any other cause. Modern warships are most formidable mechanisms when well handled, but they are utterly useless when not well handled, and they cannot be handled at all without long and careful training. This training can under no circumstance be given when once war has broken out. No fighting ship of the first class should ever be laid up save for necessary repairs, and her crew should be kept constantly exercised on the high seas, so that she may stand at the highest point of perfection. To put a new and untrained crew upon the most powerful battleship and send it out to meet a formidable enemy

Page 1878

is not only to invite, but to insure, disaster and disgrace. To improvise crews at the outbreak of a war, so far as the serious fighting craft are concerned, is absolutely hopeless. If the officers and men are not thoroughly skilled in, and have not been thoroughly trained to, their duties, it would be far better to keep the ships in port during hostilities than to send them against a formidable opponent, for the result could only be that they would be either sunk or captured. The marksmanship of our navy is now on the whole in a gratifying condition, and there has been a great improvement in fleet practice. We need additional seamen; we need a large store of reserve guns; we need sufficient money for ample target practice, ample practice of every kind at sea. We should substitute for comparatively inefficient types—the old third-class battleship Texas, the single-turreted monitors above mentioned, and, indeed, all the monitors and some of the old cruisers—efficient, modern seagoing vessels. Seagoing torpedo-boat destroyers should be substituted for some of the smaller torpedo boats. During the present Congress there need be no additions to the aggregate number of units of the navy. Our navy, though very small relatively to the navies of other nations, is for the present sufficient in point of numbers for our needs, and while we must constantly strive to make its efficiency higher, there need be no additions to the total of ships now built and building, save in the way of substitution as above outlined. I recommend the report of the Secretary of the Navy to the careful consideration of the Congress, especially with a view to the legislation therein advocated.

During the past year evidence has accumulated to confirm the expressions contained in my last two annual messages as to the importance of revising by appropriate legislation our system of naturalizing aliens. I appointed last March a commission to make a careful examination of our naturalization laws, and to suggest appropriate measures to avoid the notorious abuses resulting from the improvident of unlawful granting of citizenship. This commission, composed of an officer of the Department of State, of the Department of Justice, and of the Department of Commerce and Labor, has discharged the duty imposed upon it, and has submitted a report, which will be transmitted to the Congress for its consideration, and, I hope, for its favor, able action.

The distinguishing recommendations of the commission are:

First—A Federal Bureau of Naturalization, to be established in the Department of Commerce and Labor, to supervise the administration of the naturalization laws and to receive returns of naturalizations pending and accomplished.

Second—Uniformity of naturalization certificates, fees to be charged, and procedure.

Third—More exacting qualifications for citizenship.

Fourth—The preliminary declaration of intention to be abolished and no alien to be naturalized until at least ninety days after the filing of his petition.

Page 1879

Fifth—Jurisdiction to naturalize aliens to be confined to United States district courts and to such State courts as have jurisdiction in civil actions in which the amount in controversy is unlimited; in cities of over 100,000 inhabitants the United States district courts to have exclusive jurisdiction in the naturalization of the alien residents of such cities.

In my last message I asked the attention of the Congress to the urgent need of action to make our criminal law more effective; and I most earnestly request that you pay heed to the report of the Attorney General on this subject. Centuries ago it was especially needful to throw every safeguard round the accused. The danger then was lest he should be wronged by the State. The danger is now exactly the reverse. Our laws and customs tell immensely in favor of the criminal and against the interests of the public he has wronged. Some antiquated and outworn rules which once safeguarded the threatened rights of private citizens, now merely work harm to the general body politic. The criminal law of the United States stands in urgent need of revision. The criminal process of any court of the United States should run throughout the entire territorial extent of our country. The delays of the criminal law, no less than of the civil, now amount to a very great evil.

There seems to be no statute of the United States which provides for the punishment of a United States Attorney or other officer of the Government who corruptly agrees to wrongfully do or wrongfully refrain from doing any act when the consideration for such corrupt agreement is other than one possessing money value. This ought to be remedied by appropriate legislation. Legislation should also be enacted to cover explicitly, unequivocally, and beyond question breach of trust in the shape of prematurely divulging official secrets by an officer or employe of the United States, and to provide a suitable penalty therefor. Such officer or employe owes the duty to the United States to guard carefully and not to divulge or in any manner use, prematurely, information which is accessible to the officer or employe by reason of his official position. Most breaches of public trust are already covered by the law, and this one should be. It is impossible, no matter how much care is used, to prevent the occasional appointment to the public service of a man who when tempted proves unfaithful; but every means should be provided to detect and every effort made to punish the wrongdoer. So far as in my power see each and every such wrongdoer shall be relentlessly hunted down; in no instance in the past has he been spared; in no instance in the future shall he be spared. His crime is a crime against every honest man in the Nation, for it is a crime against the whole body politic. Yet in dwelling on such misdeeds it is unjust not to add that they are altogether exceptional, and that on the whole the employes of the Government render upright and faithful service to the people. There are exceptions, notably in one or two branches of the service, but at no time in the Nation's history has the public service of the Nation taken as a whole stood on a higher plane than now, alike as regards honesty and as regards efficiency.

Page 1880

Once again I call your attention to the condition of the public land laws. Recent developments have given new urgency to the need for such changes as will fit these laws to actual present conditions. The honest disposal and right use of the remaining public lands is of fundamental importance. The iniquitous methods by which the monopolizing of the public lands is being brought about under the present laws are becoming more generally known, but the existing laws do not furnish effective remedies. The recommendations of the Public Lands Commission upon this subject are wise and should be given effect.

The creation of small irrigated farms under the Reclamation act is a powerful offset to the tendency of certain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are eagerly taken up, and the prospect that the policy of National irrigation will accomplish all that was expected of it is bright. The act should be extended to include the State of Texas.

The Reclamation act derives much of its value from the fact that it tends to secure the greatest possible number of homes on the land, and to create communities of freeholders, in part by settlement on public lands, in part by forcing the subdivision of large private holdings before they can get water from Government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one land owner. This provision has excited active and powerful hostility, but the success of the law itself depends on the wise and firm enforcement of it. We cannot afford to substitute tenants for freeholders on the public domain.

The greater part of the remaining public lands can not be irrigated. They are at present and will probably always be of greater value for grazing than for any other purpose. This fact has led to the grazing homestead of 640 acres in Nebraska and to the proposed extension of it to other States. It is argued that a family can not be supported on 160 acres of arid grazing land. This is obviously true, but neither can a family be supported on 640 acres of much of the land to which it is proposed to apply the grazing homestead. To establish universally any such arbitrary limit would be unwise at the present time. It would probably result on the one hand in enlarging the holdings of some of the great land owners, and on the other in needless suffering and failure on the part of a very considerable proportion of the bona fide settlers who give faith to the implied assurance of the Government that such an area is sufficient. The best use of the public grazing lands requires the careful examination and classification of these lands in order to give each settler land enough to support his family and no more. While this work is being done, and until the lands are settled, the Government should take control of the open range, under reasonable regulations suited to local needs, following the general policy already in successful operation on the forest reserves. It is probable that the present grazing value of the open public range is scarcely more than half what it once was or what it might easily be again under careful regulation.

Page 1881

The forest policy of the Administration appears to enjoy the unbroken support of the people. The great users of timber are themselves forwarding the movement for forest preservation. All organized opposition to the forest preserves in the West has disappeared. Since the consolidation of all Government forest work in the National Forest Service there has been a rapid and notable gain in the usefulness of the forest reserves to the people and in public appreciation of their value. The National parks within or adjacent to forest reserves should be transferred to the charge of the Forest Service also.

The National Government already does something in connection with the construction and maintenance of the great system of levees along the lower course of the Mississippi; in my judgment it should do much more.

To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line. It cannot but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other Governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine Commission has followed its long and careful inquiry.

I again heartily commend to your favorable consideration the tercentennial celebration at Jamestown, Va. Appreciating the desirability of this commemoration, the Congress passed an act, March 3, 1905, authorizing in the year 1907, on and near the waters of Hampton Roads, in the State of Virginia, an international naval, marine, and military celebration in honor of this event. By the authority vested in me by this act, I have made proclamation of said celebration, and have issued, in conformity with its instructions, invitations to all the nations of the earth to participate, by sending their naval vessels and such military organizations as may be practicable. This celebration would fail of its full purpose unless it were enduring in its results and commensurate with the importance of the event to be celebrated, the event from which our Nation dates its birth. I earnestly hope that this celebration, already indorsed by the Congress of the United States, and by the Legislatures of sixteen States since the action of the Congress, will receive such additional aid at your hands as will make it worthy of the great event it is intended to celebrate, and thereby enable the Government of the United States to make provision for the exhibition of its own resources, and likewise enable our people who have undertaken the work of such a celebration to provide suitable and proper entertainment and instruction in the historic events of our country for all who may visit the exposition and to whom we have tendered our hospitality.

Page 1882

It is a matter of unmixed satisfaction once more to call attention to the excellent work of the Pension Bureau; for the veterans of the civil war have a greater claim upon us than any other class of our citizens. To them, first of all among our people, honor is due.

Seven years ago my lamented predecessor, President McKinley, stated that the time had come for the Nation to care for the graves of the Confederate dead. I recommend that the Congress take action toward this end. The first need is to take charge of the graves of the Confederate dead who died in Northern prisons.

The question of immigration is of vital interest to this country. In the year ending June 30, 1905, there came to the United States 1,026,000 alien immigrants. In other words, in the single year that has just elapsed there came to this country a greater number of people than came here during the one hundred and sixty-nine years of our Colonial life which intervened between the first landing at Jamestown and the Declaration of Independence. It is clearly shown in the report of the Commissioner General of Immigration that while much of this enormous immigration is undoubtedly healthy and natural, a considerable proportion is undesirable from one reason or another; moreover, a considerable proportion of it, probably a very large proportion, including most of the undesirable class, does not come here of its own initiative, but because of the activity of the agents of the great transportation companies. These agents are distributed throughout Europe, and by the offer of all kinds of inducements they wheedle and cajole many immigrants, often against their best interest, to come here. The most serious obstacle we have to encounter in the effort to secure a proper regulation of the immigration to these shores arises from the determined opposition of the foreign steamship lines who have no interest whatever in the matter save to increase the returns on their capital by carrying masses of immigrants hither in the steerage quarters of their ships.

As I said in my last message to the Congress, we cannot have too much immigration of the right sort and we should have none whatever of the wrong sort. Of course, it is desirable that even the right kind of immigration should be properly distributed in this country. We need more of such immigration for the South; and special effort should be made to secure it. Perhaps it would be possible to limit the number of immigrants allowed to come in any one year to New York and other Northern cities, while leaving unlimited the number allowed to come to the South; always provided, however, that a stricter effort is made to see that only immigrants of the right kind come to our country anywhere. In actual practice it has proved so difficult to enforce the migration laws where long stretches of frontier marked by an imaginary line alone intervene between us and our neighbors that I recommend that no immigrants be allowed

Page 1883

to come in from Canada and Mexico save natives of the two countries themselves. As much as possible should be done to distribute the immigrants upon the land and keep them away from the contested tenement-house districts of the great cities. But distribution is a palliative, not a cure. The prime need is to keep out all immigrants who will not make good American citizens. The laws now existing for the exclusion of undesirable immigrants should be strengthened. Adequate means should be adopted, enforced by sufficient penalties, to compel steamship companies engaged in the passenger business to observe in good faith the law which forbids them to encourage or solicit immigration to the United States. Moreover, there should be a sharp limitation imposed upon all vessels coming to our ports as to the number of immigrants in ratio to the tonnage which each vessel can carry. This ratio should be high enough to insure the coming hither of as good a class of aliens as possible. Provision should be made for the surer punishment of those who induce aliens to come to this country under promise or assurance of employment. It should be made possible to inflict a sufficiently heavy penalty on any employer violating this law to deter him from taking the risk. It seems to me wise that there should be an international conference held to deal with this question of immigration, which has more than a merely National significance; such a conference could, among other things, enter at length into the method for securing a thorough inspection of would-be immigrants at the ports from which they desire to embark before permitting them to embark.

In dealing with this question it is unwise to depart from the old American tradition and to discriminate for or against any man who desires to come here and become a citizen, save on the ground of that man's fitness for citizenship. It is our right and duty to consider his moral and social quality. His standard of living should be such that he will not, by pressure of competition, lower the standard of living of our own wage-workers; for it must ever be a prime object of our legislation to keep high their standard of living. If the man who seeks to come here is from the moral and social standpoint of such a character as to bid fair to add value to the community he should be heartily welcomed. We cannot afford to pay heed to whether he is of one creed or another, of one nation, or another. We cannot afford to consider whether he is Catholic or Protestant, Jew or Gentile; whether he is Englishman or Irishman, Frenchman or German, Japanese, Italian, Scandinavian, Slav, or Magyar. What we should desire to find out is the individual quality of the individual man. In my judgment, with this end in view, we shall have to prepare through our own agents a far more rigid inspection in the countries from which the immigrants come. It will be a great deal better to have fewer immigrants, but all of the right kind, than

Page 1884

a great number of immigrants, many of whom are necessarily of the wrong kind. As far as possible we wish to limit the immigration to this country to persons who propose to become citizens of this country, and we can well afford to insist upon adequate scrutiny of the character of those who are thus proposed for future citizenship. There should be an increase in the stringency of the laws to keep out insane, idiotic, epileptic, and pauper immigrants. But this is by no means enough. Not merely the Anarchist, but every man of Anarchistic tendencies, all violent and disorderly people, all people of bad character, the incompetent, the lazy, the vicious, the physically unfit, defective, or degenerate should be kept out. The stocks out of which American citizenship is to be built should be strong and healthy, sound in body, mind, and character. If it be objected that the Government agents would not always select well, the answer is that they would certainly select better than do the agents and brokers of foreign steamship companies, the people who now do whatever selection is done.

The questions arising in connection with Chinese immigration stand by themselves. The conditions in China are such that the entire Chinese coolie class, that is, the class of Chinese laborers, skilled and unskilled, legitimately come under the head of undesirable immigrants to this country, because of their numbers, the low wages for which they work, and their low standard of living. Not only is it to the interest of this country to keep them out, but the Chinese authorities do not desire that they should be admitted. At present their entrance is prohibited by laws amply adequate to accomplish this purpose. These laws have been, are being, and will be, thoroughly enforced. The violations of them are so few in number as to be infinitesimal and can be entirely disregarded. This is no serious proposal to alter the immigration law as regards the Chinese laborer, skilled or unskilled, and there is no excuse for any man feeling or affecting to feel the slightest alarm on the subject.

But in the effort to carry out the policy of excluding Chinese laborers, Chinese coolies, grave injustice and wrong have been done by this Nation to the people of China, and therefore ultimately to this Nation itself. Chinese students, business and professional men of all kinds—not only merchants, but bankers, doctors, manufacturers, professors, travelers, and the like—should be encouraged to come here, and treated on precisely the same footing that we treat students, business men, travelers, and the like of other nations. Our laws and treaties should be framed, not so as to put these people in the excepted classes, but to state that we will admit all Chinese, except Chinese of the coolie class, Chinese skilled or unskilled laborers. There would not be the least danger that any such provision would result in any relaxation of the law about laborers. These will, under all conditions, be kept out absolutely.

Page 1885

But it will be more easy to see that both justice and courtesy are shown, as they ought to be shown, to other Chinese, if the law or treaty is framed as above suggested. Examinations should be completed at the port of departure from China. For this purpose there should be provided a more adequate Consular Service in China than we now have. The appropriations both for the offices of the Consuls and for the office forces in the consulates should be increased.

As a people we have talked much of the open door in China, and we expect, and quite rightly intend to insist upon, justice being shown us by the Chinese. But we cannot expect to receive equity unless we do equity. We cannot ask the Chinese to do to us what we are unwilling to do to them. They would have a perfect right to exclude our laboring men if our laboring men threatened to come into their country in such numbers as to jeopardize the well-being of the Chinese population; and as, mutatis mutandis, these were the conditions with which Chinese immigration actually brought this people face to face, we had and have a perfect right, which the Chinese Government in no way contests, to act as we have acted in the matter of restricting coolie immigration. That this right exists for each country was explicitly acknowledged in the last treaty between the two countries. But we must treat the Chinese student, traveler, and business man in a spirit of the broadest justice and courtesy if we expect similar treatment to be accorded to our own people of similar rank who go to China. Much trouble has come during the past Summer from the organized boycott against American goods which has been started in China. The main factor in producing this boycott has been the resentment felt by the students and business people of China, by all the Chinese leaders, against the harshness of our law toward educated Chinamen of the professional and business classes. This Government has the friendliest feeling for China and desires China's well-being. We cordially sympathize with the announced purpose of Japan to stand for the integrity of China. Such an attitude tends to the peace of the world.

The civil service law has been on the statute books for twenty-two years. Every President and a vast majority of heads of departments who have been in office during that period have favored a gradual extension of the merit system. The more thoroughly its principles have been understood, the greater has been the favor with which the law has been regarded by administration officers. Any attempt to carry on the great executive departments of the Government without this law would inevitably result in chaos. The Civil Service Commissioners are doing excellent work, and their compensation is inadequate considering the service they perform.

Page 1886

The statement that the examinations are not practical in character is based on a misapprehension of the practice of the Commission. The departments are invariably consulted as to the requirements desired and as to the character of questions that shall be asked. General invitations are frequently sent out to all heads of departments asking whether any changes in the scope or character of examinations are required. In other words, the departments prescribe the requirements and qualifications desired, and the Civil Service Commission co-operates with them in securing persons with these qualifications and insuring open and impartial competition. In a large number of examinations (as, for example, those for trades positions), there are no educational requirements whatever, and a person who can neither read nor write may pass with a high average. Vacancies in the service are filled with reasonable expedition, and the machinery of the Commission, which reaches every part of the country, is the best agency that has yet been devised for finding people with the most suitable qualifications for the various offices to be filled. Written competitive examinations do not make an ideal method for filling positions, but they do represent an immeasurable advance upon the “spoils” method, under which outside politicians really make the appointments nominally made by the executive officers, the appointees being chosen by the politicians in question, in the great majority of cases, for reasons totally unconnected with the needs of the service or of the public.

Statistics gathered by the Census Bureau show that the tenure of office in the Government service does not differ materially from that enjoyed by employes of large business corporations. Heads of executive departments and members of the Commission have called my attention to the fact that the rule requiring a filing of charges and three days’ notice before an employe could be separated from the service for inefficiency has served no good purpose whatever, because that is not a matter upon which a hearing of the employe found to be inefficient can be of any value, and in practice the rule providing for such notice and hearing has merely resulted in keeping in a certain number of incompetents, because of the reluctance of the heads of departments and bureau chiefs to go through the required procedure. Experience has shown that this rule is wholly ineffective to save any man, if a superior for improper reasons wishes to remove him, and is mischievous because it sometimes serves to keep in the service incompetent men not guilty of specific wrongdoing. Having these facts in view the rule has been amended by providing that where the inefficiency or incapacity comes within the personal knowledge of the head of a department the removal may be made without notice, the reasons therefor being filed and made a record of the department. The absolute right of the removal rests where it always has rested, with the head of a department; any limitation of this absolute right results in grave injury to the public service. The change is merely one of procedure; it was much needed, and it is producing good results.

Page 1887

The civil service law is being energetically and impartially enforced, and in the large majority of cases complaints of violations of either the law or rules are discovered to be unfounded. In this respect this law compares very favorably with any other Federal statute. The question of politics in the appointment and retention of the men engaged in merely ministerial work has been practically eliminated in almost the entire field of Government employment covered by the civil service law. The action of the Congress in providing the commission with its own force instead of requiring it to rely on detailed clerks has been justified by the increased work done at a smaller cost to the Government. I urge upon the Congress a careful consideration of the recommendations contained in the annual report of the commission.

Our copyright laws urgently need revision. They are imperfect in definition, confused and inconsistent in expression; they omit provision for many articles which, under modern reproductive processes are entitled to protection; they impose hardships upon the copyright proprietor which are not essential to the fair protection of the public; they are difficult for the courts to interpret and impossible for the Copyright Office to administer with satisfaction to the public. Attempts to improve them by amendment have been frequent, no less than twelve acts for the purpose having been passed since the Revised Statutes. To perfect them by further amendment seems impracticable. A complete revision of them is essential. Such a revision, to meet modern conditions, has been found necessary in Germany, Austria, Sweden, and other foreign countries, and bills embodying it are pending in England and the Australian colonies. It has been urged here, and proposals for a commission to undertake it have, from time to time, been pressed upon the Congress. The inconveniences of the present conditions being so great, an attempt to frame appropriate legislation has been made by the Copyright Office, which has called conferences of the various interests especially and practically concerned with the operation of the copyright laws. It has secured from them suggestions as to the changes necessary; it has added from its own experience and investigations, and it has drafted a bill which embodies such of these changes and additions as, after full discussion and expert criticism, appeared to be sound and safe. In form this bill would replace the existing insufficient and inconsistent laws by one general copyright statute. It will be presented to the Congress at the coming session. It deserves prompt consideration.

I recommend that a law be enacted to regulate inter-State commerce in misbranded and adulterated foods, drinks, and drugs. Such law would protect legitimate manufacture and commerce, and would tend to secure the health and welfare of the consuming public. Traffic in food-stuffs which have been debased or adulterated so as to injure health or to deceive purchasers should be forbidden.

Page 1888

The law forbidding the emission of dense black or gray smoke in the city of Washington has been sustained by the courts. Something has been accomplished under it, but much remains to be done if we would preserve the capital city from defacement by the smoke nuisance. Repeated prosecutions under the law have not had the desired effect. I recommend that it be made more stringent by increasing both the minimum and maximum fine; by providing for imprisonment in cases of repeated violation, and by affording the remedy of injunction against the continuation of the operation of plants which are persistent offenders. I recommend, also, an increase in the number of inspectors, whose duty it shall be to detect violations of the act.

I call your attention to the generous act of the State of California in conferring upon the United States Government the ownership of the Yosemite Valley and the Mariposa Big Tree Grove. There should be no delay in accepting the gift, and appropriations should be made for the including thereof in the Yosemite National Park, and for the care and policing of the park. California has acted most wisely, as well as with great magnanimity, in the matter. There are certain mighty natural features of our land which should be preserved in perpetuity for our children and our children's children. In my judgment, the Grand Canyon of the Colorado should be made into a National park. It is greatly to be wished that the State of New York should copy as regards Niagara what the State of California has done as regards the Yosemite. Nothing should be allowed to interfere with the preservation of Niagara Falls in all their beauty and majesty. If the State cannot see to this, then it is earnestly to be wished that she should be willing to turn it over to the National Government, which should in such case (if possible, in conjunction with the Canadian Government) assume the burden and responsibility of preserving unharmed Niagara Falls; just as it should gladly assume a similar burden and responsibility for the Yosemite National Park, and as it has already assumed them for the Yellowstone National Park. Adequate provision should be made by the Congress for the proper care and supervision of all these National parks. The boundaries of the Yellowstone National Park should be extended to the south and east, to take in such portions of the abutting forest reservations as will enable the Government to protect the elk on their Winter range.

The most characteristic animal of the Western plains was the great, shaggy-maned wild ox, the bison, commonly known as buffalo. Small fragments of herds exist in a domesticated state here and there, a few of them in the Yellowstone Park. Such a herd as that on the Flat-head Reservation should not be allowed to go out of existence. Either on some reservation or on some forest reserve like the Wichita reserve and game refuge provision should be made for the preservation of such a herd. I believe that the scheme would be of economic advantage, for the robe of the buffalo is of high market value, and the same is true of the robe of the crossbred animals.

Page 1889

I call your especial attention to the desirability of giving to the members of the Life Saving Service pensions such as are given to firemen and policemen in all our great cities. The men in the Life Saving Service continually and in the most matter of fact way do deeds such as make Americans proud of their country. They have no political influence, and they live in such remote places that the really heroic services they continually render receive the scantiest recognition from the public. It is unjust for a great nation like this to permit these men to become totally disabled or to meet death in the performance of their hazardous duty and yet to give them no sort of reward. If one of them serves thirty years of his life in such a position he should surely be entitled to retire on half pay, as a fireman or policeman does, and if he becomes totally incapacitated through accident or sickness, or loses his health in the discharge of his duty, he or his family should receive a pension just as any soldier should. I call your attention with especial earnestness to this matter because it appeals not only to our judgment but to our sympathy; for the people on whose behalf I ask it are comparatively few in number, render incalculable service of a particularly dangerous kind, and have no one to speak for them.

During the year just past, the phase of the Indian question which has been most sharply brought to public attention is the larger legal significance of the Indian's induction into citizenship. This has made itself manifest not only in a great access of litigation in which the citizen Indian figures as a party defendant and in a more widespread disposition to levy local taxation upon his personalty, but in a decision of the United States Supreme Court which struck away the main prop on which has hitherto rested the Government's benevolent effort to protect him against the evils of intemperance. The court holds, in effect, that when an Indian becomes, by virtue of an allotment of land to him, a citizen of the State in which his land is situated, he passes from under Federal control in such matters as this, and the acts of the Congress prohibiting the sale or gift to him of intoxicants become substantially inoperative. It is gratifying to note that the States and municipalities of the West which have most at stake in the welfare of the Indians are taking up this subject and are trying to supply, in a measure at least, the abdication of its trusteeship forced upon the Federal Government. Nevertheless, I would urgently press upon the attention of the Congress the question whether some amendment of the internal revenue laws might not be of aid in prosecuting those malefactors, known in the Indian country as "bootleggers," who are engaged at once in defrauding the United States Treasury of taxes and, what is far more important, in debauching the Indians by carrying liquors illicitly into territory still completely under Federal jurisdiction.

Page 1890

Among the crying present needs of the Indians are more day schools situated in the midst of their settlements, more effective instruction in the industries pursued on their own farms, and a more liberal tension of the field-matron service, which means the education of the Indian women in the arts of home making. Until the mothers are well started in the right direction we cannot reasonably expect much from the children who are soon to form an integral part of our American citizenship. Moreover the excuse continually advanced by male adult Indians for refusing offers of remunerative employment at a distance from their homes is that they dare not leave their families too long out of their sight. One effectual remedy for this state of things is to employ the minds and strengthen the moral fibre of the Indian women—the end to which the work of the field matron is especially directed. I trust that the Congress will make its appropriations for Indian day schools and field matrons as generous as may consist with the other pressing demands upon its providence.

During the last year the Philippine Islands have been slowly recovering from the series of disasters which, since American occupation, have greatly reduced the amount of agricultural products below what was produced in Spanish times. The war, the rinderpest, the locusts, the drought, and the cholera have been united as causes to prevent a return of the prosperity much needed in the islands. The most serious is the destruction by the rinderpest of more than 75 per cent of the draught cattle, because it will take several years of breeding to restore the necessary number of these indispensable aids to agriculture. The commission attempted to supply by purchase from adjoining countries the needed cattle, but the experiments made were unsuccessful. Most of the cattle imported were unable to withstand the change of climate and the rigors of the voyage and died from other diseases than rinderpest.

The income of the Philippine Government has necessarily been reduced by reason of the business and agricultural depression in the islands, and the Government has been obliged to exercise great economy to cut down its expenses, to reduce salaries, and in every way to avoid a deficit. It has adopted an internal revenue law, imposing taxes on cigars, cigarettes, and distilled liquors, and abolishing the old Spanish industrial taxes. The law has not operated as smoothly as was hoped, and although its principle is undoubtedly correct, it may need amendments for the purpose of reconciling the people to its provisions. The income derived from it has partly made up for the reduction in customs revenue.

There has been a marked increase in the number of Filipinos employed in the civil service, and a corresponding decrease in the number of Americans. The Government in every one of its departments has been rendered more efficient by elimination of undesirable material and the promotion of deserving public servants.

Page 1891

Improvements of harbors, roads, and bridges continue, although the cutting down of the revenue forbids the expenditure of any great amount from current income for these purposes. Steps are being taken, by advertisement for competitive bids, to secure the construction and maintenance of 1,000 miles of railway by private corporations under the recent enabling legislation of the Congress. The transfer of the friar lands, in accordance with the contract made some two years ago, has been completely effected, and the purchase money paid. Provision has just been made by statute for the speedy settlement in a special proceeding in the Supreme Court of controversies over the possession and title of church buildings and rectories arising between the Roman Catholic Church and schismatics claiming under ancient municipalities. Negotiations and hearings for the settlement of the amount due to the Roman Catholic Church for rent and occupation of churches and rectories by the army of the United States are in progress, and it is hoped a satisfactory conclusion may be submitted to the Congress before the end of the session.

Tranquillity has existed during the past year throughout the Archipelago, except in the Province of Cavite, the Province of Batangas and the Province of Samar, and in the Island of Jolo among the Moros. The Jolo disturbance was put an end to by several sharp and short engagements, and now peace prevails in the Moro Province, Cavite, the mother of ladrones in the Spanish times, is so permeated with the traditional sympathy of the people for ladronism as to make it difficult to stamp out the disease. Batangas was only disturbed by reason of the fugitive ladrones from Cavite, Samar was thrown into disturbance by the uneducated and partly savage peoples living in the mountains, who, having been given by the municipal code more power than they were able to exercise discreetly, elected municipal officers who abused their trusts, compelled the people raising hemp to sell it at a much less price than it was worth, and by their abuses drove their people into resistance to constituted authority. Cavite and Samar are instances of reposing too much confidence in the self-governing power of a people. The disturbances have all now been suppressed, and it is hoped that with these lessons local governments can be formed which will secure quiet and peace to the deserving inhabitants. The incident is another proof of the fact that if there has been any error as regards giving self-government in the Philippines it has been in the direction of giving it too quickly, not too slowly. A year from next April the first legislative assembly for the islands will be held. On the sanity and self-restraint of this body much will depend so far as the future self-government of the islands is concerned.

The most encouraging feature of the whole situation has been the very great interest taken by the common people in education and the great increase in the number of enrolled students in the public schools. The increase was from 300,000 to half a million pupils. The average attendance is about 70 per cent. The only limit upon the number of pupils seems to be the capacity of the government to furnish teachers and school houses.

Page 1892

The agricultural conditions of the islands enforce more strongly than ever the argument in favor of reducing the tariff on the products of the Philippine Islands entering the United States. I earnestly recommend that the tariff now imposed by the Dingley bill upon the products of the Philippine Islands be entirely removed, except the tariff on sugar and tobacco, and that that tariff be reduced to 25 per cent of the present rates under the Dingley act; that after July 1, 1909, the tariff upon tobacco and sugar produced in the Philippine Islands be entirely removed, and that free trade between the islands and the United States in the products of each country then be provided for by law.

A statute in force, enacted April 15, 1904, suspends the operation of the coastwise laws of the United States upon the trade between the Philippine Islands and the United States until July 1, 1906. I earnestly recommend that this suspension be postponed until July 1, 1909. I think it of doubtful utility to apply the coastwise laws to the trade between the United States and the Philippines under any circumstances, because I am convinced that it will do no good whatever to American bottoms, and will only interfere and be an obstacle to the trade between the Philippines and the United States, but if the coastwise law must be thus applied, certainly it ought not to have effect until free trade is enjoyed between the people of the United States and the people of the Philippine Islands in their respective products.

I do not anticipate that free trade between the islands and the United States will produce a revolution in the sugar and tobacco production of the Philippine Islands. So primitive are the methods of agriculture in the Philippine Islands, so slow is capital in going to the islands, so many difficulties surround a large agricultural enterprise in the islands, that it will be many, many years before the products of those islands will have any effect whatever upon the markets of the United States. The problem of labor is also a formidable one with the sugar and tobacco producers in the islands. The best friends of the Filipino people and the people themselves are utterly opposed to the admission of Chinese coolie labor. Hence the only solution is the training of Filipino labor, and this will take a long time. The enactment of a law by the Congress of the United States making provision for free trade between the islands and the United States, however, will be of great importance from a political and sentimental standpoint; and, while its actual benefit has doubtless been exaggerated by the people of the islands, they will accept this measure of justice as an indication that the people of the United States are anxious to aid the people of the Philippine Islands in every way, and especially in the agricultural development of their archipelago. It will aid the Filipinos without injuring interests in America.

Page 1893

In my judgment immediate steps should be taken for the fortification of Hawaii. This is the most important point in the Pacific to fortify in order to conserve the interests of this country. It would be hard to overstate the importance of this need. Hawaii is too heavily taxed. Laws should be enacted setting aside for a period of, say, twenty years 75 per cent of the internal revenue and customs receipts from Hawaii as a special fund to be expended in the islands for educational and public buildings, and for harbor improvements and military and naval defenses. It cannot be too often repeated that our aim must be to develop the territory of Hawaii on traditional American lines. That territory has serious commercial and industrial problems to reckon with; but no measure of relief can be considered which looks to legislation admitting Chinese and restricting them by statute to field labor and domestic service. The status of servility can never again be tolerated on American soil. We cannot concede that the proper solution of its problems is special legislation admitting to Hawaii a class of laborers denied admission to the other States and Territories. There are obstacles, and great obstacles, in the way of building up a representative American community in the Hawaiian Islands; but it is not in the American character to give up in the face of difficulty. Many an American Commonwealth has been built up against odds equal to those that now confront Hawaii.

No merely half-hearted effort to meet its problems as other American communities have met theirs can be accepted as final. Hawaii shall never become a territory in which a governing class of rich planters exists by means of coolie labor. Even if the rate of growth of the Territory is thereby rendered slower, the growth must only take place by the admission of immigrants fit in the end to assume the duties and burdens of full American citizenship. Our aim must be to develop the Territory on the same basis of stable citizenship as exists on this continent.

I earnestly advocate the adoption of legislation which will explicitly confer American citizenship on all citizens of Porto Rico. There is, in my judgment, no excuse for failure to do this. The harbor of San Juan should be dredged and improved. The expenses of the Federal Court of Porto Rico should be met from the Federal Treasury and not from the Porto Rican treasury. The elections in Porto Rico should take place every four years, and the Legislature should meet in session every two years. The present form of government in Porto Rico, which provides for the appointment by the President of the members of the Executive Council or upper house of the Legislature, has proved satisfactory and has inspired confidence in property owners and investors. I do not deem it advisable at the present time to change this form in any material feature. The problems and needs of the island are industrial and commercial rather than political.

Page 1894

I wish to call the attention of the Congress to one question which affects our insular possessions generally; namely, the need of an increased liberality in the treatment of the whole franchise question in these islands. In the proper desire to prevent the islands being exploited by speculators and to have them develop in the interests of their own people an error has been made in refusing to grant sufficiently liberal terms to induce the investment of American capital in the Philippines and in Porto Rico. Elsewhere in this message I have spoken strongly against the jealousy of mere wealth, and especially of corporate wealth as such. But it is particularly regrettable to allow any such jealousy to be developed when we are dealing either with our insular or with foreign affairs. The big corporation has achieved its present position in the business world simply because it is the most effective instrument in business competition. In foreign affairs we cannot afford to put our people at a disadvantage with their competitors by in any way discriminating against the efficiency of our business organizations. In the same way we cannot afford to allow our insular possessions to lag behind in industrial development from any twisted jealousy of business success. It is, of course, a mere truism to say that the business interests of the islands will only be developed if it becomes the financial interest of somebody to develop them. Yet this development is one of the things most earnestly to be wished for in the interest of the islands themselves. We have been paying all possible heed to the political and educational interests of the islands, but, important though these objects are, it is not less important that we should favor their industrial development. The Government can in certain ways help this directly, as by building good roads; but the fundamental and vital help must be given through the development of the industries of the islands, and a most efficient means to this end is to encourage big American corporations to start industries in them, and this means to make it advantageous for them to do so. To limit the ownership of mining claims, as has been done in the Philippines, is absurd. In both the Philippines and Porto Rico the limit of holdings of land should be largely raised.

I earnestly ask that Alaska be given an elective delegate. Some person should be chosen who can speak with authority of the needs of the Territory. The Government should aid in the construction of a railroad from the Gulf of Alaska to the Yukon River, in American territory. In my last two messages I advocated certain additional action on behalf of Alaska. I shall not now repeat those recommendations, but I shall lay all my stress upon the one recommendation of giving to Alaska some one authorized to speak for it. I should prefer that the delegate was made elective, but if this is not deemed wise, then make him appointive. At any rate, give Alaska some

Page 1895

person whose business it shall be to speak with authority on her behalf to the Congress. The natural resources of Alaska are great. Some of the chief needs of the peculiarly energetic, self-reliant, and typically American white population of Alaska were set forth in my last message. I also earnestly ask your attention to the needs of the Alaskan Indians. All Indians who are competent should receive the full rights of American citizenship. It is, for instance, a gross and indefensible wrong to deny to such hard-working, decent-living Indians as the Metlakahtlas the right to obtain licenses as captains, pilots, and engineers; the right to enter mining claims, and to profit by the homestead law. These particular Indians are civilized and are competent and entitled to be put on the same basis with the white men round about them.

I recommend that Indian Territory and Oklahoma be admitted as one State and that New Mexico and Arizona be admitted as one State. There is no obligation upon us to treat territorial subdivisions, which are matters of convenience only, as binding us on the question of admission to Statehood. Nothing has taken up more time in the Congress during the past few years than the question as to the Statehood to be granted to the four Territories above mentioned, and after careful consideration of all that has been developed in the discussions of the question, I recommend that they be immediately admitted as two States. There is no justification for further delay; and the advisability of making the four Territories into two States has been clearly established.

In some of the Territories the legislative assemblies issue licenses for gambling. The Congress should by law forbid this practice, the harmful results of which are obvious at a glance.

The treaty between the United States and the Republic of Panama, under which the construction of the Panama Canal was made possible, went into effect with its ratification by the United States Senate on February 23, 1904. The canal properties of the French Canal Company were transferred to the United States on April 23, 1904, on payment of $40,000,000 to that company. On April 1, 1905, the Commission was reorganized, and it now consists of Theodore P. Shonts, Chairman; Charles E. Magoon, Benjamin M. Harrod, Rear Admiral Mordecai T. Endicott, Brig. Gen. Peter C. Hains, and Col. Oswald H. Ernst. John F. Stevens was appointed Chief Engineer on July 1 last. Active work in canal construction, mainly preparatory, has been in progress for less than a year and a half. During that period two points about the canal have ceased to be open to debate: First, the question of route; the canal will be built on the Isthmus of Panama. Second, the question of feasibility; there are no physical obstacles on this route that American engineering skill will not be able to overcome without serious difficulty, or that will prevent the completion of the canal within a reasonable time and at a reasonable cost. This is virtually the unanimous testimony of the engineers who have investigated the matter for the Government.

Page 1896

The point which remains unsettled is the question of type, whether the canal shall be one of several locks above sea level, or at sea level with a single tide lock. On this point I hope to lay before the Congress at an early day the findings of the Advisory Board of American and European Engineers, that at my invitation have been considering the subject, together with the report of the Commission thereon, and such comments thereon or recommendations in reference thereto as may seem necessary.

The American people is pledged to the speediest possible construction of a canal adequate to meet the demands which the commerce of the world will make upon it, and I appeal most earnestly to the Congress to aid in the fulfillment of the pledge. Gratifying progress has been made during the past year, and especially during the past four months. The greater part of the necessary preliminary work has been done. Actual work of excavation could be begun only on a limited scale till the Canal Zone was made a healthful place to live in and to work in. The Isthmus had to be sanitated first. This task has been so thoroughly accomplished that yellow fever has been virtually extirpated from the Isthmus and general health conditions vastly improved. The same methods which converted the island of Cuba from a pest hole, which menaced the health of the world, into a healthful place of abode, have been applied on the Isthmus with satisfactory results. There is no reason to doubt that when the plans for water supply, paving, and sewerage of Panama and Colon and the large labor camps have been fully carried out, the Isthmus will be, for the tropics, an unusually healthy place of abode. The work is so far advanced now that the health of all those employed in canal work is as well guarded as it is on similar work in this country and elsewhere.

In addition to sanitating the Isthmus, satisfactory quarters are being provided for employes and an adequate system of supplying them with wholesome food at reasonable prices has been created. Hospitals have been established and equipped that are without their superiors of their kind anywhere. The country has thus been made fit to work in, and provision has been made for the welfare and comfort of those who are to do the work. During the past year a large portion of the plant with which the work is to be done has been ordered. It is confidently believed that by the middle of the approaching year a sufficient proportion of this plant will have been installed to enable us to resume the work of excavation on a large scale.

What is needed now and without delay is an appropriation by the Congress to meet the current and accruing expenses of the commission. The first appropriation of $10,000,000, out of the $135,000,000 authorized by the Spooner act, was made three years ago. It is nearly exhausted. There is barely enough of it remaining to carry the commission to the end of the year. Unless the Congress shall appropriate

Page 1897

before that time all work must cease. To arrest progress for any length of time now, when matters are advancing so satisfactorily, would be deplorable. There will be no money with which to meet pay roll obligations and none with which to meet bills coming due for materials and supplies; and there will be demoralization of the forces, here and on the Isthmus, now working so harmoniously and effectively, if there is delay in granting an emergency appropriation. Estimates of the amount necessary will be found in the accompanying reports of the Secretary of War and the commission.

I recommend more adequate provision than has been made heretofore for the work of the Department of State. Within a few years there has been a very great increase in the amount and importance of the work to be done by that department, both in Washington and abroad. This has been caused by the great increase of our foreign trade, the increase of wealth among our people, which enables them to travel more generally than heretofore, the increase of American capital which is seeking investment in foreign countries, and the growth of our power and weight in the councils of the civilized world. There has been no corresponding increase of facilities for doing the work afforded to the department having charge of our foreign relations.

Neither at home nor abroad is there a sufficient working force to do the business properly. In many respects the system which was adequate to the work of twenty-five years or even ten years ago, is inadequate now, and should be changed. Our Consular force should be classified, and appointments should be made to the several classes, with authority to the Executive to assign the members of each class to duty at such posts as the interests of the service require, instead of the appointments being made as at present to specified posts. There should be an adequate inspection service, so that the department may be able to inform itself how the business of each Consulate is being done, instead of depending upon casual private information or rumor. The fee system should be entirely abolished, and a due equivalent made in salary to the officers who now eke out their subsistence by means of fees. Sufficient provision should be made for a clerical force in every Consulate composed entirely of Americans, instead of the insufficient provision now made, which compels the employment of great numbers of citizens of foreign countries whose services can be obtained for less money. At a large part of our Consulates the office quarters and the clerical force are inadequate to the performance of the onerous duties imposed by the recent provisions of our immigration laws as well as by our increasing trade. In many parts of the world the lack of suitable quarters for our embassies, legations, and Consulates detracts from the respect in which our officers ought to be held, and seriously impairs their weight and influence.

Page 1898

Suitable provision should be made for the expense of keeping our diplomatic officers more fully informed of what is being done from day to day in the progress of our diplomatic affairs with other countries. The lack of such information, caused by insufficient appropriations available for cable tolls and for clerical and messenger service, frequently puts our officers at a great disadvantage and detracts from their usefulness. The salary list should be readjusted. It does not now correspond either to the importance of the service to be rendered and the degrees of ability and experience required in the different positions, or to the differences in the cost of living. In many cases the salaries are quite inadequate.

***

State of the Union Address
Theodore Roosevelt
December 3, 1906

To the Senate and House of Representatives:

As a nation we still continue to enjoy a literally unprecedented prosperity; and it is probable that only reckless speculation and disregard of legitimate business methods on the part of the business world can materially mar this prosperity.

No Congress in our time has done more good work of importance than the present Congress. There were several matters left unfinished at your last session, however, which I most earnestly hope you will complete before your adjournment.

I again recommend a law prohibiting all corporations from contributing to the campaign expenses of any party. Such a bill has already past one House of Congress. Let individuals contribute as they desire; but let us prohibit in effective fashion all corporations from making contributions for any political purpose, directly or indirectly.

Another bill which has just past one House of the Congress and which it is urgently necessary should be enacted into law is that conferring upon the Government the right of appeal in criminal cases on questions of law. This right exists in many of the States; it exists in the District of Columbia by act of the Congress. It is of course not proposed that in any case a verdict for the defendant on the merits should be set aside. Recently in one district where the Government had indicted certain persons for conspiracy in connection with rebates, the court sustained the defendant's demurrer; while in another jurisdiction an indictment for conspiracy to obtain rebates has been sustained by the court, convictions obtained under it, and two defendants sentenced to imprisonment. The two cases referred to may not be in real conflict with each other, but it is unfortunate that there should even be an apparent conflict. At present there is no way by which the Government can cause such a conflict, when it occurs, to be solved by an appeal to a higher court; and the wheels of justice are blocked without any real decision

of the question. I can not too strongly urge the passage of the bill in question. A failure to pass it will result in seriously hampering the

Page 1899

Government in its effort to obtain justice, especially against wealthy individuals or corporations who do wrong; and may also prevent the Government from obtaining justice for wage-workers who are not themselves able effectively to contest a case where the judgment of an inferior court has been against them. I have specifically in view a recent decision by a district judge leaving railway employees without remedy for violation of a certain so-called labor statute. It seems an absurdity to permit a single district judge, against what may be the judgment of the immense majority of his colleagues on the bench, to declare a law solemnly enacted by the Congress to be "unconstitutional," and then to deny to the Government the right to have the Supreme Court definitely decide the question.

It is well to recollect that the real efficiency of the law often depends not upon the passage of acts as to which there is great public excitement, but upon the passage of acts of this nature as to which there is not much public excitement, because there is little public understanding of their importance, while the interested parties are keenly alive to the desirability of defeating them. The importance of enacting into law the particular bill in question is further increased by the fact that the Government has now definitely begun a policy of resorting to the criminal law in those trust and interstate commerce cases where such a course offers a reasonable chance of success. At first, as was proper, every effort was made to enforce these laws by civil proceedings; but it has become increasingly evident that the action of the Government in finally deciding, in certain cases, to undertake criminal proceedings was justifiable; and though there have been some conspicuous failures in these cases, we have had many successes, which have undoubtedly had a deterrent effect upon evil-doers, whether the penalty inflicted was in the shape of fine or imprisonment—and penalties of both kinds have already been inflicted by the courts. Of course, where the judge can see his way to inflict the penalty of imprisonment the deterrent effect of the punishment on other offenders is increased; but sufficiently heavy fines accomplish much. Judge Holt, of the New York district court, in a recent decision admirably stated the need for treating with just severity offenders of this kind. His opinion runs in part as follows:

'The Government's evidence to establish the defendant's guilt was clear, conclusive, and undisputed. The case was a flagrant one. The transactions which took place under this illegal contract were very large; the amounts of rebates returned were considerable; and the amount of the rebate itself was large, amounting to more than one-fifth of the entire tariff charge for the transportation of merchandise from this city to Detroit. It is not too much to say, in my opinion, that if this business was carried on for a considerable time on that basis—that

Page 1900

is, if this discrimination in favor of this particular shipper was made with an 18 instead of a 23 cent rate and the tariff rate was maintained as against their competitors—the result might be and not improbably would be that their competitors would be driven out of business. This crime is one which in its nature is deliberate and premeditated. I think over a fortnight elapsed between the date of Palmer's letter requesting the reduced rate and the answer of the railroad company deciding to grant it, and then for months afterwards this business was carried on and these claims for rebates submitted month after month and checks in payment of them drawn month after month. Such a violation of the law, in my opinion, in its essential nature, is a very much more heinous act than the ordinary common, vulgar crimes which come before criminal courts constantly for punishment and which arise from sudden passion or temptation. This crime in this case was committed by men of education and of large business experience, whose standing in the community was such that they might have been expected to set an example of obedience to law upon the maintenance of which alone in this country the security of their property depends. It was committed on behalf of a great railroad corporation, which, like other railroad corporations, has received gratuitously from the State large and valuable privileges for the public's convenience and its own, which performs quasi public functions and which is charged with the highest obligation in the transaction of its business to treat the citizens of this country alike, and not to carry on its business with unjust discriminations between different citizens or different classes of citizens. This crime in its nature is one usually done with secrecy, and proof of which it is very difficult to obtain. The interstate commerce act was past in 1887, nearly twenty years ago. Ever since that time complaints of the granting of rebates by railroads have been common, urgent, and insistent, and although the Congress has repeatedly past legislation endeavoring to put a stop to this evil, the difficulty of obtaining proof upon which to bring prosecution in these cases is so great that this is the first case that has ever been brought in this court, and, as I am formed, this case and one recently brought in Philadelphia are the only cases that have ever been brought in the eastern part of this country. In fact, but few cases of this kind have ever been brought in this country, East or West. Now, under these circumstances, I am forced to the conclusion, in a case in which the proof is so clear and the facts are so flagrant, it is the duty of the court to fix a penalty which shall in some degree be commensurate with the gravity of the offense. As between the two defendants, in my opinion, the principal penalty should be imposed on the corporation. The traffic manager in this case, presumably, acted without any advantage to himself and without any interest in the transaction, either by the direct authority or in accordance with what he understood to be the policy or the wishes of his employer.

Page 1901

“The sentence of this court in this case is, that the defendant Pomeroy, for each of the six offenses upon which he has been convicted, be fined the sum of $1,000, making six fines, amounting in all to the sum of $6,000; and the defendant, The New York Central and Hudson River Railroad Company, for each of the six crimes of which it has been convicted, be fined the sum of $18,000, making six fines amounting in the aggregate to the sum of $108,000, and judgment to that effect will be entered in this case.”

In connection with this matter, I would like to call attention to the very unsatisfactory state of our criminal law, resulting in large part from the habit of setting aside the judgments of inferior courts on technicalities absolutely unconnected with the merits of the case, and where there is no attempt to show that there has been any failure of substantial justice. It would be well to enact a law providing something to the effect that:

No judgment shall be set aside or new trial granted in any cause, civil or criminal, on the ground of misdirection of the jury or the improper admission or rejection of evidence, or for error as to any matter of pleading or procedure unless, in the opinion of the court to which the application is made, after an examination of the entire cause, it shall affirmatively appear that the error complained of has resulted in a miscarriage of justice.

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

In this matter of injunctions there is lodged in the hands of the judiciary a necessary power which is nevertheless subject to the possibility of grave abuse. It is a power that should be exercised with extreme care and should be subject to the jealous scrutiny of all men, and condemnation should be meted out as much to the judge who fails to use it boldly when necessary as to the judge who uses it wantonly or oppressively. Of course a judge strong enough to be fit for his office will enjoin any resort to violence or intimidation, especially by conspiracy, no matter what his opinion may be of the rights of the original quarrel. There must be no hesitation

Page 1902

in dealing with disorder. But there must likewise be no such abuse of the injunctive power as is implied in forbidding laboring men to strive for their own betterment in peaceful and lawful ways; nor must the injunction be used merely to aid some big corporation in carrying out schemes for its own aggrandizement. It must be remembered that a preliminary injunction in a labor case, if granted without adequate proof (even when authority can be found to support the conclusions of law on which it is founded), may often settle the dispute between the parties; and therefore if improperly granted may do irreparable wrong. Yet there are many judges who assume a matter-of-course granting of a preliminary injunction to be the ordinary and proper judicial disposition of such cases; and there have undoubtedly been flagrant wrongs committed by judges in connection with labor disputes even within the last few years, although I think much less often than in former years. Such judges by their unwise action immensely strengthen the hands of those who are striving entirely to do away with the power of injunction; and therefore such careless use of the injunctive process tends to threaten its very existence, for if the American people ever become convinced that this process is habitually abused, whether in matters affecting labor or in matters affecting corporations, it will be well-nigh impossible to prevent its abolition.

It may be the highest duty of a judge at any given moment to disregard, not merely the wishes of individuals of great political or financial power, but the overwhelming tide of public sentiment; and the judge who does thus disregard public sentiment when it is wrong, who brushes aside the plea of any special interest when the pleading is not rounded on righteousness, performs the highest service to the country. Such a judge is deserving of all honor; and all honor can not be paid to this wise and fearless judge if we permit the growth of an absurd convention which would forbid any criticism of the judge of another type, who shows himself timid in the presence of arrogant disorder, or who on insufficient grounds grants an injunction that does grave injustice, or who in his capacity as a construer, and therefore in part a maker, of the law, in flagrant fashion thwarts the cause of decent government. The judge has a power over which no review can be exercised; he himself sits in review upon the acts of both the executive and legislative branches of the Government; save in the most extraordinary cases he is amenable only at the bar of public opinion; and it is unwise to maintain that public opinion in reference to a man with such power shall neither be exprest nor led.

The best judges have ever been foremost to disclaim any immunity from criticism. This has been true since the days of the great English Lord Chancellor Parker, who said: “Let all people be at liberty to know what I found my judgment upon; that, so when I have given it in any cause, others may be at liberty to judge of me.” The proprieties of the case were set forth with singular clearness and good temper by Judge W. H. Taft, when a United States circuit judge, eleven years ago, in 1895:

Page 1903

“The opportunity freely and publicly to criticize judicial action is of vastly more importance to the body politic than the immunity of courts and judges from unjust aspersions and attack. Nothing tends more to render judges careful in their decisions and anxiously solicitous to do exact justice than the consciousness that every act of theirs is to be subjected to the intelligent scrutiny and candid criticism of their fellow-men. Such criticism is beneficial in proportion as it is fair, dispassionate, discriminating, and based on a knowledge of sound legal principles. The comments made by learned text writers and by the acute editors of the various law reviews upon judicial decisions are therefore highly useful. Such critics constitute more or less impartial tribunals of professional opinion before which each judgment is made to stand or fall on its merits, and thus exert a strong influence to secure uniformity of decision. But non-professional criticism also is by no means without its uses, even if accompanied, as it often is, by a direct attack upon the judicial fairness and motives of the occupants of the bench; for if the law is but the essence of common sense, the protest of many average men may evidence a defect in a judicial conclusion, though based on the nicest legal reasoning and profoundest learning. The two important elements of moral character in a judge are an earnest desire to reach a just conclusion and courage to enforce it. In so far as fear of public comment does not affect the courage of a judge, but only spurs him on to search his conscience and to reach the result which approves itself to his inmost heart such comment serves a useful purpose. There are few men, whether they are judges for life or for a shorter term, who do not prefer to earn and hold the respect of all, and who can not be reached and made to pause and deliberate by hostile public criticism. In the case of judges having a life tenure, indeed their very independence makes the right freely to comment on their decisions of greater importance, because it is the only practical and available instrument in the hands of a free people to keep such judges alive to the reasonable demands of those they serve.

“On the other hand, the danger of destroying the proper influence of judicial decisions by creating unfounded prejudices against the courts justifies and requires that unjust attacks shall be met and answered. Courts must ultimately rest their defense upon the inherent strength of the opinions they deliver as the ground for their conclusions and must trust to the calm and deliberate judgment of all the people as their best vindication.”

Page 1904

There is one consideration which should be taken into account by the good people who carry a sound proposition to an excess in objecting to any criticism of a judge's decision. The instinct of the American people as a whole is sound in this matter. They will not subscribe to the doctrine that any public servant is to be above all criticism. If the best citizens, those most competent to express their judgment in such matters, and above all those belonging to the great and honorable profession of the bar, so profoundly influential in American life, take the position that there shall be no criticism of a judge under any circumstances, their view will not be accepted by the American people as a whole. In such event the people will turn to, and tend to accept as justifiable, the intemperate and improper criticism uttered by unworthy agitators. Surely it is a misfortune to leave to such critics a function, right, in itself, which they are certain to abuse. Just and temperate criticism, when necessary, is a safeguard against the acceptance by the people as a whole of that intemperate antagonism towards the judiciary which must be combated by every right-thinking man, and which, if it became widespread among the people at large, would constitute a dire menace to the Republic.

In connection with the delays of the law, I call your attention and the attention of the Nation to the prevalence of crime among us, and above all to the epidemic of lynching and mob violence that springs up, now in one part of our country, now in another. Each section, North, South, East, or West, has its own faults; no section can with wisdom spend its time jeering at the faults of another section; it should be busy trying to amend its own shortcomings. To deal with the crime of corruption It is necessary to have an awakened public conscience, and to supplement this by whatever legislation will add speed and certainty in the execution of the law. When we deal with lynching even mote is necessary. A great many white men are lynched, but the crime is peculiarly frequent in respect to black men. The greatest existing cause of lynching is the perpetration, especially by black men, of the hideous crime of rape—the most abominable in all the category of crimes, even worse than murder. Mobs frequently avenge the commission of this crime by themselves torturing to death the man committing it; thus avenging in bestial fashion a bestial deed, and reducing themselves to a level with the criminal.

Lawlessness grows by what it feeds upon; and when mobs begin to lynch for rape they speedily extend the sphere of their operations and lynch for many other kinds of crimes, so that two-thirds of the lynchings are not for rape at all; while a considerable proportion of the individuals lynched are innocent of all crime. Governor Candler, of Georgia, stated on one occasion some years ago: "I can say of a verity that I have, within the last month, saved the lives of

Page 1905

half a dozen innocent Negroes who were pursued by the mob, and brought them to trial in a court of law in which they were acquitted." As Bishop Galloway, of Mississippi, has finely said: "When the rule of a mob obtains, that which distinguishes a high civilization is surrendered. The mob which lynches a negro charged with rape will in a little while lynch a white man suspected of crime. Every Christian patriot in America needs to lift up his voice in loud and eternal protest against the mob spirit that is threatening the integrity of this Republic." Governor Jelks, of Alabama, has recently spoken as follows: "The lynching of any person for whatever crime is inexcusable anywhere—it is a defiance of orderly government; but the killing of innocent people under any provocation is infinitely more horrible; and yet innocent people are likely to die when a mob's terrible lust is once aroused. The lesson is this: No good citizen can afford to countenance a defiance of the statutes, no matter what the provocation. The innocent frequently suffer, and, it is my observation, more usually suffer than the guilty. The white people of the South indict the whole colored race on the ground that even the better elements lend no assistance whatever in ferreting out criminals of their own color. The respectable colored people must learn not to harbor their criminals, but to assist the officers in bringing them to justice. This is the larger crime, and it provokes such atrocious offenses as the one at Atlanta. The two races can never get on until there is an understanding on the part of both to make common cause with the law-abiding against criminals of any color."

Moreover, where any crime committed by a member of one race against a member of another race is avenged in such fashion that it seems as if not the individual criminal, but the whole race, is attacked, the result is to exasperate to the highest degree race feeling. There is but one safe rule in dealing with black men as with white men; it is the same rule that must be applied in dealing with rich men and poor men; that is, to treat each man, whatever his color, his creed, or his social position, with even-handed justice on his real worth as a man. White people owe it quite as much to themselves as to the colored race to treat well the colored man who shows by his life that he deserves such treatment; for it is surely the highest wisdom to encourage in the colored race all those individuals who are honest, industrious, law-abiding, and who therefore make good and safe neighbors and citizens. Reward or punish the individual on his merits as an individual. Evil will surely come in the end to both races if we substitute for this just rule the habit of treating all the members of the race, good and bad, alike. There is no question of "social equality" or "negro domination" involved; only the question of relentlessly punishing bad men, and of securing to the good man the right to his life, his liberty, and the pursuit of his happiness as his own qualities of heart, head, and hand enable him to achieve it.

Page 1906

Every colored man should realize that the worst enemy of his race is the negro criminal, and above all the negro criminal who commits the dreadful crime of rape; and it should be felt as in the highest degree an offense against the whole country, and against the colored race in particular, for a colored man to fail to help the officers of the law in hunting down with all possible earnestness and zeal every such infamous offender. Moreover, in my judgment, the crime of rape should always be punished with death, as is the case with murder; assault with intent to commit rape should be made a capital crime, at least in the discretion of the court; and provision should be made by which the punishment may follow immediately upon the heels of the offense; while the trial should be so conducted that the victim need not be wantonly shamed while giving testimony, and that the least possible publicity shall be given to the details.

The members of the white race on the other hand should understand that every lynching represents by just so much a loosening of the bands of civilization; that the spirit of lynching inevitably throws into prominence in the community all the foul and evil creatures who dwell therein. No man can take part in the torture of a human being without having his own moral nature permanently lowered. Every lynching means just so much moral deterioration in all the children who have any knowledge of it, and therefore just so much additional trouble for the next generation of Americans.

Let justice be both sure and swift; but let it be justice under the law, and not the wild and crooked savagery of a mob.

There is another matter which has a direct bearing upon this matter of lynching and of the brutal crime which sometimes calls it forth and at other times merely furnishes the excuse for its existence. It is out of the question for our people as a whole permanently to rise by treading down any of their own number. Even those who themselves for the moment profit by such maltreatment of their fellows will in the long run also suffer. No more shortsighted policy can be imagined than, in the fancied interest of one class, to prevent the education of another class. The free public school, the chance for each boy or girl to get a good elementary education, lies at the foundation of our whole political situation. In every community the poorest citizens, those who need the schools most, would be deprived of them if they only received school facilities proportioned to the taxes they paid. This is as true of one portion of our country as of another. It is as true for the negro as for the white man. The white man, if he is wise, will decline to allow the Negroes in a mass to grow to manhood and womanhood without education. Unquestionably education such as is obtained in our public schools does not do everything towards making a man a good citizen; but it does much. The lowest and most brutal criminals, those for instance

Page 1907

who commit the crime of rape, are in the great majority men who have had either no education or very little; just as they are almost invariably men who own no property; for the man who puts money by out of his earnings, like the man who acquires education, is usually lifted above mere brutal criminality. Of course the best type of education for the colored man, taken as a whole, is such education as is conferred in schools like Hampton and Tuskegee; where the boys and girls, the young men and young women, are trained industrially as well as in the ordinary public school branches. The graduates of these schools turn out well in the great majority of cases, and hardly any of them become criminals, while what little criminality there is never takes the form of that brutal violence which invites lynch law. Every graduate of these schools—and for the matter of that every other colored man or woman—who leads a life so useful and honorable as to win the good will and respect of those whites whose neighbor he or she is, thereby helps the whole colored race as it can be helped in no other way; for next to the negro himself, the man who can do most to help the negro is his white neighbor who lives near him; and our steady effort should be to better the relations between the two. Great though the benefit of these schools has been to their colored pupils and to the colored people, it may well be questioned whether the benefit, has not been at least as great to the white people among whom these colored pupils live after they graduate.

Be it remembered, furthermore, that the individuals who, whether from folly, from evil temper, from greed for office, or in a spirit of mere base demagogy, indulge in the inflammatory and incendiary speeches and writings which tend to arouse mobs and to bring about lynching, not only thus excite the mob, but also tend by what criminologists call “suggestion,” greatly to increase the likelihood of a repetition of the very crime against which they are inveighing. When the mob is composed of the people of one race and the man lynched is of another race, the men who in their speeches and writings either excite or justify the action tend, of course, to excite a bitter race feeling and to cause the people of the opposite race to lose sight of the abominable act of the criminal himself; and in addition, by the prominence they give to the hideous deed they undoubtedly tend to excite in other brutal and depraved natures thoughts of committing it. Swift, relentless, and orderly punishment under the law is the only way by which criminality of this type can permanently be suppress.

Page 1908

In dealing with both labor and capital, with the questions affecting both corporations and trades unions, there is one matter more important to remember than aught else, and that is the infinite harm done by preachers of mere discontent. These are the men who seek to excite a violent class hatred against all men of wealth. They seek to turn wise and proper movements for the better control of corporations and for doing away with the abuses connected with wealth, into a campaign of hysterical excitement and falsehood in which the aim is to inflame to madness the brutal passions of mankind. The sinister demagogs and foolish visionaries who are always eager to undertake such a campaign of destruction sometimes seek to associate themselves with those working for a genuine reform in governmental and social methods, and sometimes masquerade as such reformers. In reality they are the worst enemies of the cause they profess to advocate, just as the purveyors of sensational slander in newspaper or magazine are the worst enemies of all men who are engaged in an honest effort to better what is bad in our social and governmental conditions. To preach hatred of the rich man as such, to carry on a campaign of slander and invective against him, to seek to mislead and inflame to madness honest men whose lives are hard and who have not the kind of mental training which will permit them to appreciate the danger in the doctrines preached—all this is to commit a crime against the body politic and to be false to every worthy principle and tradition of American national life. Moreover, while such preaching and such agitation may give a livelihood and a certain notoriety to some of those who take part in it, and may result in the temporary political success of others, in the long run every such movement will either fail or else will provoke a violent reaction, which will itself result not merely in undoing the mischief wrought by the demagog and the agitator, but also in undoing the good that the honest reformer, the true upholder of popular rights, has painfully and laboriously achieved. Corruption is never so rife as in communities where the demagog and the agitator bear full sway, because in such communities all moral bands become loosened, and hysteria and sensationalism replace the spirit of sound judgment and fair dealing as between man and man. In sheer revolt against the squalid anarchy thus produced men are sure in the end to turn toward any leader who can restore order, and then their relief at being free from the intolerable burdens of class hatred, violence, and demagogy is such that they can not for some time be aroused to indignation against misdeeds by men of wealth; so that they permit a new growth of the very abuses which were in part responsible for the original outbreak. The one hope for success for our people lies in a resolute and fearless, but sane and cool-headed, advance along the path marked out last year by this very Congress. There must be a stern refusal

Page 1909

to be misled into following either that base creature who appeals and panders to the lowest instincts and passions in order to arouse one set of Americans against their fellows, or that other creature, equally base but no baser, who in a spirit of greed, or to accumulate or add to an already huge fortune, seeks to exploit his fellow Americans with callous disregard to their welfare of soul and body. The man who debauches others in order to obtain a high office stands on an evil equality of corruption with the man who debauches others for financial profit; and when hatred is sown the crop which springs up can only be evil.

The plain people who think—the mechanics, farmers, merchants, workers with head or hand, the men to whom American traditions are dear, who love their country and try to act decently by their neighbors, owe it to themselves to remember that the most damaging blow that can be given popular government is to elect an unworthy and sinister agitator on a platform of violence and hypocrisy. Whenever such an issue is raised in this country nothing can be gained by flinching from it, for in such case democracy is itself on trial, popular self-government under republican forms is itself on trial. The triumph of the mob is just as evil a thing as the triumph of the plutocracy, and to have escaped one danger avails nothing whatever if we succumb to the other. In the end the honest man, whether rich or poor, who earns his own living and tries to deal justly by his fellows, has as much to fear from the insincere and unworthy demagog, promising much and performing nothing, or else performing nothing but evil, who would set on the mob to plunder the rich, as from the crafty corruptionist, who, for his own ends, would permit the common people to be exploited by the very wealthy. If we ever let this Government fall into the hands of men of either of these two classes, we shall show ourselves false to America's past. Moreover, the demagog and the corruptionist often work hand in hand. There are at this moment wealthy reactionaries of such obtuse morality that they regard the public servant who prosecutes them when they violate the law, or who seeks to make them bear their proper share of the public burdens, as being even more objectionable than the violent agitator who hounds on the mob to plunder the rich. There is nothing to choose between such a reactionary and such an agitator; fundamentally they are alike in their selfish disregard of the rights of others; and it is natural that they should join in opposition to any movement of which the aim is fearlessly to do exact and even justice to all.

Page 1910

I call your attention to the need of passing the bill limiting the number of hours of employment of railroad employees. The measure is a very moderate one and I can conceive of no serious objection to it. Indeed, so far as it is in our power, it should be our aim steadily to reduce the number of hours of labor, with as a goal the general introduction of an eight-hour day. There are industries in which it is not possible that the hours of labor should be reduced; just as there are communities not far enough advanced for such a movement to be for their good, or, if in the Tropics, so situated that there is no analogy between their needs and ours in this matter. On the Isthmus of Panama, for instance, the conditions are in every way so different from what they are here that an eight-hour day would be absurd; just as it is absurd, so far as the Isthmus is concerned, where white labor can not be employed, to bother as to whether the necessary work is done by alien black men or by alien yellow men. But the wageworkers of the United States are of so high a grade that alike from the merely industrial standpoint and from the civic standpoint it should be our object to do what we can in the direction of securing the general observance of an eight-hour day. Until recently the eight-hour law on our Federal statute books has been very scantily observed. Now, however, largely through the instrumentality of the Bureau of Labor, it is being rigidly enforced, and I shall speedily be able to say whether or not there is need of further legislation in reference thereto; .for our purpose is to see it obeyed in spirit no less than in letter. Half holidays during summer should be established for Government employees; it is as desirable for wageworkers who toil with their hands as for salaried officials whose labor is mental that there should be a reasonable amount of holiday.

The Congress at its last session wisely provided for a truant court for the District of Columbia; a marked step in advance on the path of properly caring for the children. Let me again urge that the Congress provide for a thorough investigation of the conditions of child labor and of the labor of women in the United States. More and more our people are growing to recognize the fact that the questions which are not merely of industrial but of social importance outweigh all others; and these two questions most emphatically come in the category of those which affect in the most far-reaching way the home life of the Nation. The horrors incident to the employment of young children in factories or at work anywhere are a blot on our civilization. It is true that each. State must ultimately settle the question in its own way; but a thorough official investigation of the matter, with the results published broadcast, would greatly help toward arousing the public conscience and securing unity of State action in the matter. There is, however, one law on the subject which should be enacted immediately, because there is no need for an investigation in reference thereto, and the failure to enact it is discreditable to the National Government. A drastic and thoroughgoing child-labor law should be enacted for the District of Columbia and the Territories.

Page 1911

Among the excellent laws which the Congress past at the last session was an employers' liability law. It was a marked step in advance to get the recognition of employers' liability on the statute books; but the law did not go far enough. In spite of all precautions exercised by employers there are unavoidable accidents and even deaths involved in nearly every line of business connected with the mechanic arts. This inevitable sacrifice of life may be reduced to a minimum, but it can not be completely eliminated. It is a great social injustice to compel the employee, or rather the family of the killed or disabled victim, to bear the entire burden of such an inevitable sacrifice. In other words, society shirks its duty by laying the whole cost on the victim, whereas the injury comes from what may be called the legitimate risks of the trade. Compensation for accidents or deaths due in any line of industry to the actual conditions under which that industry is carried on, should be paid by that portion of the community for the benefit of which the industry is carried on—that is, by those who profit by the industry. If the entire trade risk is placed upon the employer he will promptly and properly add it to the legitimate cost of production and assess it proportionately upon the consumers of his commodity. It is therefore clear to my mind that the law should place this entire "risk of a trade" upon the employer. Neither the Federal law, nor, as far as I am informed, the State laws dealing with the question of employers' liability are sufficiently thoroughgoing. The Federal law should of course include employees in navy-yards, arsenals, and the like.

The commission appointed by the President October 16, 1902, at the request of both the anthracite coal operators and miners, to inquire into, consider, and pass upon the questions in controversy in connection with the strike in the anthracite regions of Pennsylvania and the causes out of which the controversy arose, in their report, findings, and award exprest the belief "that the State and Federal governments should provide the machinery for what may be called the compulsory investigation of controversies between employers and employees when they arise." This expression of belief is deserving of the favorable consideration of the Congress and the enactment of its provisions into law. A bill has already been introduced to this end.

Records show that during the twenty years from January 1, 1881, to, December 31, 1900, there were strikes affecting 117,509 establishments, and 6,105,694 employees were thrown out of employment. During the same period there were 1,005 lockouts, involving nearly 10,000 establishments, throwing over one million people out of employment. These strikes and lockouts involved an estimated loss to employees of $307,000,000 and to employers of $143,000,000, a total of $450,000,000. The public suffered directly and indirectly probably as great additional loss. But the money loss, great as it was, did not measure the anguish and suffering endured by the wives and children of employees whose pay stopt when their work stopt, or the disastrous effect of the strike or lockout upon the business of employers, or the increase in the cost of products and the inconvenience and loss to the public.

Page 1912

Many of these strikes and lockouts would not have occurred had the parties to the dispute been required to appear before an unprejudiced body representing the nation and, face to face, state the reasons for their contention. In most instances the dispute would doubtless be found to be due to a misunderstanding by each of the other's rights, aggravated by an unwillingness of either party to accept as true the statements of the other as to the justice or injustice of the matters in dispute. The exercise of a judicial spirit by a disinterested body representing the Federal Government, such as would be provided by a commission on conciliation and arbitration, would tend to create an atmosphere of friendliness and conciliation between contending parties; and the giving each side an equal opportunity to present fully its case in the presence of the other would prevent many disputes from developing into serious strikes or lockouts, and, in other cases, would enable the commission to persuade the opposing parties to come to terms.

In this age of great corporate and labor combinations, neither employers nor employees should be left completely at the mercy of the stronger party to a dispute, regardless of the righteousness of their respective claims. The proposed measure would be in the line of securing recognition of the fact that in many strikes the public has itself an interest which can not wisely be disregarded; an interest not merely of general convenience, for the question of a just and proper public policy must also be considered. In all legislation of this kind it is well to advance cautiously, testing each step by the actual results; the step proposed can surely be safely taken, for the decisions of the commission would not bind the parties in legal fashion, and yet would give a chance for public opinion to crystallize and thus to exert its full force for the right.

It is not wise that the Nation should alienate its remaining coal lands. I have temporarily withdrawn from settlement all the lands which the Geological Survey has indicated as containing, or in all probability containing, coal. The question, however, can be properly settled only by legislation, which in my judgment should provide for the withdrawal of these lands from sale or from entry, save in certain especial circumstances. The ownership would then remain in the United States, which should not, however, attempt to work them, but permit them to be worked by private individuals under a royalty system, the Government keeping such control as to permit it to see that no excessive price was charged consumers. It would, of course, be as necessary to supervise the rates charged by the common carriers to transport the product as the rates charged by those who mine it; and the supervision must extend to the conduct of the common carriers, so that they shall in no way favor one competitor at the expense of another. The withdrawal of these coal lands would constitute a policy analogous to that which has been followed in withdrawing the forest lands from ordinary settlement. The coal, like the forests, should be treated as the property of the public and its disposal should be under conditions which would inure to the benefit of the public as a whole.

Page 1913

The present Congress has taken long strides in the direction of securing proper supervision and control by the National Government over corporations engaged in interstate business and the enormous majority of corporations of any size are engaged in interstate business. The passage of the railway rate bill, and only to a less degree the passage of the pure food bill, and the provision for increasing and rendering more effective national control over the beef-packing industry, mark an important advance in the proper direction. In the short session it will perhaps be difficult to do much further along this line; and it may be best to wait until the laws have been in operation for a number of months before endeavoring to increase their scope, because only operation will show with exactness their merits and their shortcomings and thus give opportunity to define what further remedial legislation is needed. Yet in my judgment it will in the end be advisable in connection with the packing house inspection law to provide for putting a date on the label and for charging the cost of inspection to the packers. All these laws have already justified their enactment. The interstate commerce law, for instance, has rather amusingly falsified the predictions, both of those who asserted that it would ruin the railroads and of those who asserted that it did not go far enough and would accomplish nothing. During the last five months the railroads have shown increased earnings and some of them unusual dividends; while during the same period the mere taking effect of the law has produced an unprecedented, a hitherto unheard of, number of voluntary reductions in freights and fares by the railroads. Since the founding of the Commission there has never been a time of equal length in which anything like so many reduced tariffs have been put into effect. On August 27, for instance, two days before the new law went into effect, the Commission received notices of over five thousand separate tariffs which represented reductions from previous rates.

It must not be supposed, however, that with the passage of these laws it will be possible to stop progress along the line of increasing the power of the National Government over the use of capital interstate commerce. For example, there will ultimately be need of enlarging the powers of the Interstate Commerce Commission along several different lines, so as to give it a larger and more efficient control over the railroads.

It can not too often be repeated that experience has conclusively shown the impossibility of securing by the actions of nearly half a hundred different State legislatures anything but ineffective chaos in the way of dealing with the great corporations which do not operate exclusively within the limits of any one State. In some method, whether by a national license law or in other fashion, we must exercise, and that at an early date, a far more complete control than at present over these great corporations—a

Page 1914

control that will among other things prevent the evils of excessive overcapitalization, and that will compel the disclosure by each big corporation of its stockholders and of its properties and business, whether owned directly or through subsidiary or affiliated corporations. This will tend to put a stop to the securing of inordinate profits by favored individuals at the expense whether of the general public, the stockholders, or the wageworkers. Our effort should be not so much to prevent consolidation as such, but so to supervise and control it as to see that it results in no harm to the people. The reactionary or ultraconservative apologists for the misuse of wealth assail the effort to secure such control as a step toward socialism. As a matter of fact it is these reactionaries and ultraconservatives who are themselves most potent in increasing socialistic feeling. One of the most efficient methods of averting the consequences of a dangerous agitation, which is 80 per cent wrong, is to remedy the 20 per cent of evil as to which the agitation is well rounded. The best way to avert the very undesirable move for the government ownership of railways is to secure by the Government on behalf of the people as a whole such adequate control and regulation of the great interstate common carriers as will do away with the evils which give rise to the agitation against them. So the proper antidote to the dangerous and wicked agitation against the men of wealth as such is to secure by proper legislation and executive action the abolition of the grave abuses which actually do obtain in connection with the business use of wealth under our present system—or rather no system—of failure to exercise any adequate control at all. Some persons speak as if the exercise of such governmental control would do away with the freedom of individual initiative and dwarf individual effort. This is not a fact. It would be a veritable calamity to fail to put a premium upon individual initiative, individual capacity and effort; upon the energy, character, and foresight which it is so important to encourage in the individual. But as a matter of fact the deadening and degrading effect of pure socialism, and especially of its extreme form communism, and the destruction of individual character which they would bring about, are in part achieved by the wholly unregulated competition which results in a single individual or corporation rising at the expense of all others until his or its rise effectually checks all competition and reduces former competitors to a position of utter inferiority and subordination.

Page 1915

In enacting and enforcing such legislation as this Congress already has to its credit, we are working on a coherent plan, with the steady endeavor to secure the needed reform by the joint action of the moderate men, the plain men who do not wish anything hysterical or dangerous, but who do intend to deal in resolute common-sense fashion with the real and great evils of the present system. The reactionaries and the violent extremists show symptoms of joining hands against us. Both assert, for instance, that, if logical, we should go to government ownership of railroads and the like; the reactionaries, because on such an issue they think the people would stand with them, while the extremists care rather to preach discontent and agitation than to achieve solid results. As a matter of fact, our position is as remote from that of the Bourbon reactionary as from that of the impracticable or sinister visionary. We hold that the Government should not conduct the business of the nation, but that it should exercise such supervision as will insure its being conducted in the interest of the nation. Our aim is, so far as may be, to secure, for all decent, hard working men, equality of opportunity and equality of burden.

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

Page 1916

what harm such a combination could do to the public at large. It is a public evil to have on the statute books a law incapable of full enforcement because both judges and juries realize that its full enforcement would destroy the business of the country; for the result is to make decent railroad men violators of the law against their will, and to put a premium on the behavior of the wilful wrongdoers. Such a result in turn tends to throw the decent man and the wilful wrongdoer into close association, and in the end to drag down the former to the latter's level; for the man who becomes a lawbreaker in one way unhappily tends to lose all respect for law and to be willing to break it in many ways. No more scathing condemnation could be visited upon a law than is contained in the words of the Interstate Commerce Commission when, in commenting upon the fact that the numerous joint traffic associations do technically violate the law, they say: "The decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic Association case has produced no practical effect upon the railway operations of the country. Such associations, in fact, exist now as they did before these decisions, and with the same general effect. In justice to all parties, we ought probably to add that it is difficult to see how our interstate railways could be operated with due regard to the interest of the shipper and the railway without concerted action of the kind afforded through these associations."

This means that the law as construed by the Supreme Court is such that the business of the country can not be conducted without breaking it. I recommend that you give careful and early consideration to this subject, and if you find the opinion of the Interstate Commerce Commission justified, that you amend the law so as to obviate the evil disclosed.

The question of taxation is difficult in any country, but it is especially difficult in ours with its Federal system of government. Some taxes should on every ground be levied in a small district for use in that district. Thus the taxation of real estate is peculiarly one for the immediate locality in which the real estate is found. Again, there is no more legitimate tax for any State than a tax on the franchises conferred by that State upon street railroads and similar corporations which operate wholly within the State boundaries, sometimes in one and sometimes in several municipalities or other minor divisions of the State. But there are many kinds of taxes which can only be levied by the General Government so as to produce the best results, because, among other reasons, the attempt to impose them in one particular State too often results merely in driving the corporation or individual affected to some other locality or other State. The National Government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these there is every reason why, when next our system of

Page 1917

taxation is revised, the National Government should impose a graduated inheritance tax, and, if possible, a graduated income tax. The man of great wealth owes a peculiar obligation to the State, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection the State gives him. On the one hand, it is desirable that he should assume his full and proper share of the burden of taxation; on the other hand, it is quite as necessary that in this kind of taxation, where the men who vote the tax pay but little of it, there should be clear recognition of the danger of inaugurating any such system save in a spirit of entire justice and moderation. Whenever we, as a people, undertake to remodel our taxation system along the lines suggested, we must make it clear beyond peradventure that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a basis of absolute equality, and that we regard it as equally fatal to true democracy to do or permit injustice to the one as to do or permit injustice to the other.

I am well aware that such a subject as this needs long and careful study in order that the people may become familiar with what is proposed to be done, may clearly see the necessity of proceeding with wisdom and self-restraint, and may make up their minds just how far they are willing to go in the matter; while only trained legislators can work out the project in necessary detail. But I feel that in the near future our national legislators should enact a law providing for a graduated inheritance tax by which a steadily increasing rate of duty should be put upon all moneys or other valuables coming by gift, bequest, or devise to any individual or corporation. It may be well to make the tax heavy in proportion as the individual benefited is remote of kin. In any event, in my judgment the pro rata of the tax should increase very heavily with the increase of the amount left to any one individual after a certain point has been reached. It is most desirable to encourage thrift and ambition, and a potent source of thrift and ambition is the desire on the part of the breadwinner to leave his children well off. This object can be attained by making the tax very small on moderate amounts of property left; because the prime object should be to put a constantly increasing burden on the inheritance of those swollen fortunes which it is certainly of no benefit to this country to perpetuate.

There can be no question of the ethical propriety of the Government thus determining the conditions upon which any gift or inheritance should be received. Exactly how far the inheritance tax would, as an incident, have the effect of limiting the transmission by devise or gift of the enormous fortunes in question it is not necessary at present to discuss. It is wise that progress in this direction should be gradual. At first a permanent national inheritance tax, while it might be more substantial than any such tax has

hitherto been, need not approximate, either in amount or in the extent of the increase by graduation, to what such a tax should ultimately be.

Page 1918

This species of tax has again and again been imposed, although only temporarily, by the National Government. It was first imposed by the act of July 6, 1797, when the makers of the Constitution were alive and at the head of affairs. It was a graduated tax; though small in amount, the rate was increased with the amount left to any individual, exceptions being made in the case of certain close kin. A similar tax was again imposed by the act of July 1, 1862; a minimum sum of one thousand dollars in personal property being excepted from taxation, the tax then becoming progressive according to the remoteness of kin. The war-revenue act of June 13, 1898, provided for an inheritance tax on any sum exceeding the value of ten thousand dollars, the rate of the tax increasing both in accordance with the amounts left and in accordance with the legatee's remoteness of kin. The Supreme Court has held that the succession tax imposed at the time of the Civil War was not a direct tax but an impost or excise which was both constitutional and valid. More recently the Court, in an opinion delivered by Mr. Justice White, which contained an exceedingly able and elaborate discussion of the powers of the Congress to impose death duties, sustained the constitutionality of the inheritance-tax feature of the war-revenue act of 1898.

In its incidents, and apart from the main purpose of raising revenue, an income tax stands on an entirely different footing from an inheritance tax; because it involves no question of the perpetuation of fortunes swollen to an unhealthy size. The question is in its essence a question of the proper adjustment of burdens to benefits. As the law now stands it is undoubtedly difficult to devise a national income tax which shall be constitutional. But whether it is absolutely impossible is another question; and if possible it is most certainly desirable. The first purely income-tax law was past by the Congress in 1861, but the most important law dealing with the subject was that of 1894. This the court held to be unconstitutional.

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

Page 1919

It would be impossible to overstate (though it is of course difficult quantitatively to measure) the effect upon a nation's growth to greatness of what may be called organized patriotism, which necessarily includes the substitution of a national feeling for mere local pride; with as a resultant a high ambition for the whole country. No country can develop its full strength so long as the parts which make up the whole each put a feeling of loyalty to the part above the feeling of loyalty to the whole. This is true of sections and it is just as true of classes. The industrial and agricultural classes must work together, capitalists and wageworkers must work together, if the best work of which the country is capable is to be done. It is probable that a thoroughly efficient system of education comes next to the influence of patriotism in bringing about national success of this kind. Our federal form of government, so fruitful of advantage to our people in certain ways, in other ways undoubtedly limits our national effectiveness. It is not possible, for instance, for the National Government to take the lead in technical industrial education, to see that the public school system of this country develops on all its technical, industrial, scientific, and commercial sides. This must be left primarily to the several States. Nevertheless, the National Government has control of the schools of the District of Columbia, and it should see that these schools promote and encourage the fullest development of the scholars in both commercial and industrial training. The commercial training should in one of its branches deal with foreign trade. The industrial training is even more important. It should be one of our prime objects as a Nation, so far as feasible, constantly to work toward putting the mechanic, the wageworker who works with his hands, on a higher plane of efficiency and reward, so as to increase his effectiveness in the economic world, and the dignity, the remuneration, and the power of his position in the social world. Unfortunately, at present the effect of some of the work in the public schools is in the exactly opposite direction. If boys and girls are trained merely in literary accomplishments, to the total exclusion of industrial, manual, and technical training, the tendency is to unfit them for industrial work and to make them reluctant to go into it, or unfitted to do well if they do go into it. This is a tendency which should be strenuously combated. Our industrial development depends largely upon technical education, including in this term all industrial education, from that which fits a man to be a good mechanic, a good carpenter, or blacksmith, to that which fits a man to do the greatest engineering feat. The skilled mechanic, the skilled workman, can best become such by technical industrial education. The far-reaching usefulness of institutes of technology and schools of mines or of engineering is now universally acknowledged,

Page 1920

and no less far—reaching is the effect of a good building or mechanical trades school, a textile, or watch-making, or engraving school. All such training must develop not only manual dexterity but industrial intelligence. In international rivalry this country does not have to fear the competition of pauper labor as much as it has to fear the educated labor of specially trained competitors; and we should have the education of the hand, eye, and brain which will fit us to meet such competition.

In every possible way we should help the wageworker who toils with his hands and who must (we hope in a constantly increasing measure) also toil with his brain. Under the Constitution the National Legislature can do but little of direct importance for his welfare save where he is engaged in work which permits it to act under the interstate commerce clause of the Constitution; and this is one reason why I so earnestly hope that both the legislative and judicial branches of the Government will construe this clause of the Constitution in the broadest possible manner. We can, however, in such a matter as industrial training, in such a matter as child labor and factory laws, set an example to the States by enacting the most advanced legislation that can wisely be enacted for the District of Columbia.

The only other persons whose welfare is as vital to the welfare of the whole country as is the welfare of the wageworkers are the tillers of the soil, the farmers. It is a mere truism to say that no growth of cities, no growth of wealth, no industrial development can atone for any falling off in the character and standing of the farming population. During the last few decades this fact has been recognized with ever-increasing clearness. There is no longer any failure to realize that farming, at least in certain branches, must become a technical and scientific profession. This means that there must be open to farmers the chance for technical and scientific training, not theoretical merely but of the most severely practical type. The farmer represents a peculiarly high type of American citizenship, and he must have the same chance to rise and develop as other American citizens have. Moreover, it is exactly as true of the farmer, as it is of the business man and the wageworker, that the ultimate success of the Nation of which he forms a part must be founded not alone on material prosperity but upon high moral, mental, and physical development. This education of the farmer—self-education by preference but also education from the outside, as with all other men—is peculiarly necessary here in the United States, where the frontier conditions even in the newest States have now nearly vanished, where there must be a substitution of a more intensive system of cultivation for the old wasteful farm management, and where there must be a better business organization among the farmers themselves.

Page 1921

Several factors must cooperate in the improvement of the farmer's condition. He must have the chance to be educated in the widest possible sense—in the sense which keeps ever in view the intimate relationship between the theory of education and the facts of life. In all education we should widen our aims. It is a good thing to produce a certain number of trained scholars and students; but the education superintended by the State must seek rather to produce a hundred good citizens than merely one scholar, and it must be turned now and then from the class book to the study of the great book of nature itself. This is especially true of the farmer, as has been pointed out again and again by all observers most competent to pass practical judgment on the problems of our country life. All students now realize that education must seek to train the executive powers of young people and to confer more real significance upon the phrase "dignity of labor," and to prepare the pupils so that, in addition to each developing in the highest degree his individual capacity for work, they may together help create a right public opinion, and show in many ways social and cooperative spirit. Organization has become necessary in the business world; and it has accomplished much for good in the world of labor. It is no less necessary for farmers. Such a movement as the grange movement is good in itself and is capable of a well-nigh infinite further extension for good so long as it is kept to its own legitimate business. The benefits to be derived by the association of farmers for mutual advantage are partly economic and partly sociological.

Moreover, while in the long run voluntary efforts will prove more efficacious than government assistance, while the farmers must primarily do most for themselves, yet the Government can also do much. The Department of Agriculture has broken new ground in many directions, and year by year it finds how it can improve its methods and develop fresh usefulness. Its constant effort is to give the governmental assistance in the most effective way; that is, through associations of farmers rather than to or through individual farmers. It is also striving to coordinate its work with the agricultural departments of the several States, and so far as its own work is educational to coordinate it with the work of other educational authorities. Agricultural education is necessarily based upon general education, but our agricultural educational institutions are wisely specializing themselves, making their courses relate to the actual teaching of the agricultural and kindred sciences to young country people or young city people who wish to live in the country.

Page 1922

Great progress has already been made among farmers by the creation of farmers' institutes, of dairy associations, of breeders' associations, horticultural associations, and the like. A striking example of how the Government and the farmers can cooperate is shown in connection with the menace offered to the cotton growers of the Southern States by the advance of the boll weevil. The Department is doing all it can to organize the farmers in the threatened districts, just as it has been doing all it can to organize them in aid of its work to eradicate the cattle fever tick in the South. The Department can and will cooperate with all such associations, and it must have their help if its own work is to be done in the most efficient style.

Much is now being done for the States of the Rocky Mountains and Great Plains through the development of the national policy of irrigation and forest preservation; no Government policy for the betterment of our internal conditions has been more fruitful of good than this. The forests of the White Mountains and Southern Appalachian regions should also be preserved; and they can not be unless the people of the States in which they lie, through their representatives in the Congress, secure vigorous action by the National Government.

I invite the attention of the Congress to the estimate of the Secretary of War for an appropriation to enable him to begin the preliminary work for the construction of a memorial amphitheater at Arlington. The Grand Army of the Republic in its national encampment has urged the erection of such an amphitheater as necessary for the proper observance Of Memorial Day and as a fitting monument to the soldier and sailor dead buried there. In this I heartily concur and commend the matter to the favorable consideration of the Congress.

I am well aware of how difficult it is to pass a constitutional amendment. Nevertheless in my judgment the whole question of marriage and divorce should be relegated to the authority of the National Congress. At present the wide differences in the laws of the different States on this subject result in scandals and abuses; and surely there is nothing so vitally essential to the welfare of the nation, nothing around which the nation should so bend itself to throw every safeguard, as the home life of the average citizen. The change would be good from every standpoint. In particular it would be good because it would confer on the Congress the power at once to deal radically and efficiently with polygamy; and this should be done whether or not marriage and divorce are dealt with. It is neither safe nor proper to leave the question of polygamy to be dealt with by the several States. Power to deal with it should be conferred on the National Government.

Page 1923

When home ties are loosened; when men and women cease to regard a worthy family life, with all its duties fully performed, and all its responsibilities lived up to, as the life best worth living; then evil days for the commonwealth are at hand. There are regions in our land, and classes of our population, where the birth rate has sunk below the death rate. Surely it should need no demonstration to show that wilful sterility is, from the standpoint of the nation, from the standpoint of the human race, the one sin for which the penalty is national death, race death; a sin for which there is no atonement; a sin which is the more dreadful exactly in proportion as the men and women guilty thereof are in other respects, in character, and bodily and mental powers, those whom for the sake of the state it would be well to see the fathers and mothers of many healthy children, well brought up in homes made happy by their presence. No man, no woman, can shirk the primary duties of life, whether for love of ease and pleasure, or for any other cause, and retain his or her self-respect.

Let me once again call the attention of the Congress to two subjects concerning which I have frequently before communicated with them. One is the question of developing American shipping. I trust that a law embodying in substance the views, or a major part of the views, exprest in the report on this subject laid before the House at its last session will be past. I am well aware that in former years objectionable measures have been proposed in reference to the encouragement of American shipping; but it seems to me that the proposed measure is as nearly unobjectionable as any can be. It will of course benefit primarily our seaboard States, such as Maine, Louisiana, and Washington; but what benefits part of our people in the end benefits all; just as Government aid to irrigation and forestry in the West is really of benefit, not only to the Rocky Mountain States, but to all our country. If it prove impracticable to enact a law for the encouragement of shipping generally, then at least provision should be made for better communication with South America, notably for fast mail lines to the chief South American ports. It is discreditable to us that our business people, for lack of direct communication in the shape of lines of steamers with South America, should in that great sister continent be at a disadvantage compared to the business people of Europe.

I especially call your attention to the second subject, the condition of our currency laws. The national bank act has ably served a great purpose in aiding the enormous business development of the country; and within ten years there has been an increase in circulation per capita from $21.41 to $33.08. For several years evidence has been accumulating that additional legislation is needed. The recurrence of each crop season emphasizes the defects of the present laws. There must soon be a revision of them,

Page 1924

because to leave them as they are means to incur liability of business disaster. Since your body adjourned there has been a fluctuation in the interest on call money from 2 per cent to 30 per cent; and the fluctuation was even greater during the preceding six months. The Secretary of the Treasury had to step in and by wise action put a stop to the most violent period of oscillation. Even worse than such fluctuation is the advance in commercial rates and the uncertainty felt in the sufficiency of credit even at high rates. All commercial interests suffer during each crop period. Excessive rates for call money in New York attract money from the interior banks into the speculative field; this depletes the fund that would otherwise be available for commercial uses, and commercial borrowers are forced to pay abnormal rates; so that each fall a tax, in the shape of increased interest charges, is placed on the whole commerce of the country.

The mere statement of these has shows that our present system is seriously defective. There is need of a change. Unfortunately, however, many of the proposed changes must be ruled from consideration because they are complicated, are not easy of comprehension, and tend to, disturb existing rights and interests. We must also rule out any plan which would materially impair the value of the United States 2 per cent bonds now pledged to secure circulations, the issue of which was made under conditions peculiarly creditable to the Treasury. I do not press any especial plan. Various plans have recently been proposed by expert committees of bankers. Among the plans which are possibly feasible and which certainly should receive your consideration is that repeatedly brought to your attention by the present Secretary of the Treasury, the essential features of which have been approved by many prominent bankers and business men. According to this plan national banks should be permitted to issue a specified proportion of their capital in notes of a given kind, the issue to be taxed at so high a rate as to drive the notes back when not wanted in legitimate trade. This plan would not permit the issue of currency to give banks additional profits, but to meet the emergency presented by times of stringency.

I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks, so as to avoid all possibility of discrimination and favoritism. Such a plan would tend to prevent the spasms of high money and speculation which now obtain in the New York market; for at present there is too much currency at certain seasons of the year, and its accumulation at New York tempts bankers to lend it at low rates for speculative purposes; whereas at other times when the crops are being moved there is urgent need for a large but temporary increase in the currency supply. It must never be forgotten that this question concerns

Page 1925

business men generally quite as much as bankers; especially is this true of stockmen, farmers, and business men in the West; for at present at certain seasons of the year the difference in interest rates between the East and the West is from 6 to 10 per cent, whereas in Canada the corresponding difference is but 2 per cent. Any plan must, of course, guard the interests of western and southern bankers as carefully as it guards the interests of New York or Chicago bankers; and must be drawn from the standpoints of the farmer and the merchant no less than from the standpoints of the city banker and the country banker.

The law should be amended so as specifically to provide that the funds derived from customs duties may be treated by the Secretary of the Treasury as he treats funds obtained under the internal-revenue laws. There should be a considerable increase in bills of small denominations. Permission should be given banks, if necessary under settled restrictions, to retire their circulation to a larger amount than three millions a month.

I most earnestly hope that the bill to provide a lower tariff for or else absolute free trade in Philippine products will become a law. No harm will come to any American industry; and while there will be some small but real material benefit to the Filipinos, the main benefit will come by the showing made as to our purpose to do all in our power for their welfare. So far our action in the Philippines has been abundantly justified, not mainly and indeed not primarily because of the added dignity it has given us as a nation by proving that we are capable honorably and efficiently to bear the international burdens which a mighty people should bear, but even more because of the immense benefit that has come to the people of the Philippine Islands. In these islands we are steadily introducing both liberty and order, to a greater degree than their people have ever before known. We have secured justice. We have provided an efficient police force, and have put down ladronism. Only in the islands of Leyte and Samar is the authority of our Government resisted and this by wild mountain tribes under the superstitious inspiration of fakirs and pseudo-religions leaders. We are constantly increasing the measure of liberty accorded the islanders, and next spring, if conditions warrant, we shall take a great stride forward in testing their capacity for self-government by summoning the first Filipino legislative assembly; and the way in which they stand this test will largely determine whether the self-government thus granted will be increased or decreased; for if we have erred at all in the Philippines it has been in proceeding too rapidly in the direction of granting a large measure of self-government. We are building roads. We have, for the immeasurable good of the people, arranged for the building of railroads. Let us also see to it that they are given free access to our markets. This nation owes no more imperative duty to itself and mankind than the duty of managing the affairs of all the islands under the American flag—the Philippines, Porto Rico, and Hawaii—so as to make it evident that it is in every way to their advantage that the flag should fly over them.

Page 1926

American citizenship should be conferred on the citizens of Porto Rico. The harbor of San Juan in Porto Rico should be dredged and improved. The expenses of the federal court of Porto Rico should be met from the Federal Treasury. The administration of the affairs of Porto Rico, together with those of the Philippines, Hawaii, and our other insular possessions, should all be directed under one executive department; by preference the Department of State or the Department of War.

The needs of Hawaii are peculiar; every aid should be given the islands; and our efforts should be unceasing to develop them along the lines of a community of small freeholders, not of great planters with coolie-tilled estates. Situated as this Territory is, in the middle of the Pacific, there are duties imposed upon this small community which do not fall in like degree or manner upon any other American community. This warrants our treating it differently from the way in which we treat Territories contiguous to or surrounded by sister Territories or other States, and justifies the setting aside of a portion of our revenues to be expended for educational and internal improvements therein. Hawaii is now making an effort to secure immigration fit in the end to assume the duties and burdens of full American citizenship, and whenever the leaders in the various industries of those islands finally adopt our ideals and heartily join our administration in endeavoring to develop a middle class of substantial citizens, a way will then be found to deal with the commercial and industrial problems which now appear to them so serious. The best Americanism is that which aims for stability and permanency of prosperous citizenship, rather than immediate returns on large masses of capital.

Alaska's needs have been partially met, but there must be a complete reorganization of the governmental system, as I have before indicated to you. I ask your especial attention to this. Our fellow-citizens who dwell on the shores of Puget Sound with characteristic energy are arranging to hold in Seattle the Alaska Yukon Pacific Exposition. Its special aims include the upbuilding of Alaska and the development of American commerce on the Pacific Ocean. This exposition, in its purposes and scope, should appeal not only to the people of the Pacific slope, but to the people of the United States at large. Alaska since it was bought has yielded to the Government eleven millions of dollars of revenue, and has produced nearly three hundred millions of dollars in gold, furs, and fish. When properly developed it will become in large degree a land of homes. The countries bordering the Pacific Ocean have a population more numerous than that of all the countries of Europe; their annual foreign commerce amounts to over three billions of dollars, of which the share of the United States is some seven hundred millions of dollars. If this trade were thoroughly understood and pushed by our manufacturers and producers, the industries not only of the Pacific slope, but of all our country, and particularly of our cotton-growing States, would be greatly benefited. Of course, in order to get these benefits, we must treat fairly the countries with which we trade.

Page 1927

It is a mistake, and it betrays a spirit of foolish cynicism, to maintain that all international governmental action is, and must ever be, based upon mere selfishness, and that to advance ethical reasons for such action is always a sign of hypocrisy. This is no more necessarily true of the action of governments than of the action of individuals. It is a sure sign of a base nature always to ascribe base motives for the actions of others. Unquestionably no nation can afford to disregard proper considerations of self-interest, any more than a private individual can so do. But it is equally true that the average private individual in any really decent community does many actions with reference to other men in which he is guided, not by self-interest, but by public spirit, by regard for the rights of others, by a disinterested purpose to do good to others, and to raise the tone of the community as a whole. Similarly, a really great nation must often act, and as a matter of fact often does act, toward other nations in a spirit not in the least of mere self-interest, but paying heed chiefly to ethical reasons; and as the centuries go by this disinterestedness in international action, this tendency of the individuals comprising a nation to require that nation to act with justice toward its neighbors, steadily grows and strengthens. It is neither wise nor right for a nation to disregard its own needs, and it is foolish—and may be wicked—to think that other nations will disregard theirs. But it is wicked for a nation only to regard its own interest, and foolish to believe that such is the sole motive that actuates any other nation. It should be our steady aim to raise the ethical standard of national action just as we strive to raise the ethical standard of individual action.

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

Page 1928

I am prompted to say this by the attitude of hostility here and there assumed toward the Japanese in this country. This hostility is sporadic and is limited to a very few places. Nevertheless, it is most discreditable to us as a people, and it may be fraught with the gravest consequences to the nation. The friendship between the United States and Japan has been continuous since the time, over half a century ago, when Commodore Perry, by his expedition to Japan, first opened the islands to western civilization. Since then the growth of Japan has been literally astounding. There is not only nothing to parallel it, but nothing to approach it in the history of civilized mankind. Japan has a glorious and ancient past. Her civilization is older than that of the nations of northern Europe—the nations from whom the people of the United States have chiefly sprung. But fifty years ago Japan's development was still that of the Middle Ages. During that fifty years the progress of the country in every walk in life has been a marvel to mankind, and she now stands as one of the greatest of civilized nations; great in the arts of war and in the arts of peace; great in military, in industrial, in artistic development and achievement. Japanese soldiers and sailors have shown themselves equal in combat to any of whom history makes note. She has produced great generals and mighty admirals; her fighting men, afloat and ashore, show all the heroic courage, the unquestioning, unfaltering loyalty, the splendid indifference to hardship and death, which marked the Loyal Ronins; and they show also that they possess the highest ideal of patriotism. Japanese artists of every kind see their products eagerly sought for in all lands. The industrial and commercial development of Japan has been phenomenal; greater than that of any other country during the same period. At the same time the advance in science and philosophy is no less marked. The admirable management of the Japanese Red Cross during the late war, the efficiency and humanity of the Japanese officials, nurses, and doctors, won the respectful admiration of all acquainted with the facts. Through the Red Cross the Japanese people sent over $100,000 to the sufferers of San Francisco, and the gift was accepted with gratitude by our people. The courtesy of the Japanese, nationally and individually, has become proverbial. To no other country has there been such an increasing number of visitors from this land as to Japan. In return, Japanese have come here in great numbers. They are welcome, socially and intellectually, in all our colleges and institutions of higher learning, in all our professional and social bodies. The Japanese have won in a single generation the right to stand abreast of the foremost and most enlightened peoples of Europe and America; they have won on their own merits and by their own exertions the right to treatment on a basis of full and frank equality. The overwhelming mass of our people cherish a lively regard and respect for

Page 1929

the people of Japan, and in almost every quarter of the Union the stranger from Japan is treated as he deserves; that is, he is treated as the stranger from any part of civilized Europe is and deserves to be treated. But here and there a most unworthy feeling has manifested itself toward the Japanese—the feeling that has been shown in shutting them out from the common schools in San Francisco, and in mutterings against them in one or two other places, because of their efficiency as workers. To shut them out from the public schools is a wicked absurdity, when there are no first-class colleges in the land, including the universities and colleges of California, which do not gladly welcome Japanese students and on which Japanese students do not reflect credit. We have as much to learn from Japan as Japan has to learn from us; and no nation is fit to teach unless it is also willing to learn. Throughout Japan Americans are well treated, and any failure on the part of Americans at home to treat the Japanese with a like courtesy and consideration is by just so much a confession of inferiority in our civilization.

Our nation fronts on the Pacific, just as it fronts on the Atlantic. We hope to play a constantly growing part in the great ocean of the Orient. We wish, as we ought to wish, for a great commercial development in our dealings with Asia; and it is out of the question that we should permanently have such development unless we freely and gladly extend to other nations the same measure of justice and good treatment which we expect to receive in return. It is only a very small body of our citizens that act badly. Where the Federal Government has power it will deal summarily with any such. Where the several States have power I earnestly ask that they also deal wisely and promptly with such conduct, or else this small body of wrongdoers may bring shame upon the great mass of their innocent and right-thinking fellows—that is, upon our nation as a whole. Good manners should be an international no less than an individual attribute. I ask fair treatment for the Japanese as I would ask fair treatment for Germans or Englishmen, Frenchmen, Russians, or Italians. I ask it as due to humanity and civilization. I ask it as due to ourselves because we must act uprightly toward all men.

I recommend to the Congress that an act be past specifically providing for the naturalization of Japanese who come here intending to become American citizens. One of the great embarrassments attending the performance of our international obligations is the fact that the Statutes of the United States are entirely inadequate. They fail to give to the National Government sufficiently ample power, through United States courts and by the use of the Army and Navy, to protect aliens in the rights secured to them under solemn treaties which are the law of the land. I therefore earnestly recommend that the criminal and civil statutes of the United States be so amended and added to as to

Page 1930

enable the President, acting for the United States Government, which is responsible in our international relations, to enforce the rights of aliens under treaties. Even as the law now is something can be done by the Federal Government toward this end, and in the matter now before me affecting the Japanese everything that it is in my power to do will be done, and all of the forces, military and civil, of the United States which I may lawfully employ will be so employed. There should, however, be no particle of doubt as to the power of the National Government completely to perform and enforce its own obligations to other nations. The mob of a single city may at any time perform acts of lawless violence against some class of foreigners which would plunge us into war. That city by itself would be powerless to make defense against the foreign power thus assaulted, and if independent of this Government it would never venture to perform or permit the performance of the acts complained of. The entire power and the whole duty to protect the offending city or the offending community lies in the hands of the United States Government. It is unthinkable that we should continue a policy under which a given locality may be allowed to commit a crime against a friendly nation, and the United States Government limited, not to preventing the commission of the crime, but, in the last resort, to defending the people who have committed it against the consequences of their own wrongdoing.

Last August an insurrection broke out in Cuba which it speedily grew evident that the existing Cuban Government was powerless to quell. This Government was repeatedly asked by the then Cuban Government to intervene, and finally was notified by the President of Cuba that he intended to resign; that his decision was irrevocable; that none of the other constitutional officers would consent to carry on the Government, and that he was powerless to maintain order. It was evident that chaos was impending, and there was every probability that if steps were not immediately taken by this Government to try to restore order the representatives of various European nations in the island would apply to their respective governments for armed intervention in order to protect the lives and property of their citizens. Thanks to the preparedness of our Navy, I was able immediately to send enough ships to Cuba to prevent the situation from becoming hopeless; and I furthermore dispatched to Cuba the Secretary of War and the Assistant Secretary of State, in order that they might grapple with the situation on the ground. All efforts to secure an agreement between the contending factions, by which they should themselves come to an amicable understanding and settle upon some modus vivendi —some provisional government of their own—failed. Finally the President of the Republic resigned. The quorum of Congress assembled failed by deliberate purpose of its members, so that there was no power

Page 1931

to act on his resignation, and the Government came to a halt. In accordance with the so-called Platt amendment, which was embodied in the constitution of Cuba, I thereupon proclaimed a provisional government for the island, the Secretary of War acting as provisional governor until he could be replaced by Mr. Magoon, the late minister to Panama and governor of the Canal Zone on the Isthmus; troops were sent to support them and to relieve the Navy, the expedition being handled with most satisfactory speed and efficiency. The insurgent chiefs immediately agreed that their troops should lay down their arms and disband; and the agreement was carried out. The provisional government has left the personnel of the old government and the old laws, so far as might be, unchanged, and will thus administer the island for a few months until tranquillity can be restored, a new election properly held, and a new government inaugurated. Peace has come in the island; and the harvesting of the sugar-cane crop, the great crop of the island, is about to proceed.

When the election has been held and the new government inaugurated in peaceful and orderly fashion the provisional government will come to an end. I take this opportunity of expressing upon behalf of the American people, with all possible solemnity, our most earnest hope that the people of Cuba will realize the imperative need of preserving justice and keeping order in the Island. The United States wishes nothing of Cuba except that it shall prosper morally and materially, and wishes nothing of the Cubans save that they shall be able to preserve order among themselves and therefore to preserve their independence. If the elections become a farce, and if the insurrectionary habit becomes confirmed in the Island, it is absolutely out of the question that the Island should continue independent; and the United States, which has assumed the sponsorship before the civilized world for Cuba's career as a nation, would again have to intervene and to see that the government was managed in such orderly fashion as to secure the safety of life and property. The path to be trodden by those who exercise self-government is always hard, and we should have every charity and patience with the Cubans as they tread this difficult path. I have the utmost sympathy with, and regard for, them; but I most earnestly adjure them solemnly to weigh their responsibilities and to see that when their new government is started it shall run smoothly, and with freedom from flagrant denial of right on the one hand, and from insurrectionary disturbances on the other.

Page 1932

The Second International Conference of American Republics, held in Mexico in the years 1901-2, provided for the holding of the third conference within five years, and committed the fixing of the time and place and the arrangements for the conference to the governing board of the Bureau of American Republics, composed of the representatives of all the American nations in Washington. That board discharged the duty imposed upon it with marked fidelity and painstaking care, and upon the courteous invitation of the United States of Brazil the conference was held at Rio de Janeiro, continuing from the 23d of July to the 29th of August last. Many subjects of common interest to all the American nations were discust by the conference, and the conclusions reached, embodied in a series of resolutions and proposed conventions, will be laid before you upon the coming in of the final report of the American delegates. They contain many matters of importance relating to the extension of trade, the increase of communication, the smoothing away of barriers to free intercourse, and the promotion of a better knowledge and good understanding between the different countries represented. The meetings of the conference were harmonious and the conclusions were reached with substantial unanimity. It is interesting to observe that in the successive conferences which have been held the representatives of the different American nations have been learning to work together effectively, for, while the First Conference in Washington in 1889, and the Second Conference in Mexico in 1901-2, occupied many months, with much time wasted in an unregulated and fruitless discussion, the Third Conference at Rio exhibited much of the facility in the practical dispatch of business which characterizes permanent deliberative bodies, and completed its labors within the period of six weeks originally allotted for its sessions.

Quite apart from the specific value of the conclusions reached by the conference, the example of the representatives of all the American nations engaging in harmonious and kindly consideration and discussion of subjects of common interest is itself of great and substantial value for the promotion of reasonable and considerate treatment of all international questions. The thanks of this country are due to the Government of Brazil and to the people of Rio de Janeiro for the generous hospitality with which our delegates, in common with the others, were received, entertained, and facilitated in their work.

Incidentally to the meeting of the conference, the Secretary of State visited the city of Rio de Janeiro and was cordially received by the conference, of which he was made an honorary president. The announcement of his intention to make this visit was followed by most courteous and urgent invitations from nearly all the countries of South America to visit them as the guest of their Governments. It was deemed that by the acceptance of these invitations we might

Page 1933

appropriately express the real respect and friendship in which we hold our sister Republics of the southern continent, and the Secretary, accordingly, visited Brazil, Uruguay, Argentina, Chile, Peru, Panama, and Colombia. He refrained from visiting Paraguay, Bolivia, and Ecuador only because the distance of their capitals from the seaboard made it impracticable with the time at his disposal. He carried with him a message of peace and friendship, and of strong desire for good understanding and mutual helpfulness; and he was everywhere received in the spirit of his message. The members of government, the press, the learned professions, the men of business, and the great masses of the people united everywhere in emphatic response to his friendly expressions and in doing honor to the country and cause which he represented.

In many parts of South America there has been much misunderstanding of the attitude and purposes of the United States towards the other American Republics. An idea had become prevalent that our assertion of the Monroe Doctrine implied, or carried with it, an assumption of superiority, and of a right to exercise some kind of protectorate over the countries to whose territory that doctrine applies. Nothing could be farther from the truth. Yet that impression continued to be a serious barrier to good understanding, to friendly intercourse, to the introduction of American capital and the extension of American trade. The impression was so widespread that apparently it could not be reached by any ordinary means.

It was part of Secretary Root's mission to dispel this unfounded impression, and there is just cause to believe that he has succeeded. In an address to the Third Conference at Rio on the 31st of July—an address of such note that I send it in, together with this message—he said:

"We wish for no victories but those of peace; for no territory except our own; for no sovereignty except the sovereignty over ourselves. We deem the independence and equal rights of the smallest and weakest member of the family of nations entitled to as much respect as those of the greatest empire, and we deem the observance of that respect the chief guaranty of the weak against the oppression of the strong. We neither claim nor desire any rights or privileges or powers that we do not freely concede to every American Republic. We wish to increase our prosperity, to extend our trade, to grow in wealth, in wisdom, and in spirit, but our conception of the true way to accomplish this is not to pull down others and profit by their ruin, but to help all friends to a common prosperity and a common growth, that we may all become greater and stronger together. Within a few months for the first time the recognized possessors of every foot of soil upon the American continents can be and I hope will be represented with the acknowledged rights of equal sovereign states in the great World Congress at The Hague. This will be the world's

Page 1934

formal and final acceptance of the declaration that no part of the American continents is to be deemed subject to colonization. Let us pledge ourselves to aid each other in the full performance of the duty to humanity which that accepted declaration implies, so that in time the weakest and most unfortunate of our Republics may come to march with equal step by the side of the stronger and more fortunate. Let us help each other to show that for all the races of men the liberty for which we have fought and labored is the twin sister of justice and peace. Let us unite in creating and maintaining and making effective an all-American public opinion, whose power shall influence international conduct and prevent international wrong, and narrow the causes of war, and forever preserve our free lands from the burden of such armaments as are massed behind the frontiers of Europe, and bring us ever nearer to the perfection of ordered liberty. So shall come security and prosperity, production and trade, wealth, learning, the arts, and happiness for us all."

These words appear to have been received with acclaim in every part of South America. They have my hearty approval, as I am sure they will have yours, and I can not be wrong in the conviction that they correctly represent the sentiments of the whole American people. I can not better characterize the true attitude of the United States in its assertion of the Monroe Doctrine than in the words of the distinguished former minister of foreign affairs of Argentina, Doctor Drago, in his speech welcoming Mr. Root at Buenos Ayres. He spoke of—

"The traditional policy of the United States (which) without accentuating superiority or seeking preponderance, condemned the oppression of the nations of this part of the world and the control of their destinies by the great Powers of Europe."

It is gratifying to know that in the great city of Buenos Ayres, upon the arches which spanned the streets, entwined with Argentine and American flags for the reception of our representative, there were emblazoned not' only the names of Washington and Jefferson and Marshall, but also, in appreciative recognition of their services to the cause of South American independence, the names of James Monroe, John Quincy Adams, Henry Clay, and Richard Rush. We take especial pleasure in the graceful courtesy of the Government of Brazil, which has given to the beautiful and stately building first used for the meeting of the conference the name of "Palacio Monroe." Our grateful acknowledgments are due to the Governments and the people of all the countries visited by the Secretary of State for the courtesy, the friendship, and the honor shown to our country in their generous hospitality to him.

In my message to you on the 5th of December, 1905, I called your attention to the embarrassment that might be caused to this Government by the assertion by foreign nations of the right to collect by force of arms contract debts due by American republics to citizens of the collecting nation, and to the danger that the process of compulsory

collection might result in the occupation of territory tending to become permanent. I then said:

Page 1935

“Our own Government has always refused to enforce such contractual obligations on behalf of its citizens by an appeal to arms. It is much to be wisht that all foreign governments would take the same view.”

This subject was one of the topics of consideration at the conference at Rio and a resolution was adopted by that conference recommending to the respective governments represented “to consider the advisability of asking the Second Peace Conference at The Hague to examine the question of the compulsory collection of public debts, and, in general, means tending to diminish among nations conflicts of purely pecuniary origin.”

This resolution was supported by the representatives of the United States in accordance with the following instructions:

“It has long been the established policy of the United States not to use its armed forces for the collection of ordinary contract debts due to its citizens by other governments. We have not considered the use of force for such a purpose consistent with that respect for the independent sovereignty of other members of the family of nations which is the most important principle of international law and the chief protection of weak nations against the oppression of the strong. It seems to us that the practise is injurious in its general effect upon the relations of nations and upon the welfare of weak and disordered states, whose development ought to be encouraged in the interests of civilization; that it offers frequent temptation to bullying and oppression and to unnecessary and unjustifiable warfare. We regret that other powers, whose opinions and sense of justice we esteem highly, have at times taken a different view and have permitted themselves, though we believe with reluctance, to collect such debts by force. It is doubtless true that the non-payment of public debts may be accompanied by such circumstances of fraud and wrongdoing or violation of treaties as to justify the use of force. This Government would be glad to see an international consideration of the subject which shall discriminate between such cases and the simple nonperformance of a contract with a private person, and a resolution in favor of reliance upon peaceful means in cases of the latter class.

“It is not felt, however, that the conference at Rio should undertake to make such a discrimination or to resolve upon such a rule. Most of the American countries are still debtor nations, while the countries of Europe are the creditors. If the Rio conference, therefore, were to take such action it would have the appearance of a meeting of debtors resolving how their creditors should act, and this would not inspire respect. The true course is indicated by the terms of the program, which proposes to request the Second Hague Conference, where both creditors and debtors will be assembled, to consider the subject.”

Page 1936

Last June trouble which had existed for some time between the Republics of Salvador, Guatemala, and Honduras culminated in war—a war which threatened to be ruinous to the countries involved and very destructive to the commercial interests of Americans, Mexicans, and other foreigners who are taking an important part in the development of these countries. The thoroughly good understanding which exists between the United States and Mexico enabled this Government and that of Mexico to unite in effective mediation between the warring Republics; which mediation resulted, not without long-continued and patient effort, in bringing about a meeting of the representatives of the hostile powers on board a United States warship as neutral territory, and peace was there concluded; a peace which resulted in the saving of thousands of lives and in the prevention of an incalculable amount of misery and the destruction of property and of the means of livelihood. The Rio Conference past the following resolution in reference to this action:

“That the Third International American Conference shall address to the Presidents of the United States of America and of the United States of Mexico a note in which the conference which is being held at Rio expresses its satisfaction at the happy results of their mediation for the celebration of peace between the Republics of Guatemala, Honduras, and Salvador.”

This affords an excellent example of one way in which the influence of the United States can properly be exercised for the benefit of the peoples of the Western Hemisphere; that is, by action taken in concert with other American republics and therefore free from those suspicions and prejudices which might attach if the action were taken by one alone. In this way it is possible to exercise a powerful influence toward the substitution of considerate action in the spirit of justice for the insurrectionary or international violence which has hitherto been so great a hindrance to the development of many of our neighbors. Repeated examples of united action by several or many American republics in favor of peace, by urging cool and reasonable, instead of excited and belligerent, treatment of international controversies, can not fail to promote the growth of a general public opinion among the American nations which will elevate the standards of international action, strengthen the sense of international duty among governments, and tell in favor of the peace of mankind.

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

Page 1937

The Algeciras Convention, which was signed by the United States as well as by most of the powers of Europe, supersedes the previous convention of 1880, which was also signed both by the United States and a majority of the European powers. This treaty confers upon us equal commercial rights with all European countries and does not entail a single obligation of any kind upon us, and I earnestly hope it may be speedily ratified. To refuse to ratify it would merely mean that we forfeited our commercial rights in Morocco and would not achieve another object of any kind. In the event of such refusal we would be left for the first time in a hundred and twenty years without any commercial treaty with Morocco; and this at a time when we are everywhere seeking new markets and outlets for trade.

The destruction of the Pribilof Islands fur seals by pelagic sealing still continues. The herd which, according to the surveys made in 1874 by direction of the Congress, numbered 4,700,000, and which, according to the survey of both American and Canadian commissioners in 1891, amounted to 1,000,000, has now been reduced to about 180,000. This result has been brought about by Canadian and some other sealing vessels killing the female seals while in the water during their annual pilgrimage to and from the south, or in search of food. As a rule the female seal when killed is pregnant, and also has an unweaned pup on land, so that, for each skin taken by pelagic sealing, as a rule, three lives are destroyed—the mother, the unborn offspring, and the nursing pup, which is left to starve to death. No damage whatever is done to the herd by the carefully regulated killing on land; the custom of pelagic sealing is solely responsible for all of the present evil, and is alike indefensible from the economic standpoint and from the standpoint of humanity.

In 1896 over 16,000 young seals were found dead from starvation on the Pribilof Islands. In 1897 it was estimated that since pelagic sealing began upward of 400,000 adult female seals had been killed at sea, and over 300,000 young seals had died of starvation as the result. The revolting barbarity of such a practise, as well as the wasteful destruction which it involves, needs no demonstration and is its own condemnation. The Bering Sea Tribunal, which sat in Paris in 1893, and which decided against the claims of the United States to exclusive jurisdiction in the waters of Bering Sea and to a property right in the fur seals when outside of the three-mile limit, determined also upon certain regulations which the Tribunal considered sufficient for the proper protection and preservation of the fur seal in, or habitually resorting to, the Bering Sea. The Tribunal by its regulations established a close season, from the 1st of May to the 31st of July, and excluded all killing in the waters within 60 miles around the Pribilof Islands. They also provided that the regulations which they had determined upon, with a view to the protection and preservation of the seals, should be submitted every five years to new examination, so as to enable both interested Governments to consider whether, in the light of past experience, there was occasion for any modification thereof.

Page 1938

The regulations have proved plainly inadequate to accomplish the object of protection and preservation of the fur seals, and for a long time this Government has been trying in vain to secure from Great Britain such revision and modification of the regulations as were contemplated and provided for by the award of the Tribunal of Paris.

The process of destruction has been accelerated during recent years by the appearance of a number of Japanese vessels engaged in pelagic sealing. As these vessels have not been bound even by the inadequate limitations prescribed by the Tribunal of Paris, they have paid no attention either to the close season or to the sixty-mile limit imposed upon the Canadians, and have prosecuted their work up to the very islands themselves. On July 16 and 17 the crews from several Japanese vessels made raids upon the island of St. Paul, and before they were beaten off by the very meager and insufficiently armed guard, they succeeded in killing several hundred seals and carrying off the skins of most of them. Nearly all the seals killed were females and the work was done with frightful barbarity. Many of the seals appear to have been skinned alive and many were found half skinned and still alive. The raids were repelled only by the use of firearms, and five of the raiders were killed, two were wounded, and twelve captured, including the two wounded. Those captured have since been tried and sentenced to imprisonment. An attack of this kind had been wholly unlookt for, but such provision of vessels, arms, and ammunition will now be made that its repetition will not be found profitable.

Suitable representations regarding the incident have been made to the Government of Japan, and we are assured that all practicable measures will be taken by that country to prevent any recurrence of the outrage. On our part, the guard on the island will be increased and better equipped and organized, and a better revenue-cutter patrol service about the islands will be established; next season a United States war vessel will also be sent there.

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

The laws for the protection of the seals within the jurisdiction of the United States need revision and amendment. Only the islands of St. Paul and St. George are now, in terms, included in the Government reservation, and the other islands are also to be included. The landing of aliens as well as citizens upon the islands, without a permit from the Department of Commerce and Labor, for any purpose except in case of stress of weather or for water, should be prohibited under adequate penalties. The approach of vessels for the excepted purposes should be regulated. The authority of the Government agents on the islands should be enlarged, and the chief agent should have the powers

Page 1939

of a committing magistrate. The entrance of a vessel into the territorial waters surrounding the islands with intent to take seals should be made a criminal offense and cause of forfeiture. Authority for seizures in such cases should be given and the presence on any such vessel of seals or sealskins, or the paraphernalia for taking them, should be made prima facie evidence of such intent. I recommend what legislation is needed to accomplish these ends; and I commend to your attention the report of Mr. Sims, of the Department of Commerce and Labor, on this subject.

In case we are compelled to abandon the hope of making arrangements with other governments to put an end to the hideous cruelty now incident to pelagic sealing, it will be a question for your serious consideration how far we should continue to protect and maintain the seal herd on land with the result of continuing such a practise, and whether it is not better to end the practice by exterminating the herd ourselves in the most humane way possible.

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

The close connection between the subjects to be taken up by the Red Cross Conference held at Geneva last summer and the subjects which naturally would come before The Hague Conference made it apparent that it was desirable to have the work of the Red Cross Conference completed and considered by the different powers before the meeting at The Hague. The Red Cross Conference ended its labors on the 6th day of July, and the revised and amended convention, which was signed by the American delegates, will be promptly laid before the Senate.

By the special and highly appreciated courtesy of the Governments of Russia and the Netherlands, a proposal to call The Hague Conference together at a time which would conflict with the Conference of the American Republics at Rio de Janeiro in August was laid aside. No other date has yet been suggested. A tentative program for the conference has been proposed by the Government of Russia, and the subjects which it enumerates are undergoing careful examination and consideration in preparation for the conference.

Page 1940

It must ever be kept in mind that war is not merely justifiable, but imperative, upon honorable men, upon an honorable nation, where peace can only be obtained by the sacrifice of conscientious conviction or of national welfare. Peace is normally a great good, and normally it coincides with righteousness; but it is righteousness and not peace which should bind the conscience of a nation as it should bind the conscience of an individual; and neither a nation nor an individual can surrender conscience to another's keeping. Neither can a nation, which is an entity, and which does not die as individuals die, refrain from taking thought for the interest of the generations that are to come, no less than for the interest of the generation of to-day; and no public men have a right, whether from shortsightedness, from selfish indifference, or from sentimentality, to sacrifice national interests which are vital in character. A just war is in the long run far better for a nation's soul than the most prosperous peace obtained by acquiescence in wrong or injustice. Moreover, though it is criminal for a nation not to prepare for war, so that it may escape the dreadful consequences of being defeated in war, yet it must always be remembered that even to be defeated in war may be far better than not to have fought at all. As has been well and finely said, a beaten nation is not necessarily a disgraced nation; but the nation or man is disgraced if the obligation to defend right is shirked.

We should as a nation do everything in our power for the cause of honorable peace. It is morally as indefensible for a nation to commit a wrong upon another nation, strong or weak, as for an individual thus to wrong his fellows. We should do all in our power to hasten the day when there shall be peace among the nations—a peace based upon justice and not upon cowardly submission to wrong. We can accomplish a good deal in this direction, but we can not accomplish everything, and the penalty of attempting to do too much would almost inevitably be to do worse than nothing; for it must be remembered that fantastic extremists are not in reality leaders of the causes which they espouse, but are ordinarily those who do most to hamper the real leaders of the cause and to damage the cause itself. As yet there is no likelihood of establishing any kind of international power, of whatever sort, which can effectively check wrongdoing, and in these circumstances it would be both a foolish and an evil thing for a great and free nation to deprive itself of the power to protect its own rights and even in exceptional cases to stand up for the rights of others. Nothing would more promote iniquity, nothing would further defer the reign upon earth of peace and righteousness, than for the free and enlightened peoples which, though with much stumbling and many shortcomings, nevertheless strive toward justice, deliberately to render themselves powerless while leaving every despotism and barbarism armed and able to work their wicked will. The chance for the settlement of disputes peacefully, by arbitration, now depends mainly upon the possession by the nations that mean to do right of sufficient armed strength to make their purpose effective.

Page 1941

The United States Navy is the surest guarantor of peace which this country possesses. It is earnestly to be wisht that we would profit by the teachings of history in this matter. A strong and wise people will study its own failures no less than its triumphs, for there is wisdom to be learned from the study of both, of the mistake as well as of the success. For this purpose nothing could be more instructive than a rational study of the war of 1812, as it is told, for instance, by Captain Mahan. There was only one way in which that war could have been avoided. If during the preceding twelve years a navy relatively as strong as that which this country now has had been built up, and an army provided relatively as good as that which the country now has, there never would have been the slightest necessity of fighting the war; and if the necessity had arisen the war would under such circumstances have ended with our speedy and overwhelming triumph. But our people during those twelve years refused to make any preparations whatever, regarding either the Army or the Navy. They saved a million or two of dollars by so doing; and in mere money paid a hundredfold for each million they thus saved during the three years of war which followed—a war which brought untold suffering upon our people, which at one time threatened the gravest national disaster, and which, in spite of the necessity of waging it, resulted merely in what was in effect a drawn battle, while the balance of defeat and triumph was almost even.

I do not ask that we continue to increase our Navy. I ask merely that it be maintained at its present strength; and this can be done only if we replace the obsolete and outworn ships by new and good ones, the equals of any afloat in any navy. To stop building ships for one year means that for that year the Navy goes back instead of forward. The old battle ship Texas, for instance, would now be of little service in a stand-up fight with a powerful adversary. The old double-turret monitors have outworn their usefulness, while it was a waste of money to build the modern single-turret monitors. All these ships should be replaced by others; and this can be done by a well-settled program of providing for the building each year of at least one first-class battle ship equal in size and speed to any that any nation is at the same time building; the armament presumably to consist of as large a number as possible of very heavy guns of one caliber, together with smaller guns to repel torpedo attack; while there should be heavy armor, turbine engines, and in short, every modern device. Of course, from time to time, cruisers, colliers, torpedo-boat destroyers or torpedo boats, Will have to be built also. All this, be it remembered, would not increase our Navy, but would merely keep it at its present strength. Equally of course, the ships will be absolutely useless if the men aboard them are not so trained that they can get the best possible service out of the formidable but delicate

Page 1942

and complicated mechanisms intrusted to their care. The marksmanship of our men has so improved during the last five years that I deem it within bounds to say that the Navy is more than twice as efficient, ship for ship, as half a decade ago. The Navy can only attain proper efficiency if enough officers and men are provided, and if these officers and men are given the chance (and required to take advantage of it) to stay continually at sea and to exercise the fleets singly and above all in squadron, the exercise to be of every kind and to include unceasing practise at the guns, conducted under conditions that will test marksmanship in time of war.

In both the Army and the Navy there is urgent need that everything possible should be done to maintain the highest standard for the personnel, alike as regards the officers and the enlisted men. I do not believe that in any service there is a finer body of enlisted men and of junior officer than we have in both the Army and the Navy, including the Marine Corps. All possible encouragement to the enlisted men should be given, in pay and otherwise, and everything practicable done to render the service attractive to men of the right type. They should be held to the strictest discharge of their duty, and in them a spirit should be encouraged which demands not the mere performance of duty, but the performance of far more than duty, if it conduces to the honor and the interest of the American nation; and in return the amplest consideration should be theirs.

West Point and Annapolis already turn out excellent officers. We do not need to have these schools made more scholastic. On the contrary we should never lose sight of the fact that the aim of each school is to turn out a man who shall be above everything else a fighting man. In the Army in particular it is not necessary that either the cavalry or infantry officer should have special mathematical ability. Probably in both schools the best part of the education is the high standard of character and of professional morale which it confers.

But in both services there is urgent need for the establishment of a principle of selection which will eliminate men after a certain age if they can not be promoted from the subordinate ranks, and which will bring into the higher ranks fewer men, and these at an earlier age. This principle of selection will be objected to by good men of mediocre capacity, who are fitted to do well while young in the lower positions, but who are not fitted to do well when at an advanced age they come into positions of command and of great responsibility. But the desire of these men to be promoted to positions which they are not competent to fill should not weigh against the interest of the Navy and the country. At present our men, especially in the Navy, are kept far too long in the junior grades, and then, at much too advanced an age, are put quickly through the senior grades, often not attaining to these senior grades until they are too old to be of real use in them; and if they are of real use, being put through them so quickly that little benefit to the Navy comes from their having been in them at all.

Page 1943

The Navy has one great advantage over the Army in the fact that the officers of high rank are actually trained in the continual performance of their duties; that is, in the management of the battle ships and armored cruisers gathered into fleets. This is not true of the army officers, who rarely have corresponding chances to exercise command over troops under service conditions. The conduct of the Spanish war showed the lamentable loss of life, the useless extravagance, and the inefficiency certain to result, if during peace the high officials of the War and Navy Departments are praised and rewarded only if they save money at no matter what cost to the efficiency of the service, and if the higher officers are given no chance whatever to exercise and practise command. For years prior to the Spanish war the Secretaries of War were praised chiefly if they practised economy; which economy, especially in connection with the quartermaster, commissary, and medical departments, was directly responsible for most of the mismanagement that occurred in the war itself—and parenthetically be it observed that the very people who clamored for the misdirected economy in the first place were foremost to denounce the mismanagement, loss, and suffering which were primarily due to this same misdirected economy and to the lack of preparation it involved. There should soon be an increase in the number of men for our coast defenses; these men should be of the right type and properly trained; and there should therefore be an increase of pay for certain skilled grades, especially in the coast artillery. Money should be appropriated to permit troops to be massed in body and exercised in maneuvers, particularly in marching. Such exercise during the summer just past has been of incalculable benefit to the Army and should under no circumstances be discontinued. If on these practise marches and in these maneuvers elderly officers prove unable to bear the strain, they should be retired at once, for the fact is conclusive as to their unfitness for war; that is, for the only purpose because of which they should be allowed to stay in the service. It is a real misfortune to have scores of small company or regimental posts scattered throughout the country; the Army should be gathered in a few brigade or division posts; and the generals should be practised in handling the men in masses. Neglect to provide for all of this means to incur the risk of future disaster and disgrace.

The readiness and efficiency of both the Army and Navy in dealing with the recent sudden crisis in Cuba illustrate afresh their value to the Nation. This readiness and efficiency would have been very much less had it not been for the existence of the General Staff in the Army and the General Board in the Navy; both are essential to the proper development and use of our military forces afloat and ashore. The troops that were sent to Cuba were handled flawlessly. It was the swiftest mobilization and dispatch of troops

Page 1944

over sea ever accomplished by our Government. The expedition landed completely equipped and ready for immediate service, several of its organizations hardly remaining in Havana over night before splitting up into detachments and going to their several posts, It was a fine demonstration of the value and efficiency of the General Staff. Similarly, it was owing in large part to the General Board that the Navy was able at the outset to meet the Cuban crisis with such instant efficiency; ship after ship appearing on the shortest notice at any threatened point, while the Marine Corps in particular performed indispensable service. The Army and Navy War Colleges are of incalculable value to the two services, and they cooperate with constantly increasing efficiency and importance.

The Congress has most wisely provided for a National Board for the promotion of rifle practise. Excellent results have already come from this law, but it does not go far enough. Our Regular Army is so small that in any great war we should have to trust mainly to volunteers; and in such event these volunteers should already know how to shoot; for if a soldier has the fighting edge, and ability to take care of himself in the open, his efficiency on the line of battle is almost directly Proportionate to excellence in marksmanship. We should establish shooting galleries in all the large public and military schools, should maintain national target ranges in different parts of the country, and should in every way encourage the formation of rifle clubs throughout all parts of the land. The little Republic of Switzerland offers us an excellent example in all matters connected with building up an efficient citizen soldiery.

***

State of the Union Address
Theodore Roosevelt
December 3, 1907

To the Senate and House of Representatives:

No nation has greater resources than ours, and I think it can be truthfully said that the citizens of no nation possess greater energy and industrial ability. In no nation are the fundamental business conditions sounder than in ours at this very moment; and it is foolish, when such is the case, for people to hoard money instead of keeping it in sound banks; for it is such hoarding that is the immediate occasion of money stringency. Moreover, as a rule, the business of our people is conducted with honesty and probity, and this applies alike to farms and factories, to railroads and banks, to all our legitimate commercial enterprises.

In any large body of men, however, there are certain to be some who are dishonest, and if the conditions are such that these men prosper or commit their misdeeds with

impunity, their example is a very evil thing for the community. Where these men are business men of great sagacity and of temperament both unscrupulous and reckless, and where the conditions are such that they act without supervision or control and at first without effective check from public opinion, they delude

Page 1945

many innocent people into making investments or embarking in kinds of business that are really unsound. When the misdeeds of these successfully dishonest men are discovered, suffering comes not only upon them, but upon the innocent men whom they have misled. It is a painful awakening, whenever it occurs; and, naturally, when it does occur those who suffer are apt to forget that the longer it was deferred the more painful it would be. In the effort to punish the guilty it is both wise and proper to endeavor so far as possible to minimize the distress of those who have been misled by the guilty. Yet it is not possible to refrain because of such distress from striving to put an end to the misdeeds that are the ultimate causes of the suffering, and, as a means to this end, where possible to punish those responsible for them. There may be honest differences of opinion as to many governmental policies; but surely there can be no such differences as to the need of unflinching perseverance in the war against successful dishonesty.

In my Message to the Congress on December 5, 1905, I said:

“If the folly of man mars the general well-being, then those who are innocent of the folly will have to pay part of the penalty incurred by those who are guilty of the folly. A panic brought on by the speculative folly of part of the business community would hurt the whole business community; but such stoppage of welfare, though it might be severe, would not be lasting. In the long run, the one vital factor in the permanent prosperity of the country is the high individual character of the average American worker, the average American citizen, no matter whether his work be mental or manual, whether he be farmer or wage-worker, business man or professional man.

“In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight-dealing man, who by his efficiency, by his ingenuity and industry, benefits himself, must also benefit others. Normally, the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit, which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned.. Normally, the wageworker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability Something can be done by legislation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate save as the results of a policy which shall inure to the advantage of all

Page 1946

industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, the result will assuredly be that while damage may come to the one struck at, it will visit with an even heavier load the one who strikes the blow. Taken as a whole, we must all go up or go down together.

“Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies, not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign—that is, to the Government, which represents the people as a whole—some effective power of supervision over their corporate use. In order to insure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

“The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger to-day, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by State action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations—-that is, by the National Government. I believe that this regulation and supervision can be obtained by the enactment of law by the Congress. Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the National Government by affirmative action.

Page 1947

“This is only in form an innovation. In substance it is merely a restoration; for from the earliest time such regulation of industrial activities has been recognized in the action of the lawmaking bodies; and all that I propose is to meet the changed conditions in such manner as will prevent the Commonwealth abdicating the power it has always possessed, not only in this country, but also in England before and since this country became a separate nation.

“It has been a misfortune that the National laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative kind, and still more that they have in part sought to prohibit what could not be effectively prohibited, and have in part in their prohibitions confounded what should be allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping prohibition of every arrangement, good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public, as well as such supervision and regulation as will prevent other abuses in no way connected with restriction of competition.”

I have called your attention in these quotations to what I have already said because I am satisfied that it is the duty of the National Government to embody in action the principles thus expressed.

No small part of the trouble that we have comes from carrying to an extreme the national virtue of self-reliance, of independence in initiative and action. It is wise to conserve this virtue and to provide for its fullest exercise, compatible with seeing that liberty does not become a liberty to wrong others. Unfortunately, this is the kind of liberty that the lack of all effective regulation inevitably breeds. The founders of the Constitution provided that the National Government should have complete and sole control of interstate commerce. There was then practically no interstate business save such as was conducted by water, and this the National Government at once proceeded to regulate in thoroughgoing and effective fashion. Conditions have now so wholly changed that the interstate commerce by water is insignificant compared with the amount that goes by land, and almost all big business concerns are now engaged in interstate commerce. As a result, it can be but partially and imperfectly controlled or regulated by the action of any one of the several States; such action inevitably tending to be either too drastic or else too lax, and in either case ineffective for purposes of justice. Only the National Government can in thoroughgoing fashion

Page 1948

exercise the needed control. This does not mean that there should be any extension of Federal authority, for such authority already exists under the Constitution in amplest and most far-reaching form; but it does mean that there should be an extension of Federal activity. This is not advocating centralization. It is merely looking facts in the face, and realizing that centralization in business has already come and can not be avoided or undone, and that the public at large can only protect itself from certain evil effects of this business centralization by providing better methods for the exercise of control through the authority already centralized in the National Government by the Constitution itself. There must be no ball in the healthy constructive course of action which this Nation has elected to pursue, and has steadily pursued, during the last six years, as shown both in the legislation of the Congress and the administration of the law by the Department of Justice. The most vital need is in connection with the railroads. As to these, in my judgment there should now be either a national incorporation act or a law licensing railway companies to engage in interstate commerce upon certain conditions. The law should be so framed as to give to the Interstate Commerce Commission power to pass upon the future issue of securities, while ample means should be provided to enable the Commission, whenever in its judgment it is necessary, to make a physical valuation of any railroad. As I stated in my Message to the Congress a year ago, railroads should be given power to enter into agreements, subject to these agreements being made public in minute detail and to the consent of the Interstate Commerce Commission being first obtained. Until the National Government assumes proper control of interstate commerce, in the exercise of the authority it already possesses, it will be impossible either to give to or to get from the railroads full justice. The railroads and all other great corporations will do well to recognize that this control must come; the only question is as to what governmental body can most wisely exercise it. The courts will determine the limits within which the Federal authority can exercise it, and there will still remain ample work within each State for the railway commission of that State; and the National Interstate Commerce Commission will work in harmony with the several State commissions, each within its own province, to achieve the desired end.

Moreover, in my judgment there should be additional legislation looking to the proper control of the great business concerns engaged in interstate business, this control to be exercised for their own benefit and prosperity no less than for the protection of investors and of the general public. As I have repeatedly said in Messages to the Congress and elsewhere, experience has definitely shown not merely the unwisdom but the futility of endeavoring to put a stop to all business

Page 1949

combinations. Modern industrial conditions are such that combination is not only necessary but inevitable. It is so in the world of business just as it is so in the world of labor, and it is as idle to desire to put an end to all corporations, to all big combinations of capital, as to desire to put an end to combinations of labor. Corporation and labor union alike have come to stay. Each if properly managed is a source of good and not evil. Whenever in either there is evil, it should be promptly held to account; but it should receive hearty encouragement so long as it is properly managed. It is profoundly immoral to put or keep on the statute books a law, nominally in the interest of public morality that really puts a premium upon public immorality, by undertaking to forbid honest men from doing what must be done under modern business conditions, so that the law itself provides that its own infraction must be the condition precedent upon business success. To aim at the accomplishment of too much usually means the accomplishment of too little, and often the doing of positive damage. In my Message to the Congress a year ago, in speaking of the antitrust laws, I said:

"The actual working of our laws has shown that the effort to prohibit all combination, good or bad, is noxious where it is not ineffective. Combination of capital, like combination of labor, is a necessary element in our present industrial system. It is not possible completely to prevent it; and if it were possible, such complete prevention would do damage to the body politic. What we need is not vainly to try to prevent all combination, but to secure such rigorous and adequate control and supervision of the combinations as to prevent their injuring the public, or existing in such forms as inevitably to threaten injury. It is unfortunate that our present laws should forbid all combinations instead of sharply discriminating between those combinations which do evil. Often railroads would like to combine for the purpose of preventing a big shipper from maintaining improper advantages at the expense of small shippers and of the general public. Such a combination, instead of being forbidden by law, should be favored. It is a public evil to have on the statute books a law incapable of full enforcement, because both judges and juries realize that its full enforcement would destroy the business of the country; for the result is to make decent men violators of the law against their will, and to put a premium on the behavior of the willful wrongdoers. Such a result in turn tends to throw the decent man and the willful wrongdoer into close association, and in the end to drag down the former to the latter's level; for the man who becomes a lawbreaker in one way unhappily tends to lose all respect for law and to be willing to break it in many ways. No more scathing condemnation could be visited upon a law than is contained in the words of the Interstate Commerce Commission when,

Page 1950

in commenting upon the fact that the numerous joint traffic associations do technically violate the law, they say: The decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic Association case has produced no practical effect upon the railway operations of the country. Such associations, in fact, exist now as they did before these decisions, and with the same general effect. In justice to all parties, we ought probably to add that it is difficult to see how our interstate railways could be operated with due regard to the interest of the shipper and the railway without concerted action of the kind afforded through these associations.

"This means that the law as construed by the Supreme Court is such that the business of the country can not be conducted without breaking it."

As I have elsewhere said:

"All this is substantially what I have said over and over again. Surely it ought not to be necessary to say that it in no shape or way represents any hostility to corporations as such. On the contrary, it means a frank recognition of the fact that combinations of capital, like combinations of labor, are a natural result of modern conditions and of our National development. As far as in my ability lies my endeavor is and will be to prevent abuse of power by either and to favor both so long as they do well. The aim of the National Government is quite as much to favor and protect honest corporations, honest business men of wealth, as to bring to justice those individuals and corporations representing dishonest methods. Most certainly there will be no relaxation by the Government authorities in the effort to get at any great railroad wrecker—any man who by clever swindling devices robs investors, oppresses wage-workers, and does injustice to the general public. But any such move as this is in the interest of honest railway operators, of honest corporations, and of those who, when they invest their small savings in stocks and bonds, wish to be assured that these will represent money honestly expended for legitimate business purposes. To confer upon the National Government the power for which I ask would be a check upon overcapitalization and upon the clever gamblers who benefit by overcapitalization. But it alone would mean an increase in the value, an increase in the safety of the stocks and bonds of law-abiding, honestly managed railroads, and would render it far easier to market their securities. I believe in proper publicity. There has been complaint of some of the investigations recently carried on, but those who complain should put the blame where it belongs—-upon the misdeeds which are done in darkness and not upon the investigations which brought them to light. The Administration is responsible for turning on the light, but it is not responsible for what the light showed. I ask for full power to be given the Federal Government, because no single State can by legislation effectually cope with these powerful corporations engaged in interstate commerce, and, while doing them full justice, exact from them in return full justice to others. The conditions of railroad activity,

the conditions of our immense interstate commerce, are such as to make the Central Government alone competent to exercise full supervision and control.

Page 1951

“The grave abuses in individual cases of railroad management in the past represent wrongs not merely to the general public, but, above all, wrongs to fair-dealing and honest corporations and men of wealth, because they excite a popular anger and distrust which from the very nature of the case tends to include in the sweep of its resentment good and bad alike. From the standpoint of the public I can not too earnestly say that as soon as the natural and proper resentment aroused by these abuses becomes indiscriminate and unthinking, it also becomes not merely unwise and unfair, but calculated to defeat the very ends which those feeling it have in view. There has been plenty of dishonest work by corporations in the past. There will not be the slightest let-up in the effort to hunt down and punish every dishonest man. But the bulk of our business is honestly done. In the natural indignation the people feel over the dishonesty, it is essential that they should not lose their heads and get drawn into an indiscriminate raid upon all corporations, all people of wealth, whether they do well or ill. Out of any such wild movement good will not come, can not come, and never has come. On the contrary, the surest way to invite reaction is to follow the lead of either demagogue or visionary in a sweeping assault upon property values and upon public confidence, which would work incalculable damage in the business world and would produce such distrust of the agitators that in the revulsion the distrust would extend to honest men who, in sincere and same fashion, are trying to remedy the evils.”

The antitrust law should not be repealed; but it should be made both more efficient and more in harmony with actual conditions. It should be so amended as to forbid only the kind of combination which does harm to the general public, such amendment to be accompanied by, or to be an incident of, a grant of supervisory power to the Government over these big concerns engaged in interstate business. This should be accompanied by provision for the compulsory publication of accounts and the subjection of books and papers to the inspection of the Government officials. A beginning has already been made for such supervision by the establishment of the Bureau of Corporations.

The antitrust law should not prohibit combinations that do no injustice to the public, still less those the existence of which is on the whole of benefit to the public. But even if this feature of the law were abolished, there would remain as an equally objectionable feature the difficulty and delay now incident to its enforcement. The Government must now submit to irksome and repeated delay before obtaining a final decision of the courts upon proceedings instituted, and even a favorable decree may mean an empty victory. Moreover, to attempt to control these corporations by lawsuits means to impose upon both the Department of Justice and the courts an impossible burden; it is not feasible to carry on more than a limited number of such suits. Such a law to be really effective must of course be administered by an executive body, and not merely by means of lawsuits. The design should be to prevent the abuses incident to the creation of unhealthy and improper combinations, instead of waiting until they are in existence and then attempting to destroy them by civil or criminal proceedings.

Page 1952

A combination should not be tolerated if it abuse the power acquired by combination to the public detriment. No corporation or association of any kind should be permitted to engage in foreign or interstate commerce that is formed for the purpose of, or whose operations create, a monopoly or general control of the production, sale, or distribution of any one or more of the prime necessities of life or articles of general use and necessity. Such combinations are against public policy; they violate the common law; the doors of the courts are closed to those who are parties to them, and I believe the Congress can close the channels of interstate commerce against them for its protection. The law should make its prohibitions and permissions as clear and definite as possible, leaving the least possible room for arbitrary action, or allegation of such action, on the part of the Executive, or of divergent interpretations by the courts. Among the points to be aimed at should be the prohibition of unhealthy competition, such as by rendering service at an actual loss for the purpose of crushing out competition, the prevention of inflation of capital, and the prohibition of a corporation's making exclusive trade with itself a condition of having any trade with itself. Reasonable agreements between, or combinations of, corporations should be permitted, provided they are submitted to and approved by some appropriate Government body.

The Congress has the power to charter corporations to engage in interstate and foreign commerce, and a general law can be enacted under the provisions of which existing corporations could take out Federal charters and new Federal corporations could be created. An essential provision of such a law should be a method of predetermining by some Federal board or commission whether the applicant for a Federal charter was an association or combination within the restrictions of the Federal law. Provision should also be made for complete publicity in all matters affecting the public and complete protection to the investing public and the shareholders in the matter of issuing corporate securities. If an incorporation law is not deemed advisable, a license act for big interstate corporations might be enacted; or a combination of the two might be tried. The supervision established might be analogous to that now exercised over national banks. At least, the antitrust act should be supplemented by specific prohibitions of the methods which experience has shown have been of most service in enabling monopolistic combinations to crush out competition. The real owners of a corporation should be compelled to do business in their own name. The right to hold stock in other corporations should hereafter be denied to interstate corporations, unless on approval by the Government officials, and a prerequisite to such approval should be the listing with the Government of all owners and stockholders, both by the corporation owning such stock and by the corporation in which such stock is owned.

Page 1953

To confer upon the National Government, in connection with the amendment I advocate in the antitrust law, power of supervision over big business concerns engaged in interstate commerce, would benefit them as it has benefited the national banks. In the recent business crisis it is noteworthy that the institutions which failed were institutions which were not under the supervision and control of the National Government. Those which were under National control stood the test.

National control of the kind above advocated would be to the benefit of every well-managed railway. From the standpoint of the public there is need for additional tracks, additional terminals, and improvements in the actual handling of the railroads, and all this as rapidly as possible. Ample, safe, and speedy transportation facilities are even more necessary than cheap transportation. Therefore, there is need for the investment of money which will provide for all these things while at the same time securing as far as is possible better wages and shorter hours for their employees. Therefore, while there must be just and reasonable regulation of rates, we should be the first to protest against any arbitrary and unthinking movement to cut them down without the fullest and most careful consideration of all interests concerned and of the actual needs of the situation. Only a special body of men acting for the National Government under authority conferred upon it by the Congress is competent to pass judgment on such a matter.

Those who fear, from any reason, the extension of Federal activity will do well to study the history not only of the national banking act but of the pure-food law, and notably the meat inspection law recently enacted. The pure-food law was opposed so violently that its passage was delayed for a decade; yet it has worked unmixed and immediate good. The meat inspection law was even more violently assailed; and the same men who now denounce the attitude of the National Government in seeking to oversee and control the workings of interstate common carriers and business concerns, then asserted that we were “discrediting and ruining a great American industry.” Two years have not elapsed, and already it has become evident that the great benefit the law confers upon the public is accompanied by an equal benefit to the reputable packing establishments. The latter are better off under the law than they were without it. The benefit to interstate common carriers and business concerns from the legislation I advocate would be equally marked.

Incidentally, in the passage of the pure-food law the action of the various State food and dairy commissioners showed in striking fashion how much good for the whole people results from the hearty cooperation of the Federal and State officials in securing a given reform. It is primarily to the action of these State commissioners that we owe the enactment of this law; for they aroused the people, first to demand the enactment and enforcement of State laws on the subject, and then the enactment of the Federal law, without which the State laws were largely ineffective. There must be the closest cooperation between the National and State governments in administering these laws.

Page 1954

In my Message to the Congress a year ago I spoke as follows of the currency:

“I especially call your attention to the condition of our currency laws. The national-bank act has ably served a great purpose in aiding the enormous business development of the country, and within ten years there has been an increase in circulation per capita from $21.41 to $33.08. For several years evidence has been accumulating that additional legislation is needed. The recurrence of each crop season emphasizes the defects of the present laws. There must soon be a revision of them, because to leave them as they are means to incur liability of business disaster. Since your body adjourned there has been a fluctuation in the interest on call money from 2 per cent to 30 percent, and the fluctuation was even greater during the preceding six months. The Secretary of the Treasury had to step in and by wise action put a stop to the most violent period of oscillation. Even worse than such fluctuation is the advance in commercial rates and the uncertainty felt in the sufficiency of credit even at high rates. All commercial interests suffer during each crop period. Excessive rates for call money in New York attract money from the interior banks into the speculative field. This depletes the fund that would otherwise be available for commercial uses, and commercial borrowers are forced to pay abnormal rates, so that each fall a tax, in the shape of increased interest charges, is placed on the whole commerce of the country.

“The mere statement of these facts shows that our present system is seriously defective. There is need of a change. Unfortunately, however, many of the proposed changes must be ruled from consideration because they are complicated, are not easy of comprehension, and tend to disturb existing rights and interests. We must also rule out any plan which would materially impair the value of the United States 2 per cent bonds now pledged to secure circulation, the issue of which was made under conditions peculiarly creditable to the Treasury. I do not press any especial plan. Various plans have recently been proposed by expert committees of bankers. Among the plans which are possibly feasible and which certainly should receive your consideration is that repeatedly brought to your attention by the present Secretary of the Treasury, the essential features of which have been approved by many prominent bankers and business men. According to this plan national banks should be permitted to issue a specified proportion of their capital in notes of a given kind, the issue to be taxed at so high a rate as to drive the notes back when not wanted in legitimate trade. This plan would not permit the issue of currency to give banks additional profits, but to meet the emergency presented by times of stringency.

Page 1955

“I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks, so as to avoid all possibility of discrimination and favoritism. Such a plan would tend to prevent the spasms of high money and speculation which now obtain in the New York market; for at present there is too much currency at certain seasons of the year, and its accumulation at New York tempts bankers to lend it at low rates for speculative purposes; whereas at other times when the crops are being moved there is urgent need for a large but temporary increase in the currency supply. It must never be forgotten that this question concerns business men generally quite as much as bankers; especially is this true of stockmen, farmers, and business men in the West; for at present at certain seasons of the year the difference in interest rates between the East and the West is from 6 to 10 per cent, whereas in Canada the corresponding difference is but 2 per cent. Any plan must, of course, guard the interests of western and southern bankers as carefully as it guards the interests of New York or Chicago bankers, and must be drawn from the standpoints of the farmer and the merchant no less than from the standpoints of the city banker and the country banker.”

I again urge on the Congress the need of immediate attention to this matter. We need a greater elasticity in our currency; provided, of course, that we recognize the even greater need of a safe and secure currency. There must always be the most rigid examination by the National authorities. Provision should be made for an emergency currency. The emergency issue should, of course, be made with an effective guaranty, and upon conditions carefully prescribed by the Government. Such emergency issue must be based on adequate securities approved by the Government, and must be issued under a heavy tax. This would permit currency being issued when the demand for it was urgent, while securing its requirement as the demand fell off. It is worth investigating to determine whether officers and directors of national banks should ever be allowed to loan to themselves. Trust companies should be subject to the same supervision as banks; legislation to this effect should be enacted for the District of Columbia and the Territories.

Yet we must also remember that even the wisest legislation on the subject can only accomplish a certain amount. No legislation can by any possibility guarantee the business community against the results of speculative folly any more than it can guarantee an individual against the results of his extravagance. When an individual mortgages his house to buy an automobile he invites disaster; and when wealthy men, or men who pose as such, or are unscrupulously or foolishly eager to become such, indulge in reckless speculation—especially if it is accompanied by dishonesty—they jeopardize not only their own future but the future of all their innocent fellow-citizens, for the expose the whole business community to panic and distress.

Page 1956

The income account of the Nation is in a most satisfactory condition. For the six fiscal years ending with the 1st of July last, the total expenditures and revenues of the National Government, exclusive of the postal revenues and expenditures, were, in round numbers, revenues, $3,465,000,0000, and expenditures, $3,275,000,000. The net excess of income over expenditures, including in the latter the fifty millions expended for the Panama Canal, was one hundred and ninety million dollars for the six years, an average of about thirty-one millions a year. This represents an approximation between income and outgo which it would be hard to improve. The satisfactory working of the present tariff law has been chiefly responsible for this excellent showing. Nevertheless, there is an evident and constantly growing feeling among our people that the time is rapidly approaching when our system of revenue legislation must be revised.

This country is definitely committed to the protective system and any effort to uproot it could not but cause widespread industrial disaster. In other words, the principle of the present tariff law could not with wisdom be changed. But in a country of such phenomenal growth as ours it is probably well that every dozen years or so the tariff laws should be carefully scrutinized so as to see that no excessive or improper benefits are conferred thereby, that proper revenue is provided, and that our foreign trade is encouraged. There must always be as a minimum a tariff which will not only allow for the collection of an ample revenue but which will at least make good the difference in cost of production here and abroad; that is, the difference in the labor cost here and abroad, for the well-being of the wage-worker must ever be a cardinal point of American policy. The question should be approached purely from a business standpoint; both the time and the manner of the change being such as to arouse the minimum of agitation and disturbance in the business world, and to give the least play for selfish and factional motives. The sole consideration should be to see that the sum total of changes represents the public good. This means that the subject can not with wisdom be dealt with in the year preceding a Presidential election, because as a matter of fact experience has conclusively shown that at such a time it is impossible to get men to treat it from the standpoint of the public good. In my judgment the wise time to deal with the matter is immediately after such election.

When our tax laws are revised the question of an income tax and an inheritance tax should receive the careful attention of our legislators. In my judgment both of these taxes should be part of our system of Federal taxation. I speak diffidently about the income tax because one scheme for an income tax was declared unconstitutional by the Supreme Court; while in addition it is a difficult tax to administer in its practical working, and great care would have to

Page 1957

be exercised to see that it was not evaded by the very men whom it was most desirable to have taxed, for if so evaded it would, of course, be worse than no tax at all; as the least desirable of all taxes is the tax which bears heavily upon the honest as compared with the dishonest man. Nevertheless, a graduated income tax of the proper type would be a desirable feature of Federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declare constitutional. The inheritance tax, however, is both a far better method of taxation, and far more important for the purpose of having the fortunes of the country bear in proportion to their increase in size a corresponding increase and burden of taxation. The Government has the absolute right to decide as to the terms upon which a man shall receive a bequest or devise from another, and this point in the devolution of property is especially appropriate for the imposition of a tax. Laws imposing such taxes have repeatedly been placed upon the National statute books and as repeatedly declared constitutional by the courts; and these laws contained the progressive principle, that is, after a certain amount is reached the bequest or gift, in life or death, is increasingly burdened and the rate of taxation is increased in proportion to the remoteness of blood of the man receiving the bequest. These principles are recognized already in the leading civilized nations of the world. In Great Britain all the estates worth $5,000 or less are practically exempt from death duties, while the increase is such that when an estate exceeds five millions of dollars in value and passes to a distant kinsman or stranger in blood the Government receives all told an amount equivalent to nearly a fifth of the whole estate. In France so much of an inheritance as exceeds $10,000,000 pays over a fifth to the State if it passes to a distant relative. The German law is especially interesting to us because it makes the inheritance tax an imperial measure while allotting to the individual States of the Empire a portion of the proceeds and permitting them to impose taxes in addition to those imposed by the Imperial Government. Small inheritances are exempt, but the tax is so sharply progressive that when the inheritance is still not very large, provided it is not an agricultural or a forest land, it is taxed at the rate of 25 per cent if it goes to distant relatives. There is no reason why in the United States the National Government should not impose inheritance taxes in addition to those imposed by the States, and when we last had an inheritance tax about one-half of the States levied such taxes concurrently with the National Government, making a combined maximum rate, in some cases as high as 25 per cent. The French law has one feature which is to be heartily commended. The progressive principle is so applied that each higher rate is imposed only on the excess above the amount subject to the next lower rate; so that each increase of rate will apply

Page 1958

only to a certain amount above a certain maximum. The tax should if possible be made to bear more heavily upon those residing without the country than within it. A heavy progressive tax upon a very large fortune is in no way such a tax upon thrift or industry as a like would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes which would be affected by such a tax; and as an incident to its function of revenue raising, such a tax would help to preserve a measurable equality of opportunity for the people of the generations growing to manhood. We have not the slightest sympathy with that socialistic idea which would try to put laziness, thriftlessness and inefficiency on a par with industry, thrift and efficiency; which would strive to break up not merely private property, but what is far more important, the home, the chief prop upon which our whole civilization stands. Such a theory, if ever adopted, would mean the ruin of the entire country—a ruin which would bear heaviest upon the weakest, upon those least able to shift for themselves. But proposals for legislation such as this herein advocated are directly opposed to this class of socialistic theories. Our aim is to recognize what Lincoln pointed out: The fact that there are some respects in which men are obviously not equal; but also to insist that there should be an equality of self-respect and of mutual respect, an equality of rights before the law, and at least an approximate equality in the conditions under which each man obtains the chance to show the stuff that is in him when compared to his fellows.

A few years ago there was loud complaint that the law could not be invoked against wealthy offenders. There is no such complaint now. The course of the Department of Justice during the last few years has been such as to make it evident that no man stands above the law, that no corporation is so wealthy that it can not be held to account. The Department of Justice has been as prompt to proceed against the wealthiest malefactor whose crime was one of greed and cunning as to proceed against the agitator who incites to brutal violence. Everything that can be done under the existing law, and with the existing state of public opinion, which so profoundly influences both the courts and juries, has been done. But the laws themselves need strengthening in more than one important point; they should be made more definite, so that no honest man can be led unwittingly to break them, and so that the real wrongdoer can be readily punished.

Page 1959

Moreover, there must be the public opinion back of the laws or the laws themselves will be of no avail. At present, while the average juryman undoubtedly wishes to see trusts broken up, and is quite ready to fine the corporation itself, he is very reluctant to find the facts proven beyond a reasonable doubt when it comes to sending to jail a member of the business community for indulging in practices which are profoundly unhealthy, but which, unfortunately, the business community has grown to recognize as well-nigh normal. Both the present condition of the law and the present temper of juries render it a task of extreme difficulty to get at the real wrongdoer in any such case, especially by imprisonment. Yet it is from every standpoint far preferable to punish the prime offender by imprisonment rather than to fine the corporation, with the attendant damage to stockholders.

The two great evils in the execution of our criminal laws to-day are sentimentality and technicality. For the latter the remedy must come from the hands of the legislatures, the courts, and the lawyers. The other must depend for its cure upon the gradual growth of a sound public opinion which shall insist that regard for the law and the demands of reason shall control all other influences and emotions in the jury box. Both of these evils must be removed or public discontent with the criminal law will continue.

Instances of abuse in the granting of injunctions in labor disputes continue to occur, and the resentment in the minds of those who feel that their rights are being invaded and their liberty of action and of speech unwarrantably restrained continues likewise to grow. Much of the attack on the use of the process of injunction is wholly without warrant; but I am constrained to express the belief that for some of it there is warrant. This question is becoming more and more one of prime importance, and unless the courts will themselves deal with it in effective manner, it is certain ultimately to demand some form of legislative action. It would be most unfortunate for our social welfare if we should permit many honest and law-abiding citizens to feel that they had just cause for regarding our courts with hostility. I earnestly commend to the attention of the Congress this matter, so that some way may be devised which will limit the abuse of injunctions and protect those rights which from time to time it unwarrantably invades. Moreover, discontent is often expressed with the use of the process of injunction by the courts, not only in labor disputes, but where State laws are concerned. I refrain from discussion of this question as I am informed that it will soon receive the consideration of the Supreme Court.

Page 1960

The Federal courts must of course decide ultimately what are the respective spheres of State and Nation in connection with any law, State or National, and they must decide definitely and finally in matters affecting individual citizens, not only as to the rights and wrongs of labor but as to the rights and wrongs of capital; and the National Government must always see that the decision of the court is put into effect. The process of injunction is an essential adjunct of the court's doing its work well; and as preventive measures are always better than remedial, the wise use of this process is from every standpoint commendable. But where it is recklessly or unnecessarily used, the abuse should he censured, above all by the very men who are properly anxious to prevent any effort to shear the courts of this necessary power. The court's decision must be final; the protest is only against the conduct of individual judges in needlessly anticipating such final decision, or in the tyrannical use of what is nominally a temporary injunction to accomplish what is in fact a permanent decision.

The loss of life and limb from railroad accidents in this country has become appalling. It is a subject of which the National Government should take supervision. It might be well to begin by providing for a Federal inspection of interstate railroads somewhat along the lines of Federal inspection of steamboats, although not going so far; perhaps at first all that it would be necessary to have would be some officer whose duty would be to investigate all accidents on interstate railroads and report in detail the causes thereof. Such an officer should make it his business to get into close touch with railroad operating men so as to become thoroughly familiar with every side of the question, the idea being to work along the lines of the present steamboat inspection law.

The National Government should be a model employer. It should demand the highest quality of service from each of its employees and it should care for all of them properly in return. Congress should adopt legislation providing limited but definite compensation for accidents to all workmen within the scope of the Federal power, including employees of navy yards and arsenals. In other words, a model employers' liability act, far-reaching and thoroughgoing, should be enacted which should apply to all positions, public and private, over which the National Government has jurisdiction. The number of accidents to wage-workers, including those that are preventable and those that are not, has become appalling in the mechanical, manufacturing, and transportation operations of the day. It works grim hardship to the ordinary wage-worker and his family to have the effect of such an accident fall solely upon him; and, on the other hand, there are whole classes of attorneys who exist only by inciting men who may or may not have been wronged to undertake suits for negligence. As a matter of fact a suit

Page 1961

for negligence is generally an inadequate remedy for the person injured, while it often causes altogether disproportionate annoyance to the employer. The law should be made such that the payment for accidents by the employer would be automatic instead of being a matter for lawsuits. Workmen should receive certain and definite compensation for all accidents in industry irrespective of negligence. The employer is the agent of the public and on his own responsibility and for his own profit he serves the public. When he starts in motion agencies which create risks for others, he should take all the ordinary and extraordinary risks involved; and the risk he thus at the moment assumes will ultimately be assumed, as it ought to be, by the general public. Only in this way can the shock of the accident be diffused, instead of falling upon the man or woman least able to bear it, as is now the case. The community at large should share the burdens as well as the benefits of industry. By the proposed law, employers would gain a desirable certainty of obligation and get rid of litigation to determine it, while the workman and his family would be relieved from a crushing load. With such a policy would come increased care, and accidents would be reduced in number. The National laws providing for employers' liability on railroads engaged in interstate commerce and for safety appliances, as well as for diminishing the hours any employee of a railroad should be permitted to work, should all be strengthened wherever in actual practice they have shown weakness; they should be kept on the statute books in thoroughgoing form.

The constitutionality of the employers' liability act passed by the preceding Congress has been carried before the courts. In two jurisdictions the law has been declared unconstitutional, and in three jurisdictions its constitutionality has been affirmed. The question has been carried to the Supreme Court, the case has been heard by that tribunal, and a decision is expected at an early date. In the event that the court should affirm the constitutionality of the act, I urge further legislation along the lines advocated in my Message to the preceding Congress. The practice of putting the entire burden of loss to life or limb upon the victim or the victim's family is a form of social injustice in which the United States stands in unenviable prominence. In both our Federal and State legislation we have, with few exceptions, scarcely gone farther than the repeal of the fellow-servant principle of the old law of liability, and in some of our States even this slight modification of a completely outgrown principle has not yet been secured. The legislation of the rest of the industrial world stands out in striking contrast to our backwardness in this respect. Since 1895 practically every country of Europe, together with Great Britain, New Zealand, Australia, British Columbia, and the Cape of Good Hope has enacted legislation embodying in

Page 1962

one form or another the complete recognition of the principle which places upon the employer the entire trade risk in the various lines of industry. I urge upon the Congress the enactment of a law which will at the same time bring Federal legislation up to the standard already established by all the European countries, and which will serve as a stimulus to the various States to perfect their legislation in this regard.

The Congress should consider the extension of the eight-hour law. The constitutionality of the present law has recently been called into question, and the Supreme Court has decided that the existing legislation is unquestionably within the powers of the Congress. The principle of the eight-hour day should as rapidly and as far as practicable be extended to the entire work carried on by the Government; and the present law should be amended to embrace contracts on those public works which the present wording of the act has been construed to exclude. The general introduction of the eight-hour day should be the goal toward which we should steadily tend, and the Government should set the example in this respect.

Strikes and lockouts, with their attendant loss and suffering, continue to increase. For the five years ending December 31, 1905, the number of strikes was greater than those in any previous ten years and was double the number in the preceding five years. These figures indicate the increasing need of providing some machinery to deal with this class of disturbance in the interest alike of the employer, the employee, and the general public. I renew my previous recommendation that the Congress favorably consider the matter of creating the machinery for compulsory investigation of such industrial controversies as are of sufficient magnitude and of sufficient concern to the people of the country as a whole to warrant the Federal Government in taking action.

The need for some provision for such investigation was forcibly illustrated during the past summer. A strike of telegraph operators seriously interfered with telegraphic communication, causing great damage to business interests and serious inconvenience to the general public. Appeals were made to me from many parts of the country, from city councils, from boards of trade, from chambers of commerce, and from labor organizations, urging that steps be taken to terminate the strike. Everything that could with any propriety be done by a representative of the Government was done, without avail, and for weeks the public stood by and suffered without recourse of any kind. Had the machinery existed and had there been authority for compulsory investigation of the dispute, the public would have been placed in possession of the merits of the controversy, and public opinion would probably have brought about a prompt adjustment.

Each successive step creating machinery for the adjustment of labor difficulties must be taken with caution, but we should endeavor to make progress in this direction.

Page 1963

The provisions of the act of 1898 creating the chairman of the Interstate Commerce Commission and the Commissioner of Labor a board of mediation in controversies between interstate railroads and their employees has, for the first time, been subjected to serious tests within the past year, and the wisdom of the experiment has been fully demonstrated. The creation of a board for compulsory investigation in cases where mediation fails and arbitration is rejected is the next logical step in a progressive program.

It is certain that for some time to come there will be a constant increase absolutely, and perhaps relatively, of those among our citizens who dwell in cities or towns of some size and who work for wages. This means that there will be an ever-increasing need to consider the problems inseparable from a great industrial civilization. Where an immense and complex business, especially in those branches relating to manufacture and transportation, is transacted by a large number of capitalists who employ a very much larger number of wage-earners, the former tend more and more to combine into corporations and the latter into unions. The relations of the capitalist and wage-worker to one another, and of each to the general public, are not always easy to adjust; and to put them and keep them on a satisfactory basis is one of the most important and one of the most delicate tasks before our whole civilization. Much of the work for the accomplishment of this end must be done by the individuals concerned themselves, whether singly or in combination; and the one fundamental fact that must never be lost track of is that the character of the average man, whether he be a man of means or a man who works with his hands, is the most important factor in solving the problem aright. But it is almost equally important to remember that without good laws it is also impossible to reach the proper solution. It is idle to hold that without good laws evils such as child labor, as the over-working of women, as the failure to protect employees from loss of life or limb, can be effectively reached, any more than the evils of rebates and stock-watering can be reached without good laws. To fail to stop these practices by legislation means to force honest men into them, because otherwise the dishonest who surely will take advantage of them will have everything their own way. If the States will correct these evils, well and good; but the Nation must stand ready to aid them.

No question growing out of our rapid and complex industrial development is more important than that of the employment of women and children. The presence of women in industry reacts with extreme directness upon the character of the home and upon family life, and the conditions surrounding the employment of children bear a vital relation to our future citizenship. Our legislation in those areas under the control of the Congress is very much behind the legislation of our more progressive States. A thorough and comprehensive

Page 1964

measure should be adopted at this session of the Congress relating to the employment of women and children in the District of Columbia and the Territories. The investigation into the condition of women and children wage-earners recently authorized and directed by the Congress is now being carried on in the various States, and I recommend that the appropriation made last year for beginning this work be renewed, in order that we may have the thorough and comprehensive investigation which the subject demands. The National Government has as an ultimate resort for control of child labor the use of the interstate commerce clause to prevent the products of child labor from entering into interstate commerce. But before using this it ought certainly to enact model laws on the subject for the Territories under its own immediate control.

There is one fundamental proposition which can be laid down as regards all these matters, namely: While honesty by itself will not solve the problem, yet the insistence upon honesty—not merely technical honesty, but honesty in purpose and spirit—is an essential element in arriving at a right conclusion. Vice in its cruder and more archaic forms shocks everybody; but there is very urgent need that public opinion should be just as severe in condemnation of the vice which hides itself behind class or professional loyalty, or which denies that it is vice if it can escape conviction in the courts. The public and the representatives of the public, the high officials, whether on the bench or in executive or legislative positions, need to remember that often the most dangerous criminals, so far as the life of the Nation is concerned, are not those who commit the crimes known to and condemned by the popular conscience for centuries, but those who commit crimes only rendered possible by the complex conditions of our modern industrial life. It makes not a particle of difference whether these crimes are committed by a capitalist or by a laborer, by a leading banker or manufacturer or railroad man, or by a leading representative of a labor union. Swindling in stocks, corrupting legislatures, making fortunes by the inflation of securities, by wrecking railroads, by destroying competitors through rebates—these forms of wrongdoing in the capitalist, are far more infamous than any ordinary form of embezzlement or forgery; yet it is a matter of extreme difficulty to secure the punishment of the man most guilty of them, most responsible for them. The business man who condones such conduct stands on a level with the labor man who deliberately supports a corrupt demagogue and agitator, whether head of a union or head of some municipality, because he is said to have “stood by the union.” The members of the business community, the educators, or clergymen, who condone and encourage the first kind of wrongdoing, are no more dangerous to the community, but are morally even worse, than the labor men who are guilty of the second type of wrongdoing, because

Page 1965

less is to be pardoned those who have no such excuse as is furnished either by ignorance or by dire need. When the Department of Agriculture was founded there was much sneering as to its usefulness. No Department of the Government, however, has more emphatically vindicated its usefulness, and none save the Post-Office Department comes so continually and intimately into touch with the people. The two citizens whose welfare is in the aggregate most vital to the welfare of the Nation, and therefore to the welfare of all other citizens, are the wage-worker who does manual labor and the tiller of the soil, the farmer. There are, of course, kinds of labor where the work must be purely mental, and there are other kinds of labor where, under existing conditions, very little demand indeed is made upon the mind, though I am glad to say that the proportion of men engaged in this kind of work is diminishing. But in any community with the solid, healthy qualities which make up a really great nation the bulk of the people should do work which calls for the exercise of both body and mind. Progress can not permanently exist in the abandonment of physical labor, but in the development of physical labor, so that it shall represent more and more the work of the trained mind in the trained body. Our school system is gravely defective in so far as it puts a premium upon mere literary training and tends therefore to train the boy away from the farm and the workshop. Nothing is more needed than the best type of industrial school, the school for mechanical industries in the city, the school for practically teaching agriculture in the country. The calling of the skilled tiller of the soil, the calling of the skilled mechanic, should alike be recognized as professions, just as emphatically as the callings of lawyer, doctor, merchant, or clerk. The schools recognize this fact and it should equally be recognized in popular opinion. The young man who has the farsightedness and courage to recognize it and to get over the idea that it makes a difference whether what he earns is called salary or wages, and who refuses to enter the crowded field of the so-called professions, and takes to constructive industry instead, is reasonably sure of an ample reward in earnings, in health, in opportunity to marry early, and to establish a home with a fair amount of freedom from worry. It should be one of our prime objects to put both the farmer and the mechanic on a higher plane of efficiency and reward, so as to increase their effectiveness in the economic world, and therefore the dignity, the remuneration, and the power of their positions in the social world.

Page 1966

No growth of cities, no growth of wealth, can make up for any loss in either the number or the character of the farming population. We of the United States should realize this above almost all other peoples. We began our existence as a nation of farmers, and in every great crisis of the past a peculiar dependence has had to be placed upon the farming population; and this dependence has hitherto been justified. But it can not be justified in the future if agriculture is permitted to sink in the scale as compared with other employments. We can not afford to lose that preeminently typical American, the farmer who owns his own medium-sized farm. To have his place taken by either a class of small peasant proprietors, or by a class of great landlords with tenant-farmed estates would be a veritable calamity. The growth of our cities is a good thing but only in so far as it does not mean a growth at the expense of the country farmer. We must welcome the rise of physical sciences in their application to agricultural practices, and we must do all we can to render country conditions more easy and pleasant. There are forces which now tend to bring about both these results, but they are, as yet, in their infancy. The National Government through the Department of Agriculture should do all it can by joining with the State governments and with independent associations of farmers to encourage the growth in the open farming country of such institutional and social movements as will meet the demand of the best type of farmers, both for the improvement of their farms and for the betterment of the life itself. The Department of Agriculture has in many places, perhaps especially in certain districts of the South, accomplished an extraordinary amount by cooperating with and teaching the farmers through their associations, on their own soil, how to increase their income by managing their farms better than they were hitherto managed. The farmer must not lose his independence, his initiative, his rugged self-reliance, yet he must learn to work in the heartiest cooperation with his fellows, exactly as the business man has learned to work; and he must prepare to use to constantly better advantage the knowledge that can be obtained from agricultural colleges, while he must insist upon a practical curriculum in the schools in which his children are taught. The Department of Agriculture and the Department of Commerce and Labor both deal with the fundamental needs of our people in the production of raw material and its manufacture and distribution, and, therefore, with the welfare of those who produce it in the raw state, and of those who manufacture and distribute it. The Department of Commerce and Labor has but recently been founded but has already justified its existence; while the Department of Agriculture yields to no other in the Government in the practical benefits which it produces in proportion to the public money expended. It must continue in the future to deal

Page 1967

with growing crops as it has dealt in the past, but it must still further extend its field of usefulness hereafter by dealing with live men, through a far-reaching study and treatment of the problems of farm life alike from the industrial and economic and social standpoint. Farmers must cooperate with one another and with the Government, and the Government can best give its aid through associations of farmers, so as to deliver to the farmer the large body of agricultural knowledge which has been accumulated by the National and State governments and by the agricultural colleges and schools.

The grain producing industry of the country, one of the most important in the United States, deserves special consideration at the hands of the Congress. Our grain is sold almost exclusively by grades. To secure satisfactory results in our home markets and to facilitate our trade abroad, these grades should approximate the highest degree of uniformity and certainty. The present diverse methods of inspection and grading throughout the country under different laws and boards, result in confusion and lack of uniformity, destroying that confidence which is necessary for healthful trade. Complaints against the present methods have continued for years and they are growing in volume and intensity, not only in this country but abroad. I therefore suggest to the Congress the advisability of a National system of inspection and grading of grain entering into interstate and foreign commerce as a remedy for the present evils.

The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our National life. We must maintain for our civilization the adequate material basis without which that civilization can not exist. We must show foresight, we must look ahead. As a nation we not only enjoy a wonderful measure of present prosperity but if this prosperity is used aright it is an earnest of future success such as no other nation will have. The reward of foresight for this Nation is great and easily foretold. But there must be the look ahead, there must be a realization of the fact that to waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed. For the last few years, through several agencies, the Government has been endeavoring to get our people to look ahead and to substitute a planned and orderly development of our resources in place of a haphazard striving for immediate profit. Our great river systems should be developed as National water highways, the Mississippi, with its tributaries, standing first in importance, and the Columbia second, although there are many others of importance on the Pacific, the Atlantic and the Gulf slopes. The National Government

Page 1968

should undertake this work, and I hope a beginning will be made in the present Congress; and the greatest of all our rivers, the Mississippi, should receive especial attention. From the Great Lakes to the mouth of the Mississippi there should be a deep waterway, with deep waterways leading from it to the East and the West. Such a waterway would practically mean the extension of our coast line into the very heart of our country. It would be of incalculable benefit to our people. If begun at once it can be carried through in time appreciably to relieve the congestion of our great freight-carrying lines of railroads. The work should be systematically and continuously carried forward in accordance with some well-conceived plan. The main streams should be improved to the highest point of efficiency before the improvement of the branches is attempted; and the work should be kept free from every faint of recklessness or jobbery. The inland waterways which lie just back of the whole eastern and southern coasts should likewise be developed. Moreover, the development of our waterways involves many other important water problems, all of which should be considered as part of the same general scheme. The Government dams should be used to produce hundreds of thousands of horsepower as an incident to improving navigation; for the annual value of the unused water-power of the United States perhaps exceeds the annual value of the products of all our mines. As an incident to creating the deep waterways down the Mississippi, the Government should build along its whole lower length levees which taken together with the control of the headwaters, will at once and forever put a complete stop to all threat of floods in the immensely fertile Delta region. The territory lying adjacent to the Mississippi along its lower course will thereby become one of the most prosperous and populous, as it already is one of the most fertile, farming regions in all the world. I have appointed an Inland Waterways Commission to study and outline a comprehensive scheme of development along all the lines indicated. Later I shall lay its report before the Congress.

Irrigation should be far more extensively developed than at present, not only in the States of the Great Plains and the Rocky Mountains, but in many others, as, for instance, in large portions of the South Atlantic and Gulf States, where it should go hand in hand with the reclamation of swamp land. The Federal Government should seriously devote itself to this task, realizing that utilization of waterways and water-power, forestry, irrigation, and the reclamation of lands threatened with overflow, are all interdependent parts of the same problem. The work of the Reclamation Service in developing the larger opportunities of the western half of our country for irrigation is more important than almost any other movement. The constant purpose of the Government in connection with the Reclamation Service has been to use the water resources of the

Page 1969

public lands for the ultimate greatest good of the greatest number; in other words, to put upon the land permanent home-makers, to use and develop it for themselves and for their children and children's children. There has been, of course, opposition to this work; opposition from some interested men who desire to exhaust the land for their own immediate profit without regard to the welfare of the next generation, and opposition from honest and well-meaning men who did not fully understand the subject or who did not look far enough ahead. This opposition is, I think, dying away, and our people are understanding that it would be utterly wrong to allow a few individuals to exhaust for their own temporary personal profit the resources which ought to be developed through use so as to be conserved for the permanent common advantage of the people as a whole.

The effort of the Government to deal with the public land has been based upon the same principle as that of the Reclamation Service. The land law system which was designed to meet the needs of the fertile and well-watered regions of the Middle West has largely broken down when applied to the dryer regions of the Great Plains, the mountains, and much of the Pacific slope, where a farm of 160 acres is inadequate for self-support. In these regions the system lent itself to fraud, and much land passed out of the hands of the Government without passing into the hands of the home-maker. The Department of the Interior and the Department of Justice joined in prosecuting the offenders against the law; and they have accomplished much, while where the administration of the law has been defective it has been changed. But the laws themselves are defective. Three years ago a public lands commission was appointed to scrutinize the law, and defects, and recommend a remedy. Their examination specifically showed the existence of great fraud upon the public domain, and their recommendations for changes in the law were made with the design of conserving the natural resources of every part of the public lands by putting it to its best use. Especial attention was called to the prevention of settlement by the passage of great areas of public land into the hands of a few men, and to the enormous waste caused by unrestricted grazing upon the open range. The recommendations of the Public Lands Commission are sound, for they are especially in the interest of the actual homemaker; and where the small home-maker can not at present utilize the land they provide that the Government shall keep control of it so that it may not be monopolized by a few men. The Congress has not yet acted upon these recommendations; but they are so just and proper, so essential to our National welfare, that I feel confident, if the Congress will take time to consider them, that they will ultimately be adopted.

Page 1970

Some such legislation as that proposed is essential in order to preserve the great stretches of public grazing land which are unfit for cultivation under present methods and are valuable only for the forage which they supply. These stretches amount in all to some 300,000,000 acres, and are open to the free grazing of cattle, sheep, horses and goats, without restriction. Such a system, or lack of system, means that the range is not so much used as wasted by abuse. As the West settles the range becomes more and more over-grazed. Much of it can not be used to advantage unless it is fenced, for fencing is the only way by which to keep in check the owners of nomad flocks which roam hither and thither, utterly destroying the pastures and leaving a waste behind so that their presence is incompatible with the presence of home-makers. The existing fences are all illegal. Some of them represent the improper exclusion of actual settlers, actual home-makers, from territory which is usurped by great cattle companies. Some of them represent what is in itself a proper effort to use the range for those upon the land, and to prevent its use by nomadic outsiders. All these fences, those that are hurtful and those that are beneficial, are alike illegal and must come down. But it is an outrage that the law should necessitate such action on the part of the Administration. The unlawful fencing of public lands for private grazing must be stopped, but the necessity which occasioned it must be provided for. The Federal Government should have control of the range, whether by permit or lease, as local necessities may determine. Such control could secure the great benefit of legitimate fencing, while at the same time securing and promoting the settlement of the country. In some places it may be that the tracts of range adjacent to the homesteads of actual settlers should be allotted to them severally or in common for the summer grazing of their stock. Elsewhere it may be that a lease system would serve the purpose; the leases to be temporary and subject to the rights of settlement, and the amount charged being large enough merely to permit of the efficient and beneficial control of the range by the Government, and of the payment to the county of the equivalent of what it would otherwise receive in taxes. The destruction of the public range will continue until some such laws as these are enacted. Fully to prevent the fraud in the public lands which, through the joint action of the Interior Department and the Department of Justice, we have been endeavoring to prevent, there must be further legislation, and especially a sufficient appropriation to permit the Department of the Interior to examine certain classes of entries on the ground before they pass into private ownership. The Government should part with its title only to the actual home-maker, not to the profit-maker who does not care to make a home. Our prime object is to secure the rights and guard the interests of the small ranchman, the man who plows and pitches hay for himself. It is this small ranchman, this actual settler and homemaker, who in the long run is most hurt by permitting thefts of the public land in whatever form.

Page 1971

Optimism is a good characteristic, but if carried to an excess it becomes foolishness. We are prone to speak of the resources of this country as inexhaustible; this is not so. The mineral wealth of the country, the coal, iron, oil, gas, and the like, does not reproduce itself, and therefore is certain to be exhausted ultimately; and wastefulness in dealing with it to-day means that our descendants will feel the exhaustion a generation or two before they otherwise would. But there are certain other forms of waste which could be entirely stopped—the waste of soil by washing, for instance, which is among the most dangerous of all wastes now in progress in the United States, is easily preventable, so that this present enormous loss of fertility is entirely unnecessary. The preservation or replacement of the forests is one of the most important means of preventing this loss. We have made a beginning in forest preservation, but it is only a beginning. At present lumbering is the fourth greatest industry in the United States; and yet, so rapid has been the rate of exhaustion of timber in the United States in the past, and so rapidly is the remainder being exhausted, that the country is unquestionably on the verge of a timber famine which will be felt in every household in the land. There has already been a rise in the price of lumber, but there is certain to be a more rapid and heavier rise in the future. The present annual consumption of lumber is certainly three times as great as the annual growth; and if the consumption and growth continue unchanged, practically all our lumber will be exhausted in another generation, while long before the limit to complete exhaustion is reached the growing scarcity will make itself felt in many blighting ways upon our National welfare. About 20 per cent of our forested territory is now reserved in National forests; but these do not include the most valuable timber lauds, and in any event the proportion is too small to expect that the reserves can accomplish more than a mitigation of the trouble which is ahead for the nation. Far more drastic action is needed. Forests can be lumbered so as to give to the public the full use of their mercantile timber without the slightest detriment to the forest, any more than it is a detriment to a farm to furnish a harvest; so that there is no parallel between forests and mines, which can only be completely used by exhaustion. But forests, if used as all our forests have been used in the past and as most of them are still used, will be either wholly destroyed, or so damaged that many decades have to pass before effective use can be made of them again. All these facts are so obvious that it is extraordinary that it should be necessary to repeat them. Every business man in the land, every writer in the newspapers, every man or woman of an ordinary school education, ought to be able to see that immense quantities of timber are used in the country, that the forests which supply

Page 1972

this timber are rapidly being exhausted, and that, if no change takes place, exhaustion will come comparatively soon, and that the effects of it will be felt severely in the every-day life of our people. Surely, when these facts are so obvious, there should be no delay in taking preventive measures. Yet we seem as a nation to be willing to proceed in this matter with happy-go-lucky indifference even to the immediate future. It is this attitude which permits the self-interest of a very few persons to weigh for more than the ultimate interest of all our people. There are persons who find it to their immense pecuniary benefit to destroy the forests by lumbering. They are to be blamed for thus sacrificing the future of the Nation as a whole to their own self-interest of the moment; but heavier blame attaches to the people at large for permitting such action, whether in the White Mountains, in the southern Alleghenies, or in the Rockies and Sierras. A big lumbering company, impatient for immediate returns and not caring to look far enough ahead, will often deliberately destroy all the good timber in a region, hoping afterwards to move on to some new country. The shiftless man of small means, who does not care to become an actual home-maker but would like immediate profit, will find it to his advantage to take up timber land simply to turn it over to such a big company, and leave it valueless for future settlers. A big mine owner, anxious only to develop his mine at the moment, will care only to cut all the timber that he wishes without regard to the future—-probably net looking ahead to the condition of the country when the forests are exhausted, any more than he does to the condition when the mine is worked out. I do not blame these men nearly as much as I blame the supine public opinion, the indifferent public opinion, which permits their action to go unchecked. Of course to check the waste of timber means that there must be on the part of the public the acceptance of a temporary restriction in the lavish use of the timber, in order to prevent the total loss of this use in the future. There are plenty of men in public and private life who actually advocate the continuance of the present system of unchecked and wasteful extravagance, using as an argument the fact that to check it will of course mean interference with the ease and comfort of certain people who now get lumber at less cost than they ought to pay, at the expense of the future generations. Some of these persons actually demand that the present forest reserves be thrown open to destruction, because, forsooth, they think that thereby the price of lumber could be put down again for two or three or more years. Their attitude is precisely like that of an agitator protesting against the outlay of money by farmers on manure and in taking care of their farms generally. Undoubtedly, if the average farmer were content absolutely to ruin his farm, he could for two or three years avoid spending any money on it, and yet make a good deal

Page 1973

of money out of it. But only a savage would, in his private affairs, show such reckless disregard of the future; yet it is precisely this reckless disregard of the future which the opponents of the forestry system are now endeavoring to get the people of the United States to show. The only trouble with the movement for the preservation of our forests is that it has not gone nearly far enough, and was not begun soon enough. It is a most fortunate thing, however, that we began it when we did. We should acquire in the Appalachian and White Mountain regions all the forest lands that it is possible to acquire for the use of the Nation. These lands, because they form a National asset, are as emphatically national as the rivers which they feed, and which flow through so many States before they reach the ocean.

There should be no tariff on any forest product grown in this country; and, in especial, there should be no tariff on wood pulp; due notice of the change being of course given to those engaged in the business so as to enable them to adjust themselves to the new conditions. The repeal of the duty on wood pulp should if possible be accompanied by an agreement with Canada that there shall be no export duty on Canadian pulp wood.

In the eastern United States the mineral fuels have already passed into the hands of large private owners, and those of the West are rapidly following. It is obvious that these fuels should be conserved and not wasted, and it would be well to protect the people against unjust and extortionate prices, so far as that can still be done. What has been accomplished in the great oil fields of the Indian Territory by the action of the Administration, offers a striking example of the good results of such a policy. In my judgment the Government should have the right to keep the fee of the coal, oil, and gas fields in its own possession and to lease the rights to develop them under proper regulations; or else, if the Congress will not adopt this method, the coal deposits should be sold under limitations, to conserve them as public utilities, the right to mine coal being separated from the title to the soil. The regulations should permit coal lands to be worked in sufficient quantity by the several corporations. The present limitations have been absurd, excessive, and serve no useful purpose, and often render it necessary that there should be either fraud or close abandonment of the work of getting out the coal.

Work on the Panama Canal is proceeding in a highly satisfactory manner. In March last, John F. Stevens, chairman of the Commission and chief engineer, resigned, and the Commission was reorganized and constituted as follows: Lieut. Col. George W. Goethals, Corps. of Engineers, U. S. Army, chairman and chief engineer; Maj. D. D. Gall-lard, Corps of Engineers, U. S. Army; Maj. William L. Sibert, Corps of Engineers, U. S. Army; Civil Engineer H. H. Rousseau, U. S. Navy; Mr. J. C. S. Blackburn; Col. W. C. Gorgas, U.

Page 1974

S. Army, and Mr. Jackson Smith, Commissioners. This change of authority and direction went into effect on April 1, without causing a perceptible check to the progress of the work. In March the total excavation in the Culebra Cut, where effort was chiefly concentrated, was 815,270 cubic yards. In April this was increased to 879,527 cubic yards. There was a considerable decrease in the output for May and June owing partly to the advent of the rainy season and partly to temporary trouble with the steam shovel men over the question of wages. This trouble was settled satisfactorily to all parties and in July the total excavation advanced materially and in August the grand total from all points in the canal prism by steam shovels and dredges exceeded all previous United States records, reaching 1,274,404 cubic yards. In September this record was eclipsed and a total of 1,517,412 cubic yards was removed. Of this amount 1,481,307 cubic yards were from the canal prism and 36,105 cubic yards were from accessory works. These results were achieved in the rainy season with a rainfall in August of 11.89 inches and in September of 11.65 inches. Finally, in October, the record was again eclipsed, the total excavation being 1,868,729 cubic yards; a truly extraordinary record, especially in view of the heavy rainfall, which was 17.1 inches. In fact, experience during the last two rainy seasons demonstrates that the rains are a less serious obstacle to progress than has hitherto been supposed.

Work on the locks and dams at Gatun, which began actively in March last, has advanced so far that it is thought that masonry work on the locks can be begun within fifteen months. In order to remove all doubt as to the satisfactory character of the foundations for the locks of the Canal, the Secretary of War requested three eminent civil engineers, of special experience in such construction, Alfred Noble, Frederic P. Stearns and John R. Freeman, to visit the Isthmus and make thorough personal investigations of the sites. These gentlemen went to the Isthmus in April and by means of test pits which had been dug for the purpose, they inspected the proposed foundations, and also examined the borings that had been made. In their report to the Secretary of War, under date of May 2, 1907, they said: “We found that all of the locks, of the dimensions now proposed, will rest upon rock of such character that it will furnish a safe and stable foundation.” Subsequent new borings, conducted by the present Commission, have fully confirmed this verdict. They show that the locks will rest on rock for their entire length. The cross section of the dam and method of construction will be such as to insure against any slip or sloughing off. Similar examination of the foundations of the locks and dams on the Pacific side are in progress. I believe that the locks should be made of a width of 120 feet.

Page 1975

Last winter bids were requested and received for doing the work of canal construction by contract. None of them was found to be satisfactory and all were rejected. It is the unanimous opinion of the present Commission that the work can be done better, more cheaply, and more quickly by the Government than by private contractors. Fully 80 per cent of the entire plant needed for construction has been purchased or contracted for; machine shops have been erected and equipped for making all needed repairs to the plant; many thousands of employees have been secured; an effective organization has been perfected; a recruiting system is in operation which is capable of furnishing more labor than can be used advantageously; employees are well sheltered and well fed; salaries paid are satisfactory, and the work is not only going forward smoothly, but it is producing results far in advance of the most sanguine anticipations. Under these favorable conditions, a change in the method of prosecuting the work would be unwise and unjustifiable, for it would inevitably disorganize existing conditions, check progress, and increase the cost and lengthen the time of completing the Canal.

The chief engineer and all his professional associates are firmly convinced that the 85 feet level lock canal which they are constructing is the best that could be desired. Some of them had doubts on this point when they went to the Isthmus. As the plans have developed under their direction their doubts have been dispelled. While they may decide upon changes in detail as construction advances they are in hearty accord in approving the general plan. They believe that it provides a canal not only adequate to all demands that will be made upon it but superior in every way to a sea level canal. I concur in this belief.

I commend to the favorable consideration of the Congress a postal savings bank system, as recommended by the Postmaster-General. The primary object is to encourage among our people economy and thrift and by the use of postal savings banks to give them an opportunity to husband their resources, particularly those who have not the facilities at hand for depositing their money in savings banks. Viewed, however, from the experience of the past few weeks, it is evident that the advantages of such an institution are till more far-reaching. Timid depositors have withdrawn their savings for the time being from national banks, trust companies, and savings banks; individuals have hoarded their cash and the workingmen their earnings; all of which money has been withheld and kept in hiding or in safe deposit box to the detriment of prosperity. Through the agency of the postal savings banks such money would be restored to the channels of trade, to the mutual benefit of capital and labor.

Page 1976

I further commend to the Congress the consideration of the Postmaster-General's recommendation for an extension of the parcel post, especially on the rural routes. There are now 38,215 rural routes, serving nearly 15,000,000 people who do not have the advantages of the inhabitants of cities in obtaining their supplies. These recommendations have been drawn up to benefit the farmer and the country storekeeper; otherwise, I should not favor them, for I believe that it is good policy for our Government to do everything possible to aid the small town and the country district. It is desirable that the country merchant should not be crushed out.

The fourth-class postmasters' convention has passed a very strong resolution in favor of placing the fourth-class postmasters under the civil-service law. The Administration has already put into effect the policy of refusing to remove any fourth-class postmasters save for reasons connected with the good of the service; and it is endeavoring so far as possible to remove them from the domain of partisan politics. It would be a most desirable thing to put the fourth-class postmasters in the classified service. It is possible that this might be done without Congressional action, but, as the matter is debatable, I earnestly recommend that the Congress enact a law providing that they be included under the civil-service law and put in the classified service.

Oklahoma has become a State, standing on a full equality with her elder sisters, and her future is assured by her great natural resources. The duty of the National Government to guard the personal and property rights of the Indians within her borders remains of course unchanged.

I reiterate my recommendations of last year as regards Alaska. Some form of local self-government should be provided, as simple and inexpensive as possible; it is impossible for the Congress to devote the necessary time to all the little details of necessary Alaskan legislation. Road building and railway building should be encouraged. The Governor of Alaska should be given an ample appropriation wherewith to organize a force to preserve the public peace. Whisky selling to the natives should be made a felony. The coal land laws should be changed so as to meet the peculiar needs of the Territory. This should be attended to at once; for the present laws permit individuals to locate large areas of the public domain for speculative purposes; and cause an immense amount of trouble, fraud, and litigation. There should be another judicial division established. As early as possible lighthouses and buoys should be established as aids to navigation, especially in and about Prince William Sound, and the survey of the coast completed. There is need of liberal appropriations for lighting and buoying the southern coast and improving the aids to navigation in southeastern Alaska. One of the great industries of Alaska, as of Puget Sound and the Columbia, is salmon fishing. Gradually, by reason of lack of proper laws, this industry is being ruined; it should now be taken in charge, and effectively protected, by the United States Government.

Page 1977

The courage and enterprise of the citizens of the far north-west in their projected Alaskan-Yukon-Pacific Exposition, to be held in 1909, should receive liberal encouragement. This exposition is not sentimental in its conception, but seeks to exploit the natural resources of Alaska and to promote the commerce, trade, and industry of the Pacific States with their neighboring States and with our insular possessions and the neighboring countries of the Pacific. The exposition asks no loan from the Congress but seeks appropriations for National exhibits and exhibits of the western dependencies of the General Government. The State of Washington and the city of Seattle have shown the characteristic western enterprise in large donations for the conduct of this exposition in which other States are lending generous assistance.

The unfortunate failure of the shipping bill at the last session of the last Congress was followed by the taking off of certain Pacific steamships, which has greatly hampered the movement of passengers between Hawaii and the mainland. Unless the Congress is prepared by positive encouragement to secure proper facilities in the way of shipping between Hawaii and the mainland, then the coastwise shipping laws should be so far relaxed as to prevent Hawaii suffering as it is now suffering. I again call your attention to the capital importance from every standpoint of making Pearl Harbor available for the largest deep water vessels, and of suitably fortifying the island.

The Secretary of War has gone to the Philippines. On his return I shall submit to you his report on the islands.

I again recommend that the rights of citizenship be conferred upon the people of Porto Rico.

A bureau of mines should be created under the control and direction of the Secretary of the Interior; the bureau to have power to collect statistics and make investigations in all matters pertaining to mining and particularly to the accidents and dangers of the industry. If this can not now be done, at least additional appropriations should be given the Interior Department to be used for the study of mining conditions, for the prevention of fraudulent mining schemes, for carrying on the work of mapping the mining districts, for studying methods for minimizing the accidents and dangers in the industry; in short, to aid in all proper ways the development of the mining industry.

I strongly recommend to the Congress to provide funds for keeping up the Hermitage, the home of Andrew Jackson; these funds to be used through the existing Hermitage Association for the preservation of a historic building which should ever be dear to Americans.

I further recommend that a naval monument be established in the Vicksburg National Park. This national park gives a unique opportunity for commemorating the deeds of those gallant men who fought on water, no less than of those who fought on land, in the great civil War.

Page 1978

Legislation should be enacted at the present session of the Congress for the Thirteenth Census. The establishment of the permanent Census Bureau affords the opportunity for a better census than we have ever had, but in order to realize the full advantage of the permanent organization, ample time must be given for preparation.

There is a constantly growing interest in this country in the question of the public health. At last the public mind is awake to the fact that many diseases, notably tuberculosis, are National scourges. The work of the State and city boards of health should be supplemented by a constantly increasing interest on the part of the National Government. The Congress has already provided a bureau of public health and has provided for a hygienic laboratory. There are other valuable laws relating to the public health connected with the various departments. This whole branch of the Government should be strengthened and aided in every way.

I call attention to two Government commissions which I have appointed and which have already done excellent work. The first of these has to do with the organization of the scientific work of the Government, which has grown up wholly without plan and is in consequence so unwisely distributed among the Executive Departments that much of its effect is lost for the lack of proper coordination. This commission's chief object is to introduce a planned and orderly development and operation in the place of the ill-assorted and often ineffective grouping and methods of work which have prevailed. This can not be done without legislation, nor would it be feasible to deal in detail with so complex an administrative problem by specific provisions of law. I recommend that the President be given authority to concentrate related lines of work and reduce duplication by Executive order through transfer and consolidation of lines of work.

The second committee, that on Department methods, was instructed to investigate and report upon the changes needed to place the conduct of the executive force of the Government on the most economical and effective basis in the light of the best modern business practice. The committee has made very satisfactory progress. Antiquated practices and bureaucratic ways have been abolished, and a general renovation of departmental methods has been inaugurated. All that can be done by Executive order has already been accomplished or will be put into effect in the near future. The work of the main committee and its several assistant committees has produced a wholesome awakening on the part of the great body of officers and employees engaged in Government work. In nearly every Department and office there has been a careful self-inspection for the purpose of remedying any defects before they could be made the subject of adverse criticism. This has led individuals to a wider study of the work on which they were engaged, and this study has resulted in increasing their efficiency in their respective lines of work. There are recommendations of special importance from the committee on the subject of personnel and the classification of salaries which will require legislative action before they can be put into effect. It is my intention to submit to the Congress in the near future a special message on those subjects.

Page 1979

Under our form of government voting is not merely a right but a duty, and, moreover, a fundamental and necessary duty if a man is to be a good citizen. It is well to provide that corporations shall not contribute to Presidential or National campaigns, and furthermore to provide for the publication of both contributions and expenditures. There is, however, always danger in laws of this kind, which from their very nature are difficult of enforcement; the danger being lest they be obeyed only by the honest, and disobeyed by the unscrupulous, so as to act only as a penalty upon honest men. Moreover, no such law would hamper an unscrupulous man of unlimited means from buying his own way into office. There is a very radical measure which would, I believe, work a substantial improvement in our system of conducting a campaign, although I am well aware that it will take some time for people so to familiarize themselves with such a proposal as to be willing to consider its adoption. The need for collecting large campaign funds would vanish if Congress provided an appropriation for the proper and legitimate expenses of each of the great national parties, an appropriation ample enough to meet the necessity for thorough organization and machinery, which requires a large expenditure of money. Then the stipulation should be made that no party receiving campaign funds from the Treasury should accept more than a fixed amount from any individual subscriber or donor; and the necessary publicity for receipts and expenditures could without difficulty be provided.

There should be a National gallery of art established in the capital city of this country. This is important not merely to the artistic but to the material welfare of the country; and the people are to be congratulated on the fact that the movement to establish such a gallery is taking definite form under the guidance of the Smithsonian Institution. So far from there being a tariff on works of art brought into the country, their importation should be encouraged in every way. There have been no sufficient collections of objects of art by the Government, and what collections have been acquired are scattered and are generally placed in unsuitable and imperfectly lighted galleries.

The Biological Survey is quietly working for the good of our agricultural interests, and is an excellent example of a Government bureau which conducts original scientific research the findings of which are of much practical utility. For more than twenty years it has studied the food habits of birds and mammals that are injurious or beneficial to agriculture, horticulture, and forestry; has distributed illustrated bulletins on the subject, and has labored to secure legislative protection for the beneficial species. The cotton boll-weevil, which has recently overspread the cotton belt of Texas and is steadily extending its range, is said to cause an annual loss of about $3,000,000. The Biological Survey has ascertained and gives wide

Page 1980

publicity to the fact that at least 43 kinds of birds prey upon this destructive insect. It has discovered that 57 species of birds feed upon scale-insects—dreaded enemies of the fruit grower. It has shown that woodpeckers as a class, by destroying the larvae of wood-boring insects, are so essential to tree life that it is doubtful if our forests could exist without them. It has shown that cuckoos and orioles are the natural enemies of the leaf-eating caterpillars that destroy our shade and fruit trees; that our quails and sparrows consume annually hundreds of tons of seeds of noxious weeds; that hawks and owls as a class (excepting the few that kill poultry and game birds) are markedly beneficial, spending their lives in catching grasshoppers, mice, and other pests that prey upon the products of husbandry. It has conducted field experiments for the purpose of devising and perfecting simple methods for holding in check the hordes of destructive rodents—rats, mice, rabbits, gophers, prairie dogs, and ground squirrels—-which annually destroy crops worth many millions of dollars; and it has published practical directions for the destruction of wolves and coyotes on the stock ranges of the West, resulting during the past year in an estimated saving of cattle and sheep valued at upwards of a million dollars.

It has inaugurated a system of inspection at the principal ports of entry on both Atlantic and Pacific coasts by means of which the introduction of noxious mammals and birds is prevented, thus keeping out the mongoose and certain birds which are as much to be dreaded as the previously introduced English sparrow and the house rats and mice.

In the interest of game protection it has cooperated with local officials in every State in the Union, has striven to promote uniform legislation in the several States, has rendered important service in enforcing the Federal law regulating interstate traffic in game, and has shown how game protection may be made to yield a large revenue to the State—a revenue amounting in the case of Illinois to $128,000 in a single year.

The Biological Survey has explored the faunas and floras of America with reference to the distribution of animals and plants; it has defined and mapped the natural life areas—areas in which, by reason of prevailing climatic conditions, certain kinds of animals and plants occur—and has pointed out the adaptability of these areas to the cultivation of particular crops. The results of these investigations are not only of high educational value but are worth each year to the progressive farmers of the country many times the cost of maintaining the Survey, which, it may be added, is exceedingly small. I recommend to Congress that this bureau, whose usefulness is seriously handicapped by lack of funds, be granted an appropriation in some degree commensurate with the importance of the work it is doing.

I call your especial attention to the unsatisfactory condition of our foreign mail service, which, because of the lack of American steamship lines is now largely done through foreign lines, and which, particularly so far as South and Central America are

concerned, is done in a manner which constitutes a serious barrier to the extension of our commerce.

Page 1981

The time has come, in my judgment, to set to work seriously to make our ocean mail service correspond more closely with our recent commercial and political development. A beginning was made by the ocean mail act of March 3, 1891, but even at that time the act was known to be inadequate in various particulars. Since that time events have moved rapidly in our history. We have acquired Hawaii, the Philippines, and lesser islands in the Pacific. We are steadily prosecuting the great work of uniting at the Isthmus the waters of the Atlantic and the Pacific. To a greater extent than seemed probable even a dozen years ago, we may look to an American future on the sea worthy of the traditions of our past. As the first step in that direction, and the step most feasible at the present time, I recommend the extension of the ocean mail act of 1891. This act has stood for some years free from successful criticism of its principle and purpose. It was based on theories of the obligations of a great maritime nation, undisputed in our own land and followed by other nations since the beginning of steam navigation. Briefly those theories are, that it is the duty of a first-class Power so far as practicable to carry its ocean mails under its own flag; that the fast ocean steamships and their crews, required for such mail service, are valuable auxiliaries to the sea power of a nation. Furthermore, the construction of such steamships insures the maintenance in an efficient condition of the shipyards in which our battleships must be built.

The expenditure of public money for the Performance of such necessary functions of government is certainly warranted, nor is it necessary to dwell upon the incidental benefits to our foreign commerce, to the shipbuilding industry, and to ship owning and navigation which will accompany the discharge of these urgent public duties, though they, too, should have weight.

The only serious question is whether at this time we can afford to improve our ocean mail service as it should be improved. All doubt on this subject is removed by the reports of the Post-Office Department. For the fiscal year ended June 30, 1907, that Department estimates that the postage collected on the articles exchanged with foreign countries other than Canada and Mexico amounted to $6,579,043.48, or $3,637,226.81 more than the net cost of the service exclusive of the cost of transporting the articles between the United States exchange post-offices and the United States post-offices at which they were mailed or delivered. In other words, the Government of the United States, having assumed a monopoly of carrying the mails for the people, making a profit of over $3,600,000 by rendering a cheap and inefficient service. That profit I believe should be devoted to strengthening maritime power in those directions where it will best promote our prestige. The country is familiar with the facts of our maritime impotence in the harbors

Page 1982

of the great and friendly Republics of South America. Following the failure of the shipbuilding bill we lost our only American line of steamers to Australasia, and that loss on the Pacific has become a serious embarrassment to the people of Hawaii, and has wholly cut off the Samoan islands from regular communication with the Pacific coast. Puget Sound, in the year, has lost over half (four out of seven) of its American steamers trading with the Orient.

We now pay under the act of 1891 $4 a statute mile outward to 20-knot American mail steamships, built according to naval plans, available as cruisers, and manned by Americans. Steamships of that speed are confined exclusively to trans-Atlantic trade with New York. To steamships of 16 knots or over only $2 a mile can be paid, and it is steamships of this speed and type which are needed to meet the requirements of mail service to South America, Asia (including the Philippines), and Australia. I strongly recommend, therefore, a simple amendment to the ocean mail act of 1891 which shall authorize the Postmaster-General in his discretion to enter into contracts for the transportation of mails to the Republics of South America, to Asia, the Philippines, and Australia at a rate not to exceed $4 a mile for steamships of 16 knots speed or upwards, subject to the restrictions and obligations of the act of 1891. The profit of $3,600,000 which has been mentioned will fully cover the maximum annual expenditure involved in this recommendation, and it is believed will in time establish the lines so urgently needed. The proposition involves no new principle, but permits the efficient discharge of public functions now inadequately performed or not performed at all.

Not only there is not now, but there never has been, any other nation in the world so wholly free from the evils of militarism as is ours. There never has been any other large nation, not even China, which for so long a period has had relatively to its numbers so small a regular army as has ours. Never at any time in our history has this Nation suffered from militarism or been in the remotest danger of suffering from militarism. Never at any time of our history has the Regular Army been of a size which caused the slightest appreciable tax upon the tax-paying citizens of the Nation. Almost always it has been too small in size and underpaid. Never in our entire history has the Nation suffered in the least particular because too much care has been given to the Army, too much prominence given it, too much money spent upon it, or because it has been too large. But again and again we have suffered because enough care has not been given to it, because it has been too small, because there has not been sufficient preparation in advance for possible war. Every foreign war in which we have engaged has cost us many times the amount which, if wisely expended during the preceding years of peace on the Regular Army, would have insured the war ending

Page 1983

in but a fraction of the time and but for a fraction of the cost that was actually the case. As a Nation we have always been shortsighted in providing for the efficiency of the Army in time of peace. It is nobody's especial interest to make such provision and no one looks ahead to war at any period, no matter how remote, as being a serious possibility; while an improper economy, or rather niggardliness, can be practiced at the expense of the Army with the certainty that those practicing it will not be called to account therefor, but that the price will be paid by the unfortunate persons who happen to be in office when a war does actually come.

I think it is only lack of foresight that troubles us, not any hostility to the Army. There are, of course, foolish people who denounce any care of the Army or Navy as "militarism," but I do not think that these people are numerous. This country has to contend now, and has had to contend in the past, with many evils, and there is ample scope for all who would work for reform. But there is not one evil that now exists, or that ever has existed in this country, which is, or ever has been, owing in the smallest part to militarism. Declamation against militarism has no more serious place in an earnest and intelligent movement for righteousness in this country than declamation against the worship of Baal or Astaroth. It is declamation against a non-existent evil, one which never has existed in this country, and which has not the slightest chance of appearing here. We are glad to help in any movement for international peace, but this is because we sincerely believe that it is our duty to help all such movements provided they are sane and rational, and not because there is any tendency toward militarism on our part which needs to be cured. The evils we have to fight are those in connection with industrialism, not militarism. Industry is always necessary, just as war is sometimes necessary. Each has its price, and industry in the United States now exacts, and has always exacted, a far heavier toll of death than all our wars put together. The statistics of the railroads of this country for the year ended June 30, 1906, the last contained in the annual statistical report of the Interstate Commerce Commission, show in that one year a total of 108,324 casualties to persons, of which 10,618 represent the number of persons killed. In that wonderful hive of human activity, Pittsburg, the deaths due to industrial accidents in 1906 were 919, all the result of accidents in mills, mines or on railroads. For the entire country, therefore, it is safe to say that the deaths due to industrial accidents aggregate in the neighborhood of twenty thousand a year. Such a record makes the death rate in all our foreign wars utterly trivial by comparison. The number of deaths in battle in all the foreign wars put together, for the last century and a quarter, aggregate considerably less than one year's death record for our industries. A mere glance at these figures is sufficient to show the absurdity of the outcry against militarism.

Page 1984

But again and again in the past our little Regular Army has rendered service literally vital to the country, and it may at any time have to do so in the future. Its standard of efficiency and instruction is higher now than ever in the past. But it is too small. There are not enough officers; and it is impossible to secure enough enlisted men. We should maintain in peace a fairly complete skeleton of a large army. A great and long-continued war would have to be fought by volunteers. But months would pass before any large body of efficient volunteers could be put in the field, and our Regular Army should be large enough to meet any immediate need. In particular it is essential that we should possess a number of extra officers trained in peace to perform efficiently the duties urgently required upon the breaking out of war.

The Medical Corps should be much larger than the needs of our Regular Army in war. Yet at present it is smaller than the needs of the service demand even in peace. The Spanish war occurred less than ten years ago. The chief loss we suffered in it was by disease among the regiments which never left the country. At the moment the Nation seemed deeply impressed by this fact; yet seemingly it has already been forgotten, for not the slightest effort has been made to prepare a medical corps of sufficient size to prevent the repetition of the same disaster on a much larger scale if we should ever be engaged in a serious conflict. The trouble in the Spanish war was not with the then existing officials of the War Department; it was with the representatives of the people as a whole who, for the preceding thirty years, had declined to make the necessary provision for the Army. Unless ample provision is now made by Congress to put the Medical Corps where it should be put disaster in the next war is inevitable, and the responsibility will not lie with those then in charge of the War Department, but with those who now decline to make the necessary provision. A well organized medical corps, thoroughly trained before the advent of war in all the important administrative duties of a military sanitary corps, is essential to the efficiency of any large army, and especially of a large volunteer army. Such knowledge of medicine and surgery as is possessed by the medical profession generally will not alone suffice to make an efficient military surgeon. He must have, in addition, knowledge of the administration and sanitation of large field hospitals and camps, in order to safeguard the health and lives of men intrusted in great numbers to his care. A bill has long been pending before the Congress for the reorganization of the Medical Corps; its passage is urgently needed.

Page 1985

But the Medical Department is not the only department for which increased provision should be made. The rate of pay for the officers should be greatly increased; there is no higher type of citizen than the American regular officer, and he should have a fair reward for his admirable work. There should be a relatively even greater increase in the pay for the enlisted men. In especial provision should be made for establishing grades equivalent to those of warrant officers in the Navy which should be open to the enlisted men who serve sufficiently long and who do their work well. Inducements should be offered sufficient to encourage really good men to make the Army a life occupation. The prime needs of our present Army is to secure and retain competent noncommissioned officers. This difficulty rests fundamentally on the question of pay. The noncommissioned officer does not correspond with an unskilled laborer; he corresponds to the best type of skilled workman or to the subordinate official in civil institutions. Wages have greatly increased in outside occupations in the last forty years and the pay of the soldier, like the pay of the officers, should be proportionately increased. The first sergeant of a company, if a good man, must be one of such executive and administrative ability, and such knowledge of his trade, as to be worth far more than we at present pay him. The same is true of the regimental sergeant major. These men should be men who had fully resolved to make the Army a life occupation and they should be able to look forward to ample reward; while only men properly qualified should be given a chance to secure these final rewards. The increase over the present pay need not be great in the lower grades for the first one or two enlistments, but the increase should be marked for the noncommissioned officers of the upper grades who serve long enough to make it evident that they intend to stay permanently in the Army, while additional pay should be given for high qualifications in target practice. The position of warrant officer should be established and there should be not only an increase of pay, but an increase of privileges and allowances and dignity, so as to make the grade open to noncommissioned officers capable of filling them desirably from every standpoint. The rate of desertion in our Army now in time of peace is alarming. The deserter should be treated by public opinion as a man guilty of the greatest crime; while on the other hand the man who serves steadily in the Army should be treated as what he is, that is, as preeminently one of the best citizens of this Republic. After twelve years' service in the Army, my own belief is that the man should be given a preference according to his ability for certain types of office over all civilian applicants without examination. This should also apply, of course, to the men who have served twelve years in the Navy. A special corps should be provided to do the manual labor now necessarily demanded of the privates themselves.

Page 1986

Among the officers there should be severe examinations to weed out the unfit up to the grade of major. From that position on appointments should be solely by selection and it should be understood that a man of merely average capacity could never get beyond the position of major, while every man who serves in any grade a certain length of time prior to promotion to the next grade without getting the promotion to the next grade should be forthwith retired. The practice marches and field maneuvers of the last two or three years have been invaluable to the Army. They should be continued and extended. A rigid and not a perfunctory examination of physical capacity has been provided for the higher grade officers. This will work well. Unless an officer has a good physique, unless he can stand hardship, ride well, and walk fairly, he is not fit for any position, even after he has become a colonel. Before he has become a colonel the need for physical fitness in the officers is almost as great as in the enlisted man. I hope speedily to see introduced into the Army a far more rigid and thoroughgoing test of horsemanship for all field officers than at present. There should be a Chief of Cavalry just as there is a Chief of Artillery.

Perhaps the most important of all legislation needed for the benefit of the Army is a law to equalize and increase the pay of officers and enlisted men of the Army, Navy, Marine Corps, and Revenue-Cutter Service. Such a bill has been prepared, which it is hoped will meet with your favorable consideration. The next most essential measure is to authorize a number of extra officers as mentioned above. To make the Army more attractive to enlisted men, it is absolutely essential to create a service corps, such as exists in nearly every modern army in the world, to do the skilled and unskilled labor, inseparably connected with military administration, which is now exacted, without just compensation, of enlisted men who voluntarily entered the Army to do service of an altogether different kind. There are a number of other laws necessary to so organize the Army as to promote its efficiency and facilitate its rapid expansion in time of war; but the above are the most important.

It was hoped The Hague Conference might deal with the question of the limitation of armaments. But even before it had assembled informal inquiries had developed that as regards naval armaments, the only ones in which this country had any interest, it was hopeless to try to devise any plan for which there was the slightest possibility of securing the assent of the nations gathered at The Hague. No plan was even proposed which would have had the assent of more than one first class Power outside of the United States. The only plan that seemed at all feasible, that of limiting the size of battleships, met with no favor at all. It is evident, therefore, that it is folly for this Nation to base any hope of securing peace on any international agreement as

Page 1987

to the limitations of armaments. Such being the fact it would be most unwise for us to stop the upbuilding of our Navy. To build one battleship of the best and most advanced type a year would barely keep our fleet up to its present force. This is not enough. In my judgment, we should this year provide for four battleships. But it is idle to build battleships unless in addition to providing the men, and the means for thorough training, we provide the auxiliaries for them, unless we provide docks, the coaling stations, the colliers and supply ships that they need. We are extremely deficient in coaling stations and docks on the Pacific, and this deficiency should not longer be permitted to exist. Plenty of torpedo boats and destroyers should be built. Both on the Atlantic and Pacific coasts, fortifications of the best type should be provided for all our greatest harbors.

We need always to remember that in time of war the Navy is not to be used to defend harbors and sea-coast cities; we should perfect our system of coast fortifications. The only efficient use for the Navy is for offense. The only way in which it can efficiently protect our own coast against the possible action of a foreign navy is by destroying that foreign navy. For defense against a hostile fleet which actually attacks them, the coast cities must depend upon their forts, mines, torpedoes, submarines, and torpedo boats and destroyers. All of these together are efficient for defensive purposes, but they in no way supply the place of a thoroughly efficient navy capable of acting on the offensive; for parrying never yet won a fight. It can only be won by hard hitting, and an aggressive sea-going navy alone can do this hard hitting of the offensive type. But the forts and the like are necessary so that the Navy may be footloose. In time of war there is sure to be demand, under pressure, of fright, for the ships to be scattered so as to defend all kind of ports. Under penalty of terrible disaster, this demand must be refused. The ships must be kept together, and their objective made the enemies' fleet. If fortifications are sufficiently strong, no modern navy will venture to attack them, so long as the foe has in existence a hostile navy of anything like the same size or efficiency. But unless there exists such a navy then the fortifications are powerless by themselves to secure the victory. For of course the mere deficiency means that any resolute enemy can at his leisure combine all his forces upon one point with the certainty that he can take it.

Until our battle fleet is much larger than at present it should never be split into detachments so far apart that they could not in event of emergency be speedily united. Our coast line is on the Pacific just as much as on the Atlantic. The interests of California, Oregon, and Washington are as emphatically the interests of the whole Union as those of Maine and New York, of Louisiana and Texas. The battle

Page 1988

fleet should now and then be moved to the Pacific, just as at other times it should be kept in the Atlantic. When the Isthmian Canal is built the transit of the battle fleet from one ocean to the other will be comparatively easy. Until it is built I earnestly hope that the battle fleet will be thus shifted between the two oceans every year or two. The marksmanship on all our ships has improved phenomenally during the last five years. Until within the last two or three years it was not possible to train a battle fleet in squadron maneuvers under service conditions, and it is only during these last two or three years that the training under these conditions has become really effective. Another and most necessary stride in advance is now being taken. The battle fleet is about starting by the Straits of Magellan to visit the Pacific coast.. Sixteen battleships are going under the command of Rear-Admiral Evans, while eight armored cruisers and two other battleships will meet him at San Francisco, whither certain torpedo destroyers are also going. No fleet of such size has ever made such a voyage, and it will be of very great educational use to all engaged in it. The only way by which to teach officers and men how to handle the fleet so as to meet every possible strain and emergency in time of war is to have them practice under similar conditions in time of peace. Moreover, the only way to find out our actual needs is to perform in time of peace whatever maneuvers might be necessary in time of war. After war is declared it is too late to find out the needs; that means to invite disaster. This trip to the Pacific will show what some of our needs are and will enable us to provide for them. The proper place for an officer to learn his duty is at sea, and the only way in which a navy can ever be made efficient is by practice at sea, under all the conditions which would have to be met if war existed.

I bespeak the most liberal treatment for the officers and enlisted men of the Navy. It is true of them, as likewise of the officers and enlisted men of the Army, that they form a body whose interests should be close to the heart of every good American. In return the most rigid performance of duty should be exacted from them. The reward should be ample when they do their best; and nothing less than their best should be tolerated. It is idle to hope for the best results when the men in the senior grades come to those grades late in life and serve too short a time in them. Up to the rank of lieutenant-commander promotion in the Navy should be as now, by seniority, subject, however, to such rigid tests as would eliminate the unfit. After the grade of lieutenant-commander, that is, when we come to the grade of command rank, the unfit should be eliminated in such manner that only the conspicuously fit would remain, and sea service should be a principal test of fitness. Those who are passed by should, after a certain length of service in their respective grades, be retired.

Page 1989

Of a given number of men it may well be that almost all would make good lieutenants and most of them good lieutenant-commanders, while only a minority be fit to be captains, and but three or four to be admirals. Those who object to promotion otherwise than by mere seniority should reflect upon the elementary fact that no business in private life could be successfully managed if those who enter at the lowest rungs of the ladder should each in turn, if he lived, become the head of the firm, its active director, and retire after he had held the position a few months. On its face such a scheme is an absurdity. Chances for improper favoritism can be minimized by a properly formed board; such as the board of last June, which did such conscientious and excellent work in elimination.

If all that ought to be done can not now be done, at least let a beginning be made. In my last three annual Messages, and in a special Message to the last Congress, the necessity for legislation that will cause officers of the line of the Navy to reach the grades of captain and rear-admiral at less advanced ages and which will cause them to have more sea training and experience in the highly responsible duties of those grades, so that they may become thoroughly skillful in handling battleships, divisions, squadrons, and fleets in action, has been fully explained and urgently recommended. Upon this subject the Secretary of the Navy has submitted detailed and definite recommendations which have received my approval, and which, if enacted into law, will accomplish what is immediately necessary, and will, as compared with existing law, make a saving of more than five millions of dollars during the next seven years. The navy personnel act of 1899 has accomplished all that was expected of it in providing satisfactory periods of service in the several subordinate grades, from the grade of ensign to the grade of lieutenant-commander, but the law is inadequate in the upper grades and will continue to be inadequate on account of the expansion of the personnel since its enactment. Your attention is invited to the following quotations from the report of the personnel board of 1906, of which the Assistant Secretary of the Navy was president:

“Congress has authorized a considerable increase in the number of midshipmen at the Naval Academy, and these midshipmen upon graduation are promoted to ensign and lieutenant (junior-grade). But no provision has been made for a corresponding increase in the upper grades, the result being that the lower grades will become so congested that a midshipman now in one of the lowest classes at Annapolis may possibly not be promoted to lieutenant until he is between 45 and 50 years of age. So it will continue under the present law, congesting at the top and congesting at the bottom. The country fails to get from the officers of the service the best that is in them by not providing opportunity for their normal development and training. The board believes that this works a serious detriment to the efficiency of the Navy and is a real menace to the public safety.”

Page 1990

As stated in my special Message to the last Congress: "I am firmly of the opinion that unless the present conditions of the higher commissioned personnel is rectified by judicious legislation the future of our Navy will be gravely compromised." It is also urgently necessary to increase the efficiency of the Medical Corps of the Navy. Special legislation to this end has already been proposed; and I trust it may be enacted without delay.

It must be remembered that everything done in the Navy to fit it to do well in time of war must be done in time of peace. Modern wars are short; they do not last the length of time requisite to build a battleship; and it takes longer to train the officers and men to do well on a battleship than it takes to build it. Nothing effective can be done for the Navy once war has begun, and the result of the war, if the combatants are otherwise equally matched, will depend upon which power has prepared best in time of peace. The United States Navy is the best guaranty the Nation has that its honor and interest will not be neglected; and in addition it offers by far the best insurance for peace that can by human ingenuity be devised.

I call attention to the report of the official Board of Visitors to the Naval Academy at Annapolis which has been forwarded to the Congress. The report contains this paragraph:

"Such revision should be made of the courses of study and methods of conducting and marking examinations as will develop and bring out the average all-round ability of the midshipman rather than to give him prominence in any one particular study. The fact should be kept in mind that the Naval Academy is not a university but a school, the primary object of which is to educate boys to be efficient naval officers. Changes in curriculum, therefore, should be in the direction of making the course of instruction less theoretical and more practical. No portion of any future class should be graduated in advance of the full four years' course, and under no circumstances should the standard of instruction be lowered. The Academy in almost all of its departments is now magnificently equipped, and it would be very unwise to make the course of instruction less exacting than it is to-day."

Acting upon this suggestion I designated three seagoing officers, Capt. Richard Wainwright, Commander Robert S. Griffin, and Lieut. Commander Albert L. Key, all graduates of the Academy, to investigate conditions and to recommend to me the best method of carrying into effect this general recommendation. These officers performed the duty promptly and intelligently, and, under the personal direction of Capt. Charles J. Badger, Superintendent of the Academy, such of the proposed changes as were deemed to be at present advisable were put into effect at the beginning of the academic year, October 1, last. The results, I am confident, will be most beneficial to the Academy, to the midshipmen, and to the Navy.

Page 1991

In foreign affairs this country's steady policy is to behave toward other nations as a strong and self-respecting man should behave toward the other men with whom he is brought into contact. In other words, our aim is disinterestedly to help other nations where such help can be wisely given without the appearance of meddling with what does not concern us; to be careful to act as a good neighbor; and at the same time, in good-natured fashion, to make it evident that we do not intend to be imposed upon.

The Second International Peace Conference was convened at The Hague on the 15th of June last and remained in session until the 18th of October. For the first time the representatives of practically all the civilized countries of the world united in a temperate and kindly discussion of the methods by which the causes of war might be narrowed and its injurious effects reduced.

Although the agreements reached in the Conference did not in any direction go to the length hoped for by the more sanguine, yet in many directions important steps were taken, and upon every subject on the programme there was such full and considerate discussion as to justify the belief that substantial progress has been made toward further agreements in the future. Thirteen conventions were agreed upon embodying the definite conclusions which had been reached, and resolutions were adopted marking the progress made in matters upon which agreement was not yet sufficiently complete to make conventions practicable.

The delegates of the United States were instructed to favor an agreement for obligatory arbitration, the establishment of a permanent court of arbitration to proceed judicially in the hearing and decision of international causes, the prohibition of force for the collection of contract debts alleged to be due from governments to citizens of other countries until after arbitration as to the justice and amount of the debt and the time and manner of payment, the immunity of private property at sea, the better definition of the rights of neutrals, and, in case any measure to that end should be introduced, the limitation of armaments.

In the field of peaceful disposal of international differences several important advances were made. First, as to obligatory arbitration. Although the Conference failed to secure a unanimous agreement upon the details of a convention for obligatory arbitration, it did resolve as follows;

"It is unanimous: (1) In accepting the principle for obligatory arbitration; (2) In declaring that certain differences, and notably those relating to the interpretation and application of international conventional stipulations are susceptible of being submitted to obligatory arbitration without any restriction."

In view of the fact that as a result of the discussion the vote upon the definite treaty of obligatory arbitration, which was proposed, stood 32 in favor to 9 against the adoption of the treaty, there can be little doubt that the great majority of the countries of the world

have reached a point where they are now ready to apply practically the principles thus unanimously agreed upon by the Conference.

Page 1992

The second advance, and a very great one, is the agreement which relates to the use of force for the collection of contract debts. Your attention is invited to the paragraphs upon this subject in my Message of December, 1906, and to the resolution of the Third American Conference at Rio in the summer of 1906. The convention upon this subject adopted by the Conference substantially as proposed by the American delegates is as follows:

“In order to avoid between nations armed conflicts of a purely pecuniary origin arising from contractual debts claimed of the government of one country by the government of another country to be due to its nationals, the signatory Powers agree not to have recourse to armed force for the collection of such contractual debts.

“However, this stipulation shall not be applicable when the debtor State refuses or leaves unanswered an offer to arbitrate, or, in case of acceptance, makes it impossible to formulate the terms of submission, or, after arbitration, fails to comply with the award rendered.

“It is further agreed that arbitration here contemplated shall be in conformity, as to procedure, with Chapter III of the Convention for the Pacific Settlement of International Disputes adopted at The Hague, and that it shall determine, in so far as there shall be no agreement between the parties, the justice and the amount of the debt, the time and mode of payment thereof.”

Such a provision would have prevented much injustice and extortion in the past, and I cannot doubt that its effect in the future will be most salutary.

A third advance has been made in amending and perfecting the convention of 1899 for the voluntary settlement of international disputes, and particularly the extension of those parts of that convention which relate to commissions of inquiry. The existence of those provisions enabled the Governments of Great Britain and Russia to avoid war, notwithstanding great public excitement, at the time of the Dogger Bank incident, and the new convention agreed upon by the Conference gives practical effect to the experience gained in that inquiry.

Substantial progress was also made towards the creation of a permanent judicial tribunal for the determination of international causes. There was very full discussion of the proposal for such a court and a general agreement was finally reached in favor of its creation. The Conference recommended to the signatory Powers the adoption of a draft upon which it agreed for the organization of the court, leaving to be determined only the method by which the judges should be selected. This remaining unsettled question is plainly one which time and good temper will solve.

Page 1993

A further agreement of the first importance was that for the creation of an international prize court. The constitution, organization and procedure of such a tribunal were provided for in detail. Anyone who recalls the injustices under which this country suffered as a neutral power during the early part of the last century can not fail to see in this provision for an international prize court the great advance which the world is making towards the substitution of the rule of reason and justice in place of simple force. Not only will the international prize court be the means of protecting the interests of neutrals, but it is in itself a step towards the creation of the more general court for the hearing of international controversies to which reference has just been made. The organization and action of such a prize court can not fail to accustom the different countries to the submission of international questions to the decision of an international tribunal, and we may confidently expect the results of such submission to bring about a general agreement upon the enlargement of the practice.

Numerous provisions were adopted for reducing the evil effects of war and for defining the rights and duties of neutrals.

The Conference also provided for the holding of a third Conference within a period similar to that which elapsed between the First and Second Conferences.

The delegates of the United States worthily represented the spirit of the American people and maintained with fidelity and ability the policy of our Government upon all the great questions discussed in the Conference.

The report of the delegation, together with authenticated copies of the conventions signed, when received, will be laid before the Senate for its consideration.

When we remember how difficult it is for one of our own legislative bodies, composed of citizens of the same country, speaking the same language, living under the same laws, and having the same customs, to reach an agreement, or even to secure a majority upon any difficult and important subject which is proposed for legislation, it becomes plain that the representatives of forty-five different countries, speaking many different languages, accustomed to different methods of procedure, with widely diverse interests, who discussed so many different subjects and reached agreements upon so many, are entitled to grateful appreciation for the wisdom, patience, and moderation with which they have discharged their duty. The example of this temperate discussion, and the agreements and the efforts to agree, among representatives of all the nations of the earth, acting with universal recognition of the supreme obligation to promote peace, can not fail to be a powerful influence for good in future international relations.

Page 1994

A year ago in consequence of a revolutionary movement in Cuba which threatened the immediate return to chaos of the island, the United States intervened, sending down an army and establishing a provisional government under Governor Magoon. Absolute quiet and prosperity have returned to the island because of this action. We are now taking steps to provide for elections in the island and our expectation is within the coming year to be able to turn the island over again to government chosen by the people thereof. Cuba is at our doors. It is not possible that this Nation should permit Cuba again to sink into the condition from which we rescued it. All that we ask of the Cuban people is that they be prosperous, that they govern themselves so as to bring content, order and progress to their island, the Queen of the Antilles; and our only interference has been and will be to help them achieve these results.

An invitation has been extended by Japan to the Government and people of the United States to participate in a great national exposition to be held at Tokyo from April 1 to October 31, 1912, and in which the principal countries of the world are to be invited to take part. This is an occasion of special interest to all the nations of the world, and peculiarly so to us; for it is the first instance in which such a great national exposition has been held by a great power dwelling on the Pacific; and all the nations of Europe and America will, I trust, join in helping to success this first great exposition ever held by a great nation of Asia. The geographical relations of Japan and the United States as the possessors of such large portions of the coasts of the Pacific, the intimate trade relations already existing between the two countries, the warm friendship which has been maintained between them without break since the opening of Japan to intercourse with the western nations, and her increasing wealth and production, which we regard with hearty goodwill and wish to make the occasion of mutually beneficial commerce, all unite in making it eminently desirable that this invitation should be accepted. I heartily recommend such legislation as will provide in generous fashion for the representation of this Government and its people in the proposed exposition. Action should be taken now. We are apt to underestimate the time necessary for preparation in such cases. The invitation to the French Exposition of 1900 was brought to the attention of the Congress by President Cleveland in December, 1895; and so many are the delays necessary to such proceedings that the period of font years and a half which then intervened before the exposition proved none too long for the proper preparation of the exhibits.

The adoption of a new tariff by Germany, accompanied by conventions for reciprocal tariff concessions between that country and most of the other countries of continental Europe, led the German Government to give the notice necessary to terminate the reciprocal commercial agreement with this country proclaimed July 13, 1900. The notice was to take effect on the 1st of March, 1906, and in default of some other arrangements this would have left the exports from the United States to Germany subject to the general German tariff duties, from 25 to 50 per cent higher than the conventional duties imposed upon the goods of most of our competitors for German trade.

Page 1995

Under a special agreement made between the two Governments in February, 1906, the German Government postponed the operation of their notice until the 30th of June, 1907. In the meantime, deeming it to be my duty to make every possible effort to prevent a tariff war between the United States and Germany arising from misunderstanding by either country of the conditions existing in the other, and acting upon the invitation of the German Government, I sent to Berlin a commission composed of competent experts in the operation and administration of the customs tariff, from the Departments of the Treasury and Commerce and Labor. This commission was engaged for several mouths in conference with a similar commission appointed by the German Government, under instructions, so far as practicable, to reach a common understanding as to all the facts regarding the tariffs of the United States and Germany material and relevant to the trade relations between the two countries. The commission reported, and upon the basis of the report, a further temporary commercial agreement was entered into by the two countries, pursuant to which, in the exercise of the authority conferred upon the President by the third section of the tariff act of July 24, 1897, I extended the reduced tariff rates provided for in that section to champagne and all other sparkling wines, and pursuant to which the German conventional or minimum tariff rates were extended to about 96 1/2 per cent of all the exports from the United States to Germany. This agreement is to remain in force until the 30th of June, 1908, and until six months after notice by either party to terminate it.

The agreement and the report of the commission on which it is based will be laid before the Congress for its information.

This careful examination into the tariff relations between the United States and Germany involved an inquiry into certain of our methods of administration which had been the cause of much complaint on the part of German exporters. In this inquiry I became satisfied that certain vicious and unjustifiable practices had grown up in our customs administration, notably the practice of determining values of imports upon detective reports never disclosed to the persons whose interests were affected. The use of detectives, though often necessary, tends towards abuse, and should be carefully guarded. Under our practice as I found it to exist in this case, the abuse had become gross and discreditable. Under it, instead of seeking information as to the market value of merchandise from the well-known and respected members of the commercial community in the country of its production, secret statements were obtained from informers and discharged employees and business rivals, and upon this kind of secret evidence the values of imported goods were frequently raised and heavy penalties were frequently imposed upon importers who were never permitted to know what the evidence was and who never had an opportunity

Page 1996

to meet it. It is quite probable that this system tended towards an increase of the duties collected upon imported goods, but I conceive it to be a violation of law to exact more duties than the law provides, just as it is a violation to admit goods upon the payment of less than the legal rate of duty. This practice was repugnant to the spirit of American law and to American sense of justice. In the judgment of the most competent experts of the Treasury Department and the Department of Commerce and Labor it was wholly unnecessary for the due collection of the customs revenues, and the attempt to defend it merely illustrates the demoralization which naturally follows from a long continued course of reliance upon such methods. I accordingly caused the regulations governing this branch of the customs service to be modified so that values are determined upon a hearing in which all the parties interested have an opportunity to be heard and to know the evidence against them. Moreover our Treasury agents are accredited to the government of the country in which they seek information, and in Germany receive the assistance of the quasi-official chambers of commerce in determining the actual market value of goods, in accordance with what I am advised to be the true construction of the law.

These changes of regulations were adapted to the removal of such manifest abuses that I have not felt that they ought to be confined to our relations with Germany; and I have extended their operation to all other countries which have expressed a desire to enter into similar administrative relations.

I ask for authority to reform the agreement with China under which the indemnity of 1900 was fixed, by remitting and cancelling the obligation of China for the payment of all that part of the stipulated indemnity which is in excess of the sum of eleven million, six hundred and fifty-five thousand, four hundred and ninety-two dollars and sixty-nine cents, and interest at four per cent. After the rescue of the foreign legations in Peking during the Boxer troubles in 1900 the Powers required from China the payment of equitable indemnities to the several nations, and the final protocol under which the troops were withdrawn, signed at Peking, September 7, 1901, fixed the amount of this indemnity allotted to the United States at over $20,000,000, and China paid, up to and including the 1st day of June last, a little over $6,000,000. It was the first intention of this Government at the proper time, when all claims had been presented and all expenses ascertained as fully as possible, to revise the estimates and account, and as a proof of sincere friendship for China voluntarily to release that country from its legal liability for all payments in excess of the sum which should prove to be necessary for actual indemnity to the United States and its citizens.

This Nation should help in every practicable way in the education of the Chinese people, so that the vast and populous Empire of China may gradually adapt itself to modern conditions. One way of doing this is by promoting the coming of Chinese students to this country and making it attractive to them to take courses at our

universities and higher educational institutions. Our educators should, so far as possible, take concerted action toward this end.

Page 1997

On the courteous invitation of the President of Mexico, the Secretary of State visited that country in September and October and was received everywhere with the greatest kindness and hospitality.

He carried from the Government of the United States to our southern neighbor a message of respect and good will and of desire for better acquaintance and increasing friendship. The response from the Government and the people of Mexico was hearty and sincere. No pains were spared to manifest the most friendly attitude and feeling toward the United States.

In view of the close neighborhood of the two countries the relations which exist between Mexico and the United States are just cause for gratification. We have a common boundary of over 1,500 miles from the Gulf of Mexico to the Pacific. Much of it is marked only by the shifting waters of the Rio Grande. Many thousands of Mexicans are residing upon our side of the line and it is estimated that over 40,000 Americans are resident in Mexican territory and that American investments in Mexico amount to over seven hundred million dollars. The extraordinary industrial and commercial prosperity of Mexico has been greatly promoted by American enterprise, and Americans are sharing largely in its results. The foreign trade of the Republic already exceeds $240,000,000 per annum, and of this two-thirds both of exports and imports are exchanged with the United States. Under these circumstances numerous questions necessarily arise between the two countries. These questions are always approached and disposed of in a spirit of mutual courtesy and fair dealing. Americans carrying on business in Mexico testify uniformly to the kindness and consideration with which they are treated and their sense of the security of their property and enterprises under the wise administration of the great statesman who has so long held the office of Chief Magistrate of that Republic.

The two Governments have been uniting their efforts for a considerable time past to aid Central America in attaining the degree of peace and order which have made possible the prosperity of the northern ports of the Continent. After the peace between Guatemala, Honduras, and Salvador, celebrated under the circumstances described in my last Message, a new war broke out between the Republics of Nicaragua, Honduras, and Salvador. The effort to compose this new difficulty has resulted in the acceptance of the joint suggestion of the Presidents of Mexico and of the United States for a general peace conference between all the countries of Central America. On the 17th day of September last a protocol was signed between the representatives of the five Central American countries accredited to this Government agreeing upon a conference to be held in the City of Washington “in order to devise the means of preserving the good relations among said Republics and bringing about permanent peace in those countries.” The protocol includes the expression of a wish that the Presidents of the United States and Mexico should appoint “representatives to lend their good and impartial offices in a purely friendly way toward the realization of the objects of the

conference." The conference is now in session and will have our best wishes and, where it is practicable, our friendly assistance.

Page 1998

One of the results of the Pan American Conference at Rio Janeiro in the summer of 1906 has been a great increase in the activity and usefulness of the International Bureau of American Republics. That institution, which includes all the American Republics in its membership and brings all their representatives together, is doing a really valuable work in informing the people of the United States about the other Republics and in making the United States known to them. Its action is now limited by appropriations determined when it was doing a work on a much smaller scale and rendering much less valuable service. I recommend that the contribution of this Government to the expenses of the Bureau be made commensurate with its increased work.

***

State of the Union Address
Theodore Roosevelt
December 8, 1908

To the Senate and House of Representatives:

Finances.

The financial standing of the Nation at the present time is excellent, and the financial management of the Nation's interests by the Government during the last seven years has shown the most satisfactory results. But our currency system is imperfect, and it is earnestly to be hoped that the Currency Commission will be able to propose a thoroughly good system which will do away with the existing defects.

During the period from July 1, 1901, to September 30, 1908, there was an increase in the amount of money in circulation of $902,991,399. The increase in the per capita during this period was $7.06. Within this time there were several occasions when it was necessary for the Treasury Department to come to the relief of the money market by purchases or redemptions of United States bonds; by increasing deposits in national banks; by stimulating additional issues of national bank notes, and by facilitating importations from abroad of gold. Our imperfect currency system has made these proceedings necessary, and they were effective until the monetary disturbance in the fall of 1907 immensely increased the difficulty of ordinary methods of relief. By the middle of November the available working balance in the Treasury had been reduced to approximately $5,000,000. Clearing house associations throughout the country had been obliged to resort to the expedient of issuing clearing house certificates, to be used as money. In this emergency it was determined to invite subscriptions for $50,000,000 Panama Canal bonds, and $100,000,000 three per cent certificates of indebtedness authorized by the act of June 13, 1898. It was proposed to re-deposit in the national banks the proceeds of these issues, and to permit their use as a basis for additional circulating notes of national banks. The moral effect of this procedure was so great that

it was necessary to issue only $24,631,980 of the Panama Canal bonds and $15,436,500 of the certificates of indebtedness.

Page 1999

During the period from July 1, 1901, to September 30, 1908, the balance between the net ordinary receipts and the net ordinary expenses of the Government showed a surplus in the four years 1902, 1903, 1906 and 1907, and a deficit in the years 1904, 1905, 1908 and a fractional part of the fiscal year 1909. The net result was a surplus of $99,283,413.54. The financial operations of the Government during this period, based upon these differences between receipts and expenditures, resulted in a net reduction of the interest-bearing debt of the United States from $987,141,040 to $897,253,990, notwithstanding that there had been two sales of Panama Canal bonds amounting in the aggregate to $54,631,980, and an issue of three per cent certificates of indebtedness under the act of June 13, 1998, amounting to $15,436,500. Refunding operations of the Treasury Department under the act of March 14, 1900, resulted in the conversion into two per cent consols of 1930 of $200,309,400 bonds bearing higher rates of interest. A decrease of $8,687,956 in the annual interest charge resulted from these operations.

In short, during the seven years and three months there has been a net surplus of nearly one hundred millions of receipts over expenditures, a reduction of the interest-bearing debt by ninety millions, in spite of the extraordinary expense of the Panama Canal, and a saving of nearly nine millions on the annual interest charge. This is an exceedingly satisfactory showing, especially in view of the fact that during this period the Nation has never hesitated to undertake any expenditure that it regarded as necessary. There have been no new taxes and no increase of taxes; on the contrary, some taxes have been taken off; there has been a reduction of taxation.

Corporations.

As regards the great corporations engaged in interstate business, and especially the railroad, I can only repeat what I have already again and again said in my messages to the Congress, I believe that under the interstate clause of the Constitution the United States has complete and paramount right to control all agencies of interstate commerce, and I believe that the National Government alone can exercise this right with wisdom and effectiveness so as both to secure justice from, and to do justice to, the great corporations which are the most important factors in modern business. I believe that it is worse than folly to attempt to prohibit all combinations as is done by the Sherman anti-trust law, because such a law can be enforced only imperfectly and unequally, and its enforcement works almost as much hardship as good. I strongly advocate that instead of an unwise effort to prohibit all combinations there shall be substituted a law which shall expressly permit combinations which are in the interest of the public, but shall at the same time give to some agency of the National Government full power of control and supervision over them. One of the chief features of this control should be securing entire publicity in all matters which the public has a right to know, and furthermore, the power, not by judicial but by executive action, to prevent or put a stop to every form of improper favoritism or other wrongdoing.

Page 2000

The railways of the country should be put completely under the Interstate Commerce Commission and removed from the domain of the anti-trust law. The power of the Commission should be made thoroughgoing, so that it could exercise complete supervision and control over the issue of securities as well as over the raising and lowering of rates. As regards rates, at least, this power should be summary. The power to investigate the financial operations and accounts of the railways has been one of the most valuable features in recent legislation. Power to make combinations and traffic agreements should be explicitly conferred upon the railroads, the permission of the Commission being first gained and the combination or agreement being published in all its details. In the interest of the public the representatives of the public should have complete power to see that the railroads do their duty by the public, and as a matter of course this power should also be exercised so as to see that no injustice is done to the railroads. The shareholders, the employees and the shippers all have interests that must be guarded. It is to the interest of all of them that no swindling stock speculation should be allowed, and that there should be no improper issuance of securities. The guiding intelligences necessary for the successful building and successful management of railroads should receive ample remuneration; but no man should be allowed to make money in connection with railroads out of fraudulent over-capitalization and kindred stock-gambling performances; there must be no defrauding of investors, oppression of the farmers and business men who ship freight, or callous disregard of the rights and needs of the employees. In addition to this the interests of the shareholders, of the employees, and of the shippers should all be guarded as against one another. To give any one of them undue and improper consideration is to do injustice to the others. Rates must be made as low as is compatible with giving proper returns to all the employees of the railroad, from the highest to the lowest, and proper returns to the shareholders; but they must not, for instance, be reduced in such fashion as to necessitate a cut in the wages of the employees or the abolition of the proper and legitimate profits of honest shareholders.

Telegraph and telephone companies engaged in interstate business should be put under the jurisdiction of the Interstate Commerce Commission.

It is very earnestly to be wished that our people, through their representatives, should act in this matter. It is hard to say whether most damage to the country at large would come from entire failure on the part of the public to supervise and control the actions of the great corporations, or from the exercise of the necessary governmental power in a way which would do injustice and wrong to the corporations. Both the preachers of an unrestricted individualism, and the preachers of an oppression which would deny

Page 2001

to able men of business the just reward of their initiative and business sagacity, are advocating policies that would be fraught with the gravest harm to the whole country. To permit every lawless capitalist, every law-defying corporation, to take any action, no matter how iniquitous, in the effort to secure an improper profit and to build up privilege, would be ruinous to the Republic and would mark the abandonment of the effort to secure in the industrial world the spirit of democratic fair dealing. On the other hand, to attack these wrongs in that spirit of demagogy which can see wrong only when committed by the man of wealth, and is dumb and blind in the presence of wrong committed against men of property or by men of no property, is exactly as evil as corruptly to defend the wrongdoing of men of wealth. The war we wage must be waged against misconduct, against wrongdoing wherever it is found; and we must stand heartily for the rights of every decent man, whether he be a man of great wealth or a man who earns his livelihood as a wage-worker or a tiller of the soil.

It is to the interest of all of us that there should be a premium put upon individual initiative and individual capacity, and an ample reward for the great directing intelligences alone competent to manage the great business operations of to-day. It is well to keep in mind that exactly as the anarchist is the worst enemy of liberty and the reactionary the worst enemy of order, so the men who defend the rights of property have most to fear from the wrongdoers of great wealth, and the men who are championing popular rights have most to fear from the demagogues who in the name of popular rights would do wrong to and oppress honest business men, honest men of wealth; for the success of either type of wrongdoer necessarily invites a violent reaction against the cause the wrongdoer nominally upholds. In point of danger to the Nation there is nothing to choose between on the one hand the corruptionist, the bribe-giver, the bribe-taker, the man who employs his great talent to swindle his fellow-citizens on a large scale, and, on the other hand, the preacher of class hatred, the man who, whether from ignorance or from willingness to sacrifice his country to his ambition, persuades well-meaning but wrong-headed men to try to destroy the instruments upon which our prosperity mainly rests. Let each group of men beware of and guard against the shortcomings to which that group is itself most liable. Too often we see the business community in a spirit of unhealthy class consciousness deplore the effort to hold to account under the law the wealthy men who in their management of great corporations, whether railroads, street railways, or other industrial enterprises, have behaved in a way that revolts the conscience of the plain, decent people. Such an attitude can not be condemned too severely, for men of property should recognize that they jeopardize the rights of property when they fail heartily to

Page 2002

join in the effort to do away with the abuses of wealth. On the other hand, those who advocate proper control on behalf of the public, through the State, of these great corporations, and of the wealth engaged on a giant scale in business operations, must ever keep in mind that unless they do scrupulous justice to the corporation, unless they permit ample profit, and cordially encourage capable men of business so long as they act with honesty, they are striking at the root of our national well-being; for in the long run, under the mere pressure of material distress, the people as a whole would probably go back to the reign of an unrestricted individualism rather than submit to a control by the State so drastic and so foolish, conceived in a spirit of such unreasonable and narrow hostility to wealth, as to prevent business operations from being profitable, and therefore to bring ruin upon the entire business community, and ultimately upon the entire body of citizens.

The opposition to Government control of these great corporations makes its most effective effort in the shape of an appeal to the old doctrine of State's rights. Of course there are many sincere men who now believe in unrestricted individualism in business, just as there were formerly many sincere men who believed in slavery—that is, in the unrestricted right of an individual to own another individual. These men do not by themselves have great weight, however. The effective fight against adequate Government control and supervision of individual, and especially of corporate, wealth engaged in interstate business is chiefly done under cover; and especially under cover of an appeal to State's rights. It is not at all infrequent to read in the same speech a denunciation of predatory wealth fostered by special privilege and defiant of both the public welfare and law of the land, and a denunciation of centralization in the Central Government of the power to deal with this centralized and organized wealth. Of course the policy set forth in such twin denunciations amounts to absolutely nothing, for the first half is nullified by the second half. The chief reason, among the many sound and compelling reasons, that led to the formation of the National Government was the absolute need that the Union, and not the several States, should deal with interstate and foreign commerce; and the power to deal with interstate commerce was granted absolutely and plenarily to the Central Government and was exercised completely as regards the only instruments of interstate commerce known in those days—the waterways, the highroads, as well as the partnerships of individuals who then conducted all of what business there was. Interstate commerce is now chiefly conducted by railroads; and the great corporation has supplanted the mass of small partnerships or individuals. The proposal to make the National Government supreme over, and therefore to give it complete control over, the railroads and other instruments of interstate

Page 2003

commerce is merely a proposal to carry out to the letter one of the prime purposes, if not the prime purpose, for which the Constitution was rounded. It does not represent centralization. It represents merely the acknowledgment of the patent fact that centralization has already come in business. If this irresponsible outside business power is to be controlled in the interest of the general public it can only be controlled in one way—by giving adequate power of control to the one sovereignty capable of exercising such power—the National Government. Forty or fifty separate state governments can not exercise that power over corporations doing business in most or all of them; first, because they absolutely lack the authority to deal with interstate business in any form; and second, because of the inevitable conflict of authority sure to arise in the effort to enforce different kinds of state regulation, often inconsistent with one another and sometimes oppressive in themselves. Such divided authority can not regulate commerce with wisdom and effect. The Central Government is the only power which, without oppression, can nevertheless thoroughly and adequately control and supervise the large corporations. To abandon the effort for National control means to abandon the effort for all adequate control and yet to render likely continual bursts of action by State legislatures, which can not achieve the purpose sought for, but which can do a great deal of damage to the corporation without conferring any real benefit on the public.

I believe that the more farsighted corporations are themselves coming to recognize the unwisdom of the violent hostility they have displayed during the last few years to regulation and control by the National Government of combinations engaged in interstate business. The truth is that we who believe in this movement of asserting and exercising a genuine control, in the public interest, over these great corporations have to contend against two sets of enemies, who, though nominally opposed to one another, are really allies in preventing a proper solution of the problem. There are, first, the big corporation men, and the extreme individualists among business men, who genuinely believe in utterly unregulated business that is, in the reign of plutocracy; and, second, the men who, being blind to the economic movements of the day, believe in a movement of repression rather than of regulation of corporations, and who denounce both the power of the railroads and the exercise of the Federal power which alone can really control the railroads. Those who believe in efficient national control, on the other hand, do not in the least object to combinations; do not in the least object to concentration in business administration. On the contrary, they favor both, with the all important proviso that there shall be such publicity about their workings, and such thoroughgoing control over them, as to insure their being in the interest, and not against the interest, of the general

Page 2004

public. We do not object to the concentration of wealth and administration; but we do believe in the distribution of the wealth in profits to the real owners, and in securing to the public the full benefit of the concentrated administration. We believe that with concentration in administration there can come both be advantage of a larger ownership and of a more equitable distribution of profits, and at the same time a better service to the commonwealth. We believe that the administration should be for the benefit of the many; and that greed and rascality, practiced on a large scale, should be punished as relentlessly as if practiced on a small scale.

We do not for a moment believe that the problem will be solved by any short and easy method. The solution will come only by pressing various concurrent remedies. Some of these remedies must lie outside the domain of all government. Some must lie outside the domain of the Federal Government. But there is legislation which the Federal Government alone can enact and which is absolutely vital in order to secure the attainment of our purpose. Many laws are needed. There should be regulation by the National Government of the great interstate corporations, including a simple method of account keeping, publicity, supervision of the issue securities, abolition of rebates, and of special privileges. There should be short time franchises for all corporations engaged in public business; including the corporations which get power from water rights. There should be National as well as State guardianship of mines and forests. The labor legislation hereinafter referred to should concurrently be enacted into law.

To accomplish this, means of course a certain increase in the use of—not the creation of—power, by the Central Government. The power already exists; it does not have to be created; the only question is whether it shall be used or left idle—and meanwhile the corporations over which the power ought to be exercised will not remain idle. Let those who object to this increase in the use of the only power available, the national power, be frank, and admit openly that they propose to abandon any effort to control the great business corporations and to exercise supervision over the accumulation and distribution of wealth; for such supervision and control can only come through this particular kind of increase of power. We no more believe in that empiricism which demand, absolutely unrestrained individualism than we do in that empiricism which clamors for a deadening socialism which would destroy all individual initiative and would ruin the country with a completeness that not even an unrestrained individualism itself could achieve. The danger to American democracy lies not in the least in the concentration of administrative power in responsible and accountable hands. It lies in having the power insufficiently concentrated, so that no one can be held responsible to the people for its use.

Page 2005

Concentrated power is palpable, visible, responsible, easily reached, quickly held to account. Power scattered through many administrators, many legislators, many men who work behind and through legislators and administrators, is impalpable, is unseen, is irresponsible, can not be reached, can not be held to account. Democracy is in peril wherever the administration of political power is scattered among a variety of men who work in secret, whose very names are unknown to the common people. It is not in peril from any man who derives authority from the people, who exercises it in sight of the people, and who is from time to time compelled to give an account of its exercise to the people.

Labor.

There are many matters affecting labor and the status of the wage-worker to which I should like to draw your attention, but an exhaustive discussion of the problem in all its aspects is not now necessary. This administration is nearing its end; and, moreover, under our form of government the solution of the problem depends upon the action of the States as much as upon the action of the Nation. Nevertheless, there are certain considerations which I wish to set before you, because I hope that our people will more and more keep them in mind. A blind and ignorant resistance to every effort for the reform of abuses and for the readjustment of society to modern industrial conditions represents not true conservatism, but an incitement to the wildest radicalism; for wise radicalism and wise conservatism go hand in hand, one bent on progress, the other bent on seeing that no change is made unless in the right direction. I believe in a steady effort, or perhaps it would be more accurate to say in steady efforts in many different directions, to bring about a condition of affairs under which the men who work with hand or with brain, the laborers, the superintendents, the men who produce for the market and the men who find a market for the articles produced, shall own a far greater share than at present of the wealth they produce, and be enabled to invest it in the tools and instruments by which all work is carried on. As far as possible I hope to see a frank recognition of the advantages conferred by machinery, organization, and division of labor, accompanied by an effort to bring about a larger share in the ownership by wage-worker of railway, mill and factory. In farming, this simply means that we wish to see the farmer own his own land; we do not wish to see the farms so large that they become the property of absentee landlords who farm them by tenants, nor yet so small that the farmer becomes like a European peasant. Again, the depositors in our savings banks now number over one-tenth of our entire population. These are all capitalists, who through the savings banks loan their money to the workers—that is, in many cases to themselves—to carry on their various industries. The more we increase their number, the more we introduce the principles

Page 2006

of cooperation into our industry. Every increase in the number of small stockholders in corporations is a good thing, for the same reasons; and where the employees are the stockholders the result is particularly good. Very much of this movement must be outside of anything that can be accomplished by legislation; but legislation can do a good deal. Postal savings banks will make it easy for the poorest to keep their savings in absolute safety. The regulation of the national highways must be such that they shall serve all people with equal justice. Corporate finances must be supervised so as to make it far safer than at present for the man of small means to invest his money in stocks. There must be prohibition of child labor, diminution of woman labor, shortening of hours of all mechanical labor; stock watering should be prohibited, and stock gambling so far as is possible discouraged. There should be a progressive inheritance tax on large fortunes. Industrial education should be encouraged. As far as possible we should lighten the burden of taxation on the small man. We should put a premium upon thrift, hard work, and business energy; but these qualities cease to be the main factors in accumulating a fortune long before that fortune reaches a point where it would be seriously affected by any inheritance tax such as I propose. It is eminently right that the Nation should fix the terms upon which the great fortunes are inherited. They rarely do good and they often do harm to those who inherit them in their entirety.

Protection for wageworkers.

The above is the merest sketch, hardly even a sketch in outline, of the reforms for which we should work. But there is one matter with which the Congress should deal at this session. There should no longer be any paltering with the question of taking care of the wage-workers who, under our present industrial system, become killed, crippled, or worn out as part of the regular incidents of a given business. The majority of wageworkers must have their rights secured for them by State action; but the National Government should legislate in thoroughgoing and far-reaching fashion not only for all employees of the National Government, but for all persons engaged in interstate commerce. The object sought for could be achieved to a measurable degree, as far as those killed or crippled are concerned, by proper employers' liability laws. As far as concerns those who have been worn out, I call your attention to the fact that definite steps toward providing old-age pensions have been taken in many of our private industries. These may be indefinitely extended through voluntary association and contributory schemes, or through the agency of savings banks, as under the recent Massachusetts plan. To strengthen these practical measures should be our immediate duty; it is not at present necessary to consider the larger and more general governmental schemes that most European governments have found themselves obliged to adopt.

Page 2007

Our present system, or rather no system, works dreadful wrong, and is of benefit to only one class of people—the lawyers. When a workman is injured what he needs is not an expensive and doubtful lawsuit, but the certainty of relief through immediate administrative action. The number of accidents which result in the death or crippling of wageworkers, in the Union at large, is simply appalling; in a very few years it runs up a total far in excess of the aggregate of the dead and wounded in any modern war. No academic theory about “freedom of contract” or “constitutional liberty to contract” should be permitted to interfere with this and similar movements. Progress in civilization has everywhere meant a limitation and regulation of contract. I call your especial attention to the bulletin of the Bureau of Labor which gives a statement of the methods of treating the unemployed in European countries, as this is a subject which in Germany, for instance, is treated in connection with making provision for worn-out and crippled workmen.

Pending a thoroughgoing investigation and action there is certain legislation which should be enacted at once. The law, passed at the last session of the Congress, granting compensation to certain classes of employees of the Government, should be extended to include all employees of the Government and should be made more liberal in its terms. There is no good ground for the distinction made in the law between those engaged in hazardous occupations and those not so engaged. If a man is injured or killed in any line of work, it was hazardous in his case. Whether 1 per cent or 10 per cent of those following a given occupation actually suffer injury or death ought not to have any bearing on the question of their receiving compensation. It is a grim logic which says to an injured employee or to the dependents of one killed that he or they are entitled to no compensation because very few people other than he have been injured or killed in that occupation. Perhaps one of the most striking omissions in the law is that it does not embrace peace officers and others whose lives may be sacrificed in enforcing the laws of the United States. The terms of the act providing compensation should be made more liberal than in the present act. A year’s compensation is not adequate for a wage-earner’s family in the event of his death by accident in the course of his employment. And in the event of death occurring, say, ten or eleven months after the accident, the family would only receive as compensation the equivalent of one or two months’ earnings. In this respect the generosity of the United States towards its employees compares most unfavorably with that of every country in Europe—even the poorest.

Page 2008

The terms of the act are also a hardship in prohibiting payment in cases where the accident is in any way due to the negligence of the employee. It is inevitable that daily familiarity with danger will lead men to take chances that can be construed into negligence. So well is this recognized that in practically all countries in the civilized world, except the United States, only a great degree of negligence acts as a bar to securing compensation. Probably in no other respect is our legislation, both State and National, so far behind practically the entire civilized world as in the matter of liability and compensation for accidents in industry. It is humiliating that at European international congresses on accidents the United States should be singled out as the most belated among the nations in respect to employers' liability legislation. This Government is itself a large employer of labor, and in its dealings with its employees it should set a standard in this country which would place it on a par with the most progressive countries in Europe. The laws of the United States in this respect and the laws of European countries have been summarized in a recent Bulletin of the Bureau of Labor, and no American who reads this summary can fail to be struck by the great contrast between our practices and theirs—a contrast not in any sense to our credit.

The Congress should without further delay pass a model employers' liability law for the District of Columbia. The employers' liability act recently declared unconstitutional, on account of apparently including in its provisions employees engaged in intrastate commerce as well as those engaged in interstate commerce, has been held by the local courts to be still in effect so far as its provisions apply to District of Columbia. There should be no ambiguity on this point. If there is any doubt on the subject, the law should be reenacted with special reference to the District of Columbia. This act, however, applies only to employees of common carriers. In all other occupations the liability law of the District is the old common law. The severity and injustice of the common law in this matter has been in some degree or another modified in the majority of our States, and the only jurisdiction under the exclusive control of the Congress should be ahead and not behind the States of the Union in this respect. A comprehensive employers' liability law should be passed for the District of Columbia.

I renew my recommendation made in a previous message that half-holidays be granted during summer to all wageworkers in Government employ.

I also renew my recommendation that the principle of the eight-hour day should as rapidly and as far as practicable be extended to the entire work being carried on by the Government; the present law should be amended to embrace contracts on those public works which the present wording of the act seems to exclude.

The courts.

Page 2009

I most earnestly urge upon the Congress the duty of increasing the totally inadequate salaries now given to our Judges. On the whole there is no body of public servants who do as valuable work, nor whose moneyed reward is so inadequate compared to their work. Beginning with the Supreme Court, the Judges should have their salaries doubled. It is not befitting the dignity of the Nation that its most honored public servants should be paid sums so small compared to what they would earn in private life that the performance of public service by them implies an exceedingly heavy pecuniary sacrifice.

It is earnestly to be desired that some method should be devised for doing away with the long delays which now obtain in the administration of justice, and which operate with peculiar severity against persons of small means, and favor only the very criminals whom it is most desirable to punish. These long delays in the final decisions of cases make in the aggregate a crying evil; and a remedy should be devised. Much of this intolerable delay is due to improper regard paid to technicalities which are a mere hindrance to justice. In some noted recent cases this over-regard for technicalities has resulted in a striking denial of justice, and flagrant wrong to the body politic.

At the last election certain leaders of organized labor made a violent and sweeping attack upon the entire judiciary of the country, an attack couched in such terms as to include the most upright, honest and broad-minded judges, no less than those of narrower mind and more restricted outlook. It was the kind of attack admirably fitted to prevent any successful attempt to reform abuses of the judiciary, because it gave the champions of the unjust judge their eagerly desired opportunity to shift their ground into a championship of just judges who were unjustly assailed. Last year, before the House Committee on the Judiciary, these same labor leaders formulated their demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. They insisted on a provision that in a labor dispute no injunction should issue except to protect a property right, and specifically provided that the right to carry on business should not be construed as a property right; and in a second provision their bill made legal in a labor dispute any act or agreement by or between two or more persons that would not have been unlawful if done by a single person. In other words, this bill legalized blacklisting and boycotting in every form, legalizing, for instance, those forms of the secondary boycott which the anthracite coal strike commission so unreservedly condemned; while the right to carry on a business was explicitly taken out from under that protection which the law throws over property. The demand was made that there should be trial by jury in contempt cases, thereby most seriously impairing the authority of the courts. All this represented a course of policy which, if carried out, would mean the enthronement of class privilege in its crudest and most brutal form, and the destruction of one of the most essential functions of the judiciary in all civilized lands.

Page 2010

The violence of the crusade for this legislation, and its complete failure, illustrate two truths which it is essential our people should learn. In the first place, they ought to teach the workingman, the laborer, the wageworker, that by demanding what is improper and impossible he plays into the hands of his foes. Such a crude and vicious attack upon the courts, even if it were temporarily successful, would inevitably in the end cause a violent reaction and would band the great mass of citizens together, forcing them to stand by all the judges, competent and incompetent alike, rather than to see the wheels of justice stopped. A movement of this kind can ultimately result in nothing but damage to those in whose behalf it is nominally undertaken. This is a most healthy truth, which it is wise for all our people to learn. Any movement based on that class hatred which at times assumes the name of “class consciousness” is certain ultimately to fail, and if it temporarily succeeds, to do far-reaching damage. “Class consciousness,” where it is merely another name for the odious vice of class selfishness, is equally noxious whether in an employer’s association or in a workingman’s association. The movement in question was one in which the appeal was made to all workingmen to vote primarily, not as American citizens, but as individuals of a certain class in society. Such an appeal in the first place revolts the more high-minded and far-sighted among the persons to whom it is addressed, and in the second place tends to arouse a strong antagonism among all other classes of citizens, whom it therefore tends to unite against the very organization on whose behalf it is issued. The result is therefore unfortunate from every standpoint. This healthy truth, by the way, will be learned by the socialists if they ever succeed in establishing in this country an important national party based on such class consciousness and selfish class interest.

The wageworkers, the workingmen, the laboring men of the country, by the way in which they repudiated the effort to get them to cast their votes in response to an appeal to class hatred, have emphasized their sound patriotism and Americanism. The whole country has cause to fell pride in this attitude of sturdy independence, in this uncompromising insistence upon acting simply as good citizens, as good Americans, without regard to fancied—and improper—class interests. Such an attitude is an object-lesson in good citizenship to the entire nation.

But the extreme reactionaries, the persons who blind themselves to the wrongs now and then committed by the courts on laboring men, should also think seriously as to what such a movement as this portends. The judges who have shown themselves able and willing effectively to check the dishonest activity of the very rich man who works iniquity by the mismanagement of corporations, who have shown themselves alert to do justice to the wageworker, and sympathetic with the needs of the mass

Page 2011

of our people, so that the dweller in the tenement houses, the man who practices a dangerous trade, the man who is crushed by excessive hours of labor, feel that their needs are understood by the courts—these judges are the real bulwark of the courts; these judges, the judges of the stamp of the president-elect, who have been fearless in opposing labor when it has gone wrong, but fearless also in holding to strict account corporations that work iniquity, and far-sighted in seeing that the workingman gets his rights, are the men of all others to whom we owe it that the appeal for such violent and mistaken legislation has fallen on deaf ears, that the agitation for its passage proved to be without substantial basis. The courts are jeopardized primarily by the action of those Federal and State judges who show inability or unwillingness to put a stop to the wrongdoing of very rich men under modern industrial conditions, and inability or unwillingness to give relief to men of small means or wageworkers who are crushed down by these modern industrial conditions; who, in other words, fail to understand and apply the needed remedies for the new wrongs produced by the new and highly complex social and industrial civilization which has grown up in the last half century.

The rapid changes in our social and industrial life which have attended this rapid growth have made it necessary that, in applying to concrete cases the great rule of right laid down in our Constitution, there should be a full understanding and appreciation of the new conditions to which the rules are to be applied. What would have been an infringement upon liberty half a century ago may be the necessary safeguard of liberty to-day. What would have been an injury to property then may be necessary to the enjoyment of property now. Every judicial decision involves two terms—one, as interpretation of the law; the other, the understanding of the facts to which it is to be applied. The great mass of our judicial officers are, I believe, alive to those changes of conditions which so materially affect the performance of their judicial duties. Our judicial system is sound and effective at core, and it remains, and must ever be maintained, as the safeguard of those principles of liberty and justice which stand at the foundation of American institutions; for, as Burke finely said, when liberty and justice are separated, neither is safe. There are, however, some members of the judicial body who have lagged behind in their understanding of these great and vital changes in the body politic, whose minds have never been opened to the new applications of the old principles made necessary by the new conditions. Judges of this stamp do lasting harm by their decisions, because they convince poor men in need of protection that the courts of the land are profoundly ignorant of and out of sympathy with their needs, and profoundly indifferent or hostile to any proposed remedy. To such men it seems a

Page 2012

cruel mockery to have any court decide against them on the ground that it desires to preserve “liberty” in a purely technical form, by withholding liberty in any real and constructive sense. It is desirable that the legislative body should possess, and wherever necessary exercise, the power to determine whether in a given case employers and employees are not on an equal footing, so that the necessities of the latter compel them to submit to such exactions as to hours and conditions of labor as unduly to tax their strength; and only mischief can result when such determination is upset on the ground that there must be no “interference with the liberty to contract”—-often a merely academic “liberty,” the exercise of which is the negation of real liberty.

There are certain decisions by various courts which have been exceedingly detrimental to the rights of wageworkers. This is true of all the decisions that decide that men and women are, by the Constitution, “guaranteed their liberty” to contract to enter a dangerous occupation, or to work an undesirable or improper number of hours, or to work in unhealthy surroundings; and therefore can not recover damages when maimed in that occupation and can not be forbidden to work what the legislature decides is an excessive number of hours, or to carry on the work under conditions which the legislature decides to be unhealthy. The most dangerous occupations are often the poorest paid and those where the hours of work are longest; and in many cases those who go into them are driven by necessity so great that they have practically no alternative. Decisions such as those alluded to above nullify the legislative effort to protect the wage-workers who most need protection from those employers who take advantage of their grinding need. They halt or hamper the movement for securing better and more equitable conditions of labor. The talk about preserving to the misery-hunted beings who make contracts for such service their “liberty” to make them, is either to speak in a spirit of heartless irony or else to show an utter lack of knowledge of the conditions of life among the great masses of our fellow-countrymen, a lack which unfits a judge to do good service just as it would unfit any executive or legislative officer.

There is also, I think, ground for the belief that substantial injustice is often suffered by employees in consequence of the custom of courts issuing temporary injunctions without notice to them, and punishing them for contempt of court in instances where, as a matter of fact, they have no knowledge of any proceedings. Outside of organized labor there is a widespread feeling that this system often works great injustice to wageworkers when their efforts to better their working condition result in industrial disputes. A temporary injunction procured ex parte may as a matter of fact have all the effect of a permanent injunction in causing disaster to the wageworkers’ side in such a dispute. Organized labor is chafing under the unjust restraint which comes from repeated resort to this plan of procedure. Its discontent has been unwisely expressed, and often improperly expressed, but there is a sound basis for it, and the orderly and law-abiding people of a community would be in a far stronger position for upholding the courts if the undoubtedly existing abuses could be provided against.

Page 2013

Such proposals as those mentioned above as advocated by the extreme labor leaders contain the vital error of being class legislation of the most offensive kind, and even if enacted into law I believe that the law would rightly be held unconstitutional. Moreover, the labor people are themselves now beginning to invoke the use of the power of injunction. During the last ten years, and within my own knowledge, at least fifty injunctions have been obtained by labor unions in New York City alone, most of them being to protect the union label (a “property right"), but some being obtained for other reasons against employers. The power of injunction is a great equitable remedy, which should on no account be destroyed. But safeguards should be erected against its abuse. I believe that some such provisions as those I advocated a year ago for checking the abuse of the issuance of temporary injunctions should be adopted. In substance, provision should be made that no injunction or temporary restraining order issue otherwise than on notice, except where irreparable injury would otherwise result; and in such case a hearing on the merits of the order should be had within a short fixed period, and, if not then continued after hearing, it should forthwith lapse. Decisions should be rendered immediately, and the chance of delay minimized in every way. Moreover, I believe that the procedure should be sharply defined, and the judge required minutely to state the particulars both of his action and of his reasons therefor, so that the Congress can, if it desires, examine and investigate the same.

The chief lawmakers in our country may be, and often are, the judges, because they are the final seat of authority. Every time they interpret contract, property, vested rights, due process of law, liberty, they necessarily enact into law parts of a system of social philosophy, and as such interpretation is fundamental, they give direction to all law-making. The decisions of the courts on economic and social questions depend upon their economic and social philosophy; and for the peaceful progress of our people during the twentieth century we shall owe most to those judges who hold to a twentieth century economic and social philosophy and not to a long outgrown philosophy, which was itself the product of primitive economic conditions. Of course a judge’s views on progressive social philosophy are entirely second in importance to his possession of a high and fine character; which means the possession of such elementary virtues as honesty, courage, and fair-mindedness. The judge who owes his election to pandering to demagogic sentiments or class hatreds and prejudices, and the judge who owes either his election or his appointment to the money or the favor of a great corporation, are alike unworthy to sit on the bench, are alike traitors to the people; and no profundity of legal learning, or correctness of abstract conviction on questions of public policy, can serve as an offset to such shortcomings. But it is also true that judges, like executives and legislators, should hold sound views on the questions of public policy which are of vital interest to the people.

Page 2014

The legislators and executives are chosen to represent the people in enacting and administering the laws. The judges are not chosen to represent the people in this sense. Their function is to interpret the laws. The legislators are responsible for the laws; the judges for the spirit in which they interpret and enforce the laws. We stand aloof from the reckless agitators who would make the judges mere pliant tools of popular prejudice and passion; and we stand aloof from those equally unwise partisans of reaction and privilege who deny the proposition that, inasmuch as judges are chosen to serve the interests of the whole people, they should strive to find out what those interests are, and, so far as they conscientiously can, should strive to give effect to popular conviction when deliberately and duly expressed by the lawmaking body. The courts are to be highly commended and staunchly upheld when they set their faces against wrongdoing or tyranny by a majority; but they are to be blamed when they fail to recognize under a government like ours the deliberate judgment of the majority as to a matter of legitimate policy, when duly expressed by the legislature. Such lawfully expressed and deliberate judgment should be given effect by the courts, save in the extreme and exceptional cases where there has been a clear violation of a constitutional provision. Anything like frivolity or wantonness in upsetting such clearly taken governmental action is a grave offense against the Republic. To protest against tyranny, to protect minorities from oppression, to nullify an act committed in a spasm of popular fury, is to render a service to the Republic. But for the courts to arrogate to themselves functions which properly belong to the legislative bodies is all wrong, and in the end works mischief. The people should not be permitted to pardon evil and slipshod legislation on the theory that the court will set it right; they should be taught that the right way to get rid of a bad law is to have the legislature repeal it, and not to have the courts by ingenious hair-splitting nullify it. A law may be unwise and improper; but it should not for these reasons be declared unconstitutional by a strained interpretation, for the result of such action is to take away from the people at large their sense of responsibility and ultimately to destroy their capacity for orderly self restraint and self government. Under such a popular government as ours, rounded on the theory that in the long run the will of the people is supreme, the ultimate safety of the Nation can only rest in training and guiding the people so that what they will shall be right, and not in devising means to defeat their will by the technicalities of strained construction.

Page 2015

For many of the shortcomings of justice in our country our people as a whole are themselves to blame, and the judges and juries merely bear their share together with the public as a whole. It is discreditable to us as a people that there should be difficulty in convicting murderers, or in bringing to justice men who as public servants have been guilty of corruption, or who have profited by the corruption of public servants. The result is equally unfortunate, whether due to hairsplitting technicalities in the interpretation of law by judges, to sentimentality and class consciousness on the part of juries, or to hysteria and sensationalism in the daily press. For much of this failure of justice no responsibility whatever lies on rich men as such. We who make up the mass of the people can not shift the responsibility from our own shoulders. But there is an important part of the failure which has specially to do with inability to hold to proper account men of wealth who behave badly.

The chief breakdown is in dealing with the new relations that arise from the mutualism, the interdependence of our time. Every new social relation begets a new type of wrongdoing—of sin, to use an old-fashioned word—and many years always elapse before society is able to turn this sin into crime which can be effectively punished at law. During the lifetime of the older men now alive the social relations have changed far more rapidly than in the preceding two centuries. The immense growth of corporations, of business done by associations, and the extreme strain and pressure of modern life, have produced conditions which render the public confused as to who its really dangerous foes are; and among the public servants who have not only shared this confusion, but by some of their acts have increased it, are certain judges. Marked inefficiency has been shown in dealing with corporations and in re-settling the proper attitude to be taken by the public not only towards corporations, but towards labor and towards the social questions arising out of the factory system and the enormous growth of our great cities.

The huge wealth that has been accumulated by a few individuals of recent years, in what has amounted to a social and industrial revolution, has been as regards some of these individuals made possible only by the improper use of the modern corporation. A certain type of modern corporation, with its officers and agents, its many issues of securities, and its constant consolidation with allied undertakings, finally becomes an instrument so complex as to contain a greater number of elements that, under various judicial decisions, lend themselves to fraud and oppression than any device yet evolved in the human brain. Corporations are necessary instruments of modern business. They have been permitted to become a menace largely because the governmental representatives of the people have worked slowly in providing for adequate control over them.

Page 2016

The chief offender in any given case may be an executive, a legislature, or a judge. Every executive head who advises violent, instead of gradual, action, or who advocates ill-considered and sweeping measures of reform (especially if they are tainted with vindictiveness and disregard for the rights of the minority) is particularly blameworthy. The several legislatures are responsible for the fact that our laws are often prepared with slovenly haste and lack of consideration. Moreover, they are often prepared, and still more frequently amended during passage, at the suggestion of the very parties against whom they are afterwards enforced. Our great clusters of corporations, huge trusts and fabulously wealthy multi-millionaires, employ the very best lawyers they can obtain to pick flaws in these statutes after their passage; but they also employ a class of secret agents who seek, under the advice of experts, to render hostile legislation innocuous by making it unconstitutional, often through the insertion of what appear on their face to be drastic and sweeping provisions against the interests of the parties inspiring them; while the demagogues, the corrupt creatures who introduce blackmailing schemes to “strike” corporations, and all who demand extreme, and undesirably radical, measures, show themselves to be the worst enemies of the very public whose loud-mouthed champions they profess to be. A very striking illustration of the consequences of carelessness in the preparation of a statute was the employers’ liability law of 1906. In the cases arising under that law, four out of six courts of first instance held it unconstitutional; six out of nine justices of the Supreme Court held that its subject-matter was within the province of congressional action; and four of the nine justices held it valid. It was, however, adjudged unconstitutional by a bare majority of the court—five to four. It was surely a very slovenly piece of work to frame the legislation in such shape as to leave the question open at all.

Real damage has been done by the manifold and conflicting interpretations of the interstate commerce law. Control over the great corporations doing interstate business can be effective only if it is vested with full power in an administrative department, a branch of the Federal executive, carrying out a Federal law; it can never be effective if a divided responsibility is left in both the States and the Nation; it can never be effective if left in the hands of the courts to be decided by lawsuits.

The courts hold a place of peculiar and deserved sanctity under our form of government. Respect for the law is essential to the permanence of our institutions; and respect for the law is largely conditioned upon respect for the courts. It is an offense against the Republic to say anything which can weaken this respect, save for the gravest reason and in the most carefully guarded manner. Our judges should be held in peculiar honor; and the duty of respectful

Page 2017

and truthful comment and criticism, which should be binding when we speak of anybody, should be especially binding when we speak of them. On an average they stand above any other servants of the community, and the greatest judges have reached the high level held by those few greatest patriots whom the whole country delights to honor. But we must face the fact that there are wise and unwise judges, just as there are wise and unwise executives and legislators. When a president or a governor behaves improperly or unwisely, the remedy is easy, for his term is short; the same is true with the legislator, although not to the same degree, for he is one of many who belong to some given legislative body, and it is therefore less easy to fix his personal responsibility and hold him accountable therefor. With a judge, who, being human, is also likely to err, but whose tenure is for life, there is no similar way of holding him to responsibility. Under ordinary conditions the only forms of pressure to which he is in any way amenable are public opinion and the action of his fellow judges. It is the last which is most immediately effective, and to which we should look for the reform of abuses. Any remedy applied from without is fraught with risk. It is far better, from every standpoint, that the remedy should come from within. In no other nation in the world do the courts wield such vast and far-reaching power as in the United States. All that is necessary is that the courts as a whole should exercise this power with the farsighted wisdom already shown by those judges who scan the future while they act in the present. Let them exercise this great power not only honestly and bravely, but with wise insight into the needs and fixed purposes of the people, so that they may do justice and work equity, so that they may protect all persons in their rights, and yet break down the barriers of privilege, which is the foe of right.

Forests.

If there is any one duty which more than another we owe it to our children and our children's children to perform at once, it is to save the forests of this country, for they constitute the first and most important element in the conservation of the natural resources of the country. There are of course two kinds of natural resources, One is the kind which can only be used as part of a process of exhaustion; this is true of mines, natural oil and gas wells, and the like. The other, and of course ultimately by far the most important, includes the resources which can be improved in the process of wise use; the soil, the rivers, and the forests come under this head. Any really civilized nation will so use all of these three great national assets that the nation will have their benefit in the future. Just as a farmer, after all his life making his living from his farm, will, if he is an expert farmer, leave it as an asset of increased value to his son, so we should leave our national domain to our children, increased in value and not

Page 2018

worn out. There are small sections of our own country, in the East and the West, in the Adriondacks, the White Mountains, and the Appalachians, and in the Rocky Mountains, where we can already see for ourselves the damage in the shape of permanent injury to the soil and the river systems which comes from reckless deforestation. It matters not whether this deforestation is due to the actual reckless cutting of timber, to the fires that inevitably follow such reckless cutting of timber, or to reckless and uncontrolled grazing, especially by the great migratory bands of sheep, the unchecked wandering of which over the country means destruction to forests and disaster to the small home makers, the settlers of limited means.

Shortsighted persons, or persons blinded to the future by desire to make money in every way out of the present, sometimes speak as if no great damage would be done by the reckless destruction of our forests. It is difficult to have patience with the arguments of these persons. Thanks to our own recklessness in the use of our splendid forests, we have already crossed the verge of a timber famine in this country, and no measures that we now take can, at least for many years, undo the mischief that has already been done. But we can prevent further mischief being done; and it would be in the highest degree reprehensible to let any consideration of temporary convenience or temporary cost interfere with such action, especially as regards the National Forests which the nation can now, at this very moment, control.

All serious students of the question are aware of the great damage that has been done in the Mediterranean countries of Europe, Asia, and Africa by deforestation. The similar damage that has been done in Eastern Asia is less well known. A recent investigation into conditions in North China by Mr. Frank N. Meyer, of the Bureau of Plant Industry of the United States Department of Agriculture, has incidentally furnished in very striking fashion proof of the ruin that comes from reckless deforestation of mountains, and of the further fact that the damage once done may prove practically irreparable. So important are these investigations that I herewith attach as an appendix to my message certain photographs showing present conditions in China. They show in vivid fashion the appalling desolation, taking the shape of barren mountains and gravel and sand-covered plains, which immediately follows and depends upon the deforestation of the mountains. Not many centuries ago the country of northern China was one of the most fertile and beautiful spots in the entire world, and was heavily forested. We know this not only from the old Chinese records, but from the accounts given by the traveler, Marco Polo. He, for instance, mentions that in visiting the provinces of Shansi and Shensi he observed many plantations of mulberry trees. Now there is hardly a single mulberry tree in either of these provinces, and the

Page 2019

culture of the silkworm has moved farther south, to regions of atmospheric moisture. As an illustration of the complete change in the rivers, we may take Polo's statement that a certain river, the Hun Ho, was so large and deep that merchants ascended it from the sea with heavily laden boats; today this river is simply a broad sandy bed, with shallow, rapid currents wandering hither and thither across it, absolutely unnavigable. But we do not have to depend upon written records. The dry wells, and the wells with water far below the former watermark, bear testimony to the good days of the past and the evil days of the present. Wherever the native vegetation has been allowed to remain, as, for instance, here and there around a sacred temple or imperial burying ground, there are still huge trees and tangled jungle, fragments of the glorious ancient forests. The thick, matted forest growth formerly covered the mountains to their summits. All natural factors favored this dense forest growth, and as long as it was permitted to exist the plains at the foot of the mountains were among the most fertile on the globe, and the whole country was a garden. Not the slightest effort was made, however, to prevent the unchecked cutting of the trees, or to secure reforestation. Doubtless for many centuries the tree-cutting by the inhabitants of the mountains worked but slowly in bringing about the changes that have now come to pass; doubtless for generations the inroads were scarcely noticeable. But there came a time when the forest had shrunk sufficiently to make each year's cutting a serious matter, and from that time on the destruction proceeded with appalling rapidity; for of course each year of destruction rendered the forest less able to recuperate, less able to resist next year's inroad. Mr. Meyer describes the ceaseless progress of the destruction even now, when there is so little left to destroy. Every morning men and boys go out armed with mattox or axe, scale the steepest mountain sides, and cut down and grub out, root and branch, the small trees and shrubs still to be found. The big trees disappeared centuries ago, so that now one of these is never seen save in the neighborhood of temples, where they are artificially protected; and even here it takes all the watch and care of the tree-loving priests to prevent their destruction. Each family, each community, where there is no common care exercised in the interest of all of them to prevent deforestation, finds its profit in the immediate use of the fuel which would otherwise be used by some other family or some other community. In the total absence of regulation of the matter in the interest of the whole people, each small group is inevitably pushed into a policy of destruction which can not afford to take thought for the morrow. This is just one of those matters which it is fatal to leave to unsupervised individual control. The forest can only be protected by the State, by the Nation; and the liberty of action of individuals must be conditioned upon what the State or Nation determines to be necessary for the common safety.

Page 2020

The lesson of deforestation in China is a lesson which mankind should have learned many times already from what has occurred in other places. Denudation leaves naked soil; then gullying cuts down to the bare rock; and meanwhile the rock-waste buries the bottomlands. When the soil is gone, men must go; and the process does not take long.

This ruthless destruction of the forests in northern China has brought about, or has aided in bringing about, desolation, just as the destruction of the forests in central Asia aid in bringing ruin to the once rich central Asian cities; just as the destruction of the forest in northern Africa helped towards the ruin of a region that was a fertile granary in Roman days. Shortsighted man, whether barbaric, semi-civilized, or what he mistakenly regards as fully civilized, when he has destroyed the forests, has rendered certain the ultimate destruction of the land itself. In northern China the mountains are now such as are shown by the accompanying photographs, absolutely barren peaks. Not only have the forests been destroyed, but because of their destruction the soil has been washed off the naked rock. The terrible consequence is that it is impossible now to undo the damage that has been done. Many centuries would have to pass before soil would again collect, or could be made to collect, in sufficient quantity once more to support the old-time forest growth. In consequence the Mongol Desert is practically extending eastward over northern China. The climate has changed and is still changing. It has changed even within the last half century, as the work of tree destruction has been consummated. The great masses of arboreal vegetation on the mountains formerly absorbed the heat of the sun and sent up currents of cool air which brought the moisture-laden clouds lower and forced them to precipitate in rain a part of their burden of water. Now that there is no vegetation, the barren mountains, scorched by the sun, send up currents of heated air which drive away instead of attracting the rain clouds, and cause their moisture to be disseminated. In consequence, instead of the regular and plentiful rains which existed in these regions of China when the forests were still in evidence, the unfortunate inhabitants of the deforested lands now see their crops wither for lack of rainfall, while the seasons grow more and more irregular; and as the air becomes dryer certain crops refuse longer to grow at all. That everything dries out faster than formerly is shown by the fact that the level of the wells all over the land has sunk perceptibly, many of them having become totally dry. In addition to the resulting agricultural distress, the watercourses have changed. Formerly they were narrow and deep, with an abundance of clear water the year around; for the roots and humus of the forests caught the rainwater and let it escape by slow, regular seepage. They have now become broad, shallow stream beds, in which muddy water trickles

Page 2021

in slender currents during the dry seasons, while when it rains there are freshets, and roaring muddy torrents come tearing down, bringing disaster and destruction everywhere. Moreover, these floods and freshets, which diversify the general dryness, wash away from the mountain sides, and either wash away or cover in the valleys, the rich fertile soil which it took tens of thousands of years for Nature to form; and it is lost forever, and until the forests grow again it can not be replaced. The sand and stones from the mountain sides are washed loose and come rolling down to cover the arable lands, and in consequence, throughout this part of China, many formerly rich districts are now sandy wastes, useless for human cultivation and even for pasture. The cities have been of course seriously affected, for the streams have gradually ceased to be navigable. There is testimony that even within the memory of men now living there has been a serious diminution of the rainfall of northeastern China. The level of the Sungari River in northern Manchuria has been sensibly lowered during the last fifty years, at least partly as the result of the indiscriminate rutting of the forests forming its watershed. Almost all the rivers of northern China have become uncontrollable, and very dangerous to the dwellers along their banks, as a direct result of the destruction of the forests. The journey from Pekin to Jehol shows in melancholy fashion how the soil has been washed away from whole valleys, so that they have been converted into deserts.

In northern China this disastrous process has gone on so long and has proceeded so far that no complete remedy could be applied. There are certain mountains in China from which the soil is gone so utterly that only the slow action of the ages could again restore it; although of course much could be done to prevent the still further eastward extension of the Mongolian Desert if the Chinese Government would act at once. The accompanying cuts from photographs show the inconceivable desolation of the barren mountains in which certain of these rivers rise—mountains, be it remembered, which formerly supported dense forests of larches and firs, now unable to produce any wood, and because of their condition a source of danger to the whole country. The photographs also show the same rivers after they have passed through the mountains, the beds having become broad and sandy because of the deforestation of the mountains. One of the photographs shows a caravan passing through a valley. Formerly, when the mountains were forested, it was thickly peopled by prosperous peasants. Now the floods have carried destruction all over the land and the valley is a stony desert. Another photograph shows a mountain road covered with the stones and rocks that are brought down in the rainy season from the mountains which have already been deforested by human hands. Another shows a pebbly river-bed in southern Manchuria where what was once a great stream has dried up owing to the deforestation in the mountains. Only some scrub wood is left, which will disappear within a half century. Yet another shows the effect of one of the washouts, destroying an arable mountain side, these washouts being due to the removal of all vegetation; yet in this photograph the foreground shows that reforestation is still a possibility in places.

Page 2022

What has thus happened in northern China, what has happened in Central Asia, in Palestine, in North Africa, in parts of the Mediterranean countries of Europe, will surely happen in our country if we do not exercise that wise forethought which should be one of the chief marks of any people calling itself civilized. Nothing should be permitted to stand in the way of the preservation of the forests, and it is criminal to permit individuals to purchase a little gain for themselves through the destruction of forests when this destruction is fatal to the well-being of the whole country in the future.

Inland waterways.

Action should be begun forthwith, during the present session of the Congress, for the improvement of our inland waterways—action which will result in giving us not only navigable but navigated rivers. We have spent hundreds of millions of dollars upon these waterways, yet the traffic on nearly all of them is steadily declining. This condition is the direct result of the absence of any comprehensive and far-seeing plan of waterway improvement, Obviously we can not continue thus to expend the revenues of the Government without return. It is poor business to spend money for inland navigation unless we get it.

Inquiry into the condition of the Mississippi and its principal tributaries reveals very many instances of the utter waste caused by the methods which have hitherto obtained for the so-called “improvement” of navigation. A striking instance is supplied by the “improvement” of the Ohio, which, begun in 1824, was continued under a single plan for half a century. In 1875 a new plan was adopted and followed for a quarter of a century. In 1902 still a different plan was adopted and has since been pursued at a rate which only promises a navigable river in from twenty to one hundred years longer.

Such shortsighted, vacillating, and futile methods are accompanied by decreasing water-borne commerce and increasing traffic congestion on land, by increasing floods, and by the waste of public money. The remedy lies in abandoning the methods which have so signally failed and adopting new ones in keeping with the needs and demands of our people.

In a report on a measure introduced at the first session of the present Congress, the Secretary of War said: “The chief defect in the methods hitherto pursued lies in the absence of executive authority for originating comprehensive plans covering the country or natural divisions thereof.” In this opinion I heartily concur. The present methods not only fail to give us inland navigation, but they are injurious to the army as well. What is virtually a permanent detail of the corps of engineers to civilian duty necessarily impairs the efficiency of our military establishment. The military engineers have undoubtedly done efficient work in actual construction, but they are necessarily unsuited by their training and traditions

Page 2023

to take the broad view, and to gather and transmit to the Congress the commercial and industrial information and forecasts, upon which waterway improvement must always so largely rest. Furthermore, they have failed to grasp the great underlying fact that every stream is a unit from its source to its mouth, and that all its uses are interdependent. Prominent officers of the Engineer Corps have recently even gone so far as to assert in print that waterways are not dependent upon the conservation of the forests about their headwaters. This position is opposed to all the recent work of the scientific bureaus of the Government and to the general experience of mankind. A physician who disbelieved in vaccination would not be the right man to handle an epidemic of smallpox, nor should we leave a doctor skeptical about the transmission of yellow fever by the Stegomyia mosquito in charge of sanitation at Havana or Panama. So with the improvement of our rivers; it is no longer wise or safe to leave this great work in the hands of men who fail to grasp the essential relations between navigation and general development and to assimilate and use the central facts about our streams.

Until the work of river improvement is undertaken in a modern way it can not have results that will meet the needs of this modern nation. These needs should be met without further dilly-dallying or delay. The plan which promises the best and quickest results is that of a permanent commission authorized to coordinate the work of all the Government departments relating to waterways, and to frame and supervise the execution of a comprehensive plan. Under such a commission the actual work of construction might be entrusted to the reclamation service; or to the military engineers acting with a sufficient number of civilians to continue the work in time of war; or it might be divided between the reclamation service and the corps of engineers. Funds should be provided from current revenues if it is deemed wise—otherwise from the sale of bonds. The essential thing is that the work should go forward under the best possible plan, and with the least possible delay. We should have a new type of work and a new organization for planning and directing it. The time for playing with our waterways is past. The country demands results.

National parks.

I urge that all our National parks adjacent to National forests be placed completely under the control of the forest service of the Agricultural Department, instead of leaving them as they now are, under the Interior Department and policed by the army. The Congress should provide for superintendents with adequate corps of first-class civilian scouts, or rangers, and, further, place the road construction under the superintendent instead of leaving it with the War Department. Such a change in park management would result in economy and avoid the difficulties of administration which now arise from having the responsibility of care and protection divided between different departments. The need for this course is peculiarly great in the Yellowstone Park. This, like the

Yosemite, is a great wonderland, and should be kept as a national playground. In both, all wild things should be protected and the scenery kept wholly unmarred.

Page 2024

I am happy to say that I have been able to set aside in various parts of the country small, well-chosen tracts of ground to serve as sanctuaries and nurseries for wild creatures.

Denatured alcohol.

I had occasion in my message of May 4, 1906, to urge the passage of some law putting alcohol, used in the arts, industries, and manufactures, upon the free list—that is, to provide for the withdrawal free of tax of alcohol which is to be denatured for those purposes. The law of June 7, 1906, and its amendment of March 2, 1907, accomplished what was desired in that respect, and the use of denatured alcohol, as intended, is making a fair degree of progress and is entitled to further encouragement and support from the Congress.

Pure food.

The pure food legislation has already worked a benefit difficult to overestimate.

Indian service.

It has been my purpose from the beginning of my administration to take the Indian Service completely out of the atmosphere of political activity, and there has been steady progress toward that end. The last remaining stronghold of politics in that service was the agency system, which had seen its best days and was gradually falling to pieces from natural or purely evolutionary causes, but, like all such survivals, was decaying slowly in its later stages. It seems clear that its extinction had better be made final now, so that the ground can be cleared for larger constructive work on behalf of the Indians, preparatory to their induction into the full measure of responsible citizenship. On November 1 only eighteen agencies were left on the roster; with two exceptions, where some legal questions seemed to stand temporarily in the way, these have been changed to superintendencies, and their heads brought into the classified civil service.

Secret service.

Last year an amendment was incorporated in the measure providing for the Secret Service, which provided that there should be no detail from the Secret Service and no transfer therefrom. It is not too much to say that this amendment has been of benefit only, and could be of benefit only, to the criminal classes. If deliberately introduced for the purpose of diminishing the effectiveness of war against crime it could not have been better devised to this end. It forbade the practices that had been followed to a greater or less extent by the executive heads of various departments for twenty years. To these practices we owe the securing of the evidence which enabled us to drive great lotteries out of business and secure a quarter of a million of dollars in fines from their promoters. These practices have enabled us to get some of the evidence indispensable in order in

connection with the theft of government land and government timber by great corporations and by individuals. These practices have enabled us to get some of the evidence

Page 2025

indispensable in order to secure the conviction of the wealthiest and most formidable criminals with whom the Government has to deal, both those operating in violation of the anti-trust law and others. The amendment in question was of benefit to no one excepting to these criminals, and it seriously hampers the Government in the detection of crime and the securing of justice. Moreover, it not only affects departments outside of the Treasury, but it tends to hamper the Secretary of the Treasury himself in the effort to utilize the employees of his department so as to best meet the requirements of the public service. It forbids him from preventing frauds upon the customs service, from investigating irregularities in branch mints and assay offices, and has seriously crippled him. It prevents the promotion of employees in the Secret Service, and this further discourages good effort. In its present form the restriction operates only to the advantage of the criminal, of the wrongdoer. The chief argument in favor of the provision was that the Congressmen did not themselves wish to be investigated by Secret Service men. Very little of such investigation has been done in the past; but it is true that the work of the Secret Service agents was partly responsible for the indictment and conviction of a Senator and a Congressman for land frauds in Oregon. I do not believe that it is in the public interest to protect criminally in any branch of the public service, and exactly as we have again and again during the past seven years prosecuted and convicted such criminals who were in the executive branch of the Government, so in my belief we should be given ample means to prosecute them if found in the legislative branch. But if this is not considered desirable a special exception could be made in the law prohibiting the use of the Secret Service force in investigating members of the Congress. It would be far better to do this than to do what actually was done, and strive to prevent or at least to hamper effective action against criminals by the executive branch of the Government.

Postal savings banks.

I again renew my recommendation for postal savings hanks, for depositing savings with the security of the Government behind them. The object is to encourage thrift and economy in the wage-earner and person of moderate means. In 14 States the deposits in savings banks as reported to the Comptroller of the Currency amount to $3,590,245,402, or 98.4 per cent of the entire deposits, while in the remaining 32 States there are only $70,308,543, or 1.6 per cent, showing conclusively that there are many localities in the United States where sufficient opportunity is not given to the people to deposit their savings. The result is that money is kept in hiding and unemployed. It is believed that in the aggregate vast sums of money would be brought into circulation through the instrumentality of the postal savings banks. While there are only 1,453 savings banks reporting to the Comptroller there are more than 61,000 post-offices, 40,000 of which are money order offices. Postal savings banks are now in operation in practically all of the great civilized countries with the exception of the United States.

Page 2026

Parcel post.

In my last annual message I commended the Postmaster-General's recommendation for an extension of the parcel post on the rural routes. The establishment of a local parcel post on rural routes would be to the mutual benefit of the farmer and the country storekeeper, and it is desirable that the routes, serving more than 15,000,000 people, should be utilized to the fullest practicable extent. An amendment was proposed in the Senate at the last session, at the suggestion of the Postmaster-General, providing that, for the purpose of ascertaining the practicability of establishing a special local parcel post system on the rural routes throughout the United States, the Postmaster-General be authorized and directed to experiment and report to the Congress the result of such experiment by establishing a special local parcel post system on rural delivery routes in not to exceed four counties in the United States for packages of fourth-class matter originating on a rural route or at the distributing post office for delivery by rural carriers. It would seem only proper that such an experiment should be tried in order to demonstrate the practicability of the proposition, especially as the Postmaster-General estimates that the revenue derived from the operation of such a system on all the rural routes would amount to many million dollars.

Education.

The share that the National Government should take in the broad work of education has not received the attention and the care it rightly deserves. The immediate responsibility for the support and improvement of our educational systems and institutions rests and should always rest with the people of the several States acting through their state and local governments, but the Nation has an opportunity in educational work which must not be lost and a duty which should no longer be neglected.

The National Bureau of Education was established more than forty years ago. Its purpose is to collect and diffuse such information "as shall aid the people of the United States in the establishment and maintenance of efficient school systems and otherwise promote the cause of education throughout the country." This purpose in no way conflicts with the educational work of the States, but may be made of great advantage to the States by giving them the fullest, most accurate, and hence the most helpful information and suggestion regarding the best educational systems. The Nation, through its broader field of activities, its wider opportunity for obtaining information from all the States and from foreign countries, is able to do that which not even the richest States can do, and with the distinct additional advantage that the information thus obtained is used for the immediate benefit of all our people.

Page 2027

With the limited means hitherto provided, the Bureau of Education has rendered efficient service, but the Congress has neglected to adequately supply the bureau with means to meet the educational growth of the country. The appropriations for the general work of the bureau, outside education in Alaska, for the year 1909 are but $87,500—an amount less than they were ten years ago, and some of the important items in these appropriations are less than they were thirty years ago. It is an inexcusable waste of public money to appropriate an amount which is so inadequate as to make it impossible properly to do the work authorized, and it is unfair to the great educational interests of the country to deprive them of the value of the results which can be obtained by proper appropriations.

I earnestly recommend that this unfortunate state of affairs as regards the national educational office be remedied by adequate appropriations. This recommendation is urged by the representatives of our common schools and great state universities and the leading educators, who all unite in requesting favorable consideration and action by the Congress upon this subject.

Census.

I strongly urge that the request of the Director of the Census in connection with the decennial work so soon to be begun be complied with and that the appointments to the census force be placed under the civil service law, waiving the geographical requirements as requested by the Director of the Census. The supervisors and enumerators should not be appointed under the civil service law, for the reasons given by the Director. I commend to the Congress the careful consideration of the admirable report of the Director of the Census, and I trust that his recommendations will be adopted and immediate action thereon taken.

Public health.

It is highly advisable that there should be intelligent action on the part of the Nation on the question of preserving the health of the country. Through the practical extermination in San Francisco of disease-bearing rodents our country has thus far escaped the bubonic plague. This is but one of the many achievements of American health officers; and it shows what can be accomplished with a better organization than at present exists. The dangers to public health from food adulteration and from many other sources, such as the menace to the physical, mental and moral development of children from child labor, should be met and overcome. There are numerous diseases, which are now known to be preventable, which are, nevertheless, not prevented. The recent International Congress on Tuberculosis has made us painfully aware of the inadequacy of American public health legislation. This Nation can not afford to lag behind in the world-wide battle now being waged by all civilized people with the microscopic foes of mankind, nor ought we longer to ignore the reproach that this Government takes more pains to protect the lives of hogs and of cattle than of human beings.

Page 2028

Redistribution of bureaus.

The first legislative step to be taken is that for the concentration of the proper bureaus into one of the existing departments. I therefore urgently recommend the passage of a bill which shall authorize a redistribution of the bureaus which shall best accomplish this end.

Government printing office.

I recommend that legislation be enacted placing under the jurisdiction of the Department of Commerce and Labor the Government Printing Office. At present this office is under the combined control, supervision, and administrative direction of the President and of the Joint Committee on Printing of the two Houses of the Congress. The advantage of having the 4,069 employees in this office and the expenditure of the $5,761,377.57 appropriated therefor supervised by an executive department is obvious, instead of the present combined supervision.

Soldiers' homes.

All Soldiers' Homes should be placed under the complete jurisdiction and control of the War Department.

Independent bureaus and commissions.

Economy and sound business policy require that all existing independent bureaus and commissions should be placed under the jurisdiction of appropriate executive departments. It is unwise from every standpoint, and results only in mischief, to have any executive work done save by the purely executive bodies, under the control of the President; and each such executive body should be under the immediate supervision of a Cabinet Minister.

Statehood.

I advocate the immediate admission of New Mexico and Arizona as States. This should be done at the present session of the Congress. The people of the two Territories have made it evident by their votes that they will not come in as one State. The only alternative is to admit them as two, and I trust that this will be done without delay.

Interstate fisheries.

I call the attention of the Congress to the importance of the problem of the fisheries in the interstate waters. On the Great Lakes we are now, under the very wise treaty of April 11th of this year, endeavoring to come to an international agreement for the preservation and satisfactory use of the fisheries of these waters which can not otherwise be achieved. Lake Erie, for example, has the richest fresh water fisheries in

the world; but it is now controlled by the statutes of two Nations, four States, and one Province, and in this Province by different ordinances in different counties. All these political divisions work at cross purposes, and in no case can they achieve protection to the fisheries, on the one hand, and justice to the localities and individuals on the other. The case is similar in Puget Sound.

Page 2029

But the problem is quite as pressing in the interstate waters of the United States. The salmon fisheries of the Columbia River are now but a fraction of what they were twenty-five years ago, and what they would be now if the United States Government had taken complete charge of them by intervening between Oregon and Washington. During these twenty-five years the fishermen of each State have naturally tried to take all they could get, and the two legislatures have never been able to agree on joint action of any kind adequate in degree for the protection of the fisheries. At the moment the fishing on the Oregon side is practically closed, while there is no limit on the Washington side of any kind, and no one can tell what the courts will decide as to the very statutes under which this action and non-action result. Meanwhile very few salmon reach the spawning grounds, and probably four years hence the fisheries will amount to nothing; and this comes from a struggle between the associated, or gill-net, fishermen on the one hand, and the owners of the fishing wheels up the river. The fisheries of the Mississippi, the Ohio, and the Potomac are also in a bad way. For this there is no remedy except for the United States to control and legislate for the interstate fisheries as part of the business of interstate commerce. In this case the machinery for scientific investigation and for control already exists in the United States Bureau of Fisheries. In this as in similar problems the obvious and simple rule should be followed of having those matters which no particular State can manage taken in hand by the United States; problems which in the seesaw of conflicting State legislatures are absolutely unsolvable are easy enough for Congress to control.

Fisheries and fur seals.

The federal statute regulating interstate traffic in game should be extended to include fish. New federal fish hatcheries should be established. The administration of the Alaskan fur-seal service should be vested in the Bureau of Fisheries.

Foreign affairs.

This Nation's foreign policy is based on the theory that right must be done between nations precisely as between individuals, and in our actions for the last ten years we have in this matter proven our faith by our deeds. We have behaved, and are behaving, towards other nations as in private life an honorable man would behave towards his fellows.

Latin-American republics.

The commercial and material progress of the twenty Latin-American Republics is worthy of the careful attention of the Congress. No other section of the world has shown a greater proportionate development of its foreign trade during the last ten years and none other has more special claims on the interest of the United States. It offers to-day probably larger opportunities for the legitimate expansion of our commerce than any other group of countries.

Page 2030

These countries will want our products in greatly increased quantities, and we shall correspondingly need theirs. The International Bureau of the American Republics is doing a useful work in making these nations and their resources better known to us, and in acquainting them not only with us as a people and with our purposes towards them, but with what we have to exchange for their goods. It is an international institution supported by all the governments of the two Americas.

Panama canal.

The work on the Panama Canal is being done with a speed, efficiency and entire devotion to duty which make it a model for all work of the kind. No task of such magnitude has ever before been undertaken by any nation; and no task of the kind has ever been better performed. The men on the isthmus, from Colonel Goethals and his fellow commissioners through the entire list of employees who are faithfully doing their duty, have won their right to the ungrudging respect and gratitude of the American people.

Ocean mail Liners.

I again recommend the extension of the ocean mail act of 1891 so that satisfactory American ocean mail lines to South America, Asia, the Philippines, and Australasia may be established. The creation of such steamship lines should be the natural corollary of the voyage of the battle fleet. It should precede the opening of the Panama Canal. Even under favorable conditions several years must elapse before such lines can be put into operation. Accordingly I urge that the Congress act promptly where foresight already shows that action sooner or later will be inevitable.

Hawaii.

I call particular attention to the Territory of Hawaii. The importance of those islands is apparent, and the need of improving their condition and developing their resources is urgent. In recent years industrial conditions upon the islands have radically changed, The importation of coolie labor has practically ceased, and there is now developing such a diversity in agricultural products as to make possible a change in the land conditions of the Territory, so that an opportunity may be given to the small land owner similar to that on the mainland. To aid these changes, the National Government must provide the necessary harbor improvements on each island, so that the agricultural products can be carried to the markets of the world. The coastwise shipping laws should be amended to meet the special needs of the islands, and the alien contract labor law should be so modified in its application to Hawaii as to enable American and European labor to be brought thither.

We have begun to improve Pearl Harbor for a naval base and to provide the necessary military fortifications for the protection of the islands, but I can not too strongly emphasize the need of appropriations for these purposes of such an amount as will within the shortest possible time make those islands practically impregnable. It is useless to develop the industrial conditions of the islands and establish there bases of supply for our naval and merchant fleets unless we insure, as far as human ingenuity can, their safety from foreign seizure.

Page 2031

One thing to be remembered with all our fortifications is that it is almost useless to make them impregnable from the sea if they are left open to land attack. This is true even of our own coast, but it is doubly true of our insular possessions. In Hawaii, for instance, it is worse than useless to establish a naval station unless we establish it behind fortifications so strong that no landing force can take them save by regular and long-continued siege operations.

The Philippines.

Real progress toward self-government is being made in the Philippine Islands. The gathering of a Philippine legislative body and Philippine assembly marks a process absolutely new in Asia, not only as regards Asiatic colonies of European powers but as regards Asiatic possessions of other Asiatic powers; and, indeed, always excepting the striking and wonderful example afforded by the great Empire of Japan, it opens an entirely new departure when compared with anything which has happened among Asiatic powers which are their own masters. Hitherto this Philippine legislature has acted with moderation and self-restraint, and has seemed in practical fashion to realize the eternal truth that there must always be government, and that the only way in which any body of individuals can escape the necessity of being governed by outsiders is to show that they are able to restrain themselves, to keep down wrongdoing and disorder. The Filipino people, through their officials, are therefore making real steps in the direction of self-government. I hope and believe that these steps mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation. But it is well for them (and well also for those Americans who during the past decade have done so much damage to the Filipinos by agitation for an immediate independence for which they were totally unfit) to remember that self-government depends, and must depend, upon the Filipinos themselves. All we can do is to give them the opportunity to develop the capacity for self-government. If we had followed the advice of the foolish doctrinaires who wished us at any time during the last ten years to turn the Filipino people adrift, we should have shirked the plainest possible duty and have inflicted a lasting wrong upon the Filipino people. We have acted in exactly the opposite spirit. We have given the Filipinos constitutional government—a government based upon justice—and we have shown that we have governed them for their good and not for our aggrandizement. At the present time, as during the past ten years, the inexorable logic of facts shows that this government must be supplied by us and not by them. We must be wise and generous; we must help the Filipinos to master the difficult art of self-control, which is simply another name for self-government. But we can not give them self-government save in the sense of governing them

Page 2032

so that gradually they may, if they are able, learn to govern themselves. Under the present system of just laws and sympathetic administration, we have every reason to believe that they are gradually acquiring the character which lies at the basis of self-government, and for which, if it be lacking, no system of laws, no paper constitution, will in any wise serve as a substitute. Our people in the Philippines have achieved what may legitimately be called a marvelous success in giving to them a government which marks on the part of those in authority both the necessary understanding of the people and the necessary purpose to serve them disinterestedly and in good faith. I trust that within a generation the time will arrive when the Philippines can decide for themselves whether it is well for them to become independent, or to continue under the protection of a strong and disinterested power, able to guarantee to the islands order at home and protection from foreign invasion. But no one can prophesy the exact date when it will be wise to consider independence as a fixed and definite policy. It would be worse than folly to try to set down such a date in advance, for it must depend upon the way in which the Philippine people themselves develop the power of self-mastery.

Porto Rico.

I again recommend that American citizenship be conferred upon the people of Porto Rico.

Cuba.

In Cuba our occupancy will cease in about two months' time, the Cubans have in orderly manner elected their own governmental authorities, and the island will be turned over to them. Our occupation on this occasion has lasted a little over two years, and Cuba has thriven and prospered under it. Our earnest hope and one desire is that the people of the island shall now govern themselves with justice, so that peace and order may be secure. We will gladly help them to this end; but I would solemnly warn them to remember the great truth that the only way a people can permanently avoid being governed from without is to show that they both can and will govern themselves from within.

Japanese exposition.

The Japanese Government has postponed until 1917 the date of the great international exposition, the action being taken so as to insure ample time in which to prepare to make the exposition all that it should be made. The American commissioners have visited Japan and the postponement will merely give ampler opportunity for America to be represented at the exposition. Not since the first international exposition has there been one of greater importance than this will be, marking as it does the fiftieth anniversary of the ascension to the throne of the Emperor of Japan. The extraordinary

leap to a foremost place among the nations of the world made by Japan during this half century is something unparalleled in all previous history. This exposition will fitly commemorate and signalize the giant progress that has been achieved. It is the first exposition of its kind that has ever been held in Asia. The United States, because of the ancient friendship between the two peoples, because each of us fronts on the Pacific, and because of the growing commercial relations between this country and Asia, takes a peculiar interest in seeing the exposition made a success in every way.

Page 2033

I take this opportunity publicly to state my appreciation of the way in which in Japan, in Australia, in New Zealand, and in all the States of South America, the battle fleet has been received on its practice voyage around the world. The American Government can not too strongly express its appreciation of the abounding and generous hospitality shown our ships in every port they visited.

The army.

As regards the Army I call attention to the fact that while our junior officers and enlisted men stand very high, the present system of promotion by seniority results in bringing into the higher grades many men of mediocre capacity who have but a short time to serve. No man should regard it as his vested right to rise to the highest rank in the Army any more than in any other profession. It is a curious and by no means creditable fact that there should be so often a failure on the part of the public and its representatives to understand the great need, from the standpoint of the service and the Nation, of refusing to promote respectable, elderly incompetents. The higher places should be given to the most deserving men without regard to seniority; at least seniority should be treated as only one consideration. In the stress of modern industrial competition no business firm could succeed if those responsible for its management were chosen simply on the ground that they were the oldest people in its employment; yet this is the course advocated as regards the Army, and required by law for all grades except those of general officer. As a matter of fact, all of the best officers in the highest ranks of the Army are those who have attained their present position wholly or in part by a process of selection.

The scope of retiring boards should be extended so that they could consider general unfitness to command for any cause, in order to secure a far more rigid enforcement than at present in the elimination of officers for mental, physical or temperamental disabilities. But this plan is recommended only if the Congress does not see fit to provide what in my judgment is far better; that is, for selection in promotion, and for elimination for age. Officers who fail to attain a certain rank by a certain age should be retired—for instance, if a man should not attain field rank by the time he is 45 he should of course be placed on the retired list. General officers should be selected as at present, and one-third of the other promotions should be made by selection, the selection to be made by the President or the Secretary of War from a list of at least two candidates proposed for each vacancy by a board of officers from the arm of the service from which the promotion is to be made. A bill is now before the Congress having for its object to secure the promotion of officers to various grades at reasonable ages through a process of selection, by boards of officers, of the least efficient for retirement with a percentage of their pay depending upon length of service. The bill, although not accomplishing all that should be done, is a long step in the right direction; and I earnestly recommend its passage, or that of a more completely effective measure.

Page 2034

The cavalry arm should be reorganized upon modern lines. This is an arm in which it is peculiarly necessary that the field officers should not be old. The cavalry is much more difficult to form than infantry, and it should be kept up to the maximum both in efficiency and in strength, for it can not be made in a hurry. At present both infantry and artillery are too few in number for our needs. Especial attention should be paid to development of the machine gun. A general service corps should be established. As things are now the average soldier has far too much labor of a nonmilitary character to perform.

National guard.

Now that the organized militia, the National Guard, has been incorporated with the Army as a part of the national forces, it behooves the Government to do every reasonable thing in its power to perfect its efficiency. It should be assisted in its instruction and otherwise aided more liberally than heretofore. The continuous services of many well-trained regular officers will be essential in this connection. Such officers must be specially trained at service schools best to qualify them as instructors of the National Guard. But the detailing of officers for training at the service schools and for duty with the National Guard entails detaching them from their regiments which are already greatly depleted by detachment of officers for assignment to duties prescribed by acts of the Congress.

A bill is now pending before the Congress creating a number of extra officers in the Army, which if passed, as it ought to be, will enable more officers to be trained as instructors of the National Guard and assigned to that duty. In case of war it will be of the utmost importance to have a large number of trained officers to use for turning raw levies into good troops.

There should be legislation to provide a complete plan for organizing the great body of volunteers behind the Regular Army and National Guard when war has come. Congressional assistance should be given those who are endeavoring to promote rifle practice so that our men, in the services or out of them, may know how to use the rifle. While teams representing the United States won the rifle and revolver championships of the world against all comers in England this year, it is unfortunately true that the great body of our citizens shoot less and less as time goes on. To meet this we should encourage rifle practice among schoolboys, and indeed among all classes, as well as in the military services, by every means in our power. Thus, and not otherwise, may we be able to assist in preserving the peace of the world. Fit to hold our own against the strong nations of the earth, our voice for peace will carry to the ends of the earth. Unprepared, and therefore unfit, we must sit dumb and helpless to defend ourselves, protect others, or preserve peace. The first step—in the direction of preparation to avert war if possible, and to be fit for war if it should come—is to teach our men to shoot.

Page 2035

The navy.

I approve the recommendations of the General Board for the increase of the Navy, calling especial attention to the need of additional destroyers and colliers, and above all, of the four battleships. It is desirable to complete as soon as possible a squadron of eight battleships of the best existing type. The North Dakota, Delaware, Florida, and Utah will form the first division of this squadron. The four vessels proposed will form the second division. It will be an improvement on the first, the ships being of the heavy, single caliber, all big gun type. All the vessels should have the same tactical qualities—-that is, speed and turning circle—and as near as possible these tactical qualities should be the same as in the four vessels before named now being built.

I most earnestly recommend that the General Board be by law turned into a General Staff. There is literally no excuse whatever for continuing the present bureau organization of the Navy. The Navy should be treated as a purely military organization, and everything should be subordinated to the one object of securing military efficiency. Such military efficiency can only be guaranteed in time of war if there is the most thorough previous preparation in time of peace—a preparation, I may add, which will in all probability prevent any need of war. The Secretary must be supreme, and he should have as his official advisers a body of line officers who should themselves have the power to pass upon and coordinate all the work and all the proposals of the several bureaus. A system of promotion by merit, either by selection or by exclusion, or by both processes, should be introduced. It is out of the question, if the present principle of promotion by mere seniority is kept, to expect to get the best results from the higher officers. Our men come too old, and stay for too short a time, in the high command positions.

Two hospital ships should be provided. The actual experience of the hospital ship with the fleet in the Pacific has shown the invaluable work which such a ship does, and has also proved that it is well to have it kept under the command of a medical officer. As was to be expected, all of the anticipations of trouble from such a command have proved completely baseless. It is as absurd to put a hospital ship under a line officer as it would be to put a hospital on shore under such a command. This ought to have been realized before, and there is no excuse for failure to realize it now.

Nothing better for the Navy from every standpoint has ever occurred than the cruise of the battle fleet around the world. The improvement of the ships in every way has been extraordinary, and they have gained far more experience in battle tactics than they would have gained if they had stayed in the Atlantic waters. The American people have cause for profound gratification, both in view of the excellent condition of the fleet as shown by this cruise, and in view

Page 2036

of the improvement the cruise has worked in this already high condition. I do not believe that there is any other service in the world in which the average of character and efficiency in the enlisted men is as high as is now the case in our own. I believe that the same statement can be made as to our officers, taken as a whole; but there must be a reservation made in regard to those in the highest ranks—as to which I have already spoken—and in regard to those who have just entered the service; because we do not now get full benefit from our excellent naval school at Annapolis. It is absurd not to graduate the midshipmen as ensigns; to keep them for two years in such an anomalous position as at present the law requires is detrimental to them and to the service. In the academy itself, every first classman should be required in turn to serve as petty officer and officer; his ability to discharge his duties as such should be a prerequisite to his going into the line, and his success in commanding should largely determine his standing at graduation. The Board of Visitors should be appointed in January, and each member should be required to give at least six days' service, only from one to three days' to be performed during June week, which is the least desirable time for the board to be at Annapolis so far as benefiting the Navy by their observations is concerned.

The white house,

Tuesday, December 8, 1908.

***

State of the Union Address
William H. Taft
December 7, 1909

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

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

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

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

Page 2037

The treaty between the United States and Great Britain concerning the Canadian International boundary, concluded April 11, 1908, authorizes the appointment of two commissioners to define and mark accurately the international boundary line between the United States and the Dominion of Canada in the waters of the Passamaquoddy Bay, and provides for the exchange of briefs within the period of six months. The briefs were duly presented within the prescribed period, but as the commissioners failed to agree within six months after the exchange of the printed statements, as required by the treaty, it has now become necessary to resort to the arbitration provided for in the article.

The International Fisheries Commission appointed pursuant to and under the authority of the Convention of April 11, 1908, between the United States and Great Britain, has completed a system of uniform and common international regulations for the protection and preservation of the food fishes in international boundary waters of the United States and Canada.

The regulations will be duly submitted to Congress with a view to the enactment of such legislation as will be necessary under the convention to put them into operation.

The Convention providing for the settlement of international differences between the United States and Canada, including the apportionment between the two countries of certain of the boundary waters and the appointment of commissioners to adjust certain other questions, signed on the 11th day of January, 1909, and to the ratification of which the Senate gave its advice and consent on March 3, 1909, has not yet been ratified on the part of Great Britain.

Commissioners have been appointed on the part of the United States to act jointly with Commissioners on the part of Canada in examining into the question of obstructions in the St. John River between Maine and New Brunswick, and to make recommendations for the regulation of the uses thereof, and are now engaged in this work.

Negotiations for an international conference to consider and reach an arrangement providing for the preservation and protection of the fur seals in the North Pacific are in progress with the Governments of Great Britain, Japan, and Russia. The attitude of the Governments interested leads me to hope for a satisfactory settlement of this question as the ultimate outcome of the negotiations.

The Second Peace Conference recently held at The Hague adopted a convention for the establishment of an International Prize Court upon the joint proposal of delegations of the United States, France, Germany and Great Britain. The law to be observed by the Tribunal in the decision of prize cases was, however, left in an uncertain and therefore unsatisfactory state. Article 7 of the Convention provided that the Court was to be governed by the provisions of treaties existing between the belligerents, but that “in the absence of

Page 2038

such provisions, the court shall apply the rules of international law. If no generally recognized rule exists, the court shall give judgment in accordance with the general principles of justice and equity." As, however, many questions in international maritime law are understood differently and therefore interpreted differently in various countries, it was deemed advisable not to intrust legislative powers to the proposed court, but to determine the rules of law properly applicable in a Conference of the representative maritime nations. Pursuant to an invitation of Great Britain a conference was held at London from December 2, 1908, to February 26, 1909, in which the following Powers participated: the United States, Austria-Hungary, France, Germany, Great Britain, Italy, Japan, the Netherlands, Russia and Spain. The conference resulted in the Declaration of London, unanimously agreed to and signed by the participating Powers, concerning among other matters, the highly important subjects of blockade, contraband, the destruction of neutral prizes, and continuous voyages. The declaration of London is an eminently satisfactory codification of the international maritime law, and it is hoped that its reasonableness and fairness will secure its general adoption, as well as remove one of the difficulties standing in the way of the establishment of an International Prize Court.

Under the authority given in the sundry civil appropriation act, approved March 4, 1909, the United States was represented at the International Conference on Maritime Law at Brussels. The Conference met on the 28th of September last and resulted in the signature ad referendum of a convention for the unification of certain regulations with regard to maritime assistance and salvage and a convention for the unification of certain rules with regard to collisions at sea. Two new projects of conventions which have not heretofore been considered in a diplomatic conference, namely, one concerning the limitation of the responsibility of shipowners, and the other concerning marine mortgages and privileges, have been submitted by the Conference to the different governments.

The Conference adjourned to meet again on April 11, 1910.

The International Conference for the purpose of promoting uniform legislation concerning letters of exchange, which was called by the Government of the Netherlands to meet at The Hague in September, 1909, has been postponed to meet at that capital in June, 1910. The United States will be appropriately represented in this Conference under the provision therefor already made by Congress.

Page 2039

The cordial invitation of Belgium to be represented by a fitting display of American progress in the useful arts and inventions at the World's Fair to be held at Brussels in 1910 remains to be acted upon by the Congress. Mindful of the advantages to accrue to our artisans and producers in competition with their Continental rivals, I renew the recommendation heretofore made that provision be made for acceptance of the invitation and adequate representation in the Exposition. The question arising out of the Belgian annexation of the Independent State of the Congo, which has so long and earnestly preoccupied the attention of this Government and enlisted the sympathy of our best citizens, is still open, but in a more hopeful stage. This Government was among the foremost in the great work of uplifting the uncivilized regions of Africa and urging the extension of the benefits of civilization, education, and fruitful open commerce to that vast domain, and is a party to treaty engagements of all the interested powers designed to carry out that great duty to humanity. The way to better the original and adventitious conditions, so burdensome to the natives and so destructive to their development, has been pointed out, by observation and experience, not alone of American representatives, but by cumulative evidence from all quarters and by the investigations of Belgian Agents. The announced programmes of reforms, striking at many of the evils known to exist, are an augury of better things. The attitude of the United States is one of benevolent encouragement, coupled with a hopeful trust that the good work, responsibly undertaken and zealously perfected to the accomplishment of the results so ardently desired, will soon justify the wisdom that inspires them and satisfy the demands of humane sentiment throughout the world.

A convention between the United States and Germany, under which the nonworking provisions of the German patent law are made inapplicable to the patents of American citizens, was concluded on February 23, 1909, and is now in force. Negotiations for similar conventions looking to the placing of American inventors on the same footing as nationals have recently been initiated with other European governments whose laws require the local working of foreign patents.

Under an appropriation made at the last session of the Congress, a commission was sent on American cruisers to Monrovia to investigate the interests of the United States and its citizens in Liberia. Upon its arrival at Monrovia the commission was enthusiastically received, and during its stay in Liberia was everywhere met with the heartiest expressions of good will for the American Government and people and the hope was repeatedly expressed on all sides that this Government might see its way clear to do something to relieve the critical position of the Republic arising in a measure from external as well as internal and financial embarrassments. The Liberian Government afforded every facility to the Commission for ascertaining the true state of affairs. The Commission also had conferences with representative citizens, interested foreigners and the representatives of foreign governments in Monrovia. Visits were made to various parts of the Republic and to the neighboring British colony of Sierra Leone, where the Commission was received by and conferred with the Governor.

Page 2040

It will be remembered that the interest of the United States in the Republic of Liberia springs from the historical fact of the foundation of the Republic by the colonization of American citizens of the African race. In an early treaty with Liberia there is a provision under which the United States may be called upon for advice or assistance. Pursuant to this provision and in the spirit of the moral relationship of the United States to Liberia, that Republic last year asked this Government to lend assistance in the solution of certain of their national problems, and hence the Commission was sent.

The report of our commissioners has just been completed and is now under examination by the Department of State. It is hoped that there may result some helpful measures, in which case it may be my duty again to invite your attention to this subject.

The Norwegian Government, by a note addressed on January 26, 1909, to the Department of State, conveyed an invitation to the Government of the United States to take part in a conference which it is understood will be held in February or March, 1910, for the purpose of devising means to remedy existing conditions in the Spitzbergen Islands.

This invitation was conveyed under the reservation that the question of altering the status of the islands as countries belonging to no particular State, and as equally open to the citizens and subjects of all States, should not be raised.

The European Powers invited to this Conference by the Government of Norway were Belgium, Denmark, France, Germany, Great Britain, Russia, Sweden and the Netherlands.

The Department of State, in view of proofs filed with it in 1906, showing the American possession, occupation, and working of certain coal-bearing lands in Spitzbergen, accepted the invitation under the reservation above stated, and under the further reservation that all interests in those islands already vested should be protected and that there should be equality of opportunity for the future. It was further pointed out that membership in the Conference on the part of the United States was qualified by the consideration that this Government would not become a signatory to any conventional arrangement concluded by the European members of the Conference which would imply contributory participation by the United States in any obligation or responsibility for the enforcement of any scheme of administration which might be devised by the Conference for the islands.

The near east.

His Majesty Mehmed V, Sultan of Turkey, recently sent to this country a special embassy to announce his accession. The quick transition of the Government of the Ottoman Empire from one of retrograde tendencies to a constitutional government with a Parliament and with progressive modern policies of reform and public improvement is

one of the important phenomena of our times. Constitutional government seems also to have made further advance in Persia. These events have turned the eyes of the world upon the Near East. In that quarter the prestige of the United States has spread widely through the peaceful influence of American schools, universities and missionaries. There is every reason why we should obtain a greater share of the commerce of the Near East since the conditions are more favorable now than ever before.

Page 2041

Latin America.

One of the happiest events in recent Pan-American diplomacy was the pacific, independent settlement by the Governments of Bolivia and Peru of a boundary difference between them, which for some weeks threatened to cause war and even to entrain embitterments affecting other republics less directly concerned. From various quarters, directly or indirectly concerned, the intermediation of the United States was sought to assist in a solution of the controversy. Desiring at all times to abstain from any undue mingling in the affairs of sister republics and having faith in the ability of the Governments of Peru and Bolivia themselves to settle their differences in a manner satisfactory to themselves which, viewed with magnanimity, would assuage all embitterment, this Government steadily abstained from being drawn into the controversy and was much gratified to find its confidence justified by events.

On the 9th of July next there will open at Buenos Aires the Fourth Pan-American Conference. This conference will have a special meaning to the hearts of all Americans, because around its date are clustered the anniversaries of the independence of so many of the American republics. It is not necessary for me to remind the Congress of the political, social and commercial importance of these gatherings. You are asked to make liberal appropriation for our participation. If this be granted, it is my purpose to appoint a distinguished and representative delegation, qualified fittingly to represent this country and to deal with the problems of intercontinental interest which will there be discussed.

The Argentine Republic will also hold from May to November, 1910, at Buenos Aires, a great International Agricultural Exhibition in which the United States has been invited to participate. Considering the rapid growth of the trade of the United States with the Argentine Republic and the cordial relations existing between the two nations, together with the fact that it provides an opportunity to show deference to a sister republic on the occasion of the celebration of its national independence, the proper Departments of this Government are taking steps to apprise the interests concerned of the opportunity afforded by this Exhibition, in which appropriate participation by this country is so desirable. The designation of an official representative is also receiving consideration.

To-day, more than ever before, American capital is seeking investment in foreign countries, and American products are more and more generally seeking foreign markets. As a consequence, in all countries there are American citizens and American interests to be protected, on occasion, by their Government. These movements of men, of capital, and of commodities bring peoples and governments closer together and so form bonds of peace and mutual dependency, as they must also naturally sometimes make passing points of friction. The resultant situation inevitably

Page 2042

imposes upon this Government vastly increased responsibilities. This Administration, through the Department of State and the foreign service, is lending all proper support to legitimate and beneficial American enterprises in foreign countries, the degree of such support being measured by the national advantages to be expected. A citizen himself can not by contract or otherwise divest himself of the right, nor can this Government escape the obligation, of his protection in his personal and property rights when these are unjustly infringed in a foreign country. To avoid ceaseless vexations it is proper that in considering whether American enterprise should be encouraged or supported in a particular country, the Government should give full weight not only to the national, as opposed to the individual benefits to accrue, but also to the fact whether or not the Government of the country in question is in its administration and in its diplomacy faithful to the principles of moderation, equity and justice upon which alone depend international credit, in diplomacy as well as in finance.

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

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

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

I am happy to say that all but one of the cases which for so long vexed our relations with Venezuela have been settled within the past few months and that, under the enlightened regime now directing the Government of Venezuela, provision has been made for arbitration of the remaining case before The Hague Tribunal. On July 30, 1909, the Government of Panama agreed, after considerable negotiation, to indemnify the relatives of the American officers and sailors who were brutally treated, one of them having, indeed, been killed by the Panaman police this year.

Page 2043

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

The sanitary improvements and public works undertaken in Cuba prior to the present administration of that Government, in the success of which the United States is interested under the treaty, are reported to be making good progress and since the Congress provided for the continuance of the reciprocal commercial arrangement between Cuba and the United States assurance has been received that no negotiations injuriously affecting the situation will be undertaken without consultation. The collection of the customs of the Dominican Republic through the general receiver of customs appointed by the President of the United States in accordance with the convention of February 8, 1907, has proceeded in an uneventful and satisfactory manner. The customs receipts have decreased owing to disturbed political and economic conditions and to a very natural curtailment of imports in view of the anticipated revision of the Dominican tariff schedule. The payments to the fiscal agency fund for the service of the bonded debt of the Republic, as provided by the convention, have been regularly and promptly made, and satisfactory progress has been made in carrying out the provisions of the convention looking towards the completion of the adjustment of the debt and the acquirement by the Dominican Government of certain concessions and monopolies which have been a burden to the commerce of the country. In short, the receivership has demonstrated its ability, even under unfavorable economic and political conditions, to do the work for which it was intended.

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

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

Page 2044

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

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

At the date when this message is printed this Government has terminated diplomatic relations with the Zelaya Government, for reasons made public in a communication to the former Nicaraguan charge d'affaires, and is intending to take such future steps as may be found most consistent with its dignity, its duty to American interests, and its moral obligations to Central America and to civilization. It may later be necessary for me to bring this subject to the attention of the Congress in a special message.

The International Bureau of American Republics has carried on an important and increasing work during the last year. In the exercise of its peculiar functions as an international agency, maintained by all the American Republics for the development of Pan-American commerce and friendship, it has accomplished a great practical good which could be done in the same way by no individual department or bureau of one government, and is therefore deserving of your liberal support. The fact that it is about to enter a new building, erected through the munificence of an American philanthropist and the contributions of all the American nations, where both its efficiency of administration and expense of maintenance will naturally be much augmented, further entitles it to special consideration.

Page 2045

The far east.

In the Far East this Government preserves unchanged its policy of supporting the principle of equality of opportunity and scrupulous respect for the integrity of the Chinese Empire, to which policy are pledged the interested Powers of both East and West.

By the Treaty of 1903 China has undertaken the abolition of likin with a moderate and proportionate raising of the customs tariff along with currency reform. These reforms being of manifest advantage to foreign commerce as well as to the interests of China, this Government is endeavoring to facilitate these measures and the needful acquiescence of the treaty Powers. When it appeared that Chinese likin revenues were to be hypothecated to foreign bankers in connection with a great railway project, it was obvious that the Governments whose nationals held this loan would have a certain direct interest in the question of the carrying out by China of the reforms in question. Because this railroad loan represented a practical and real application of the open door policy through cooperation with China by interested Powers as well as because of its relations to the reforms referred to above, the Administration deemed American participation to be of great national interest. Happily, when it was as a matter of broad policy urgent that this opportunity should not be lost, the indispensable instrumentality presented itself when a group of American bankers, of international reputation and great resources, agreed at once to share in the loan upon precisely such terms as this Government should approve. The chief of those terms was that American railway material should be upon an exact equality with that of the other nationals joining in the loan in the placing of orders for this whole railroad system. After months of negotiation the equal participation of Americans seems at last assured. It is gratifying that Americans will thus take their share in this extension of these great highways of trade, and to believe that such activities will give a real impetus to our commerce and will prove a practical corollary to our historic policy in the Far East.

The Imperial Chinese Government in pursuance of its decision to devote funds from the portion of the indemnity remitted by the United States to the sending of students to this country has already completed arrangements for carrying out this purpose, and a considerable body of students have arrived to take up their work in our schools and universities. No one can doubt the happy effect that the associations formed by these representative young men will have when they return to take up their work in the progressive development of their country.

The results of the Opium Conference held at Shanghai last spring at the invitation of the United States have been laid before the Government. The report shows that China is making remarkable progress and admirable efforts toward the eradication of the opium evil and that the Governments concerned have not allowed their commercial interests to interfere with a helpful cooperation in this reform. Collateral investigations of the opium question in this country lead me to recommend that the manufacture, sale and use of

opium and its derivatives in the United States should be so far as possible more rigorously controlled by legislation.

Page 2046

In one of the Chinese-Japanese Conventions of September 4 of this year there was a provision which caused considerable public apprehension in that upon its face it was believed in some quarters to seek to establish a monopoly of mining privileges along the South Manchurian and Antung-Mukden Railroads, and thus to exclude Americans from a wide field of enterprise, to take part in which they were by treaty with China entitled. After a thorough examination of the Conventions and of the several contextual documents, the Secretary of State reached the conclusion that no such monopoly was intended or accomplished. However, in view of the widespread discussion of this question, to confirm the view it had reached, this Government made inquiry of the Imperial Chinese and Japanese Governments and received from each official assurance that the provision had no purpose inconsistent with the policy of equality of opportunity to which the signatories, in common with the United States, are pledged.

Our traditional relations with the Japanese Empire continue cordial as usual. As the representative of Japan, His Imperial Highness Prince Kuni visited the Hudson-Fulton Celebration. The recent visit of a delegation of prominent business men as guests of the chambers of commerce of the Pacific slope, whose representatives had been so agreeably received in Japan, will doubtless contribute to the growing trade across the Pacific, as well as to that mutual understanding which leads to mutual appreciation. The arrangement of 1908 for a cooperative control of the coming of laborers to the United States has proved to work satisfactorily. The matter of a revision of the existing treaty between the United States and Japan which is terminable in 1912 is already receiving the study of both countries.

The Department of State is considering the revision in whole or in part, of the existing treaty with Siam, which was concluded in 1856, and is now, in respect to many of its provisions, out of date.

The department of state.

I earnestly recommend to the favorable action of the Congress the estimates submitted by the Department of State and most especially the legislation suggested in the Secretary of State's letter of this date whereby it will be possible to develop and make permanent the reorganization of the Department upon modern lines in a manner to make it a thoroughly efficient instrument in the furtherance of our foreign trade and of American interests abroad. The plan to have Divisions of Latin-American and Far Eastern Affairs and to institute a certain specialization in business with Europe and the Near East will at once commend itself. These politico-geographical divisions and the detail from the diplomatic or consular service to the Department of a number of men, who bring to the study of complicated problems in different parts of the world practical knowledge recently gained on the spot, clearly is of the greatest advantage to the Secretary of State in foreseeing conditions likely to arise and in conducting the great variety of correspondence and negotiation. It should be remembered that such facilities exist in the foreign offices of all the leading commercial nations and that to deny them to

the Secretary of State would be to place this Government at a great disadvantage in the rivalry of commercial competition.

Page 2047

The consular service has been greatly improved under the law of April 5, 1906, and the Executive Order of June 27, 1906, and I commend to your consideration the question of embodying in a statute the principles of the present Executive Order upon which the efficiency of our consular service is wholly dependent.

In modern times political and commercial interests are interrelated, and in the negotiation of commercial treaties, conventions and tariff agreements, the keeping open of opportunities and the proper support of American enterprises, our diplomatic service is quite as important as the consular service to the business interests of the country. Impressed with this idea and convinced that selection after rigorous examination, promotion for merit solely and the experience only to be gained through the continuity of an organized service are indispensable to a high degree of efficiency in the diplomatic service, I have signed an Executive Order as the first step toward this very desirable result. Its effect should be to place all secretaries in the diplomatic service in much the same position as consular officers are now placed and to tend to the promotion of the most efficient to the grade of minister, generally leaving for outside appointments such posts of the grade of ambassador or minister as it may be expedient to fill from without the service. It is proposed also to continue the practice instituted last summer of giving to all newly appointed secretaries at least one month's thorough training in the Department of State before they proceed to their posts. This has been done for some time in regard to the consular service with excellent results.

Under a provision of the Act of August 5, 1909, I have appointed three officials to assist the officers of the Government in collecting information necessary to a wise administration of the tariff act of August 5, 1909. As to questions of customs administration they are cooperating with the officials of the Treasury Department and as to matters of the needs and the exigencies of our manufacturers and exporters, with the Department of Commerce and Labor, in its relation to the domestic aspect of the subject of foreign commerce. In the study of foreign tariff treatment they will assist the Bureau of Trade Relations of the Department of State. It is hoped thus to coordinate and bring to bear upon this most important subject all the agencies of the Government which can contribute anything to its efficient handling.

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

Page 2048

Other departments.

I have thus in some detail described the important transactions of the State Department since the beginning of this Administration for the reason that there is no provision either by statute or custom for a formal report by the Secretary of State to the President or to Congress, and a Presidential message is the only means by which the condition of our foreign relations is brought to the attention of Congress and the public.

In dealing with the affairs of the other Departments, the heads of which all submit annual reports, I shall touch only those matters that seem to me to call for special mention on my part without minimizing in any way the recommendations made by them for legislation affecting their respective Departments, in all of which I wish to express my general concurrence.

Government expenditures and revenues.

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

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

The policy of paying for the construction of the Panama Canal, not out of current revenue, but by bond issues, was adopted in the Spooner Act of 1902, and there seems to be no good reason for departing from the principle by which a part at least of the burden of the cost of the canal shall fall upon our posterity who are to enjoy it; and there is all the more reason for this view because the actual cost to date of the canal, which is now half done and which will be completed January 1, 1915, shows that the cost of engineering and construction will be $297,766,000, instead of $139,705,200, as originally estimated. In addition to engineering and construction, the other expenses,

Page 2049

including sanitation and government, and the amount paid for the properties, the franchise, and the privilege of building the canal, increase the cost by $75,435,000, to a total of $375,201,000. The increase in the cost of engineering and construction is due to a substantial enlargement of the plan of construction by widening the canal 100 feet in the Culebra cut and by increasing the dimensions of the locks, to the underestimate of the quantity of the work to be done under the original plan, and to an underestimate of the cost of labor and materials both of which have greatly enhanced in price since the original estimate was made.

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

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

The Secretary of the Treasury points out what should be carefully noted in respect to this reduction in governmental expenses for the next fiscal year, that the economies are of two kinds—first, there is a saving in the permanent administration of the Departments, bureaus, and offices of the Government; and, second, there is a present reduction in expenses by a postponement of projects and improvements that ultimately will have to be carried out but which are now delayed with the hope that additional revenue in the future will permit their execution without producing a deficit.

It has been impossible in the preparation of estimates greatly to reduce the cost of permanent administration. This can not be done without a thorough reorganization of bureaus, offices, and departments. For the purpose of securing information which may enable the executive and the legislative branches to unite in a plan for the permanent reduction of the cost of governmental administration, the Treasury Department has instituted an investigation by one of the most skilled expert accountants in the United States. The result of his work in two or three bureaus, which, if extended to the entire Government, must occupy

Page 2050

two or more years, has been to show much room for improvement and opportunity for substantial reductions in the cost and increased efficiency of administration. The object of the investigation is to devise means to increase the average efficiency of each employee. There is great room for improvement toward this end, not only by the reorganization of bureaus and departments and in the avoidance of duplication, but also in the treatment of the individual employee.

Under the present system it constantly happens that two employees receive the same salary when the work of one is far more difficult and important and exacting than that of the other. Superior ability is not rewarded or encouraged. As the classification is now entirely by salary, an employee often rises to the highest class while doing the easiest work, for which alone he may be fitted. An investigation ordered by my predecessor resulted in the recommendation that the civil service he reclassified according to the kind of work, so that the work requiring most application and knowledge and ability shall receive most compensation. I believe such a change would be fairer to the whole force and would permanently improve the personnel of the service.

More than this, every reform directed toward the improvement in the average efficiency of government employees must depend on the ability of the Executive to eliminate from the government service those who are inefficient from any cause, and as the degree of efficiency in all the Departments is much lessened by the retention of old employees who have outlived their energy and usefulness, it is indispensable to any proper system of economy that provision be made so that their separation from the service shall be easy and inevitable. It is impossible to make such provision unless there is adopted a plan of civil pensions. Most of the great industrial organizations, and many of the well-conducted railways of this country, are coming to the conclusion that a system of pensions for old employees, and the substitution therefor of younger and more energetic servants, promotes both economy and efficiency of administration.

I am aware that there is a strong feeling in both Houses of Congress, and possibly in the country, against the establishment of civil pensions, and that this has naturally grown out of the heavy burden of military pensions, which it has always been the policy of our Government to assume; but I am strongly convinced that no other practical solution of the difficulties presented by the superannuation of civil servants can be found than that of a system of civil pensions.

The business and expenditures of the Government have expanded enormously since the Spanish war, but as the revenues have increased in nearly the same proportion as the expenditures until recently, the attention of the public, and of those responsible for the Government, has not been fastened upon the question of reducing the cost of administration. We can not, in view of the advancing prices of living, hope to save money by a reduction in the standard of salaries paid. Indeed, if any change is made in

that regard, an increase rather than a decrease will be necessary; and the only means of economy will be in reducing the number of employees and in obtaining a greater average of efficiency from those retained in the service.

Page 2051

Close investigation and study needed to make definite recommendations in this regard will consume at least two years. I note with much satisfaction the organization in the Senate of a Committee on Public Expenditures, charged with the duty of conducting such an investigation, and I tender to that committee all the assistance which the executive branch of the Government can possibly render.

Frauds in the collection of customs.

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

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

Maximum and minimum clause in tariff act.

Two features of the new tariff act call for special reference. By virtue of the clause known as the “Maximum and Minimum” clause, it is the duty of the Executive to consider the laws and practices of other countries with reference to the importation into those countries of the products and merchandise of the United States, and if the Executive finds such laws and practices not to be unduly discriminatory against the United States, the minimum duties provided in the bill are to go into force.

Unless the President makes such a finding, then the maximum duties provided in the bill, that is, an increase of twenty-five per cent. ad valorem over the minimum duties, are to be in force. Fear has been expressed that this power conferred and duty imposed on the Executive is likely to lead to a tariff war. I beg to express the hope and belief that no such result need be anticipated.

Page 2052

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

Uses of the new tariff board.

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

Page 2053

War department.

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

The Secretary of War calls attention to a number of needed changes in the Army in all of which I concur, but the point upon which I place most emphasis is the need for an elimination bill providing a method by which the merits of officers shall have some effect upon their advancement and by which the advancement of all may be accelerated by the effective elimination of a definite proportion of the least efficient. There are in every army, and certainly in ours, a number of officers who do not violate their duty in any such way as to give reason for a court-martial or dismissal, but who do not show such aptitude and skill and character for high command as to justify their remaining in the active service to be Promoted. Provision should be made by which they may be retired on a certain proportion of their pay, increasing with their length of service at the time of retirement. There is now a personnel law for the Navy which itself needs amendment and to which I shall make further reference. Such a law is needed quite as much for the Army.

The coast defenses of the United States proper are generally all that could be desired, and in some respects they are rather more elaborate than under present conditions are needed to stop an enemy's fleet from entering the harbors defended. There is, however, one place where additional defense is badly needed, and that is at the mouth of Chesapeake Bay, where it is proposed to make an artificial island for a fort which shall prevent an enemy's fleet from entering this most important strategical base of operations on the whole Atlantic and Gulf coasts. I hope that appropriate legislation will be adopted to secure the construction of this defense.

Page 2054

The military and naval joint board have unanimously agreed that it would be unwise to make the large expenditures which at one time were contemplated in the establishment of a naval base and station in the Philippine Islands, and have expressed their judgment, in which I fully concur, in favor of making an extensive naval base at Pearl Harbor, near Honolulu, and not in the Philippines. This does not dispense with the necessity for the comparatively small appropriations required to finish the proper coast defenses in the Philippines now under construction on the island of Corregidor and elsewhere or to complete a suitable repair station and coaling supply station at Olongapo, where is the floating dock “Dewey.” I hope that this recommendation of the joint board will end the discussion as to the comparative merits of Manila Bay and Olongapo as naval stations, and will lead to prompt measures for the proper equipment and defense of Pearl Harbor.

The navy.

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

Our enlisted personnel recruited from all sections of the country is young and energetic and representative of the national spirit. It is, moreover, owing to its intelligence, capable of quick training into the modern man-of-warsman. Our officers are earnest and zealous in their profession, but it is a regrettable fact that the higher officers are old for the responsibilities of the modern navy, and the admirals do not arrive at flag rank young enough to obtain adequate training in their duties as flag officers. This need for reform in the Navy has been ably and earnestly presented to Congress by my predecessor, and I also urgently recommend the subject for consideration.

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

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

The use of a navy is for military purposes, and there has been found need in the Department of a military branch dealing directly with the military use of the fleet. The Secretary of the Navy has also felt the lack of responsible advisers to aid him in reaching conclusions and deciding important matters between coordinate branches of

the Department. To secure these results he has inaugurated a tentative plan involving certain changes in the organization of the Navy Department, including the navy-yards, all of which have been found by the Attorney-General to be in accordance with law. I have approved the execution of the plan proposed because of the greater efficiency and economy it promises.

Page 2055

The generosity of Congress has provided in the present Naval Observatory the most magnificent and expensive astronomical establishment in the world. It is being used for certain naval purposes which might easily and adequately be subserved by a small division connected with the Naval Department at only a fraction of the cost of the present Naval Observatory. The official Board of Visitors established by Congress and appointed in 1901 expressed its conclusion that the official head of the observatory should be an eminent astronomer appointed by the President by and with the advice and consent of the Senate, holding his place by a tenure at least as permanent as that of the Superintendent of the Coast Survey or the head of the Geological Survey, and not merely by a detail of two or three years' duration. I fully concur in this judgment, and urge a provision by law for the appointment of such a director.

It may not be necessary to take the observatory out of the Navy Department and put it into another department in which opportunity for scientific research afforded by the observatory would seem to be more appropriate, though I believe such a transfer in the long run is the best policy. I am sure, however, I express the desire of the astronomers and those learned in the kindred sciences when I urge upon Congress that the Naval Observatory be now dedicated to science under control of a man of science who can, if need be, render all the service to the Navy Department which this observatory now renders, and still furnish to the world the discoveries in astronomy that a great astronomer using such a plant would be likely to make.

DEPARTMENT OF JUSTICE EXPEDITION IN LEGAL PROCEDURE

The deplorable delays in the administration of civil and criminal law have received the attention of committees of the American Bar Association and of many State Bar Associations, as well as the considered thought of judges and jurists. In my judgment, a change in judicial procedure, with a view to reducing its expense to private litigants in civil cases and facilitating the dispatch of business and final decision in both civil and criminal cases, constitutes the greatest need in our American institutions. I do not doubt for one moment that much of the lawless violence and cruelty exhibited in lynchings is directly due to the uncertainties and injustice growing out of the delays in trials, judgments, and the executions thereof by our courts. Of course these remarks apply quite as well to the administration of justice in State courts as to that in Federal courts, and without making invidious distinction it is perhaps not too much to say that, speaking generally, the defects are less in the Federal courts than in the State courts. But they are very great in the Federal courts. The expedition with which business is disposed of both on the civil and the criminal side of English courts under modern rules of procedure makes the delays

Page 2056

in our courts seem archaic and barbarous. The procedure in the Federal courts should furnish an example for the State courts. I presume it is impossible, without an amendment to the Constitution, to unite under one form of action the proceedings at common law and proceedings in equity in the Federal courts, but it is certainly not impossible by a statute to simplify and make short and direct the procedure both at law and in equity in those courts. It is not impossible to cut down still more than it is cut down, the jurisdiction of the Supreme Court so as to confine it almost wholly to statutory and constitutional questions. Under the present statutes the equity and admiralty procedure in the Federal courts is under the control of the Supreme Court, but in the pressure of business to which that court is subjected, it is impossible to hope that a radical and proper reform of the Federal equity procedure can be brought about. I therefore recommend legislation providing for the appointment by the President of a commission with authority to examine the law and equity procedure of the Federal courts of first instance, the law of appeals from those courts to the courts of appeals and to the Supreme Court, and the costs imposed in such procedure upon the private litigants and upon the public treasury and make recommendation with a view to simplifying and expediting the procedure as far as possible and making it as inexpensive as may be to the litigant of little means.

Injunctions without notice.

The platform of the successful party in the last election contained the following: “The Republican party will uphold at all times the authority and integrity of the courts, State and Federal, and will ever insist that their powers to enforce their process and to protect life, liberty, and property shall be preserved inviolate. We believe, however, that the rules of procedure in the Federal courts with respect to the issuance of the writ of injunction should be more accurately defined by statute, and that no injunction or temporary restraining order should be issued without notice, except where irreparable injury would result from delay, in which case a speedy hearing thereafter should be granted.” I recommend that in compliance with the promise thus made, appropriate legislation be adopted. The ends of justice will best be met and the chief cause of complaint against ill-considered injunctions without notice will be removed by the enactment of a statute forbidding hereafter the issuing of any injunction or restraining order, whether temporary or permanent, by any Federal court, without previous notice and a reasonable opportunity to be heard on behalf of the parties to be enjoined; unless it shall appear to the satisfaction of the court that the delay necessary to give such notice and hearing would result in irreparable injury to the complainant and unless also the court shall from the evidence make a written finding, which shall be

Page 2057

spread upon the court minutes, that immediate and irreparable injury is likely to ensue to the complainant, and shall define the injury, state why it is irreparable, and shall also endorse on the order issued the date and the hour of the issuance of the order. Moreover, every such injunction or restraining order issued without previous notice and opportunity by the defendant to be heard should by force of the statute expire and be of no effect after seven days from the issuance thereof or within any time less than that period which the court may fix, unless within such seven days or such less period, the injunction or order is extended or renewed after previous notice and opportunity to be heard.

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

Anti-trust and interstate commerce laws.

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

Jail of the district of Columbia.

My predecessor transmitted to the Congress a special message on January 11, 1909, accompanying the report of Commissioners theretofore appointed to investigate the jail, workhouse, *etc*., in the District of Columbia, in which he directed attention to the report as setting forth vividly, “the really outrageous conditions in the workhouse and jail.”

The Congress has taken action in pursuance of the recommendations of that report and of the President, to the extent of appropriating funds and enacting the necessary legislation for the establishment of a workhouse and reformatory. No action, however, has been taken by the Congress with respect to the jail, the conditions of which are still antiquated and insanitary. I earnestly recommend the passage of a sufficient appropriation to enable a thorough remodeling of that institution to be made without delay. It is a reproach to the National Government that almost under the shadow of the Capitol Dome prisoners should be confined in a building destitute of the ordinary decent appliances requisite to cleanliness and sanitary conditions.

Post-office department. *Second-class mail matter*.

Page 2058

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

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

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

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

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

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

Postal savings banks.

Page 2059

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

I believe them to be necessary in order to offer a proper inducement to thrift and saving to a great many people of small means who do not now have banking facilities, and to whom such a system would offer an opportunity for the accumulation of capital. They will furnish a satisfactory substitute, based on sound principle and actual successful trial in nearly all the countries of the world, for the system of government guaranty of deposits now being adopted in several western States, which with deference to those who advocate it seems to me to have in it the seeds of demoralization to conservative banking and certain financial disaster. The question of how the money deposited in postal savings banks shall be invested is not free from difficulty, but I believe that a satisfactory provision for this purpose was inserted as an amendment to the bill considered by the Senate at its last session. It has been proposed to delay the consideration of legislation establishing a postal savings bank until after the report of the Monetary Commission. This report is likely to be delayed, and properly so, cause of the necessity for careful deliberation and close investigation. I do not see why the one should be tied up with the other. It is understood that the Monetary Commission have looked into the systems of banking which now prevail abroad, and have found that by a control there exercised in respect to reserves and the rates of exchange by some central authority panics are avoided. It is not apparent that a system of postal savings banks would in any way interfere with a change to such a system here. Certainly in most of the countries of Europe where control is thus exercised by a central authority, postal savings banks exist and are not thought to be inconsistent with a proper financial and banking system.

Ship subsidy.

Following the course of my distinguished predecessor, I earnestly recommend to Congress the consideration and passage of a ship subsidy bill, looking to the establishment of lines between our Atlantic seaboard and the eastern coast of South America, as well as lines from the west coast of the United States to South America. China, Japan, and the Philippines. The profits on foreign mails are perhaps a sufficient

Page 2060

measure of the expenditures which might first be tentatively applied to this method of inducing American capital to undertake the establishment of American lines of steamships in those directions in which we now feel it most important that we should have means of transportation controlled in the interest of the expansion of our trade. A bill of this character has once passed the House and more than once passed the Senate, and I hope that at this session a bill framed on the same lines and with the same purposes may become a law.

Interior department. *New Mexico and Arizona*.

The successful party in the last election in its national platform declared in favor of the admission as separate States of New Mexico and Arizona, and I recommend that legislation appropriate to this end be adopted. I urge, however, that care be exercised in the preparation of the legislation affecting each Territory to secure deliberation in the selection of persons as members of the convention to draft a constitution for the incoming State, and I earnestly advise that such constitution after adoption by the convention shall be submitted to the people of the Territory for their approval at an election in which the sole issue shall be the merits of the proposed constitution, and if the constitution is defeated by popular vote means shall be provided in the enabling act for a new convention and the drafting of a new constitution. I think it vital that the issue as to the merits of the constitution should not be mixed up with the selection of State officers, and that no election of State officers should be had until after the constitution has been fully approved and finally settled upon. *Alaska*.

With respect to the Territory of Alaska, I recommend legislation which shall provide for the appointment by the President of a governor and also of an executive council, the members of which shall during their term of office reside in the Territory, and which shall have legislative powers sufficient to enable it to give to the Territory local laws adapted to its present growth. I strongly deprecate legislation looking to the election of a Territorial legislature in that vast district. The lack of permanence of residence of a large part of the present population and the small number of the people who either permanently or temporarily reside in the district as compared with its vast expanse and the variety of the interests that have to be subserved, make it altogether unfitting in my judgment to provide for a popular election of a legislative body. The present system is not adequate and does not furnish the character of local control that ought to be there. The only compromise it seems to me which may give needed local legislation and secure a conservative government is the one I propose.

Conservation of national resources.

Page 2061

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

Department of agriculture.

I commend to your careful consideration the report of the Secretary of Agriculture as showing the immense sphere of usefulness which that Department now fills and the wonderful addition to the wealth of the nation made by the farmers of this country in the crops of the current year.

Department of commerce and labor. *The light-house board*.

The Light-House Board now discharges its duties under the Department of Commerce and Labor. For upwards of forty years this Board has been constituted of military and naval officers and two or three men of science, with such an absence of a duly constituted executive head that it is marvelous what work has been accomplished. In the period of construction the energy and enthusiasm of all the members prevented the inherent defects of the system from interfering greatly with the beneficial work of the Board, but now that the work is chiefly confined to maintenance and repair, for which purpose the country is divided into sixteen districts, to which are assigned an engineer officer of the Army and an inspector of the Navy, each with a light-house tender and the needed plant for his work, it has become apparent by the frequent friction that arises, due to the absence of any central independent authority, that there must be a complete reorganization of the Board. I concede the advantage of keeping in the system the rigidity of discipline that the presence of naval and military officers in charge insures, but unless the presence of such officers in the Board can be made consistent with a responsible executive head that shall have proper authority, I recommend the transfer of control over the light-houses to a suitable civilian bureau. This is in accordance with the judgment of competent persons who are familiar with the workings of the present system. I am confident that a reorganization can be effected which shall avoid the recurrence of friction between members, instances of which have been officially brought to my attention, and that by such reorganization greater efficiency and a substantial reduction in the expense of operation can be brought about.

Page 2062

Consolidation of bureaus.

I request Congressional authority to enable the Secretary of Commerce and Labor to unite the Bureaus of Manufactures and Statistics. This was recommended by a competent committee appointed in the previous administration for the purpose of suggesting changes in the interest of economy and efficiency, and is requested by the Secretary.

The white slave trade.

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

BUREAU OF HEALTH

For a very considerable period a movement has been gathering strength, especially among the members of the medical profession, in favor of a concentration of the instruments of the National Government which have to do with the promotion of public health. In the nature of things, the Medical Department of the Army and the Medical Department of the Navy must be kept separate. But there seems to be no reason why all the other bureaus and offices in the General Government which have to do with the public health or subjects akin thereto should not be united in a bureau to be called the “Bureau of Public Health.” This would necessitate the transfer of the Marine-Hospital Service to such a bureau. I am aware that there is wide field in respect to the public health committed to the States in which the Federal Government can not exercise jurisdiction, but we have seen in the Agricultural Department the expansion into widest usefulness of a department giving attention to agriculture when that subject is plainly one over which the States properly exercise direct jurisdiction. The opportunities offered for useful research and the spread of useful information in regard to the cultivation of the soil and the breeding of stock and the solution of many of the intricate problems in progressive agriculture have demonstrated the wisdom of establishing that department. Similar reasons, of equal force, can be given for the establishment of a bureau of health that shall not only exercise the police jurisdiction of the Federal Government respecting quarantine, but which shall also afford an opportunity for investigation and research by competent experts into questions of health affecting the

whole country, or important sections thereof, questions which, in the absence of Federal governmental work, are not likely to be promptly solved.

Page 2063

Civil service commission.

The work of the United States Civil Service Commission has been performed to the general satisfaction of the executive officers with whom the Commission has been brought into official communication. The volume of that work and its variety and extent have under new laws, such as the Census Act, and new Executive orders, greatly increased. The activities of the Commission required by the statutes have reached to every portion of the public domain.

The accommodations of the Commission are most inadequate for its needs. I call your attention to its request for increase in those accommodations as will appear from the annual report for this year.

Political contributions.

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

Freedman's savings and trust company.

Recommendations have been made by my predecessors that Congress appropriate a sufficient sum to pay the balance—about 38 per cent.—of the amounts due depositors in the Freedman's Savings and Trust Company. I renew this recommendation, and advise also that a proper limitation be prescribed fixing a period within which the claims may be presented, that assigned claims be not recognized, and that a limit be imposed on the amount of fees collectible for services in presenting such claims.

Semi-centennial of negro freedom.

The year 1913 will mark the fiftieth anniversary of the issuance of the Emancipation Proclamation granting freedom to the negroes. It seems fitting that this event should be properly celebrated. Already a movement has been started by prominent Negroes, encouraged by prominent white people and the press. The South especially is manifesting its interest in this movement.

It is suggested that a proper form of celebration would be an exposition to show the progress the Negroes have made, not only during their period of freedom, but also from the time of their coming to this country.

I heartily indorse this proposal, and request that the Executive be authorized to appoint a preliminary commission of not more than seven persons to consider carefully whether

or not it is wise to hold such an exposition, and if so, to outline a plan for the enterprise. I further recommend that such preliminary commission serve without salary, except as to their actual expenses, and that an appropriation be made to meet such expenses.
Conclusion.

Page 2064

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

***

State of the Union Address
William H. Taft
December 6, 1910

To the Senate and House of Representatives:

During the past year the foreign relations of the United States have continued upon a basis of friendship and good understanding. *Arbitration*.

The year has been notable as witnessing the pacific settlement of two important international controversies before the Permanent Court of The Hague.

The arbitration of the Fisheries dispute between the United States and Great Britain, which has been the source of nearly continuous diplomatic correspondence since the Fisheries Convention of 1818, has given an award which is satisfactory to both parties. This arbitration is particularly noteworthy not only because of the eminently just results secured, but also because it is the first arbitration held under the general arbitration treaty of April 4, 1908, between the United States and Great Britain, and disposes of a controversy the settlement of which has resisted every other resource of diplomacy, and which for nearly ninety years has been the cause of friction between two countries

whose common interest lies in maintaining the most friendly and cordial relations with each other.

Page 2065

The United States was ably represented before the tribunal. The complicated history of the questions arising made the issue depend, more than ordinarily in such cases, upon the care and skill with which our case was presented, and I should be wanting in proper recognition of a great patriotic service if I did not refer to the lucid historical analysis of the facts and the signal ability and force of the argument—six days in length—presented to the Court in support of our case by Mr. Elihu Root. As Secretary of State, Mr. Root had given close study to the intricate facts bearing on the controversy, and by diplomatic correspondence had helped to frame the issues. At the solicitation of the Secretary of State and myself, Mr. Root, though burdened by his duties as Senator from New York, undertook the preparation of the case as leading counsel, with the condition imposed by himself that, in view of his position as Senator, he should not receive any compensation.

The Tribunal constituted at The Hague by the Governments of the United States and Venezuela has completed its deliberations and has rendered an award in the case of the Orinoco Steamship Company against Venezuela. The award may be regarded as satisfactory since it has, pursuant to the contentions of the United States, recognized a number of important principles making for a judicial attitude in the determining of international disputes.

In view of grave doubts which had been raised as to the constitutionality of The Hague Convention for the establishment of an International Prize Court, now before the Senate for ratification, because of that provision of the Convention which provides that there may be an appeal to the proposed Court from the decisions of national courts, this government proposed in an Identic Circular Note addressed to those Powers who had taken part in the London Maritime Conference, that the powers signatory to the Convention, if confronted with such difficulty, might insert a reservation to the effect that appeals to the International Prize Court in respect to decisions of its national tribunals, should take the form of a direct claim for compensation; that the proceedings thereupon to be taken should be in the form of a trial de novo, and that judgment of the Court should consist of compensation for the illegal capture, irrespective of the decision of the national court whose judgment had thus been internationally involved. As the result of an informal discussion it was decided to provide such procedure by means of a separate protocol which should be ratified at the same time as the Prize Court Convention itself.

Accordingly, the Government of the Netherlands, at the request of this Government, proposed under date of May 24, 1910, to the powers signatory to The Hague Convention, the negotiation of a supplemental protocol embodying stipulations providing for this alternative procedure. It is gratifying to observe that this additional protocol is being signed without objection, by the powers signatory to the original convention, and there is every reason to believe that the International Prize Court will be soon established.

Page 2066

The Identic Circular Note also proposed that the International Prize Court when established should be endowed with the functions of an Arbitral Court of Justice under and pursuant to the recommendation adopted by the last Hague Conference. The replies received from the various powers to this proposal inspire the hope that this also may be accomplished within the reasonably near future.

It is believed that the establishment of these two tribunals will go a long way toward securing the arbitration of many questions which have heretofore threatened and, at times, destroyed the peace of nations.

Peace commission.

Appreciating these enlightened tendencies of modern times, the Congress at its last session passed a law providing for the appointment of a commission of five members "to be appointed by the President of the United States to consider the expediency of utilizing existing international agencies for the purpose of limiting the armaments of the nations of the world by international agreement, and of constituting the combined navies of the world an international force for the preservation of universal peace, and to consider and report upon any other means to diminish the expenditures of government for military purposes and to lessen the probabilities of war."

I have not as yet made appointments to this Commission because I have invited and am awaiting the expressions of foreign governments as to their willingness to cooperate with us in the appointment of similar commissions or representatives who would meet with our commissioners and by joint action seek to make their work effective.

Great Britain and Canada.

Several important treaties have been negotiated with Great Britain in the past twelve months. A preliminary diplomatic agreement has been reached regarding the arbitration of pecuniary claims which each Government has against the other. This agreement, with the schedules of claims annexed, will, as soon as the schedules are arranged, be submitted to the Senate for approval.

An agreement between the United States and Great Britain with regard to the location of the international boundary line between the United States and Canada in Passamaquoddy Bay and to the middle of Grand Manan Channel was reached in a Treaty concluded May 21, 1910, which has been ratified by both Governments and proclaimed, thus making unnecessary the arbitration provided for in the previous treaty of April 11, 1908.

The Convention concluded January 11, 1909, between the United States and Great Britain providing for the settlement of international differences between the United States and Canada including the apportionment between the two countries of certain of

the boundary waters and the appointment of Commissioners to adjust certain other questions has been ratified by both Governments and proclaimed.

Page 2067

The work of the International Fisheries Commission appointed in 1908, under the treaty of April 11, 1908, between Great Britain and the United States, has resulted in the formulation and recommendation of uniform regulations governing the fisheries of the boundary waters of Canada and the United States for the purpose of protecting and increasing the supply of food fish in such waters. In completion of this work, the regulations agreed upon require congressional legislation to make them effective and for their enforcement in fulfillment of the treaty stipulations. *Portugal*.

In October last the monarchy in Portugal was overthrown, a provisional Republic was proclaimed, and there was set up a de facto Government which was promptly recognized by the Government of the United States for purposes of ordinary intercourse pending formal recognition by this and other Powers of the Governmental entity to be duly established by the national sovereignty. *Liberia*.

A disturbance among the native tribes of Liberia in a portion of the Republic during the early part of this year resulted in the sending, under the Treaty of 1862, of an American vessel of war to the disaffected district, and the Liberian authorities, assisted by the good offices of the American Naval Officers, were able to restore order. The negotiations which have been undertaken for the amelioration of the conditions found in Liberia by the American Commission, whose report I transmitted to Congress on March 25 last, are being brought to conclusion, and it is thought that within a short time practical measures of relief may be put into effect through the good offices of this Government and the cordial cooperation of other governments interested in Liberia's welfare.

The near east. *Turkey*.

To return the visit of the Special Embassy announcing the accession of His Majesty Mehemet V, Emperor of the Ottomans, I sent to Constantinople a Special Ambassador who, in addition to this mission of ceremony, was charged with the duty of expressing to the Ottoman Government the value attached by the Government of the United States to increased and more important relations between the countries and the desire of the United States to contribute to the larger economic and commercial development due to the new regime in Turkey.

The rapid development now beginning in that ancient empire and the marked progress and increased commercial importance of Bulgaria, Roumania, and Servia make it particularly opportune that the possibilities of American commerce in the Near East should receive due attention. *Montenegro*.

The National Skoupchtina having expressed its will that the Principality of Montenegro be raised to the rank of Kingdom, the Prince of Montenegro on August 15 last assumed the title of King of Montenegro. It gave me pleasure to accord to the new kingdom the recognition of the United States.

Page 2068

The far east.

The center of interest in Far Eastern affairs during the past year has again been China.

It is gratifying to note that the negotiations for a loan to the Chinese Government for the construction of the trunk railway lines from Hankow southward to Canton and westward through the Yangtse Valley, known as the Hukuang Loan, were concluded by the representatives of the various financial groups in May last and the results approved by their respective governments. The agreement, already initialed by the Chinese Government, is now awaiting formal ratification. The basis of the settlement of the terms of this loan was one of exact equality between America, Great Britain, France, and Germany in respect to financing the loan and supplying materials for the proposed railways and their future branches.

The application of the principle underlying the policy of the United States in regard to the Hukuang Loan, *viz*., that of the internationalization of the foreign interest in such of the railways of China as may be financed by foreign countries, was suggested on a broader scale by the Secretary of State in a proposal for internationalization and commercial neutralization of all the railways of Manchuria. While the principle which led to the proposal of this Government was generally admitted by the powers to whom it was addressed, the Governments of Russia and Japan apprehended practical difficulties in the execution of the larger plan which prevented their ready adherence. The question of constructing the Chinchow-Aigun railway by means of an international loan to China is, however, still the subject of friendly discussion by the interested parties.

The policy of this Government in these matters has been directed by a desire to make the use of American capital in the development of China an instrument in the promotion of China's welfare and material prosperity without prejudice to her legitimate rights as an independent political power.

This policy has recently found further exemplification in the assistance given by this Government to the negotiations between China and a group of American bankers for a loan of $50,000,000 to be employed chiefly in currency reform. The confusion which has from ancient times existed in the monetary usages of the Chinese has been one of the principal obstacles to commercial intercourse with that people. The United States in its Treaty of 1903 with China obtained a pledge from the latter to introduce a uniform national coinage, and the following year, at the request of China, this Government sent to Peking a member of the International Exchange Commission, to discuss with the Chinese Government the best methods of introducing the reform. In 1908 China sent a Commissioner to the United States to consult with American financiers as to the possibility of securing a large loan with which to inaugurate the new currency system, but the death of Their Majesties, the Empress Dowager and the Emperor of China, interrupted the negotiations, which were not resumed until a few months ago, when this

Government was asked to communicate to the bankers concerned the request of China for a loan of $50,000,000 for the purpose under review. A preliminary agreement between the American group and China has been made covering the loan.

Page 2069

For the success of this loan and the contemplated reforms which are of the greatest importance to the commercial interests of the United States and the civilized world at large, it is realized that an expert will be necessary, and this Government has received assurances from China that such an adviser, who shall be an American, will be engaged.

It is a matter of interest to Americans to note the success which is attending the efforts of China to establish gradually a system of representative government. The provincial assemblies were opened in October, 1909, and in October of the present year a consultative body, the nucleus of the future national parliament, held its first session at Peking.

The year has further been marked by two important international agreements relating to Far Eastern affairs. In the Russo-Japanese Agreement relating to Manchuria, signed July 4, 1910, this Government was gratified to note an assurance of continued peaceful conditions in that region and the reaffirmation of the policies with respect to China to which the United States together with all other interested powers are alike solemnly committed.

The treaty annexing Korea to the Empire of Japan, promulgated August 29, 1910, marks the final step in a process of control of the ancient empire by her powerful neighbor that has been in progress for several years past. In communicating the fact of annexation the Japanese Government gave to the Government of the United States assurances of the full protection of the rights of American citizens in Korea under the changed conditions.

Friendly visits of many distinguished persons from the Far East have been made during the year. Chief among these were Their Imperial Highnesses Princes Tsai-tao and Tsai-Hsun of China; and His Imperial Highness Prince Higashi Fushimi, and Prince Tokugawa, President of the House of Peers of Japan. The Secretary of War has recently visited Japan and China in connection with his tour to the Philippines, and a large delegation of American business men are at present traveling in China. This exchange of friendly visits has had the happy effect of even further strengthening our friendly international relations.

Latin America.

During the past year several of our southern sister Republics celebrated the one hundredth anniversary of their independence. In honor of these events, special embassies were sent from this country to Argentina, Chile, and Mexico, where the gracious reception and splendid hospitality extended them manifested the cordial relations and friendship existing between those countries and the United States, relations which I am happy to believe have never before been upon so high a plane and so solid a basis as at present.

The Congressional commission appointed under a concurrent resolution to attend the festivities celebrating the centennial anniversary of Mexican independence, together with a special ambassador, were received with the highest honors and with the greatest cordiality, and returned with the report of the bounteous hospitality and warm reception of President Diaz and the Mexican people, which left no doubt of the desire of the immediately neighboring Republic to continue the mutually beneficial and intimate relations which I feel sure the two governments will ever cherish.

Page 2070

At the Fourth Pan-American Conference which met in Buenos Aires during July and August last, after seven weeks of harmonious deliberation, three conventions were signed providing for the regulation of trade-marks, patents, and copyrights, which when ratified by the different Governments, will go far toward furnishing to American authors, patentees, and owners of trade-marks the protection needed in localities where heretofore it has been either lacking or inadequate. Further, a convention for the arbitration of pecuniary claims was signed and a number of important resolutions passed. The Conventions will in due course be transmitted to the Senate, and the report of the Delegation of the United States will be communicated to the Congress for its information. The special cordiality between representative men from all parts of America which was shown at this Conference cannot fail to react upon and draw still closer the relations between the countries which took part in it.

The International Bureau of American Republics is doing a broad and useful work for Pan American commerce and comity. Its duties were much enlarged by the International Conference of American States at Buenos Aires and its name was shortened to the more practical and expressive term of Pan American Union. Located now in its new building, which was specially dedicated April 26 of this year to the development of friendship, trade and peace among the American nations, it has improved instrumentalities to serve the twenty-two republics of this hemisphere.

I am glad to say that the action of the United States in its desire to remove imminent danger of war between Peru and Ecuador growing out of a boundary dispute, with the cooperation of Brazil and the Argentine Republic as joint mediators with this Government, has already resulted successfully in preventing war. The Government of Chile, while not one of the mediators, lent effective aid in furtherance of a preliminary agreement likely to lead on to an amicable settlement, and it is not doubted that the good offices of the mediating Powers and the conciliatory cooperation of the Governments directly interested will finally lead to a removal of this perennial cause of friction between Ecuador and Peru. The inestimable value of cordial cooperation between the sister republics of America for the maintenance of peace in this hemisphere has never been more clearly shown than in this mediation, by which three American Governments have given to this hemisphere the honor of first invoking the most far-reaching provisions of The Hague Convention for the pacific settlement of international disputes.

There has been signed by the representatives of the United States and Mexico a protocol submitting to the United States-Mexican Boundary Commission (whose membership for the purpose of this case is to be increased by the addition of a citizen of Canada) the question of sovereignty over the Chamizal Tract which lies within the present physical boundaries of the city of E1 Paso, Tex. The determination of this question will remove a source of no little annoyance to the two Governments.

Page 2071

The Republic of Honduras has for many years been burdened with a heavy bonded debt held in Europe, the interest on which long ago fell in arrears. Finally conditions were such that it became imperative to refund the debt and place the finances of the Republic upon a sound basis. Last year a group of American bankers undertook to do this and to advance funds for railway and other improvements contributing directly to the country's prosperity and commerce—an arrangement which has long been desired by this Government. Negotiations to this end have been under way for more than a year and it is now confidently believed that a short time will suffice to conclude an arrangement which will be satisfactory to the foreign creditors, eminently advantageous to Honduras, and highly creditable to the judgment and foresight of the Honduranean Government. This is much to be desired since, as recognized by the Washington Conventions, a strong Honduras would tend immensely to the progress and prosperity of Central America.

During the past year the Republic of Nicaragua has been the scene of internecine struggle. General Zelaya, for seventeen years the absolute ruler of Nicaragua, was throughout his career the disturber of Central America and opposed every plan for the promotion of peace and friendly relations between the five republics. When the people of Nicaragua were finally driven into rebellion by his lawless exactions, he violated the laws of war by the unwarranted execution of two American citizens who had regularly enlisted in the ranks of the revolutionists. This and other offenses made it the duty of the American Government to take measures with a view to ultimate reparation and for the safeguarding of its interests. This involved the breaking off of all diplomatic relations with the Zelaya Government for the reasons laid down in a communication from the Secretary of State, which also notified the contending factions in Nicaragua that this Government would hold each to strict accountability for outrages on the rights of American citizens. American forces were sent to both coasts of Nicaragua to be in readiness should occasion arise to protect Americans and their interests, and remained there until the war was over and peace had returned to that unfortunate country. These events, together with Zelaya's continued exactions, brought him so clearly to the bar of public opinion that he was forced to resign and to take refuge abroad.

In the above-mentioned communication of the Secretary of State to the Charge d'Affaires of the Zelaya Government, the opinion was expressed that the revolution represented the wishes of the majority of the Nicaraguan people. This has now been proved beyond doubt by the fact that since the complete overthrow of the Madriz Government and the occupation of the capital by the forces of the revolution, all factions have united to maintain public order and as a result of discussion with an Agent of this Government, sent to Managua at the request of the Provisional Government, comprehensive plans are being made for the future welfare of Nicaragua, including the rehabilitation of public credit. The moderation and conciliatory spirit shown by the various factions give ground for the confident hope that Nicaragua will soon take its rightful place among the law-abiding and progressive countries of the world.

Page 2072

It gratifies me exceedingly to announce that the Argentine Republic some months ago placed with American manufacturers a contract for the construction of two battle-ships and certain additional naval equipment. The extent of this work and its importance to the Argentine Republic make the placing of the bid an earnest of friendly feeling toward the United States.

Tariff negotiations.

The new tariff law, in section 2, respecting the maximum and minimum tariffs of the United States, which provisions came into effect on April 1, 1910, imposed upon the President the responsibility of determining prior to that date whether or not any undue discrimination existed against the United States and its products in any country of the world with which we sustained commercial relations.

In the case of several countries instances of apparent undue discrimination against American commerce were found to exist. These discriminations were removed by negotiation. Prior to April 1, 1910, when the maximum tariff was to come into operation with respect to importations from all those countries in whose favor no proclamation applying the minimum tariff should be issued by the President, one hundred and thirty-four such proclamations were issued. This series of proclamations embraced the entire commercial world, and hence the minimum tariff of the United States has been given universal application, thus testifying to the satisfactory character of our trade relations with foreign countries.

Marked advantages to the commerce of the United States were obtained through these tariff settlements. Foreign nations are fully cognizant of the fact that under section 2 of the tariff act the President is required, whenever he is satisfied that the treatment accorded by them to the products of the United States is not such as to entitle them to the benefits of the minimum tariff of the United States, to withdraw those benefits by proclamation giving ninety days' notice, after which the maximum tariff will apply to their dutiable products entering the United States. In its general operation this section of the tariff law has thus far proved a guaranty of continued commercial peace, although there are unfortunately instances where foreign governments deal arbitrarily with American interests within their jurisdiction in a manner injurious and inequitable.

The policy of broader and closer trade relations with the Dominion of Canada which was initiated in the adjustment of the maximum and minimum provisions of the Tariff Act of August, 1909, has proved mutually beneficial. It justifies further efforts for the readjustment of the commercial relations of the two countries so that their commerce may follow the channels natural to contiguous countries and be commensurate with the steady expansion of trade and industry on both sides of the boundary line. The reciprocation on the part of the Dominion Government of the sentiment

Page 2073

which was expressed by this Government was followed in October by the suggestion that it would be glad to have the negotiations, which had been temporarily suspended during the summer, resumed. In accordance with this suggestion the Secretary of State, by my direction, dispatched two representatives of the Department of State as special commissioners to Ottawa to confer with representatives of the Dominion Government. They were authorized to take such steps for formulating a reciprocal trade agreement as might be necessary and to receive and consider any propositions which the Dominion Government might care to submit.

Pursuant to the instructions issued conferences were held by these commissioners with officials of the Dominion Government at Ottawa in the early part of November.

The negotiations were conducted on both sides in a spirit of mutual accommodation. The discussion of the common commercial interests of the two countries had for its object a satisfactory basis for a trade arrangement which offers the prospect of a freer interchange for the products of the United States and of Canada. The conferences were adjourned to be resumed in Washington in January, when it is hoped that the aspiration of both Governments for a mutually advantageous measure of reciprocity will be realized.

Fostering foreign trade.

All these tariff negotiations, so vital to our commerce and industry, and the duty of jealously guarding the equitable and just treatment of our products, capital, and industry abroad devolve upon the Department of State.

The Argentine battle-ship contracts, like the subsequent important one for Argentine railway equipment, and those for Cuban Government vessels, were secured for our manufacturers largely through the good offices of the Department of State.

The efforts of that Department to secure for citizens of the United States equal opportunities in the markets of the world and to expand American commerce have been most successful. The volume of business obtained in new fields of competition and upon new lines is already very great and Congress is urged to continue to support the Department of State in its endeavors for further trade expansion.

Our foreign trade merits the best support of the Government and the most earnest endeavor of our manufacturers and merchants, who, if they do not already in all cases need a foreign market, are certain soon to become dependent on it. Therefore, now is the time to secure a strong position in this field.

American branch banks abroad.

I cannot leave this subject without emphasizing the necessity of such legislation as will make possible and convenient the establishment of American banks and branches of American banks in foreign countries. Only by such means can our foreign trade be favorably financed, necessary credits be arranged, and proper avail be made of commercial opportunities in foreign countries, and most especially in Latin America.

Page 2074

Aid to our foreign merchant marine.

Another instrumentality indispensable to the unhampered and natural development of American commerce is merchant marine. All maritime and commercial nations recognize the importance of this factor. The greatest commercial nations, our competitors, jealously foster their merchant marine. Perhaps nowhere is the need for rapid and direct mail, passenger and freight communication quite so urgent as between the United States and Latin America. We can secure in no other quarter of the world such immediate benefits in friendship and commerce as would flow from the establishment of direct lines Of communication with the countries of Latin America adequate to meet the requirements of a rapidly increasing appreciation of the reciprocal dependence of the countries of the Western Hemisphere upon each other's products, sympathies and assistance.

I alluded to this most important subject in my last annual message; it has often been before you and I need not recapitulate the reasons for its recommendation. Unless prompt action be taken the completion of the Panama Canal will find this the only great commercial nation unable to avail in international maritime business of this great improvement in the means of the world's commercial intercourse.

Quite aside from the commercial aspect, unless we create a merchant marine, where can we find the seafaring population necessary as a natural naval reserve and where could we find, in case of war, the transports and subsidiary vessels without which a naval fleet is arms without a body? For many reasons I cannot too strongly urge upon the Congress the passage of a measure by mail subsidy or other subvention adequate to guarantee the establishment and rapid development of an American merchant marine, and the restoration of the American flag to its ancient place upon the seas.

Of course such aid ought only to be given under conditions of publicity of each beneficiary's business and accounts which would show that the aid received was needed to maintain the trade and was properly used for that purpose.

Federal protection to aliens.

With our increasing international intercourse, it becomes incumbent upon me to repeat more emphatically than ever the recommendation which I made in my Inaugural Address that Congress shall at once give to the Courts of the United States jurisdiction to punish as a crime the violation of the rights of aliens secured by treaty with the United States, in order that the general government of the United States shall be able, when called upon by a friendly nation, to redeem its solemn promise by treaty to secure to the citizens or subjects of that nation resident in the United States, freedom from violence and due process of law in respect to their life, liberty and property.

Merit system for diplomatic and consular service.

Page 2075

I also strongly commend to the favorable action of the Congress the enactment of a law applying to the diplomatic and consular service the principles embodied in Section 1753 of the Revised Statutes of the United States, in the Civil Service Act of January 16, 1883, and the Executive Orders of June 27, 1906, and of November 26, 1909. The excellent results which have attended the partial application of Civil Service principles to the diplomatic and consular services are an earnest of the benefit to be wrought by a wider and more permanent extension of those principles to both branches of the foreign service. The marked improvement in the consular service during the four years since the principles of the Civil Service Act were applied to that service in a limited way, and the good results already noticeable from a similar application of civil service principles to the diplomatic service a year ago, convince me that the enactment into law of the general principles of the existing executive regulations could not fail to effect further improvement of both branches of the foreign service, offering as it would by its assurance of permanency of tenure and promotion on merit, an inducement for the entry of capable young men into the service and an incentive to those already in to put forth their best efforts to attain and maintain that degree of efficiency which the interests of our international relations and commerce demand.

Government ownership of our embassy and legation premises.

During many years past appeals have been made from time to time to Congress in favor of Government ownership of embassy and legation premises abroad. The arguments in favor of such ownership have been many and oft repeated and are well known to the Congress. The acquisition by the Government of suitable residences and offices for its diplomatic officers, especially in the capitals of the Latin-American States and of Europe, is so important and necessary to an improved diplomatic service that I have no hesitation in urging upon the Congress the passage of some measure similar to that favorably reported by the House Committee on Foreign Affairs on February 14, 1910 (Report No. 438), that would authorize the gradual and annual acquisition of premises for diplomatic use.

The work of the Diplomatic Service is devoid of partisanship; its importance should appeal to every American citizen and should receive the generous consideration of the Congress.

Treasury department.

Estimates for next year's expenses.

Page 2076

Every effort has been made by each department chief to reduce the estimated cost of his department for the ensuing fiscal year ending June 30, 1912. I say this in order that Congress may understand that these estimates thus made present the smallest sum which will maintain the departments, bureaus, and offices of the Government and meet its other obligations under existing law, and that a cut of these estimates would result in embarrassing the executive branch of the Government in the performance of its duties. This remark does not apply to the river and harbor estimates, except to those for expenses of maintenance and the meeting of obligations under authorized contracts, nor does it apply to the public building bill nor to the navy building program. Of course, as to these Congress could withhold any part or all of the estimates for them without interfering with the discharge of the ordinary obligations of the Government or the performance of the functions of its departments, bureaus, and offices.

A *fifty-two million cut*.

The final estimates for the year ending June 30, 1912, as they have been sent to the Treasury, on November 29 of this year, for the ordinary expenses of the Government, including those for public buildings, rivers and harbors, and the navy building program, amount to $630,494,013.12. This is $52,964,887.36 less than the appropriations for the fiscal year ending June 30, 1911. It is $16,883,153.44 less than the total estimates, including supplemental estimates submitted to Congress by the Treasury for the year 1911, and is $5,574,659.39 less than the original estimates submitted by the Treasury for 1911.

These figures do not include the appropriations for the Panama Canal, the policy in respect to which ought to be, and is, to spend as much each year as can be economically and effectively expended in order to complete the Canal as promptly as possible, and, therefore, the ordinary motive for cutting down the expense of the Government does not apply to appropriations for this purpose. It will be noted that the estimates for the Panama Canal for the ensuing year are more than fifty-six millions of dollars, an increase of twenty millions over the amount appropriated for this year—a difference due to the fact that the estimates for 1912 include something over nineteen millions for the fortification of the Canal. Against the estimated expenditures of $630,494,013.12, the Treasury has estimated receipts for next year $680,000,000, making a probable surplus of ordinary receipts over ordinary expenditures of about $50,000,000.

A table showing in detail the estimates and the comparisons referred to follows.

Typical economies.

Page 2077

The Treasury Department is one of the original departments of the Government. With the changes in the monetary system made from time to time and with the creation of national banks, it was thought necessary to organize new bureaus and divisions which were added in a somewhat haphazard way and resulted in a duplication of duties which might well now be ended. This lack of system and economic coordination has attracted the attention of the head of that Department who has been giving his time for the last two years, with the aid of experts and by consulting his bureau chiefs, to its reformation. He has abolished four hundred places in the civil service without at all injuring its efficiency. Merely to illustrate the character of the reforms that are possible, I shall comment on some of the specific changes that are being made, or ought to be made by legislative aid.

Auditing system.

The auditing system in vogue is as old as the Government and the methods used are antiquated. There are six Auditors and seven Assistant Auditors for the nine departments, and under the present system the only function which the Auditor of a department exercises is to determine, on accounts presented by disbursing officers, that the object of the expenditure was within the law and the appropriation made by Congress for the purpose on its face, and that the calculations in the accounts are correct. He does not examine the merits of the transaction or determine the reasonableness of the price paid for the articles purchased, nor does he furnish any substantial check upon disbursing officers and the heads of departments or bureaus with sufficient promptness to enable the Government to recoup itself in full measure for unlawful expenditure. A careful plan is being devised and will be presented to Congress with the recommendation that the force of auditors and employees under them be greatly reduced, thereby effecting substantial economy. But this economy will be small compared with the larger economy that can be effected by consolidation and change of methods. The possibilities in this regard have been shown in the reduction of expenses and the importance of methods and efficiency in the office of the Auditor for the Post Office Department, who, without in the slightest degree impairing the comprehensiveness and efficiency of his work, has cut down the expenses of his office $120,000 a year.

Statement of estimates of appropriations for the fiscal years 1912 and 1911, and of appropriations for 1911, showing increases and decreases. — Final Estimates for 1912 as of November 29 — Original Estimates submitted by the Treasury for 1911 — Total Estimates for 1911 including supplementals - Appropriations for 1911 — Increase (+) and decrease (-), 1912 estimates against 1911 total estimates — Increase (+) and decrease (-), 1912 estimates against 1911 total appropriations — Increase (+) and decrease (-), 1911 estimates against 1911 total appropriations

Page 2078

Legislature — $13,426,805.73 — $13,169,679.70 — $13,169,679.70 — $12,938,048.00 — + $257,126.03 — + $488,757.73 — + $231,631.70

Executive — 998,170.00 — 472,270.00 — 722,270.00 — 870,750.00 — + 275,900.00 — + 127,420.00 — — 148,480.00

State Department: — 4,875,576.41 — 4,875,301.41 — 4,749,801.41 — 5,046,701.41 — + 125,775.00 — — 171,125.00 — — 296,900.00

Treasury department: Treasury Department proper — 68,735,451.00 — 69,865,240.00 — 70,393,543.75 — 69,973,434.61 — — 1,658,092.75 — — 1,237,983.61 — + 420,109.14

Public buildings and works — 11,864,545.60 — 6,198,365.60 — 7,101,465.60 — 5,565,164.00 — + 4,763,080.00 — + 6,299,381.60 — + 1,536,301.60

Territorial governments — 202,150.00 — 287,350.00 — 292,350.00 — 282,600.00 - — 90,200.00 — — 80,450.00 — + 9,750.00

Independent offices — 2,638,695.12 — 2,400,695.12 — 2,492,695.12 — 2,128,695.12 — + 146,000.00 — + 510,000.00 — + 364,000.00

District of Columbia — 13,602,785.90 — 11,884,928.49 — 12,108,878.49 — 11,440,346.99 — + 1,492,907.41 — + 2,162,439.91 — + 668,532.50

War department: War Department proper — 120,104,260.12 — 124,165,656.28 — 125,717,204.77 — 122,322,178.12 — — 5,612,944.65 — — 2,217,918.00 — + 3,395,026.65

Rivers and harbors — 28,232,438.00 — 28,232,465.00 — 28,232,465.00 — 49,390,541.50 — — 27.00 — -21,158,103.50 — -21,158,076.50

Navy department: Navy Department proper — 116,101,730.24 — 117,029,914.38 — 119,768,860.83 — 119,596,870.46 — — 3,667,130.59 — — 3,495,140.22 — + 171,990.37

New navy building program — 12,840,428.00 — 12,844,122.00 — 12,844,122.00 — 14,790,122.00 — — 3,694.00 — — 1,949,694.00 — — 1,946,000.00

Interior Department — 189,151,875.00 — 191,224,182.90 — 193,948,582.02 — 214,754,278.00 — — 4,796,707.02 — -25,602,403.00 — -20,805,698.98

Post-Office Department proper — 1,697,490.00 — 1,695,690.00 — 1,695,690.00 - 2,085,005.33 — + 1,800.00 — — 387,515.33 — — 389,315.33

Deficiency in postal revenues - ---------- - 10,634,122.63 - 10,634,122.63 — 10,634,122.63 — -10,634,122.65 — -10,634,122.63 — ----------

Department of Agriculture — 19,681,066.00 — 17,681,136.00 — 17,753,931.24 — 17,821,836.00 — + 1,927,134.76 — + 1,859,230.00 — — 67,904.76

Department of Commerce and

Labor — 16,276,970.00 — 14,187,913.00 — 15,789,271.00 — 14,169,969.32 — + 487,699.00 — + 2,107,000.68 — + 1,619,301.68

Department of Justice — 10,063,576.00 — 9,518,640.00 — 9,962,233.00 — 9,648,237.99 — + 101,343.00 — + 415,338.01 — + 313,995.01 —

***

State of the Union Address
William H. Taft
December 5, 1911

Jump to Part II | Part III | Part IV

Page 2079

This message is the first of several which I shall send to Congress during the interval between the opening of its regular session and its adjournment for the Christmas holidays. The amount of information to be communicated as to the operations of the Government, the number of important subjects calling for comment by the Executive, and the transmission to Congress of exhaustive reports of special commissions, make it impossible to include in one message of a reasonable length a discussion of the topics that ought to be brought to the attention of the National Legislature at its first regular session.

The anti-trust law-the supreme court decisions.

In May last the Supreme Court handed down decisions in the suits in equity brought by the United States to enjoin the further maintenance of the Standard Oil Trust and of the American Tobacco Trust, and to secure their dissolution. The decisions are epoch-making and serve to advise the business world authoritatively of the scope and operation of the anti-trust act of 1890. The decisions do not depart in any substantial way from the previous decisions of the court in construing and applying this important statute, but they clarify those decisions by further defining the already admitted exceptions to the literal construction of the act. By the decrees, they furnish a useful precedent as to the proper method of dealing with the capital and property of illegal trusts. These decisions suggest the need and wisdom of additional or supplemental legislation to make it easier for the entire business community to square with the rule of action and legality thus finally established and to preserve the benefit, freedom, and spur of reasonable competition without loss of real efficiency or progress.

No change in the rule of decision-merely in its form of expression.

The statute in its first section declares to be illegal “every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States or with foreign nations,” and in the second, declares guilty of a misdemeanor “every person who shall monopolize or attempt to monopolize or combine or conspire with any other person to monopolize any part of the trade or commerce of the several States or with foreign nations.”

In two early cases, where the statute was invoked to enjoin a transportation rate agreement between interstate railroad companies, it was held that it was no defense to show that the agreement as to rates complained of was reasonable at common law, because it was said that the statute was directed against all contracts and combinations in restraint of trade whether reasonable at common law or not. It was plain from the record, however, that the contracts complained of in those cases would not have been deemed reasonable at common law. In subsequent cases the court said that the statute should be given a reasonable construction and refused to include within its inhibition, certain contractual restraints of trade which it denominated as incidental or as indirect.

Page 2080

These cases of restraint of trade that the court excepted from the operation of the statute were instances which, at common law, would have been called reasonable. In the Standard Oil and Tobacco cases, therefore, the court merely adopted the tests of the common law, and in defining exceptions to the literal application of the statute, only substituted for the test of being incidental or indirect, that of being reasonable, and this, without varying in the slightest the actual scope and effect of the statute. In other words, all the cases under the statute which have now been decided would have been decided the same way if the court had originally accepted in its construction the rule at common law.

It has been said that the court, by introducing into the construction of the statute common-law distinctions, has emasculated it. This is obviously untrue. By its judgment every contract and combination in restraint of interstate trade made with the purpose or necessary effect of controlling prices by stifling competition, or of establishing in whole or in part a monopoly of such trade, is condemned by the statute. The most extreme critics can not instance a case that ought to be condemned under the statute which is not brought within its terms as thus construed.

The suggestion is also made that the Supreme Court by its decision in the last two cases has committed to the court the undefined and unlimited discretion to determine whether a case of restraint of trade is within the terms of the statute. This is wholly untrue. A reasonable restraint of trade at common law is well understood and is clearly defined. It does not rest in the discretion of the court. It must be limited to accomplish the purpose of a lawful main contract to which, in order that it shall be enforceable at all, it must be incidental. If it exceed the needs of that contract, it is void.

The test of reasonableness was never applied by the court at common law to contracts or combinations or conspiracies in restraint of trade whose purpose was or whose necessary effect would be to stifle competition, to control prices, or establish monopolies. The courts never assumed power to say that such contracts or combinations or conspiracies might be lawful if the parties to them were only moderate in the use of the power thus secured and did not exact from the public too great and exorbitant prices. It is true that many theorists, and others engaged in business violating the statute, have hoped that some such line could be drawn by courts; but no court of authority has ever attempted it. Certainly there is nothing in the decisions of the latest two cases from which such a dangerous theory of judicial discretion in enforcing this statute can derive the slightest sanction.

Force and effectiveness of statute A *matter of growth*.

Page 2081

We have been twenty-one years making this statute effective for the purposes for which it was enacted. The Knight case was discouraging and seemed to remit to the States the whole available power to attack and suppress the evils of the trusts. Slowly, however, the error of that judgment was corrected, and only in the last three or four years has the heavy hand of the law been laid upon the great illegal combinations that have exercised such an absolute dominion over many of our industries. Criminal prosecutions have been brought and a number are pending, but juries have felt averse to convicting for jail sentences, and judges have been most reluctant to impose such sentences on men of respectable standing in society whose offense has been regarded as merely statutory. Still, as the offense becomes better understood and the committing of it partakes more of studied and deliberate defiance of the law, we can be confident that juries will convict individuals and that jail sentences will be imposed.

The remedy in equity by dissolution.

In the Standard Oil case the Supreme and Circuit Courts found the combination to be a monopoly of the interstate business of refining, transporting, and marketing petroleum and its products, effected and maintained through thirty-seven different corporations, the stock of which was held by a New Jersey company. It in effect commanded the dissolution of this combination, directed the transfer and pro rata distribution by the New Jersey company of the stock held by it in the thirty-seven corporations to and among its stockholders; and the corporations and individual defendants were enjoined from conspiring or combining to restore such monopoly; and all agreements between the subsidiary corporations tending to produce or bring about further violations of the act were enjoined.

In the Tobacco case, the court found that the individual defendants, twenty-nine in number, had been engaged in a successful effort to acquire complete dominion over the manufacture, sale, and distribution of tobacco in this country and abroad, and that this had been done by combinations made with a purpose and effect to stifle competition, control prices, and establish a monopoly, not only in the manufacture of tobacco, but also of tin-foil and licorice used in its manufacture and of its products of cigars, cigarettes, and snuffs. The tobacco suit presented a far more complicated and difficult case than the Standard Oil suit for a decree which would effectuate the will of the court and end the violation of the statute. There was here no single holding company as in the case of the Standard Oil Trust. The main company was the American Tobacco Company, a manufacturing, selling, and holding company. The plan adopted to destroy the combination and restore competition involved the redivision of the capital and plants of the whole trust between some of the companies constituting the trust and new companies organized for the purposes of the decree and made parties to it, and numbering, new and old, fourteen.

Page 2082

Situation after readjustment.

The American Tobacco Company (old), readjusted capital, $92, 000,000; the Liggett & Meyers Tobacco Company (new), capital, $67,000,000; the P. Lorillard Company (new), capital, $47,000,000; and the R. J. Reynolds Tobacco Company (old), capital, $7,525,000, are chiefly engaged in the manufacture and sale of chewing and smoking tobacco and cigars. The former one tinfoil company is divided into two, one of $825,000 capital and the other of $400,000. The one snuff company is divided into three companies, one with a capital Of $15,000,000, another with a capital of $8,000,000, and a third with a capital of $8,000,000. The licorice companies are two one with a capital Of $5,758,300 and another with a capital of $200,000. There is, also, the British-American Tobacco Company, a British corporation, doing business abroad with a capital Of $26,000,000, the Porto Rican Tobacco Company, with a capital of $1,800,000, and the corporation of United Cigar Stores, with a capital of $9,000,000.

Under this arrangement, each of the different kinds of business will be distributed between two or more companies with a division of the prominent brands in the same tobacco products, so as to make competition not only possible but necessary. Thus the smoking-tobacco business of the country is divided so that the present independent companies have 21-39 per cent, while the American Tobacco Company will have 33-08 per cent, the Liggett & Meyers 20.05 per cent, the Lorillard Company 22.82 per cent, and the Reynolds Company 2.66 per cent. The stock of the other thirteen companies, both preferred and common, has been taken from the defendant American Tobacco Company and has been distributed among its stockholders. All covenants restricting competition have been declared null and further performance of them has been enjoined. The preferred stock of the different companies has now been given voting power which was denied it under the old organization. The ratio of the preferred stock to the common was as 78 to 40. This constitutes a very decided change in the character of the ownership and control of each company.

In the original suit there were twenty-nine defendants who were charged with being the conspirators through whom the illegal combination acquired and exercised its unlawful dominion. Under the decree these defendants. will hold amounts of stock in the various distributee companies ranging from 41 per cent as a maximum to 28.5 per cent as a minimum, except in the case of one small company, the Porto Rican Tobacco Company, in which they will hold 45 per cent. The twenty-nine individual defendants are enjoined for three years from buying any stock except from each other, and the group is thus prevented from extending its control during that period. All parties to the suit, and the new companies who are made parties are enjoined perpetually from in any way effecting any combination between any of the companies in violation of the statute by way of resumption of the old trust. Each of the fourteen companies is enjoined from acquiring stock in any of the others. All these companies are enjoined from having common directors or officers, or common buying or selling agents, or common offices, or lending money to each other.

Page 2083

Size of new companies.

Objection was made by certain independent tobacco companies that this settlement was unjust because it left companies with very large capital in active business, and that the settlement that would be effective to put all on an equality would be a division of the capital and plant of the trust into small fractions in amount more nearly equal to that of each of the independent companies. This contention results from a misunderstanding of the anti-trust law and its purpose. It is not intended thereby to prevent the accumulation of large capital in business enterprises in which such a combination can secure reduced cost of production, sale, and distribution. It is directed against such an aggregation of capital only when its purpose is that of stifling competition, enhancing or controlling prices, and establishing a monopoly. If we shall have by the decree defeated these purposes and restored competition between the large units into which the capital and plant have been divided, we shall have accomplished the useful purpose of the statute.

Confiscation not the purpose of the statute.

It is not the purpose of the statute to confiscate the property and capital of the offending trusts. Methods of punishment by fine or imprisonment of the individual offenders, by fine of the corporation or by forfeiture of its goods in transportation, are provided, but the proceeding in equity is a specific remedy to stop the operation of the trust by injunction and prevent the future use of the plant and capital in violation of the statute.

Effectiveness of decree.

I venture to say that not in the history of American law has a decree more effective for such a purpose been entered by a court than that against the Tobacco Trust. As Circuit judge Noyes said in his judgment approving the decree:

“The extent to which it has been necessary to tear apart this combination and force it into new forms with the attendant burdens ought to demonstrate that the Federal anti-trust statute is a drastic statute which accomplishes effective results; which so long as it stands on the statute books must be obeyed, and which can not be disobeyed without incurring far-reaching penalties. And, on the other hand, the successful reconstruction of this organization should teach that the effect of enforcing this statute is not to destroy, but to reconstruct; not to demolish, but to re-create in accordance with the conditions which the Congress has declared shall exist among the people of the United States.”

Common stock ownership.

Page 2084

It has been assumed that the present pro rata and common ownership in all these companies by former stockholders of the trust would insure a continuance of the same old single control of all the companies into which the trust has by decree been disintegrated. This is erroneous and is based upon the assumed inefficacy and innocuousness of judicial injunctions. The companies are enjoined from cooperation or combination; they have different managers, directors, purchasing and sales agents. If all or many of the numerous stockholders, reaching into the thousands, attempt to secure concerted action of the companies with a view to the control of the market, their number is so large that such an attempt could not well be concealed, and its prime movers and all its participants would be at once subject to contempt proceedings and imprisonment of a summary character. The immediate result of the present situation will necessarily be activity by all the companies under different managers, and then competition must follow, or there will be activity by one company and stagnation by another. Only a short time will inevitably lead to a change in ownership of the stock, as all opportunity for continued cooperation must disappear. Those critics who speak of this disintegration in the trust as a mere change of garments have not given consideration to the inevitable working of the decree and understand little the personal danger of attempting to evade or set at naught the solemn injunction of a court whose object is made plain by the decree and whose inhibitions are set forth with a detail and comprehensiveness.

Voluntary reorganizations of other trusts at hand.

The effect of these two decisions has led to decrees dissolving the combination of manufacturers of electric lamps, a southern wholesale grocers' association, an interlocutory decree against the Powder Trust with directions by the circuit court compelling dissolution, and other combinations of a similar history are now negotiating with the Department of justice looking to a disintegration by decree and reorganization in accordance with law. It seems possible to bring about these reorganizations without general business disturbance.

Movement for repeal of the anti-trust law.

But now that the anti-trust act is seen to be effective for the accomplishment of the purpose of its enactment, we are met by a cry from many different quarters for its repeal. It is said to be obstructive of business progress to be an attempt to restore old-fashioned methods of destructive competition between small units, and to make impossible those useful combinations of capital and the reduction of the cost of production that are essential to continued prosperity and normal growth.

Page 2085

In the recent decisions the Supreme Court makes clear that there is nothing in the statute which condemns combinations of capital or mere bigness of plant organized to secure economy in production and a reduction of its cost. It is only when the purpose or necessary effect of the organization and maintenance of the combination or the aggregation of immense size are the stifling of competition, actual and potential, and the enhancing of prices and establishing a monopoly, that the statute is violated. Mere size is no sin against the law. The merging of two or more business plants necessarily eliminates competition between the units thus combined, but this elimination is in contravention of the statute only when the combination is made for purpose of ending this particular competition in order to secure control of, and enhance, prices and create a monopoly.

Lack of definiteness in the statute.

The complaint is made of the statute that it is not sufficiently definite in its description of that which is forbidden, to enable business men to avoid its violation. The suggestion is, that we may have a combination of two corporations, which may run on for years, and that subsequently the Attorney General may conclude that it was a violation of the statute, and that which was supposed by the combiners to be innocent then turns out to be a combination in violation of the statute. The answer to this hypothetical case is that when men attempt to amass such stupendous capital as will enable them to suppress competition, control prices and establish a monopoly, they know the purpose of their acts. Men do not do such a thing without having it clearly in mind. If what they do is merely for the purpose of reducing the cost of production, without the thought of suppressing competition by use of the bigness of the plant they are creating, then they can not be convicted at the time the union is made, nor can they be convicted later, unless it happen that later on they conclude to suppress competition and take the usual methods for doing so, and thus establish for themselves a monopoly. They can, in such a case, hardly complain if the motive which subsequently is disclosed is attributed by the court to the original combination.

New remedies suggested.

Much is said of the repeal of this statute and of constructive legislation intended to accomplish the purpose and blaze a clear path for honest merchants and business men to follow. It may be that such a plan will be evolved, but I submit that the discussions which have been brought out in recent days by the fear of the continued execution of the anti-trust law have produced nothing but glittering generalities and have offered no line of distinction or rule of action as definite and as clear as that which the Supreme Court itself lays down in enforcing the statute.

Supplemental legislation needed—not repeal or amendment.

Page 2086

I see no objection-and indeed I can see decided advantages-in the enactment of a law which shall describe and denounce methods of competition which are unfair and are badges of the unlawful purpose denounced in the anti-trust law. The attempt and purpose to suppress a competitor by underselling him at a price so unprofitable as to drive him out of business, or the making of exclusive contracts with customers under which they are required to give up association with other manufacturers, and numerous kindred methods for stifling competition and effecting monopoly, should be described with sufficient accuracy in a criminal statute on the one hand to enable the Government to shorten its task by prosecuting single misdemeanors instead of an entire conspiracy, and, on the other hand, to serve the purpose of pointing out more in detail to the business community what must be avoided.

Federal incorporation recommended.

In a special message to Congress on January 7, 1910, I ventured to point out the disturbance to business that would probably attend the dissolution of these offending trusts. I said:

“But such an investigation and possible prosecution of corporations whose prosperity or destruction affects the comfort not only of stockholders but of millions of wage earners, employees, and associated tradesmen must necessarily tend to disturb the confidence of the business community, to dry up the now flowing sources of capital from its places of hoarding, and produce a halt in our present prosperity that will cause suffering and strained circumstances among the innocent many for the faults of the guilty few. The question which I wish in this message to bring clearly to the consideration and discussion of Congress is whether, in order to avoid such a possible business danger, something can not be done by which these business combinations may be offered a means, without great financial disturbance, of changing the character, organization, and extent of their business into one within the lines of the law under Federal control and supervision, securing compliance with the anti-trust statute.

“Generally, in the industrial combinations called ‘trusts,’ the principal business is the sale of goods in many States and in foreign markets; in other words, the interstate and foreign business far exceeds the business done in any one State. This fact will justify the Federal Government in granting a Federal charter to such a combination to make and sell in interstate and foreign commerce the products of useful manufacture under such limitations as will secure a compliance with the anti-trust law. It is possible so to frame a statute that while it offers protection to a Federal company against harmful, vexatious, and unnecessary invasion by the States, it shall subject it to reasonable taxation and control by the States with respect to its purely local business. * * *

“Corporations organized under this act should be prohibited from acquiring and holding stock in other corporations (except for special reasons, upon approval by the proper Federal authority), thus avoiding the creation under national auspices of the holding

company with subordinate corporations in different States, which has been such an effective agency in the creation of the great trusts and monopolies.

Page 2087

"If the prohibition of the anti-trust act against combinations in restraint of trade is to be effectively enforced, it is essential that the National Government shall provide for the creation of national corporations to carry on a legitimate business throughout the United States. The conflicting laws of the different States of the Union with respect to foreign corporations make it difficult, if not impossible, for one corporation to comply with their requirements so as to carry on business in a number of different States."

I renew the recommendation of the enactment of a general law providing for the voluntary formation of corporations to engage in trade and commerce among the States and with foreign nations. Every argument which was then advanced for such a law, and every explanation which was at that time offered to possible objections, have been confirmed by our experience since the enforcement of the antitrust, statute has resulted in the actual dissolution of active commercial organizations.

It is even more manifest now than it was then that the denunciation of conspiracies in restraint of trade should not and does not mean the denial of organizations large enough to be intrusted with our interstate and foreign trade. It has been made more clear now than it was then that a purely negative statute like the anti-trust law may well be supplemented by specific provisions for the building up and regulation of legitimate national and foreign commerce.

Government administrative experts needed to aid courts in trust dissolutions.

The drafting of the decrees in the dissolution of the present trusts, with a view to their reorganization into legitimate corporations, has made it especially apparent that the courts are not provided with the administrative machinery to make the necessary inquiries preparatory to reorganization, or to pursue such inquiries, and they should be empowered to invoke the aid of the Bureau of Corporations in determining the suitable reorganization of the disintegrated parts. The circuit court and the Attorney General were greatly aided in framing the decree in the Tobacco Trust dissolution by an expert from the Bureau of Corporations.

Federal corporation commission proposed.

I do not set forth in detail the terms and sections of a statute which might supply the constructive legislation permitting and aiding the formation of combinations of capital into Federal corporations. They should be subject to rigid rules as to their organization and procedure, including effective publicity, and to the closest supervision as to the issue of stock and bonds by an executive bureau or commission in the Department of Commerce and Labor, to which in times of doubt they might well submit their proposed plans for future business. It must be distinctly understood that incorporation under Federal law could not exempt

Page 2088

the company thus formed and its incorporators and managers from prosecution under the anti-trust law for subsequent illegal conduct, but the publicity of its procedure and the opportunity for frequent consultation with the bureau or commission in charge of the incorporation as to the legitimate purpose of its transactions would offer it as great security against successful prosecutions for violations of the law as would be practical or wise.

Such a bureau or commission might well be invested also with the duty already referred to, of aiding courts in the dissolution and recreation of trusts within the law. It should be an executive tribunal of the dignity and power of the Comptroller of the Currency or the Interstate Commerce Commission, which now exercise supervisory power over important classes of corporations under Federal regulation.

The drafting of such a Federal incorporation law would offer ample opportunity to prevent many manifest evils in corporate management to-day, including irresponsibility of control in the hands of the few who are not the real owners.

Incorporation voluntary.

I recommend that the Federal charters thus to be granted shall be voluntary, at least until experience justifies mandatory provisions. The benefit to be derived from the operation of great businesses under the protection of such a charter would attract all who are anxious to keep within the lines of the law. Other large combinations that fail to take advantage of the Federal incorporation will not have a right to complain if their failure is ascribed to unwillingness to submit their transactions to the careful official scrutiny, competent supervision, and publicity attendant upon the enjoyment of such a charter.

Only supplemental legislation needed.

The opportunity thus suggested for Federal incorporation, it seems tome, is suitable constructive legislation needed to facilitate the squaring Of great industrial enterprises to the rule of action laid down by the anti-trust law. This statute as construed by the Supreme Court must continue to be the line of distinction for legitimate business. It must be enforced, unless we are to banish individualism from all business and reduce it to one common system of regulation or control of prices like that which now prevails with respect to public utilities, and which when applied to all business would be a long step toward State socialism.

Importance of the anti-trust act.

The anti-trust act is the expression of the effort of a freedom-loving people to preserve equality of opportunity. It is the result of the confident determination of such a people to maintain their future growth by preserving uncontrolled and unrestricted the enterprise of the individual, his industry, his ingenuity, his intelligence, and his independent courage.

Page 2089

For twenty years or more this statute has been upon the statute book. All knew its general purpose and approved. Many of its violators were cynical over its assumed impotence. It seemed impossible of enforcement. Slowly the mills of the courts ground, and only gradually did the majesty of the law assert itself. Many of its statesmen-authors died before it became a living force, and they and others saw the evil grow which they had hoped to destroy. Now its efficacy is seen; now its power is heavy; now its object is near achievement. Now we hear the call for its repeal on the plea that it interferes with business prosperity, and we are advised in most general terms, how by some other statute and in some other way the evil we are just stamping out can be cured, if we only abandon this work of twenty years and try another experiment for another term of years.

It is said that the act has not done good. Can this be said in the face of the effect of the Northern Securities decree? That decree was in no way so drastic or inhibitive in detail as either the Standard Oil decree or the Tobacco decree; but did it not stop for all time the then powerful movement toward the control of all the railroads of the country in a single hand? Such a one-man power could not have been a healthful influence in the Republic, even though exercised under the general supervision of an interstate commission.

Do we desire to make such ruthless combinations and monopolies lawful? When all energies are directed, not toward the reduction of the cost of production for the public benefit by a healthful competition, but toward new ways and means for making permanent in a few hands the absolute control of the conditions and prices prevailing in the whole field of industry, then individual enterprise and effort will be paralyzed and the spirit of commercial freedom will be dead.

PART II.

The relations of the United States with other countries have continued during the past twelve months upon a basis of the usual good will and friendly intercourse. *Arbitration*.

The year just passed marks an important general movement on the part of the Powers for broader arbitration. In the recognition of the manifold benefits to mankind in the extension of the policy of the settlement of international disputes by arbitration rather than by war, and in response to a widespread demand for an advance in that direction on the part of the people of the United States and of Great Britain and of France, new arbitration treaties were negotiated last spring with Great Britain and France, the terms of which were de signed, as expressed in the preamble of these treaties, to extend the scope and obligations of the policy of arbitration adopted in our present treaties with those Governments To pave the way for this treat with the United States, Great Britain negotiated an important modification in its alliance with Japan, and the French Government also expedited the negotiations with signal good will. The new treaties

have been submitted to the Senate and are awaiting its advice and consent to their ratification. All the essentials of these important treaties have long been known, and it is my earnest hope that they will receive prompt and favorable action.

Page 2090

Claim of Alsop & co. *Settled*.

I am glad to report that on July 5 last the American claim of Alsop & Co. against the Government of Chile was finally disposed of by the decision of His Britannic Majesty George V, to whom, as amiable compositeur, the matter had been referred for determination. His Majesty made an award of nearly $1,000,000 to the claimants, which was promptly paid by Chile. The settlement of this controversy has happily eliminated from the relations between the Republic of Chile and the United States the only question which for two decades had given the two foreign offices any serious concern and makes possible the unobstructed development of the relations of friendship which it has been the aim of this Government in every possible way to further and cultivate.

ARBITRATIONS—*Panama and Costa Rica—Colombia and Haiti*.

In further illustration of the practical and beneficent application of the principle of arbitration and the underlying broad spirit of conciliation, I am happy to advert to the part of the United States in facilitating amicable settlement of disputes which menaced the peace between Panama and Costa Rica and between Haiti and the Dominican Republic.

Since the date of their independence, Colombia and Costa Rica had been seeking a solution of a boundary dispute, which came as an heritage from Colombia to the new Republic of Panama, upon its beginning life as an independent nation. Although the disputants had submitted this question for decision to the President of France under the terms of an arbitration treaty, the exact interpretation of the provisions of the award rendered had been a matter of serious disagreement between the two countries, both contending for widely different lines even under the terms of the decision. Subsequently and since 1903 this boundary question had been the subject of fruitless diplomatic negotiations between the parties. In January, 1910, at the request of both Governments the agents representing them met in conference at the Department of State and subsequently concluded a protocol submitting this long-pending controversy to the arbitral judgment of the Chief justice of the United States, who consented to act in this capacity. A boundary commission, according to the international agreement, has now been appointed, and it is expected that the arguments will shortly proceed and that this long-standing dispute will be honorably and satisfactorily terminated.

Again, a few months ago it appeared that the Dominican Republic and Haiti were about to enter upon hostilities because of complications growing out of an acrimonious boundary dispute which the efforts of many years had failed to solve. The Government of the United States, by a friendly interposition of good offices, succeeded in prevailing upon the parties to place their reliance upon some form of pacific settlement. Accordingly, on the friendly suggestion of this Government, the two Governments empowered commissioners to meet at Washington in conference at the State

Department in order to arrange the terms of submission to arbitration of the boundary controversy.

Page 2091

Chamizal arbitration not satisfactory.

Our arbitration of the Chamizal boundary question with Mexico was unfortunately abortive, but with the earnest efforts on the part of both Governments which its importance commands, it is felt that an early practical adjustment should prove possible.

Latin America. *Venezuela*.

During the past year the Republic of Venezuela celebrated the one hundredth anniversary of its independence. The United States sent, in honor of this event, a special embassy to Caracas, where the cordial reception and generous hospitality shown it were most gratifying as a further proof of the good relations and friendship existing between that country and the United States. *Mexico*.

The recent political events in Mexico received attention from this Government because of the exceedingly delicate and difficult situation created along our southern border and the necessity for taking measures properly to safeguard American interests. The Government of the United States, in its desire to secure a proper observance and enforcement of the so-called neutrality statutes of the Federal Government, issued directions to the appropriate officers to exercise a diligent and vigilant regard for the requirements of such rules and laws. Although a condition of actual armed conflict existed, there was no official recognition of belligerency involving the technical neutrality obligations of international law.

On the 6th of March last, in the absence of the Secretary of State, I had a personal interview with Mr. Wilson, the ambassador of the United States to Mexico, in which he reported to me that the conditions in Mexico were much more critical than the press dispatches disclosed; that President Diaz was on a volcano of popular uprising; that the small outbreaks which had occurred were only symptomatic of the whole condition; that a very large per cent of the people were in sympathy with the insurrection; that a general explosion was probable at any time, in which case he feared that the 40,000 or more American residents in Mexico might be assailed, and that the very large American investments might be injured or destroyed.

After a conference with the Secretary of War and the Secretary of the Navy, I thought it wise to assemble an Army division of full strength at San Antonio, Tex., a brigade of three regiments at Galveston, a brigade of Infantry in the Los Angeles district of southern California, together with a squadron of battleships and cruisers and transports at Galveston, and a small squadron of ships at San Diego. At the same time, through our representative at the City of Mexico, I expressed to President Diaz the hope that no apprehensions might result from unfounded conjectures as to these military maneuvers, and assured him that they had no significance which should cause concern to his Government.

Page 2092

The mobilization was effected with great promptness, and on the 15th of March, through the Secretary of War and the Secretary of the Navy, in a letter addressed to the Chief of Staff, I issued the following instructions: It seems my duty as Commander in Chief to place troops in sufficient number where, if Congress shall direct that they enter Mexico to save American lives and property, an effective movement may be promptly made. Meantime, the movement of the troops to Texas and elsewhere near the boundary, accompanied with sincere assurances of the utmost goodwill toward the present Mexican Government and with larger and more frequent patrols along the border to prevent insurrectionary expeditions from American soil, will hold up the hands of the existing Government and will have a healthy moral effect to prevent attacks upon Americans and their property in any subsequent general internecine strife. Again, the sudden mobilization of a division of troops has been a great test of our Army and full of useful instruction, while the maneuvers that are thus made possible can occupy the troops and their officers to great advantage.

The assumption by the press that I contemplate intervention on Mexican soil to protect American lives or property is of course gratuitous, because I seriously doubt whether I have such authority under any circumstances, and if I had I would not exercise it without express congressional approval. Indeed, as you know, I have already declined, without Mexican consent, to order a troop of Cavalry to protect the breakwater we are constructing just across the border in Mexico at the mouth of the Colorado River to save the Imperial Valley, although the insurrectos had scattered the Mexican troops and were taking our horses and supplies and frightening our workmen away. My determined purpose, however, is to be in a position so that when danger to American lives and property in Mexico threatens and the existing Government is rendered helpless by the insurrection, I can promptly execute congressional orders to protect them, with effect.

Meantime, I send you this letter, through the Secretary, to call your attention to some things in connection with the presence of the division in the Southwest which have doubtless occurred to you, but which I wish to emphasize.

In the first place, I want to make the mobilization a first-class training for the Army, and I wish you would give your time and that of the War College to advising and carrying out maneuvers of a useful character, and plan to continue to do this during the next three months. By that time we may expect that either Ambassador Wilson's fears will have been realized and chaos and its consequences have ensued, or that the present Government of Mexico will have so readjusted matters as to secure tranquillity-a result devoutly to be wished. The troops can then be returned to their posts. I understood from you in Washington that Gen. Aleshire said that you could probably meet all the additional expense of this whole movement out of the present appropriations if the troops continue in Texas for three months. I sincerely hope this is so. I observe from the newspapers that you have no blank cartridges, but I presume that this is an error, or that it will be easy to procure those for use as soon as your maneuvers begin.

Page 2093

Second. Texas is a State ordinarily peaceful, but you can not put 20,000 troops into it without running some risk of a collision between the people of that State, and especially the Mexicans who live in Texas near the border and who sympathize with the insurrectos, and the Federal soldiers. For that reason I beg you to be as careful as you can to prevent friction of any kind. We were able in Cuba, with the army of pacification there of something more than 5,000 troops, to maintain them for a year without any trouble, and I hope you can do the same thing in Texas. Please give your attention to this, and advise all the officers in command of the necessity for very great circumspection in this regard.

Third. One of the great troubles in the concentration of troops is the danger of disease, and I suppose that you have adopted the most modern methods for preventing and, if necessary, for stamping out epidemics. That is so much a part of a campaign that it hardly seems necessary for me to call attention to it.

Finally, I wish you to examine the question of the patrol of the border and put as many troops on that work as is practicable, and more than are now engaged in it, in order to prevent the use of our borderland for the carrying out of the insurrection. I have given assurances to the Mexican ambassador on this point.

I sincerely hope that this experience will always be remembered by the Army and Navy as a useful means of education, and I should be greatly disappointed if it resulted in any injury or disaster to our forces from any cause. I have taken a good deal of responsibility in ordering this mobilization, but I am ready to answer for it if only you and those under you use the utmost care to avoid the difficulties which I have pointed out.

You may have a copy of this letter made and left with Gen. Carter and such other generals in command as you may think wise and necessary to guide them in their course, but to be regarded as confidential. I am more than happy to here record the fact that all apprehensions as to the effect of the presence of so large a military force in Texas proved groundless; no disturbances occurred; the conduct of the troops was exemplary and the public reception and treatment of them was all that could have been desired, and this notwithstanding the presence of a large number of Mexican refugees in the border territory.

From time to time communications were received from Ambassador Wilson, who had returned to Mexico, confirming the view that the massing of American troops in the neighborhood had had good effect. By dispatch of April 3, 1911, the ambassador said: The continuing gravity of the situation here and the chaos that would ensue should the constitutional authorities be eventually overthrown, thus greatly increasing the danger to which American lives and property are already subject, confirm the wisdom of the President in taking those military precautions which, making every allowance for the dignity and the sovereignty of a friendly state, are due to our nationals abroad.

Page 2094

Charged as I am with the responsibility of safeguarding these lives and property, I am bound to say to the department that our military dispositions on the frontier have produced an effective impression on the Mexican mind and may, at any moment, prove to be the only guaranties for the safety of our nationals and their property. If it should eventuate that conditions here require more active measures by the President and Congress, sporadic attacks might be made upon the lives and property of our nationals, but the ultimate result would be order and adequate protection. The insurrection continued and resulted In engagements between the regular Mexican troops and the insurgents, and this along the border, so that in several instances bullets from the contending forces struck American citizens engaged in their lawful occupations on American soil.

Proper protests were made against these invasions of American rights to the Mexican authorities. On April 17, 1911, I received the following telegram from the governor of Arizona: As a result of to-day's fighting across the international line, but within gunshot range of the heart of Douglas, five Americans wounded on this side of the line. Everything points to repetition of these casualties on to-morrow, and while the Federals seem disposed to keep their agreement not to fire into Douglas, the position of the insurrectionists is such that when fighting occurs on the east and southeast of the intrenchments people living in Douglas are put in danger of their lives. In my judgment radical measures are needed to protect our innocent people, and if anything can be done to stop the fighting at Agua Prieta the situation calls for such action. It is impossible to safeguard the people of Douglas unless the town be vacated. Can anything be done to relieve situation, now acute? After a conference with the Secretary of State, the following telegram was sent to Governor Sloan, on April *is*, 1911 9 11, and made public: Your dispatch received. Have made urgent demand upon Mexican Government to issue instructions to prevent firing across border by Mexican federal troops, and am waiting reply. Meantime I have sent direct warning to the Mexican and insurgent forces near Douglas. I infer from your dispatch that both parties attempt to heed the warning, but that in the strain and exigency of the contest wild bullets still find their way into Douglas. The situation might justify me in ordering our troops to cross the border and attempt to stop the fighting, or to fire upon both combatants from the American side. But if I take this step, I must face the possibility of resistance and greater bloodshed, and also the danger of having our motives misconstrued and misrepresented, and of thus inflaming Mexican popular indignation against many thousand Americans now in Mexico and jeopardizing their lives and property. The pressure for general intervention under such conditions it might not be practicable to resist. It is

Page 2095

impossible to foresee or reckon the consequences of such a course, and we must use the greatest self-restraint to avoid it. Pending my urgent representation to the Mexican Government, I can not therefore order the troops at Douglas to cross the border, but I must ask you and the local authorities, in case the same danger recurs, to direct the people of Douglas to place themselves where bullets can not reach them and thus avoid casualty. I am loath to endanger Americans in Mexico, where they are necessarily exposed, by taking a radical step to prevent injury to Americans on our side of the border who can avoid it by a temporary inconvenience. I am glad to say that no further invasion of American rights of any substantial character occurred.

The presence of a large military and naval force available for prompt action, near the Mexican border, proved to be most fortunate under the somewhat trying conditions presented by this invasion of American rights Had no movement theretofore taken place, and because of these events it had been necessary then to bring about the mobilization, it must have had sinister significance. On the other hand, the presence of the troops before and at the time of the unfortunate killing and wounding of American citizens at Douglas, made clear that the restraint exercised by our Government in regard to this Occurrence was not due to lack of force or power to deal with it promptly and aggressively, but was due to a real desire to use every means possible to avoid direct intervention in the affairs of our neighbor whose friendship we valued and were most anxious to retain.

The policy and action of this Government were based upon an earnest friendliness for the Mexican people as a whole, and it is a matter of gratification to note that this attitude of strict impartiality as to all factions in Mexico and of sincere friendship for the neighboring nation, without regard for party allegiance, has been generally recognized and has resulted in an even closer and more sympathetic understanding between the two Republics and a warmer regard one for the other. Action to suppress violence and restore tranquillity throughout the Mexican Republic was of peculiar interest to this Government, in that it concerned the safeguarding of American life and property in that country. The Government of the United States had occasion to accord permission for the passage of a body of Mexican rurales through Douglas, Arizona, to Tia Juana, Mexico, for the suppression of general lawlessness which had for some time existed in the region of northern Lower California. On May 25, 1911, President Diaz resigned, Senor de la Barra was chosen provisional President. Elections for President and Vice President were thereafter held throughout the Republic, and Senor Francisco I. Madero was formally declared elected on October 15 to the chief magistracy. On November 6 President Madero entered upon the duties of his office.

Page 2096

Since the inauguration of President Madero a plot has been unearthed against the present Government, to begin a new insurrection. Pursuing the same consistent policy which this administration has adopted from the beginning, it directed an investigation into the conspiracy charged, and this investigation has resulted in the indictment of Gen. Bernardo Reyes and others and the seizure of a number of officers and men and horses and accoutrements assembled upon the soil of Texas for the purpose of invading Mexico. Similar proceedings had been taken during the insurrection against the Diaz Government resulting in the indictments and prosecution of persons found to be engaged in violating the neutrality laws of the United States in aid of that uprising.

The record of this Government in respect of the recognition of constituted authority in Mexico therefore is clear.

Central America-Honduras and Nicaragua treaties proposed.

As to the situation in Central America, I have taken occasion in the past to emphasize most strongly the importance that should be attributed to the consummation of the conventions between the Republics of Nicaragua and of Honduras and this country, and I again earnestly recommend that the necessary advice and consent of the Senate be accorded to these treaties, which will make it possible for these Central American Republics to enter upon an era of genuine economic national development. The Government of Nicaragua which has already taken favorable action on the convention, has found it necessary, pending the exchange of final ratifications, to enter into negotiations with American bankers for the purpose of securing a temporary loan to relieve the present financial tension. III connection with this temporary loan and in the hope of consummating, through the ultimate operation of the convention, a complete and lasting economic regeneration, the Government of Nicaragua has also decided to engage an American citizen as collector general of customs. The claims commission on which the services of two American citizens have been sought, and the work of the American financial adviser should accomplish a lasting good of inestimable benefit to the prosperity, commerce, and peace of the Republic. In considering the ratification of the conventions with Nicaragua and Honduras, there rests with the United States the heavy responsibility of the fact that their rejection here might destroy the progress made and consign the Republics concerned to still deeper submergence in bankruptcy, revolution, and national jeopardy. *Panama*.

Our relations with the Republic of Panama, peculiarly important, due to mutual obligations and the vast interests created by the canal, have continued in the usual friendly manner, and we have been glad to make appropriate expression of our attitude of sympathetic interest in the endeavors of our neighbor in undertaking the development of the rich resources of the country. With reference to the internal political affairs of the Republic, our obvious concern is in the maintenance of public peace and constitutional order, and the fostering of the general interests created by the actual relations of the two

countries, without the manifestation of any preference for the success of either of the political parties.

Page 2097

The pan American union.

The Pan American Union, formerly known as the Bureau of American Republics, maintained by the joint contributions of all the American nations, has during the past year enlarged its practical work as an international organization, and continues to prove its usefulness as an agency for the mutual development of commerce, better acquaintance, and closer intercourse between the United States and her sister American republics.

The far east.

The chinese loans.

The past year has been marked in our relations with China by the conclusion of two important international loans, one for the construction of the Hukuang railways, the other for carrying out of the currency reform to which China was pledged by treaties with the United States, Great Britain, and Japan, of which mention was made in my last annual message.

It will be remembered that early in 1909 an agreement was consummated among British, French, and German financial groups whereby they proposed to lend the Chinese Government funds for the construction of railways in the Provinces of Hunan and Hupeh, reserving for their nationals the privilege of engineering the construction of the lines and of furnishing the materials required for the work. After negotiations with the Governments and groups concerned an agreement was reached whereby American, British, French, and German nationals should participate upon equal terms in this important and useful undertaking. Thereupon the financial groups, supported by their respective Governments, began negotiations with the Chinese Government which terminated in a loan to China Of $30,000,000, with the privilege of increasing the amount to $50,000,000. The cooperative construction of these trunk lines should be of immense advantage, materially and otherwise, to China and should greatly facilitate the development of the bountiful resources of the Empire. On the other hand, a large portion of these funds is to be expended for materials, American products having equal preference with those of the other three lending nations, and as the contract provides for branches and extensions subsequently to be built on the same terms the opportunities for American materials will reach considerable proportions.

Knowing the interest of the United States in the reform of Chinese currency, the Chinese Government, in the autumn of 1910 sought the assistance of the American Government to procure funds with which to accomplish that all-important reform. In the course of the subsequent negotiations there was combined with the proposed currency loan one for certain industrial developments in Manchuria, the two loans aggregating the sum Of $50,000,000. While this was originally to be solely an American enterprise,

the American Government, consistently with its desire to secure a sympathetic and practical cooperation of the great

Page 2098

powers toward maintaining the principle of equality of opportunity and the administrative integrity of China, urged the Chinese Government to admit to participation in the currency loan the associates of the American group in the Hukuang loan. While of immense importance in itself, the reform contemplated in making this loan is but preliminary to other and more comprehensive fiscal reforms which will be of incalculable benefit to China and foreign interests alike, since they will strengthen the Chinese Empire and promote the rapid development of international trade.

Neutral financial adviser.

When these negotiations were begun, it was understood that a financial adviser was to be employed by China in connection with the reform, and in order that absolute equality in all respects among the lending nations might be scrupulously observed, the American Government proposed the nomination of a neutral adviser, which was agreed to by China and the other Governments concerned. On September 28, 1911, Dr. Vissering, president of the Dutch Java Bank and a financier of wide experience in the Orient, was recommended to the Chinese Government for the post of monetary adviser.

Especially important at the present, when the ancient Chinese Empire is shaken by civil war incidental to its awakening to the many influences and activities of modernization, are the cooperative policy of good understanding which has been fostered by the international projects referred to above and the general sympathy of view among all the Powers interested in the Far East. While safeguarding the interests of our nationals, this Government is using its best efforts in continuance of its traditional policy of sympathy and friendship toward the Chinese Empire and its people, with the confident hope for their economic and administrative development, and with the constant disposition to contribute to their welfare in all proper ways consistent with an attitude of strict impartiality as between contending factions.

For the first time in the history of the two countries, a Chinese cruiser, the Haichi, under the command of Admiral Ching, recently visited New York, where the officers and men were given a cordial welcome.

New Japanese treaty.

The treaty of commerce and navigation between the United States and Japan, signed in 1894, would by a strict interpretation of its provisions have terminated on July 17, 1912. Japan's general treaties with the other powers, however, terminated in 1911, and the Japanese Government expressed an earnest desire to conduct the negotiations for a new treaty with the United States simultaneously with its negotiations with the other powers. There were a number of important questions involved in the treaty, including

the immigration of laborers, revision of the customs tariff, and the right of Americans to hold real estate in Japan. The United States consented to waive

Page 2099

all technicalities and to enter at once upon negotiations for a new treaty on the understanding that there should be a continuance throughout the, life of the treaty of the same effective measures for the restriction of immigration of laborers to American territory which had been in operation with entire satisfaction to both Governments since 1908. The Japanese Government accepted this basis of negotiation, and a new treaty was quickly concluded, resulting in a highly satisfactory settlement of the other questions referred to.

A satisfactory adjustment has also been effected of the questions growing out of the annexation of Korea by Japan.

The recent visit of Admiral Count Togo to the United States as the Nation's guest afforded a welcome opportunity to demonstrate the friendly feeling so happily existing between the two countries. *Siam*.

There has been a change of sovereigns in Siam and the American minister at Bangkok was accredited in a special capacity to represent the United States at the coronation ceremony of the new King.

Europe and the near east.

In Europe and the Near East, during the past twelve-month, there has been at times considerable political unrest. The Moroccan question, which for some months was the cause of great anxiety, happily appears to have reached a stage at which it need no longer be regarded with concern. The Ottoman Empire was occupied for a period by strife in Albania and is now at war with Italy. In Greece and the Balkan countries the disquieting potentialities of this situation have been more or less felt. Persia has been the scene of a long internal struggle. These conditions have been the cause of uneasiness in European diplomacy, but thus far without direct political concern to the United States.

In the war which unhappily exists between Italy and Turkey this Government has no direct political interest, and I took occasion at the suitable time to issue a proclamation of neutrality in that conflict. At the same time all necessary steps have been taken to safeguard the personal interests of American citizens and organizations in so far as affected by the war.

Commerce with the near east.

In spite of the attendant economic uncertainties and detriments to commerce, the United States has gained markedly in its commercial standing with certain of the nations of the Near East. Turkey, especially, is beginning to come into closer relations with the

United States through the new interest of American manufacturers and exporters in the possibilities of those regions, and it is hoped that foundations are being laid for a large and mutually beneficial exchange of commodities between the two countries. This new interest of Turkey in American goods is indicated by the fact that a party of prominent merchants from a large city in Turkey recently visited the United

Page 2100

States to study conditions of manufacture and export here, and to get into personal touch with American merchants, with a view to cooperating more intelligently in opening up the markets of Turkey and the adjacent countries to our manufactures. Another indication of this new interest of America in the commerce of the Near East is the recent visit of a large party of American merchants and manufacturers to central and eastern Europe, where they were entertained by prominent officials and organizations of the large cities, and new bonds of friendship and understanding were established which can not but lead to closer and greater commercial interchange.

Coronation of king George V.

The 22d of June of the present year marked the coronation of His Britannic Majesty King George V. In honor of this auspicious occasion I sent a special embassy to London. The courteous and cordial welcome extended to this Government's representatives by His Majesty and the people of Great Britain has further emphasized the strong bonds of friendship happily existing between the two nations.

Settlement of long-standing differences with great Britain.

As the result of a determined effort on the part of both Great Britain and the United States to settle all of their outstanding differences a number of treaties have been entered into between the two countries in recent years, by which nearly all of the unsettled questions between them of any importance have either been adjusted by agreement or arrangements made for their settlement by arbitration. A number of the unsettled questions referred to consist of pecuniary claims presented by each country against the other, and in order that as many of these claims as possible should be settled by arbitration a special agreement for that purpose was entered into between the two Governments on the 18th day of August, 1910, in accordance with Article 11 of the general arbitration treaty with Great Britain of April 4, 19o8. Pursuant to the provisions of this special agreement a schedule of claims has already been agreed upon, and the special agreement, together with this schedule, received the approval of the Senate when submitted to it for that purpose at the last session of Congress. Negotiations between the two Governments for the preparation of an additional schedule of claims are already well advanced, and it is my intention to submit such schedule as soon as it is agreed upon to the Senate for its approval, in order that the arbitration proceedings may be undertaken at an early date. In this connection the attention of Congress is particularly called to the necessity for an appropriation to cover the expense incurred in submitting these claims to arbitration.

Presentation to Germany of replica of von Steuben statue.

Page 2101

In pursuance of the act of Congress, approved June 23, 1910, the Secretary of State and the joint Committee on the Library entered into a contract with the sculptor, Albert Jaegers, for the execution of a bronze replica of the statue of Gen. von Steuben erected in Washington, for presentation to His Majesty the German Emperor and the German nation in recognition of the gift of the statue of Frederick the Great made by the Emperor to the people of the United States.

The presentation was made on September 2 last by representatives whom I commissioned as the special mission of this Government for the purpose.

The German Emperor has conveyed to me by telegraph, on his own behalf and that of the German people, an expression of appreciative thanks for this action of Congress. *Russia*.

By direction of the State Department, our ambassador to Russia has recently been having a series of conferences with the minister of foreign affairs of Russia, with a view to securing a clearer understanding and construction of the treaty of 1832 between Russia and the United States and the modification of any existing Russian regulations which may be found to interfere in any way with the full recognition of the rights of American citizens under this treaty. I believe that the Government of Russia is addressing itself seriously to the need of changing the present practice under the treaty and that sufficient progress has been made to warrant the continuance of these conferences in the hope that there may soon be removed any justification of the complaints of treaty violation now prevalent in this country.

I expect that immediately after the Christmas recess I shall be able to make a further communication to Congress on this subject. *Liberia*.

Negotiations for the amelioration of conditions found to exist in Liberia by the American commission, undertaken through the Department of State, have been concluded and it is only necessary for certain formalities to be arranged in securing the loan which it is hoped will place that republic on a practical financial and economic footing.

Recognition of Portuguese republic.

The National Constituent Assembly, regularly elected by the vote of the Portuguese people, having on June 19 last unanimously proclaimed a republican form of government, the official recognition of the Government of the United States was given to the new Republic in the afternoon of the same day.

Spitzbergen islands.

Negotiations for the betterment of conditions existing in the Spitzbergen Islands and the adjustment of conflicting claims of American citizens and Norwegian subjects to lands in that archipelago are still in progress.

International conventions and conferences.

International prize court.

Page 2102

The supplementary protocol to The he Hague convention for the establishment of an international prize court, mentioned in my last annual message, embodying stipulations providing for an alternative procedure which would remove the constitutional objection to that part of The Hague convention which provides that there may be an appeal to the proposed court from the decisions of national courts, has received the signature of the governments parties to the original convention and has been ratified by the Government of the United States, together with the prize court convention.

The deposit of the ratifications with the Government of the Netherlands awaits action by the powers on the declaration, signed at London on February 26, 1909 of the rules of international law to be recognized within the meaning of article 7 of The Hague convention for the establishment of an International Prize Court.

Fur-seal treaty.

The fur-seal controversy, which for nearly twenty-five years has been the source of serious friction between the United States and the powers bordering upon the north Pacific Ocean, whose subjects have been permitted to engage in pelagic sealing against the fur-seal herds having their breeding grounds within the jurisdiction of the United States, has at last been satisfactorily adjusted by the conclusion of the north Pacific sealing convention entered into between the United States, Great Britain, Japan, and Russia on the 7th of July last. This convention is a conservation measure of very great importance, and if it is carried out in the spirit of reciprocal concession and advantage upon which it is based, there is every reason to believe that not only will it result in preserving the fur-seal herds of the north Pacific Ocean and restoring them to their former value for the purposes of commerce, but also that it will afford a permanently satisfactory settlement of a question the only other solution of which seemed to be the total destruction of the fur seals. In another aspect, also, this convention is of importance in that it furnishes an illustration of the feasibility of securing a general international game law for the protection of other mammals of the sea, the preservation of which is of importance to all the nations of the world.

Legislation necessary.

The attention of Congress is especially called to the necessity for legislation on the part of the United States for the purpose of fulfilling the obligations assumed under this convention, to which the Senate gave its advice and consent on the 24th day of July last.

Protection of industrial property union.

The conference of the International Union for the Protection of Industrial Property, which, under the authority of Congress, convened at Washington on May 16, 1911, closed its labors on June 2, 1911, by the signature of three acts, as follows:

Page 2103

(I) A convention revising the Paris convention of March 20, 1883, for the protection of industrial property, as modified by the additional act signed at Brussels on December 14, 1900;

(2) An arrangement to replace the arrangement signed at Madrid on April 14, 1891 for the international registration of trade-marks, and the additional act with regard thereto signed at Brussels on December 14, 1900; and

(3) An arrangement to replace the arrangement signed at Madrid on April 14, 1891, relating to the repression of false indication of production of merchandise.

The United States is a signatory of the first convention only, and this will be promptly submitted to the Senate.

International opium commission.

In a special message transmitted to the Congress on the 11th of January, 1911, in which I concurred in the recommendations made by the Secretary of State in regard to certain needful legislation for the control of our interstate and foreign traffic in opium and other menacing drugs, I quoted from my annual message of December 7, 1909, in which I announced that the results of the International Opium Commission held at Shanghai in February, 1909, at the invitation of the United States, had been laid before this Government; that the report of that commission showed that China was making remarkable progress and admirable efforts toward the eradication of the opium evil; that the interested governments had not permitted their commercial interests to prevent their cooperation in this reform; and, as a result of collateral investigations of the opium question in this country, I recommended that the manufacture, sale, and use of opium in the United States should be more rigorously controlled by legislation.

Prior to that time and in continuation of the policy of this Government to secure the cooperation of the interested nations, the United States proposed an international opium conference with full powers for the purpose of clothing with the force of international law the resolutions adopted by the above-mentioned commission, together with their essential corollaries. The other powers concerned cordially responded to the proposal of this Government, and, I am glad to be able to announce, representatives of all the powers assembled in conference at The Hague on the first of this month.

Since the passage of the opium-exclusion act, more than twenty States have been animated to modify their pharmacy laws and bring them in accord with the spirit of that act, thus stamping out, to a measure, the intrastate traffic in opium and other habit-forming drugs. But, although I have urged on the Congress the passage of certain measures for Federal control of the interstate and foreign traffic in these drugs, no action has yet been taken. In view of the fact that there is now sitting at The Hague so important a conference, which has under review the municipal laws of the different

nations for the mitigation of their opium and other allied evils, a conference which will certainly deal with the international aspects of these evils, it seems to me most essential that the Congress should take immediate action on the anti-narcotic legislation to which I have already called attention by a special message.

Page 2104

Buenos Aires conventions.

The four important conventions signed at the Fourth Pan American Conference at Buenos Aires, providing for the regulation of trademarks, patents, and copyrights, and for the arbitration of pecuniary claims, have, with the advice and consent of the Senate, been ratified on the part of the United States and the ratifications have been deposited with the Government of the Argentine Republic in accordance with the requirements of the conventions. I am not advised that similar action has been taken by any other of the signatory governments.

International arrangement to suppress obscene publications.

One of the notable advances in international morality accomplished in recent years was an arrangement entered into on April 13th of the present year between the United States and other powers for the repression of the circulation of obscene publications.

Foreign trade relations of the united states.

In my last annual message I referred to the tariff negotiations of the Department of State with foreign countries in connection with the application, by a series of proclamations, of the minimum tariff of the United States to importations from the several countries, and I stated that, in its general operation, section 2 of the new tariff law had proved a guaranty of continued commercial peace, although there were, unfortunately, instances where foreign governments dealt arbitrarily with American interests within their jurisdiction in a manner injurious and inequitable. During the past year some instances of discriminatory treatment have been removed, but I regret to say that there remain a few cases of differential treatment adverse to the commerce of the United States. While none of these instances now appears to amount to undue discrimination in the sense of section 2 Of the tariff law of August 5, 1909, they are all exceptions to that complete degree of equality of tariff treatment that the Department of State has consistently sought to obtain for American commerce abroad.

While the double tariff feature of the tariff law of 1909 has been amply justified by the results achieved in removing former and preventing new, undue discriminations against American commerce it is believed that the time has come for the amendment of this feature of the law in such way as to provide a graduated means of meeting varying degrees of discriminatory treatment of American commerce in foreign countries as well as to protect the financial interests abroad of American citizens against arbitrary and injurious treatment on the part of foreign governments through either legislative or administrative measures.

It would seem desirable that the maximum tariff of the United States should embrace within its purview the free list, which is not the case at the present time, in order that it

might have reasonable significance to the governments of those countries from which the importations into the United States are confined virtually to articles on the free list.

Page 2105

Record of highest amount of foreign trade.

The fiscal year ended June 30, 1911, shows great progress in the development of American trade. It was noteworthy as marking the highest record of exports of American products to foreign countries, the valuation being in excess of $2,000,000,000. These exports showed a gain over the preceding year of more than $300,000,000.

Facilities for foreign trade furnished by joint action of department of state and of commerce and labor.

There is widespread appreciation expressed by the business interests of the country as regards the practical value of the facilities now offered by the Department of State and the Department of Commerce and Labor for the furtherance of American commerce. Conferences with their officers at Washington who have an expert knowledge of trade conditions in foreign countries and with consular officers and commercial agents of the Department of Commerce and Labor who, while on leave of absence, visit the principal industrial centers of the United States, have been found of great value. These trade conferences are regarded as a particularly promising method of governmental aid in foreign trade promotion. The Department of Commerce and Labor has arranged to give publicity to the expected arrival and the itinerary of consular officers and commercial agents while on leave in the United States, in order that trade organizations may arrange for conferences with them.

As I have indicated, it is increasingly clear that to obtain and maintain that equity and substantial equality of treatment essential to the flourishing foreign trade, which becomes year by year more important to the industrial and commercial welfare of the United States, we should have a flexibility of tariff sufficient for the give and take of negotiation by the Department of State on behalf of our commerce and industry.

Crying need for American merchant marine.

I need hardly reiterate the conviction that there should speedily be built up an American merchant marine. This is necessary to assure favorable transportation facilities to our great ocean-borne commerce as well as to supplement the Navy with an adequate reserve of ships and men It would have the economic advantage of keeping at home part of the vast sums now paid foreign shipping for carrying American goods. All the great commercial nations pay heavy subsidies to their merchant marine so that it is obvious that without some wise aid from the Congress the United States must lag behind in the matter of merchant marine in its present anomalous position.

Extension of American banking to foreign countries.

Legislation to facilitate the extension of American banks to foreign countries is another matter in which our foreign trade needs assistance.

Page 2106

Chambers of foreign commerce suggested.

The interests of our foreign commerce are nonpartisan, and as a factor in prosperity are as broad as the land. In the dissemination of useful information and in the coordination of effort certain unofficial associations have done good work toward the promotion of foreign commerce. It is cause for regret, however, that the great number of such associations and the comparative lack of cooperation between them fails to secure an efficiency commensurate with the public interest. Through the agency of the Department of Commerce and Labor, and in some cases directly, the Department of State transmits to reputable business interests information of commercial opportunities, supplementing the regular published consular reports. Some central organization in touch with associations and chambers of commerce throughout the country and able to keep purely American interests in closer touch with different phases of commercial affairs would, I believe, be of great value. Such organization might be managed by a committee composed of a small number of those now actively carrying on the work of some of the larger associations, and there might be added to the committee, as members ex officio, one or two officials of the Department of State and one or two officials from the Department of Commerce and Labor and representatives of the appropriate committees of Congress. The authority and success of such an organization would evidently be enhanced if the Congress should see fit to prescribe its scope and organization through legislation which would give to it some such official standing as that, for example, of the National Red Cross.

With these factors and the continuance of the foreign-service establishment (departmental, diplomatic, and consular) upon the high plane where it has been placed by the recent reorganization this Government would be abreast of the times in fostering the interests of its foreign trade, and the rest must be left to the energy and enterprise of our business men.

Improvement of the foreign service.

The entire foreign-service organization is being improved and developed with especial regard to the requirements of the commercial interests of the country. The rapid growth of our foreign trade makes it of the utmost importance that governmental agencies through which that trade is to be aided and protected should possess a high degree of efficiency. Not only should the foreign representatives be maintained upon a generous scale in so far as salaries and establishments are concerned, but the selection and advancement of officers should be definitely and permanently regulated by law so that the service shall not fail to attract men of high character and ability. The experience of the past few years with a partial application of civil-service rules to the Diplomatic and Consular Service leaves no doubt in my mind of the wisdom of

Page 2107

a wider and more permanent extension of those principles to both branches of the foreign service. The men selected for appointment by means of the existing executive regulations have been of a far higher average of intelligence and ability than the men appointed before the regulations were promulgated. Moreover, the feeling that under the existing rules there is reasonable hope for permanence of tenure during good behavior and for promotion for meritorious service has served to bring about a zealous activity in the interests of the country, which never before existed or could exist. It is my earnest conviction that the enactment into law of the general principles of the existing regulations can not fail to effect further improvement in both branches of the foreign service by providing greater inducement for young men of character and ability to seek a career abroad in the service of the Government, and an incentive to those already in the service to put forth greater efforts to attain the high standards which the successful conduct of our international relations and commerce requires.

I therefore again commend to the favorable action of the Congress the enactment of a law applying to the diplomatic and consular service the principles embodied in section 1753 of the Revised Statutes of the United States, in the civil-service act of January 16, 1883, and the Executive orders of June 27, 1906, and of November 26, 1909. In its consideration of this important subject I desire to recall to the attention of the Congress the very favorable report made on the Lowden bill for the improvement of the foreign service by the Foreign Affairs Committee of the House of Representatives. Available statistics show the strictness with which the merit system has been applied to the foreign service during recent years and the absolute nonpartisan selection of consuls and diplomatic-service secretaries who, indeed, far from being selected with any view to political consideration, have actually been chosen to a disproportionate extent from States which would have been unrepresented in the foreign service under the system which it is to be hoped is now permanently obsolete. Some legislation for the perpetuation of the present system of examinations and promotions upon merit and efficiency would be of greatest value to our commercial and international interests.

PART III.

The white house, December 20, 1911. To the Senate and House of Representatives:

In my annual message to Congress, December, 1909, I stated that under section 2 of the act of August 5, 1909, I had appointed a Tariff Board of three members to cooperate with the State Department in the administration of the maximum and minimum clause of that act, to make a glossary or encyclopedia of the existing tariff so as to render its terms intelligible to the ordinary reader, and then to investigate industrial conditions and costs of production at home and abroad with a view to determining to what extent existing tariff rates actually exemplify the protective principle, *viz*., that duties should be

made adequate, and only adequate, to equalize the difference in cost of production at home and abroad.

Page 2108

I further stated that I believed these investigations would be of great value as a basis for accurate legislation, and that I should from time to time recommend to Congress the revision of certain schedules in accordance with the findings of the Board.

In the last session of the Sixty-first Congress a bill creating a permanent Tariff Board of five members, of whom not more than three should be of the same political party, passed each House, but failed of enactment because of slight differences on which agreement was not reached before adjournment. An appropriation act provided that the permanent Tariff Board, if created by statute, should report to Congress on Schedule K in December, 1911.

Therefore, to carry out so far as lay within my power the purposes of this bill for a permanent Tariff Board, I appointed in March, 1911, a board of five, adding two members of such party affiliation as would have fulfilled the statutory requirement, and directed them to make a report to me on Schedule K of the tariff act in December of this year.

In my message of August 17, 1911, accompanying the veto of the wool bill, I said that, in my judgment, Schedule K should be revised and the rates reduced. My veto was based on the ground that, since the Tariff Board would make, in December, a detailed report on wool and wool manufactures, with special reference to the relation of the existing rates of duties to relative costs here and abroad, public policy and a fair regard to the interests of the producers and the manufacturers on the one hand and of the consumers on the other demanded that legislation should not be hastily enacted in the absence of such information; that I was not myself possessed at that time of adequate knowledge of the facts to determine whether or not the proposed act was in accord with my pledge to support a fair and reasonable protective policy; that such legislation might prove only temporary and inflict upon a great industry the evils of continued uncertainty.

I now herewith submit a report of the Tariff Board on Schedule K. The board is unanimous in its findings. On the basis of these findings I now recommend that the Congress proceed to a consideration of this schedule with a view to its revision and a general reduction of its rates.

The report shows that the present method of assessing the duty on raw Wool—this is, by a specific rate on the grease pound (i. e., unscoured) —operates to exclude wools of high shrinkage in scouring but fine quality from the American market and thereby lessens the range of wools available to the domestic manufacturer; that the duty on scoured wool Of 33 cents per pound is prohibitory and operates to exclude the importation of clean, low-priced foreign wools of inferior grades, which are nevertheless valuable material for manufacturing, and which can not be imported in the grease because of their heavy shrinkage. Such wools, if imported, might be used to displace the cheap substitutes now in use.

Page 2109

To make the preceding paragraph a little plainer, take the instance of a hundred pounds of first-class wool imported under the present duty, which is 11 cents a pound. That would make the duty on the hundred pounds $11. The merchantable part of the wool thus imported is the weight of the wool of this hundred pounds after scouring. If the wool shrinks 80 per cent, as some wools do, then the duty in such a case would amount to $11 $11 on 20 pounds of scoured wool. This, of course, would be prohibitory. If the wool shrinks only 50 per cent, it would be $11 on 50 pounds of wool, and this is near to the average of the great bulk of wools that are imported from Australia, which is the principal source of our imported wool.

These discriminations could be overcome by assessing a duty in ad valorem terms, but this method is open to the objection, first, that it increases administrative difficulties and tends to decrease revenue through undervaluation; and, second, that as prices advance, the ad valorem rate increases the duty per pound at the time when the consumer most needs relief and the producer can best stand competition; while if prices decline the duty is decreased at the time when the consumer is least burdened by the price and the producer most needs protection.

Another method of meeting the difficulty of taxing the grease pound is to assess a specific duty on grease wool in terms of its scoured content. This obviates the chief evil of the present system, namely, the discrimination due to different shrinkages, and thereby tends greatly to equalize the duty. The board reports that this method is feasible in practice and could be administered without great expense. The scoured content of the wool is the basis on which users of wool make their calculations, and a duty of this kind would fit the usages of the trade. One effect of this method of assessment would be that, regardless of the rate of duty, there would be an increase in the supply and variety of wool by making available to the American market wools of both low and fine quality now excluded.

The report shows in detail the difficulties involved in attempting to state in categorical terms the cost of wool production and the great differences in cost as between different regions and different types of wool. It is found, however, that, taking all varieties in account, the average cost of production for the whole American clip is higher than the cost in the chief competing country by an amount somewhat less than the present duty.

The report shows that the duties on wools, wool wastes, and shoddy, which are adjusted to the rate Of 33 cents on scoured wool are prohibitory in the same measure that the duty on scoured wool is prohibitory. In general, they are assessed at rates as high as, or higher than, the duties paid on the clean content of wools actually imported. They should be reduced and so adjusted to the rate on wool as to bear their proper proportion to the real rate levied on the actual wool imports.

Page 2110

The duties on many classes of wool manufacture are prohibitory and greatly in excess of the difference in cost of production here and abroad.

This is true of tops, of yarns (with the exception of worsted yarns of a very high grade), and of low and medium grade cloth of heavy weight.

On tops up to 52 cents a pound in value, and on yarns of 65 cents in value, the rate is 100 per cent with correspondingly higher rates for lower values. On cheap and medium grade cloths, the existing rates frequently run to 150 per cent and on some cheap goods to over 200 per cent. This is largely due to that part of the duty which is levied ostensibly to compensate the manufacturer for the enhanced cost of his raw material due to the duty on wool. As a matter of fact, this compensatory duty, for numerous classes of goods, is much in excess of the amount needed for strict compensation.

On the other hand, the findings show that the duties which run to such high ad valorem equivalents are prohibitory, since the goods are not imported, but that the prices of domestic fabrics are not raised by the full amount of duty. On a set of 1-yard samples of 16 English fabrics, which are completely excluded by the present tariff rates, it was found that the total foreign value was $41.84; the duties which would have been assessed had these fabrics been imported, $76.90; the foreign value plus the amount of the duty, $118.74; or a nominal duty of 183 per cent. In fact, however, practically identical fabrics of domestic make sold at the same time at $69.75, showing an enhanced price over the foreign market value of but 67 per cent.

Although these duties do not increase prices of domestic goods by anything like their full amount, it is none the less true that such prohibitive duties eliminate the possibility of foreign competition, even in time of scarcity; that they form a temptation to monopoly and conspiracies to control domestic prices; that they are much in excess of the difference in cost of production here and abroad, and that they should be reduced to a point which accords with this principle.

The findings of the board show that in this industry the actual manufacturing cost, aside from the question of the price of materials, is much higher in this country than it is abroad; that in the making of yarn and cloth the domestic woolen or worsted manufacturer has in general no advantage in the form of superior machinery or more efficient labor to offset the higher wages paid in this country The findings show that the cost of turning wool into yarn in this country is about double that in the leading competing country, and that the cost of turning yarn into cloth is somewhat more than double. Under the protective policy a great industry, involving the welfare of hundreds of thousands of people, has been established despite these handicaps.

In recommending revision and reduction, I therefore urge that action be taken with these facts in mind, to the end that an important and established industry may not be jeopardized.

Page 2111

The Tariff Board reports that no equitable method has been found to, levy purely specific duties on woolen and worsted fabrics and that, excepting for a compensatory duty, the rate must be ad valorem on such manufactures. It is important to realize, however, that no flat ad valorem rate on such fabrics can be made to work fairly and effectively. Any single rate which is high enough to equalize the difference in manufacturing cost at home and abroad on highly finished goods involving such labor would be prohibitory on cheaper goods, in which the labor cost is a smaller proportion of the total value. Conversely, a rate only adequate to equalize this difference on cheaper goods would remove protection from the fine-goods manufacture, the increase in which has been one of the striking features of the trade's development in recent years. I therefore recommend that in any revision the importance of a graduated scale of ad valorem duties on cloths be carefully considered and applied.

I venture to say that no legislative body has ever had presented to it a more complete and exhaustive report than this on so difficult and complicated a subject as the relative costs of wool and woolens the world over. It is a monument to the thoroughness, industry, impartiality, and accuracy of the men engaged in its making. They were chosen from both political parties but have allowed no partisan spirit to prompt or control their inquiries. They are unanimous in their findings. I feel sure that after the report has been printed and studied the value of such a compendium of exact knowledge in respect to this schedule of the tariff will convince all of the wisdom of making such a board permanent in order that it may treat each schedule of the tariff as it has treated this, and then keep its bureau of information up to date with current changes in the economic world.

It is no part of the function of the Tariff Board to propose rates of duty. Their function is merely to present findings of fact on which rates of duty may be fairly determined in the light of adequate knowledge in accord with the economic policy to be followed. This is what the present report does.

The findings of fact by the board show ample reason for the revision downward of Schedule K, in accord with the protective principle, and present the data as to relative costs and prices from which may be determined what rates will fairly equalize the difference in production costs. I recommend that such revision be proceeded with at once.

PART IV.

The white house, December 21, 1911. To the Senate and House of Representatives:

The financial condition of the Government, as shown at the close of the last fiscal year, June 30, 1911, was very satisfactory. The ordinary receipts into the general fund, excluding postal revenues, amounted to $701,372,374.99, and the disbursements from

the general fund for current expenses and capital outlays, excluding postal and Panama Canal disbursements, including the interest on the public debt, amounted to $654,137,907-89, leaving a surplus Of $47,234,377.10.

Page 2112

The postal revenue receipts amounted to $237,879,823,60, while the payments made for the postal service from the postal revenues amounted to $237,660,705.48, which left a surplus of postal receipts over disbursements Of $219,118.12, the first time in 27 years in which a surplus occurred.

The interest-bearing debt of the United States June 30, 1911, amounted to $915,353,190. The debt on which interest had ceased amounted to $1,879,830.26, and the debt bearing no interest, including greenbacks, national bank notes to be redeemed, and fractional currency, amounted to $386,751,917-43, or a total of interest and noninterest bearing debt amounting to $1,303,984,937.69.

The actual disbursements, exclusive of those for the Panama Canal and for the postal service for the year ending June 30, 1911, were $654,137,997.89. The actual disbursements for the year ending June 30, 1910, exclusive of the Panama Canal and the postal service disbursements, were $659,705,391.08, making a decrease Of $5,567,393.19 in yearly expenditures in the year 1911 under that of 1910. For the year ending June 30, 1912, the estimated receipts, exclusive of the postal revenues, are $666,000,000, while the total estimates, exclusive of those for the Panama Canal and the postal expenditures payable from the postal revenues, amount to $645,842,799.34. This is a decrease in the 1912 estimates from that of the 1911 estimates of $1,534,367-22.

For the year ending June 30, 1913, the estimated receipts, exclusive of the postal revenues, are $667,000,000, while the total estimated appropriations, exclusive of the Panama Canal and postal disbursements payable from postal revenues, will amount to $637,920,803.35. This is a decrease in the 1913 estimates from that of the 1912 estimates of $7,921,995.99.

As to the postal revenues, the expansion of the business in that department, the normal increase in the Post Office and the extension of the service, will increase the outlay to the sum Of $260,938,463; but as the department was self-sustaining this year the Postmaster General is assured that next year the receipts will at least equal the expenditures, and probably exceed them by more than the surplus of this year. It is fair and equitable, therefore, in determining the economy with which the Government has been run, to exclude the transactions of a department like the Post Office Department, which relies for its support upon its receipts. In calculations heretofore made for comparison of economy in each year, it has been the proper custom only to include in the statement the deficit in the Post Office Department which was paid out of the Treasury.

A calculation of the actual increase in the expenses of Government arising from the increase in the population and the general expansion of governmental functions, except those of the Post Office, for a number of years shows a normal increase of about 4 per

cent a year. By directing the exercise of great care to keep down the expenses and the estimates we have succeeded in reducing the total disbursements each year.

Page 2113

The credit of the united states.

The credit of this Government was shown to be better than that of any other Government by the sale of the Panama Canal 3 per cent bonds. These bonds did not give their owners the privilege of using them as a basis for bank-note circulation, nor was there any other privilege extended to them which would affect their general market value. Their sale, therefore, measured the credit of the Government. The premium which was realized upon the bonds made the actual interest rate of the transaction 2.909 per cent.

Efficiency and economy in the treasury department.

I In the Treasury Department the efficiency and economy work has been kept steadily up. Provision is made for the elimination of 134 positions during the coming year. Two hundred and sixty-seven statutory positions were eliminated during the last year in the office of the Treasury in Washington, and 141 positions in the year 1910, making an elimination Of 542 statutory positions since March 4, 1909; and this has been done without the discharge of anybody, because the normal resignations and deaths have been equal to the elimination of the places, a system of transfers having taken care of the persons whose positions were dropped out. In the field service if the department, too, 1,259 positions have been eliminated down to the present time, making a total net reduction of all Treasury positions to the number of 1,801. Meantime the efficiency of the work of the department has increased.

Monetary reform.

A matter of first importance that will come before Congress for action at this session is monetary reform. The Congress has itself arranged an early introduction of this great question through the report of its Monetary Commission. This commission was appointed to recommend a solution of the banking and currency problems so long confronting the Nation and to furnish the facts and data necessary to enable the Congress to take action. The commission was appointed when an impressive and urgent popular demand for legislative relief suddenly arose out of the distressing situation of the people caused by the deplorable panic of 1907. The Congress decided that while it could not give immediately the relief required, it would provide a commission to furnish the means for prompt action at a later date.

In order to do its work with thoroughness and precision this commission has taken some time to make its report. The country is undoubtedly hoping for as prompt action on the report as the convenience of the Congress can permit. The recognition of the gross imperfections and marked inadequacy of our banking and currency system even in our most quiet financial periods is of long standing; and later there has matured a recognition of the fact that our system is responsible for the extraordinary devastation, waste, and business paralysis

Page 2114

of our recurring periods of panic. Though the members of the Monetary Commission have for a considerable time been working in the open, and while large numbers of the people have been openly working with them, and while the press has largely noted and discussed this work as it has proceeded, so that the report of the commission promises to represent a national movement, the details of the report are still being considered. I can not, therefore, do much more at this time than commend the immense importance of monetary reform, urge prompt consideration and action when the commission's report is received, and express my satisfaction that the plan to be proposed promises to embrace main features that, having met the approval of a great preponderance of the practical and professional opinion of the country, are likely to meet equal approval in Congress.

It is exceedingly fortunate that the wise and undisputed policy of maintaining unchanged the main features of our banking system rendered it at once impossible to introduce a central bank; for a central bank would certainly have been resisted, and a plan into which it could have been introduced would probably have been defeated. But as a central bank could not be a part of the only plan discussed or considered, that troublesome question is eliminated. And ingenious and novel as the proposed National Reserve Association appears, it simply is a logical outgrowth of what is best in our present system, and is, in fact, the fulfillment of that system.

Exactly how the management of that association should be organized is a question still open. It seems to be desirable that the banks which would own the association should in the main manage it, It will be an agency of the banks to act for them, and they can be trusted better than anybody else chiefly to conduct it. It is mainly bankers' work. But there must be some form of Government supervision and ultimate control, and I favor a reasonable representation of the Government in the management. I entertain no fear of the introduction of politics or of any undesirable influences from a properly measured Government representation.

I trust that all banks of the country possessing the requisite standards will be placed upon a footing of perfect equality of opportunity. Both the National system and the State system should be fairly recognized, leaving them eventually to coalesce if that shall prove to be their tendency. But such evolution can not develop impartially if the banks of one system are given or permitted any advantages of opportunity over those of the other system. And I trust also that the new legislation will carefully and completely protect and assure the individuality and the independence of each bank, to the end that any tendency there may ever be toward a consolidation of the money or banking power of the Nation shall be defeated.

It will always be possible, of course, to correct any features of the new law which may in practice prove to be unwise; so that while this law is sure to be enacted under

conditions of unusual knowledge and authority, it also will include, it is well to remember, the possibility of future amendment.

Page 2115

With the present prospects of this long-awaited reform encouraging us, it would be singularly unfortunate if this monetary question should by any chance become a party issue. And I sincerely hope it will not. The exceeding amount of consideration it has received from the people of the Nation has been wholly nonpartisan; and the Congress set its nonpartisan seal upon it when the Monetary Commission was appointed. In commending the question to the favorable consideration of Congress, I speak for, and in the spirit of, the great number of my fellow citizens who without any thought of party or partisanship feel with remarkable earnestness that this reform is necessary to the interests of all the people.

The war department.

There is now before Congress a Dill, the purpose of which is to increase the efficiency and decrease the expense of the Army. It contains four principal features: First, a consolidation of the General Staff with the Adjutant General's and the Inspector General's Departments; second, a consolidation of the Quartermaster's Department with the Subsistence and the Pay Departments; third, the creation of an Army Service Corps; and fourth, an extension of the enlistment period from three to five years.

With the establishment of an Army Service Corps, as proposed in the bill, I am thoroughly in accord and am convinced that the establishment of such a corps will result in a material economy and a very great increase of efficiency in the Army. It has repeatedly been recommended by me and my predecessors. I also believe that a consolidation of the Staff Corps can be made with a resulting increase in efficiency and economy, but not along the lines provided in the bill under consideration.

I am opposed to any plan the result of which would be to break up or interfere with the essential principles of the detail system in the Staff Corps established by the act of February 2, 1901, and I am opposed to any plan the result of which would be to give to the officer selected as Chief of Staff or to any other member of the General Staff Corps greater permanency of office than he now has. Under the existing law neither the Chief. of Staff nor any other member of the General Staff Corps can remain in office for a period of more than four years, and there must be an interval of two years between successive tours of duty.

The bill referred to provides that certain persons shall become permanent members of the General Staff Corps, and that certain others are subject to re-detail without an interval of two years. Such provision is fraught with danger to the welfare of the Army, and would practically nullify the main purpose of the law creating the [missing text].

Page 2116

In making the consolidations no reduction should be made in the total number of officers of the Army, of whom there are now too few to perform the duties imposed by law. I have in the past recommended an increase in the number of officers by 600 in order to provide sufficient officers to perform all classes of staff duty and to reduce the number of line officers detached from their commands. Congress at the last session increased the total number of officers by 200, but this is not enough. Promotion in the line of the Army is too slow. Officers do not attain command rank at an age early enough properly to exercise it. It would be a mistake further to retard this already slow promotion by throwing back into the line of the Arm a number of high-ranking officers to be absorbed as is provided in the [missing text].

Another feature of the bill which I believe to be a mistake is the proposed increase in the term of enlistment from three to five ears I believe it would be better to enlist men for six years, release them at the end of three years from active service, and put them in reserve for the remaining three years. Reenlistments should be largely confined to the noncommissioned officers and other enlisted men in the skilled grades. This plan by the payment of a comparatively small compensation during the three years of reserve, would keep a large body of men at the call of the Government, trained and ready for [missing text].

The Army of the United States is in good condition. It showed itself able to meet an emergency in the successful mobilization of an army division of from 15,000 to 20,000 men, which took place along the border of Mexico during the recent disturbances in that country. The marvelous freedom from the ordinary camp diseases of typhoid fever and measles is referred to in the report of the Secretary of War and shows such an effectiveness in the sanitary regulations and treatment of the Medical Corps, and in the discipline of the Army itself, as to invoke the highest commendation.

Memorial amphitheater at Arlington.

I beg to renew my recommendation of last year that the Congress appropriate for a memorial amphitheater at Arlington, Va., the funds required to construct it upon the plans already approved.

The Panama canal.

The very satisfactory progress made on the Panama Canal last year has continued, and there is every reason to believe that the canal will be completed as early as the 1st of July, 1913, unless something unforeseen occurs. This is about 18 months before the time promised by the engineers.

Page 2117

We are now near enough the completion of the canal to make it imperatively necessary that legislation should be enacted to fix the method by which the canal shall be maintained and controlled and the zone governed. The fact is that to-day there is no statutory law by authority of which the President is maintaining the government of the zone. Such authority was given in an amendment to the Spooner Act, which expired by the terms of its own limitation some years ago. Since that time the government has continued, under the advice of the Attorney General that in the absence of action by Congress, there is necessarily an implied authority on the part of the Executive to maintain a government in a territory in which he has to see that the laws are executed. The fact that we have been able thus to get along during the important days of construction without legislation expressly formulating the government of the zone, or delegating the creation of it to the President, is not a reason for supposing that we may continue the same kind of a government after the construction is finished. The implied authority of the President to maintain a civil government in the zone may be derived from the mandatory direction given him in the original Spooner Act, by which he was commanded to build the canal; but certainly, now that the canal is about to be completed and to be put under a permanent management, there ought to be specific statutory authority for its regulation and control and for the government of the zone, which we hold for the chief and main purpose of operating the canal.

I fully concur with the Secretary of War that the problem is simply the management of a great public work, and not the government of a local republic; that every provision must be directed toward the successful maintenance of the canal as an avenue of commerce, and that all provisions for the government of those who live within the zone should be subordinate to the main purpose.

The zone is 40 miles long and 10 miles wide. Now, it has a population Of 50,000 or 60,000, but as soon as the work of construction is completed, the towns which make up this population will be deserted, and only comparatively few natives will continue their residence there. The control of them ought to approximate a military government. One judge and two justices of the peace will be sufficient to attend to all the judicial and litigated business there is. With a few fundamental laws of Congress, the zone should be governed by the orders of the President, issued through the War Department, as it is today. Provisions can be made for the guaranties of life, liberty, and property, but beyond those, the government should be that of a military reservation, managed in connection with this great highway of trade.

Furnishing supplies and repairs.

Page 2118

In my last annual message I discussed at length the reasons for the Government's assuming the task of furnishing to all ships that use the canal, whether our own naval vessels or others, the supplies of coal and oil and other necessities with which they must be replenished either before or after passing through the canal, together with the dock facilities and repairs of every character. This it is thought wise to do through the Government, because the Government must establish for itself, for its own naval vessels, large depots and dry docks and warehouses, and these may easily be enlarged so as to secure to the world public using the canal reasonable prices and a certainty that there will be no discrimination between those who wish to avail themselves of such facilities. *Tolls*.

I renew my recommendation with respect to the tolls of the canal that within limits, which shall seem wise to Congress, the power of fixing tolls be given to the President. In order to arrive at a proper conclusion, there must be some experimenting, and this can not be done if Congress does not delegate the power to one who can act expeditiously.

Power exists to relieve American shipping.

I am very confident that the United States has the power to relieve from the payment of tolls any part of our shipping that Congress deems wise. We own the canal. It was our money that built it. We have the right to charge tolls for its use. Those tolls must be the same to everyone; but when we are dealing with our own ships, the practice of many Governments of subsidizing their own merchant vessels is so well established in general that a subsidy equal to the tolls, an equivalent remission of tolls, can not be held to be a discrimination in the use of the canal. The practice in the Suez Canal makes this clear. The experiment in tolls to be made by the President would doubtless disclose how great a burden of tolls the coastwise trade between the Atlantic and the Pacific coast could bear without preventing its usefulness in competition with the transcontinental railroads. One of the chief reasons for building the canal was to set up this competition and to bring the two shores closer together as a practical trade problem. It may be that the tolls will have to be wholly remitted. I do not think this is the best principle, because I believe that the cost of such a Government work as the Panama Canal ought to be imposed gradually but certainly upon the trade which it creates and makes possible. So far as we can, consistent with the development of the world's trade through the canal, and the benefit which it was intended to secure to the east and west coastwise trade, we ought to labor to secure from the canal tolls a sufficient amount ultimately to meet the debt which we have assumed and to pay the interest.

The Philippine islands.

Page 2119

In respect to the Philippines, I urgently join in the recommendation of the Secretary of War that the act of February 6, 1905, limiting the indebtedness that may be incurred by the Philippine Government for the construction of public works, be increased from $5,000,000 to $15,000,000. The finances of that Government are in excellent condition. The maximum sum mentioned is quite low as compared with the amount of indebtedness of other governments with similar resources, and the success which has attended the expenditure of the $5,000,000 in the useful improvements of the harbors and other places in the Islands justifies and requires additional expenditures for like purposes. *Naturalization*.

I also join in the recommendation that the legislature of the Philippine Islands be authorized to provide for the naturalization of Filipinos and others who by the present law are treated as aliens, so as to enable them to become citizens of the Philippine Islands.

Friars' lands.

Pending an investigation by Congress at its last session, through one of its committees, into the disposition of the friars' lands, Secretary Dickinson directed that the friars' lands should not be sold in excess of the limits fixed for the public lands until Congress should pass upon the subject or should have concluded its investigation. This order has been an obstruction to the disposition of the lands, and I expect to direct the Secretary of War to return to the practice under the opinion of the Attorney General which will enable us to dispose of the lands much more promptly, and to prepare a sinking fund with which to meet the $7,000,000 of bonds issued for the purchase of the lands. I have no doubt whatever that the Attorney General's construction was a proper one, and that it is in the interest of everyone that the land shall be promptly disposed of. The danger of creating a monopoly of ownership in lands under the statutes as construed is nothing. There are only two tracts of 60,000 acres each unimproved and in remote Provinces that are likely to be disposed of in bulk, and the rest of the lands are subject to the limitation that they shall be first offered to the present tenants and lessors who hold them in small tracts.

Rivers and harbors.

The estimates for the river and harbor improvements reach $32,000,000 for the coming year. I wish to urge that whenever a project has been adopted by Congress as one to be completed, the more money which can be economically expended in its construction in each year, the greater the ultimate economy. This has especial application to the improvement of the Mississippi River and its large branches. It seems to me that an increase in the amount of money now being annually expended in the improvement of the Ohio River which has been formally adopted by Congress would be in the interest of the public. A similar change ought to be made during the present Congress,

Page 2120

in the amount to be appropriated for the Missouri River. The engineers say that the cost of the improvement of the Missouri River from Kansas City to St. Louis, in order to secure 6 feet as a permanent channel, will reach $20,000,000. There have been at least three recommendations from the Chief of Engineers that if the improvement be adopted, $2,000,000 should be expended upon it annually. This particular improvement is especially entitled to the attention of Congress, because a company has been organized in Kansas City, with a capital of $1,000,000, which has built steamers and barges, and is actually using the river for transportation in order to show what can be done in the way of affecting rates between Kansas City and St. Louis, and in order to manifest their good faith and confidence in respect of the improvement. I urgently recommend that the appropriation for this improvement be increased from $600,000, as recommended now in the completion of a contract, to $2,000,000 annually, so that the work may be done in 10 years.

Waterway from the lakes to the gulf.

The project for a navigable waterway from Lake Michigan to the mouth of the Illinois River, and thence via the Mississippi to the Gulf of Mexico, is one of national importance. In view of the work already accomplished by the Sanitary District of Chicago, an agency of the State of Illinois, which has constructed the most difficult and costly stretch of this waterway and made it an asset of the Nation, and in view of the fact that the people of Illinois have authorized the expenditure Of $20,000,000 to carry this waterway 62 miles farther to Utica, I feel that it is fitting that this work should be supplemented by the Government, and that the expenditures recommended by the special board of engineers on the waterway from Utica to the mouth of the Illinois River be made upon lines which while providing a waterway for the Nation should otherwise benefit that State to the fullest extent. I recommend that the term of service of said special board of engineers be continued, and that it be empowered to reopen the question of the treatment of the lower Illinois River, and to negotiate with a properly constituted commission representing the State of Illinois, and to agree upon a plan for the improvement of the lower Illinois River and upon the extent to which the United States may properly cooperate with the State of Illinois in securing the construction of a navigable waterway from Lockport to the mouth of the Illinois River in conjunction with the development of water power by that State between Lockport and Utica.

The department of justice.

Removal of clerks of Federal courts.

Page 2121

The report of the Attorney General shows that he has subjected to close examination the accounts of the clerks of the Federal courts; that he has found a good many which disclose irregularities or dishonesty; but that he has had considerable difficulty in securing an effective prosecution or removal of the clerks thus derelict. I am certainly not unduly prejudiced against the Federal courts, but the fact is that the long and confidential relations which grow out of the tenure for life on the part of the judge and the practical tenure for life on the part of the clerk are not calculated to secure the strictness of dealing by the judge with the clerk in respect to his fees and accounts which assures in the clerk's conduct a freedom from overcharges and carelessness. The relationship between the judge and the clerk makes it ungracious for members of the bar to complain of the clerk or for department examiners to make charges against him to be heard by the court, and an order of removal of a clerk and a judgment for the recovery of fees are in some cases reluctantly entered by the judge. For this reason I recommend an amendment to the law whereby the President shall be given power to remove the clerks for cause. This provision need not interfere with the right of the judge to appoint his clerk or to remove him.

French spoliation awards.

In my last message, I recommended to Congress that it authorize the payment of the findings or judgments of the Court of Claims in the matter of the French spoliation cases. There has been no appropriation to pay these judgments since 1905. The findings and awards were obtained after a very bitter fight, the Government succeeding in about 75 per cent of the cases. The amount of the awards ought, as a matter of good faith on the part of the Government, to be paid.

Employers' liability and workmen's compensation commission.

The limitation of the liability of the master to his servant for personal injuries to such as are occasioned by his fault has been abandoned in most civilized countries and provision made whereby the employee injured in the course of his employment is compensated for his loss of working ability irrespective of negligence. The principle upon which such provision proceeds is that accidental injuries to workmen in modern industry, with its vast complexity and inherent dangers arising from complicated machinery and the use of the great forces of steam and electricity, should be regarded as risks of the industry and the loss borne in some equitable proportion by those who for their own profit engage therein. In recognition of this the last Congress authorized the appointment of a commission to investigate the subject of employers' liability and workmen's compensation and to report the result of their investigations, through the President, to Congress. This commission was appointed and has been at work, holding hearings, gathering data,

Page 2122

and considering the subject, and it is expected will be able to report by the first of the year, in accordance with the provisions of the law. It is hoped and expected that the commission will suggest legislation which will enable us to put in the place of the present wasteful and sometimes unjust system of employers' liability a plan of compensation which will afford some certain and definite relief to all employees who are injured in the course of their employment in those industries which are subject to the regulating power of Congress.

Measures to prevent delay and unnecessary cost of litigation.

In promotion of the movement for the prevention of delay and unnecessary cost, in litigation, I am glad to say that the Supreme Court has taken steps to reform the present equity rules of the Federal courts, and that we may in the near future expect a revision of them which will be a long step in the right direction.

The American Bar Association has recommended to Congress several bills expediting procedure, one of which has already passed the House unanimously, February 6, 1911. This directs that no judgment should be set aside or reversed, or new trial granted, unless it appears to the court, after an examination of the entire cause, that the error complained of has injuriously affected the substantial rights of the parties, and also provides for the submission of issues of fact to a jury, reserving questions of law for subsequent argument and decision. I hope this bill will pass the Senate and become law, for it will simplify the procedure at law.

Another bill 11 to amend chapter II of the judicial Code, in order to avoid errors in pleading, was presented by the same association, and one. enlarging the jurisdiction of the Supreme Court so as to permit that court to examine, upon a writ of error, all cases in which any right or title is claimed under the Constitution, or any statute or treaty of the United States, whether the decision in the court below has been against the right or title or in its favor. Both these measures are in the interest of justice and should be passed.

Post office.

At the beginning of the present administration in 1909 the postal service was in arrears to the extent Of $17,479,770.47. It was very much the largest deficit on record. In the brief space of two years this has been turned into a surplus Of $220,000, which has been accomplished without curtailment of the postal facilities, as may be seen by the fact that there have been established 3,744 new post offices; delivery by carrier has been added to the service in 186 cities; 2,516 new rural routes have been established, covering 60,000 miles; the force of postal employees has been increased in these two years by more than 8,000, and their average annual salary has had a substantial increase.

Postal-savings system.

Page 2123

On January 3, 1911, postal-savings depositories were established experimentally in 48 States and Territories. After three months' successful operation the system was extended as rapidly as feasible to the 7,500 Post offices of the first, second, and third classes constituting the presidential grade. By the end of the year practically all of these will have been designated and then the system will be extended to all fourth-class post offices doing a money-order business.

In selecting post offices for depositories consideration was given to the efficiency of the postmasters and only those offices where the ratings were satisfactory to the department have been designated. Withholding designation from postmasters with unsatisfactory ratings has had a salutary effect on the service.

The deposits have kept pace with the extension of the system. Amounting to only $60,652 at the end of the first month's operation in the experimental offices, they increased to $679,310 by July, and now after 11 months of operation have reached a total of $11,000,000. This sum is distributed among 2,710 banks and protected tinder the law by bonds deposited with the Treasurer of the United States.

Under the method adopted for the conduct of the system certificates are issued as evidence of deposits, and accounts with depositors are kept by the post offices instead of by the department. Compared with the practice in other countries of entering deposits in pass books and keeping at the central office a ledger account with each depositor, the use of the certificate has resulted in great economy of administration.

The depositors thus far number approximately 150,000. They include 40 nationalities, native Americans largely predominating and English and Italians coming next.

The first conversion of deposits into United States bonds bearing interest at the rate of 2.5 per cent occurred on July 1, 1911, the amount of deposits exchanged being $41,900, or a little more than 6 per cent of the total outstanding certificates of deposit on June 30. Of this issue, bonds to the value of $6,120 were in coupon form and $35,780 in registered form.

Parcel post.

Steps should be taken immediately for the establishment of a rural parcel post. In the estimates of appropriations needed for the maintenance of the postal service for the ensuing fiscal year an item of $150,000 has been inserted to cover the preliminary expense of establishing a parcel post on rural mail routes, as well as to cover an investigation having for its object the final establishment of a general parcel post on all railway and steamboat transportation routes. The department believes that after the initial expenses of establishing the system are defrayed and the parcel post is in full operation on the rural routes it will not only bring in sufficient revenue to meet its cost,

but also a surplus that can be utilized in paying the expenses of a parcel post in the City Delivery Service.

Page 2124

It is hoped that Congress will authorize the immediate establishment of a limited parcel post on such rural routes as may be selected, providing for the delivery along the routes of parcels not exceeding eleven pounds, which is the weight limit for the international parcel post, or at the post office from which such route emanates, or on another route emanating from the same office. Such preliminary service will prepare the way for the more thorough and comprehensive inquiry contemplated in asking for the appropriation mentioned, enable the department to gain definite information concerning the practical operation of a general system, and at the same time extend the benefit of the service to a class of people who, above all others, are specially in need of it.

The suggestion that we have a general parcel post has awakened great opposition on the part of some who think that it will have the effect to destroy the business of the country storekeeper. Instead of doing this, I think the change will greatly increase business for the benefit of all. The reduction in the cost of living it will bring about ought to make its coming certain.

The navy department.

On the 2d of November last, I reviewed the fighting fleet of battleships and other vessels assembled in New York Harbor, consisting of 24 battleships, 2 armored cruisers, 2 cruisers, 22 destroyers, 12 torpedo boats, 8 submarines, and other attendant vessels, making 98 vessels of all classes, of a tonnage Of 576,634 tons. Those who saw the fleet were struck with its preparedness and with its high military efficiency. All Americans should be proud of its personnel.

The fleet was deficient in the number of torpedo destroyers, in cruisers, and in colliers, as well as in large battleship cruisers, which are now becoming a very important feature of foreign navies, notably the British, German, and Japanese.

The building plan for this year contemplates two battleships and two colliers. This is because the other and smaller vessels can be built much more rapidly in case of emergency than the battleships, and we certainly ought to continue the policy of two battleships a year until after the Panama Canal is finished and until in our first line and in our reserve line we can number 40 available vessels of proper armament and size.

The reorganization of the Navy and the appointment of four aids to the Secretary have continued to demonstrate their usefulness. It would be difficult now to administer the affairs of the Navy without the expert counsel and advice of these aids, and I renew the recommendation which I made last year, that the aids be recognized by statute.

Page 2125

It is certain that the Navy, with its present size, should have admirals in active command higher than rear admirals. The recognized grades in order are: Admiral of the fleet, admiral, vice admiral, and rear admiral. Our great battleship fleet is commanded by a rear admiral, with four other rear admirals under his orders. This is not as it should be, and when questions of precedence arise between our naval officers and those of European navies, the American rear admiral, though in command of ten times the force of a foreign vice admiral, must yield precedence to the latter. Such an absurdity ought not to prevail, and it can be avoided by the creation of two or three positions of flag rank above that of rear admiral.

I attended the opening of the new training school at North Chicago, Ill., and am glad to note the opportunity which this gives for drawing upon young men of the country from the interior, from farms, stores, shops, and offices, which insures a high average of intelligence and character among them, and which they showed in the very wonderful improvement in discipline and drill which only a few short weeks' presence at the naval station had made.

I invite your attention to the consideration of the new system of detention and of punishment for Army and Navy enlisted men which has obtained in Great Britain, and which has made greatly for the better control of the. men. We should adopt a similar system here.

Like the Treasury Department and the War Department, the Navy Department has given much attention to economy in administration, and has cut down a number of unnecessary expenses and reduced its estimates except for construction and the increase that that involves.

I urge upon Congress the necessity for an immediate increase of 2,000 men in the enlisted strength of the Navy, provided for in the estimates. Four thousand more are now needed to man all the available vessels.

There are in the service to-day about 47,750 enlisted men of all ratings.

Careful computation shows that in April, 1912, 49,166 men will be required for vessels in commission, and 3,000 apprentice seamen should be kept under training at all times.

Abolition of navy yards.

The Secretary of the Navy has recommended the abolition of certain of the smaller and unnecessary navy yards, and in order to furnish a complete and comprehensive report has referred the question of all navy yards to the joint board of the Army and Navy. This board will shortly make its report and the Secretary of the Navy advises me that his recommendations on the subject will be presented early in the coming year. The measure of economy contained in a proper handling of this subject is so great and so

important to the interests of the Nation that I shall present it to Congress as a separate subject apart from my annual message. Concentration of the necessary work for naval vessels in a few navy yards on each coast is a vital necessity if proper economy in Government expenditures is to be attained.

Page 2126

Amalgamation of staff corps in the navy.

The Secretary of the Navy is striving to unify the various corps of the Navy to the extent possible and thereby stimulate a Navy spirit as distinguished from a corps spirit. In this he has my warm support.

All officers are to be naval officers first and specialists afterwards. This means that officers will take up at least one specialty, such as ordnance, construction, or engineering. This is practically what is done now, only some of the specialists, like the pay officers and naval constructors, are not of the line. It is proposed to make them all of the line.

All combatant corps should obviously be of the line. This necessitates amalgamating the pay officers and also those engaged in the technical work of producing the finished ship. This is at present the case with the single exception of the naval constructors, whom it is now proposed to amalgamate with the line.

Council of national defense.

I urge again upon Congress the desirability of establishing the council of national defense. The bill to establish this council was before Congress last winter, and it is hoped that this legislation will pass during the present session. The purpose of the council is to determine the general policy of national defense and to recommend to Congress and to the President such measures relating to it as it shall deem necessary and expedient.

No such machinery is now provided by which the readiness of the Army and Navy may be improved and the programs of military and naval requirements shall be coordinated and properly scrutinized with a view of the necessities of the whole Nation rather than of separate departments.

Departments of agriculture and commerce and labor.

For the consideration of matters which are pending or have been disposed of in the Agricultural Department and in the Department of Commerce and Labor, I refer to the very excellent reports of the Secretaries of those departments. I shall not be able to submit to Congress until after the Christmas holidays the question of conservation of our resources arising in Alaska and the West and the question of the rate for second-class mail matter in the Post Office Department.

Commission on efficiency and economy.

The law does not require the submission of the reports of the Commission on Economy and Efficiency until the 31st of December. I shall therefore not be able to submit a

report of the work of that commission until the assembling of Congress after the holidays.

Civil retirement and contributory pension system.

Page 2127

I have already advocated, in my last annual message, the adoption of a civil-service retirement system, with a contributory feature to it so as to reduce to a minimum the cost to the Government of the pensions to be paid. After considerable reflection, I am very much opposed to a pension system that involves no contribution from the employees. I think the experience of other governments justifies this view; but the crying necessity for some such contributory system, with possibly a preliminary governmental outlay, in order to cover the initial cost and to set the system going at once while the contributions are accumulating, is manifest on every side. Nothing will so much promote the economy and efficiency of the Government as such a system.

Elimination of all local offices from politics.

I wish to renew again my recommendation that all the local offices throughout the country, including collectors of internal revenue, collectors of customs, postmasters of all four classes, immigration commissioners and marshals, should be by law covered into the classified service, the necessity for confirmation by the Senate be removed, and the President and the others, whose time is now taken up in distributing this patronage under the custom that has prevailed since the beginning of the Government in accordance with the recommendation of the Senators and Congressmen of the majority party, should be relieved from this burden. I am confident that such a change would greatly reduce the cost of administering the Government, and that it would add greatly to its efficiency. It would take away the power to use the patronage of the Government for political purposes. When officers are recommended by Senators and Congressmen from political motives and for political services rendered, it is impossible to expect that while in office the appointees will not regard their tenure as more or less dependent upon continued political service for their patrons, and no regulations, however stiff or rigid, will prevent this, because such regulations, in view of the method and motive for selection, are plainly inconsistent and deemed hardly worthy of respect.

***

State of the Union Address
William H. Taft
December 3, 1912

Jump to Part II | Part III

To the Senate and House of Representatives:

The foreign relations of the United States actually and potentially affect the state of the Union to a degree not widely realized and hardly surpassed by any other factor in the welfare of the whole Nation. The position of the United States in the moral, intellectual, and material relations of the family of nations should be a matter of vital interest to every patriotic citizen. The national prosperity and power impose upon us duties which we

can not shirk if we are to be true to our ideals. The tremendous growth of the export trade of the United States has already made that trade a

Page 2128

very real factor in the industrial and commercial prosperity of the country. With the development of our industries the foreign commerce of the United States must rapidly become a still more essential factor in its economic welfare. Whether we have a farseeing and wise diplomacy and are not recklessly plunged into unnecessary wars, and whether our foreign policies are based upon an intelligent grasp of present-day world conditions and a clear view of the potentialities of the future, or are governed by a temporary and timid expediency or by narrow views befitting an infant nation, are questions in the alternative consideration of which must convince any thoughtful citizen that no department of national polity offers greater opportunity for promoting the interests of the whole people on the one hand, or greater chance on the other of permanent national injury, than that which deals with the foreign relations of the United States.

The fundamental foreign policies of the United States should be raised high above the conflict of partisanship and wholly dissociated from differences as to domestic policy. In its foreign affairs the United States should present to the world a united front. The intellectual, financial, and industrial interests of the country and the publicist, the wage earner, the farmer, and citizen of whatever occupation must cooperate in a spirit of high patriotism to promote that national solidarity which is indispensable to national efficiency and to the attainment of national ideals.

The relations of the United States with all foreign powers remain upon a sound basis of peace, harmony, and friendship. A greater insistence upon justice to American citizens or interests wherever it may have been denied and a stronger emphasis of the need of mutuality in commercial and other relations have only served to strengthen our friendships with foreign countries by placing those friendships upon a firm foundation of realities as well as aspirations.

Before briefly reviewing the more important events of the last year in our foreign relations, which it is my duty to do as charged with their conduct and because diplomatic affairs are not of a nature to make it appropriate that the Secretary of State make a formal annual report, I desire to touch upon some of the essentials to the safe management of the foreign relations of the United States and to endeavor, also, to define clearly certain concrete policies which are the logical modern corollaries of the undisputed and traditional fundamentals of the foreign policy of the United States.

REORGANIZATION OF THE STATE DEPARTMENT

At the beginning of the present administration the United States, having fully entered upon its position as a world power, with the responsibilities thrust upon it by the results of the Spanish-American War, and already engaged in laying the groundwork of a vast

foreign trade upon which it should one day become more and more dependent, found itself without the machinery for giving thorough attention to, and taking effective action upon, a mass of intricate business vital to American interests in every country in the world.

Page 2129

The Department of State was an archaic and inadequate machine lacking most of the attributes of the foreign office of any great modern power. With an appropriation made upon my recommendation by the Congress on August 5, 1909, the Department of State was completely reorganized. There were created Divisions of Latin American Affairs and of Far Eastern, Near Eastern, and Western European Affairs. To these divisions were called from the foreign service diplomatic and consular officers possessing experience and knowledge gained by actual service in different parts of the world and thus familiar with political and commercial conditions in the regions concerned. The work was highly specialized. The result is that where previously this Government from time to time would emphasize in its foreign relations one or another policy, now American interests in every quarter of the globe are being cultivated with equal assiduity. This principle of politico-geographical division possesses also the good feature of making possible rotation between the officers of the departmental, the diplomatic, and the consular branches of the foreign service, and thus keeps the whole diplomatic and consular establishments tinder the Department of State in close touch and equally inspired with the aims and policy of the Government. Through the newly created Division of Information the foreign service is kept fully informed of what transpires from day to day in the international relations of the country, and contemporary foreign comment affecting American interests is promptly brought to the attention of the department. The law offices of the department were greatly strengthened. There were added foreign trade advisers to cooperate with the diplomatic and consular bureaus and the politico-geographical divisions in the innumerable matters where commercial diplomacy or consular work calls for such special knowledge. The same officers, together with the rest of the new organization, are able at all times to give to American citizens accurate information as to conditions in foreign countries with which they have business and likewise to cooperate more effectively with the Congress and also with the other executive departments.

MERIT SYSTEM IN CONSULAR AND DIPLOMATIC CORPS

Expert knowledge and professional training must evidently be the essence of this reorganization. Without a trained foreign service there would not be men available for the work in the reorganized Department of State. President Cleveland had taken the first step toward introducing the merit system in the foreign service. That had been followed by the application of the merit principle, with excellent results, to the entire consular branch. Almost nothing, however, had been done in this direction with regard to the Diplomatic Service. In this age of commercial diplomacy it was evidently of the first importance to train an adequate personnel in that branch of the service. Therefore, on November 26, 1909, by an Executive order I placed the Diplomatic Service up to the grade of secretary of embassy, inclusive, upon exactly the same strict nonpartisan basis

of the merit system, rigid examination for appointment and promotion only for efficiency, as had been maintained without exception in the Consular Service.

Page 2130

STATISTICS AS TO MERIT AND NONPARTISAN CHARACTER OF APPOINTMENTS

How faithful to the merit system and how nonpartisan has been the conduct of the Diplomatic and Consular Services in the last four years may be judged from the following: Three ambassadors now serving held their present rank at the beginning of my administration. Of the ten ambassadors whom I have appointed, five were by promotion from the rank of minister. Nine ministers now serving held their present rank at the beginning of my administration. Of the thirty ministers whom I have appointed, eleven were promoted from the lower grades of the foreign service or from the Department of State. Of the nineteen missions in Latin America, where our relations are close and our interest is great, fifteen chiefs of mission are service men, three having entered the service during this administration. Thirty-seven secretaries of embassy or legation who have received their initial appointments after passing successfully the required examination were chosen for ascertained fitness, without regard to political affiliations. A dearth of candidates from Southern and Western States has alone made it impossible thus far completely to equalize all the States' representations in the foreign service. In the effort to equalize the representation of the various States in the Consular Service I have made sixteen of the twenty-nine new appointments as consul which have occurred during my administration from the Southern States. This is 55 per cent. Every other consular appointment made, including the promotion of eleven young men from the consular assistant and student interpreter corps, has been by promotion or transfer, based solely upon efficiency shown in the service.

In order to assure to the business and other interests of the United States a continuance of the resulting benefits of this reform, I earnestly renew my previous recommendations of legislation making it permanent along some such lines as those of the measure now Pending in Congress.

Larger provision for embassies and legations and for other expenses of our foreign representatives recommended

In connection with legislation for the amelioration of the foreign service, I wish to invite attention to the advisability of placing the salary appropriations upon a better basis. I believe that the best results would be obtained by a moderate scale of salaries, with adequate funds for the expense of proper representation, based in each case upon the scale and cost of living at each post, controlled by a system of accounting, and under the general direction of the Department of State.

Page 2131

In line with the object which I have sought of placing our foreign service on a basis of permanency, I have at various times advocated provision by Congress for the acquisition of Government-owned buildings for the residence and offices of our diplomatic officers, so as to place them more nearly on an equality with similar officers of other nations and to do away with the discrimination which otherwise must necessarily be made, in some cases, in favor of men having large private fortunes. The act of Congress which I approved on February 17, 1911, was a right step in this direction. The Secretary of State has already made the limited recommendations permitted by the act for any one year, and it is my hope that the bill introduced in the House of Representatives to carry out these recommendations will be favorably acted on by the Congress during its present session.

In some Latin-American countries the expense of government-owned legations will be less than elsewhere, and it is certainly very urgent that in such countries as some of the Republics of Central America and the Caribbean, where it is peculiarly difficult to rent suitable quarters, the representatives of the United States should be justly and adequately provided with dignified and suitable official residences. Indeed, it is high time that the dignity and power of this great Nation should be fittingly signalized by proper buildings for the occupancy of the Nation's representatives everywhere abroad.

DIPLOMACY A HAND MAID OF COMMERCIAL INTERCOURSE AND PEACE

The diplomacy of the present administration has sought to respond to modern ideas of commercial intercourse. This policy has been characterized as substituting dollars for bullets. It is one that appeals alike to idealistic humanitarian sentiments, to the dictates of sound policy and strategy, and to legitimate commercial aims. It I is an effort frankly directed to the increase of American trade upon the axiomatic principle that the Government of the United States shall extend all proper support to every legitimate and beneficial American enterprise abroad. How great have been the results of this diplomacy, coupled with the maximum and minimum provision of the tariff law, will be seen by some consideration of the wonderful increase in the export trade of the United States. Because modern diplomacy is commercial, there has been a disposition in some quarters to attribute to it none but materialistic aims. How strikingly erroneous is such an impression may be seen from a study of the results by which the diplomacy of the United States can be judged.

SUCCESSFUL EFFORTS IN PROMOTION OF PEACE

Page 2132

In the field of work toward the ideals of peace this Government negotiated, but to my regret was unable to consummate, two arbitration treaties which set the highest mark of the aspiration of nations toward the substitution of arbitration and reason for war in the settlement of international disputes. Through the efforts of American diplomacy several wars have been prevented or ended. I refer to the successful tripartite mediation of the Argentine Republic, Brazil, and the United States between Peru and Ecuador; the bringing of the boundary dispute between Panama and Costa Rica to peaceful arbitration; the staying of warlike preparations when Haiti and the Dominican Republic were on the verge of hostilities; the stopping of a war in Nicaragua; the halting of internecine strife in Honduras. The Government of the United States was thanked for its influence toward the restoration of amicable relations between the Argentine Republic and Bolivia. The diplomacy of the United States is active in seeking to assuage the remaining ill-feeling between this country and the Republic of Colombia. In the recent civil war in China the United States successfully joined with the other interested powers in urging an early cessation of hostilities. An agreement has been reached between the Governments of Chile and Peru whereby the celebrated Tacna-Arica dispute, which has so long embittered international relations on the west coast of South America, has at last been adjusted. Simultaneously came the news that the boundary dispute between Peru and Ecuador had entered upon a stage of amicable settlement. The position of the United States in reference to the Tacna-Arica dispute between Chile and Peru has been one of nonintervention, but one of friendly influence and pacific counsel throughout the period during which the dispute in question has been the subject of interchange of views between this Government and the two Governments immediately concerned. In the general easing of international tension on the west coast of South America the tripartite mediation, to which I have referred, has been a most potent and beneficent factor.

CHINA

In China the policy of encouraging financial investment to enable that country to help itself has had the result of giving new life and practical application to the open-door policy. The consistent purpose of the present administration has been to encourage the use of American capital in the development of China by the promotion of those essential reforms to which China is pledged by treaties with the United States and other powers. The hypothecation to foreign bankers in connection with certain industrial enterprises, such as the Hukuang railways, of the national revenues upon which these reforms depended, led the Department of State early in the administration to demand for American citizens participation in such enterprises, in order that the United States might

Page 2133

have equal rights and an equal voice in all questions pertaining to the disposition of the public revenues concerned. The same policy of promoting international accord among the powers having similar treaty rights as ourselves in the matters of reform, which could not be put into practical effect without the common consent of all, was likewise adopted in the case of the loan desired by China for the reform of its currency. The principle of international cooperation in matters of common interest upon which our policy had already been based in all of the above instances has admittedly been a great factor in that concert of the powers which has been so happily conspicuous during the perilous period of transition through which the great Chinese nation has been passing.

CENTRAL AMERICA NEEDS OUR HELP IN DEBT ADJUSTMENT

In Central America the aim has been to help such countries as Nicaragua and Honduras to help themselves. They are the immediate beneficiaries. The national benefit to the United States is twofold. First, it is obvious that the Monroe doctrine is more vital in the neighborhood of the Panama Canal and the zone of the Caribbean than anywhere else. There, too, the maintenance of that doctrine falls most heavily upon the United States. It is therefore essential that the countries within that sphere shall be removed from the jeopardy involved by heavy foreign debt and chaotic national finances and from the ever-present danger of international complications due to disorder at home. Hence the United States has been glad to encourage and support American bankers who were willing to lend a helping hand to the financial rehabilitation of such countries because this financial rehabilitation and the protection of their customhouses from being the prey of would be dictators would remove at one stroke the menace of foreign creditors and the menace of revolutionary disorder.

The second advantage of the United States is one affecting chiefly all the southern and Gulf ports and the business and industry of the South. The Republics of Central America and the Caribbean possess great natural wealth. They need only a measure of stability and the means of financial regeneration to enter upon an era of peace and prosperity, bringing profit and happiness to themselves and at the same time creating conditions sure to lead to a flourishing interchange of trade with this country.

I wish to call your especial attention to the recent occurrences in Nicaragua, for I believe the terrible events recorded there during the revolution of the past summer-the useless loss of life, the devastation of property, the bombardment of defenseless cities, the killing and wounding of women and children, the torturing of noncombatants to exact contributions, and the suffering of thousands of human beings-might have been averted had the Department of State, through approval of the loan convention by the Senate,

been permitted to carry out its now well-developed policy of encouraging the extending of financial aid to weak Central American States with the primary objects of avoiding just such revolutions by assisting those Republics to rehabilitate their finances, to establish their currency on a stable basis, to remove the customhouses from the danger of revolutions by arranging for their secure administration, and to establish reliable banks.

Page 2134

During this last revolution in Nicaragua, the Government of that Republic having admitted its inability to protect American life and property against acts of sheer lawlessness on the part of the malcontents, and having requested this Government to assume that office, it became necessary to land over 2,000 marines and bluejackets in Nicaragua. Owing to their presence the constituted Government of Nicaragua was free to devote its attention wholly to its internal troubles, and was thus enabled to stamp out the rebellion in a short space of time. When the Red Cross supplies sent to Granada had been exhausted, 8,000 persons having been given food in one day upon the arrival of the American forces, our men supplied other unfortunate, needy Nicaraguans from their own haversacks. I wish to congratulate the officers and men of the United States navy and Marine Corps who took part in reestablishing order in Nicaragua upon their splendid conduct, and to record with sorrow the death of seven American marines and bluejackets. Since the reestablishment of peace and order, elections have been held amid conditions of quiet and tranquility. Nearly all the American marines have now been withdrawn. The country should soon be on the road to recovery. The only apparent danger now threatening Nicaragua arises from the shortage of funds. Although American bankers have already rendered assistance, they may naturally be loath to advance a loan adequate to set the country upon its feet without the support of some such convention as that of June, 1911, upon which the Senate has not yet acted.

ENFORCEMENT OF NEUTRALITY LAWS

In the general effort to contribute to the enjoyment of peace by those Republics which are near neighbors of the United States, the administration has enforced the so-called neutrality statutes with a new vigor, and those statutes were greatly strengthened in restricting the exportation of arms and munitions by the joint resolution of last March. It is still a regrettable fact that certain American ports are made the rendezvous of professional revolutionists and others engaged in intrigue against the peace of those Republics. It must be admitted that occasionally a revolution in this region is justified as a real popular movement to throw off the shackles of a vicious and tyrannical government. Such was the Nicaraguan revolution against the Zelaya regime. A nation enjoying our liberal institutions can not escape sympathy with a true popular movement, and one so well justified. In very many cases, however, revolutions in the Republics in question have no basis in principle, but are due merely to the machinations of conscienceless and ambitious men, and have no effect but to bring new suffering and fresh burdens to an already oppressed people. The question whether the use of American ports as foci of revolutionary intrigue can be best dealt with by a further amendment to the neutrality statutes or whether it would be safer to deal with special cases by special laws is one worthy of the careful consideration of the Congress.

Page 2135

VISIT OF SECRETARY KNOX TO CENTRAL AMERICA AND THE CARIBBEAN

Impressed with the particular importance of the relations between the United States and the Republics of Central America and the Caribbean region, which of necessity must become still more intimate by reason of the mutual advantages which will be presented by the opening of the Panama Canal, I directed the Secretary of State last February to visit these Republics for the purpose of giving evidence of the sincere friendship and good will which the Government and people of the United States bear toward them. Ten Republics were visited. Everywhere he was received with a cordiality of welcome and a generosity of hospitality such as to impress me deeply and to merit our warmest thanks. The appreciation of the Governments and people of the countries visited, which has been appropriately shown in various ways, leaves me no doubt that his visit will conduce to that closer union and better understanding between the United States and those Republics which I have had it much at heart to promote.

OUR MEXICAN POLICY

For two years revolution and counter-revolution has distraught the neighboring Republic of Mexico. Brigandage has involved a great deal of depredation upon foreign interests. There have constantly recurred questions of extreme delicacy. On several occasions very difficult situations have arisen on our frontier. Throughout this trying period, the policy of the United States has been one of patient nonintervention, steadfast recognition of constituted authority in the neighboring nation, and the exertion of every effort to care for American interests. I profoundly hope that the Mexican nation may soon resume the path of order, prosperity, and progress. To that nation in its sore troubles, the sympathetic friendship of the United States has been demonstrated to a high degree. There were in Mexico at the beginning of the revolution some thirty or forty thousand American citizens engaged in enterprises contributing greatly to the prosperity of that Republic and also benefiting the important trade between the two countries. The investment of American capital in Mexico has been estimated at $1,000,000,000. The responsibility of endeavoring to safeguard those interests and the dangers inseparable from propinquity to so turbulent a situation have been great, but I am happy to have been able to adhere to the policy above outlined-a policy which I hope may be soon justified by the complete success of the Mexican people in regaining the blessings of peace and good order.

AGRICULTURAL CREDITS

Page 2136

A most important work, accomplished in the past year by the American diplomatic officers in Europe, is the investigation of the agricultural credit system in the European countries. Both as a means to afford relief to the consumers of this country through a more thorough development of agricultural resources and as a means of more sufficiently maintaining the agricultural population, the project to establish credit facilities for the farmers is a concern of vital importance to this Nation. No evidence of prosperity among well-established farmers should blind us to the fact that lack of capital is preventing a development of the Nation's agricultural resources and an adequate increase of the land under cultivation; that agricultural production is fast falling behind the increase in population; and that, in fact, although these well-established farmers are maintained in increasing prosperity because of the natural increase in population, we are not developing the industry of agriculture. We are not breeding in proportionate numbers a race of independent and independence-loving landowners, for a lack of which no growth of cities can compensate. Our farmers have been our mainstay in times of crisis, and in future it must still largely be upon their stability and common sense that this democracy must rely to conserve its principles of self-government.

The need of capital which American farmers feel to-day had been experienced by the farmers of Europe, with their centuries-old farms, many years ago. The problem had been successfully solved in the Old World and it was evident that the farmers of this country might profit by a study of their systems. I therefore ordered, through the Department of State, an investigation to be made by the diplomatic officers in Europe, and I have laid the results of this investigation before the governors of the various States with the hope that they will be used to advantage in their forthcoming meeting.

INCREASE OF FOREIGN TRADE

In my last annual message I said that the fiscal year ended June 30, 1911, was noteworthy as marking the highest record of exports of American products to foreign countries. The fiscal year 1912 shows that this rate of advance has been maintained, the total domestic exports having a valuation approximately Of $2,200,000,000, as compared with a fraction over $2,000,000,000 the previous year. It is also significant that manufactured and partly manufactured articles continue to be the chief commodities forming the volume of our augmented exports, the demands of our own people for consumption requiring that an increasing proportion of our abundant agricultural products be kept at home. In the fiscal year 1911 the exports of articles in the various stages of manufacture, not including foodstuffs partly or wholly manufactured, amounted approximately to $907,500,000. In the fiscal year 1912 the total was nearly $1,022,000,000, a gain Of $114,000,000.

Page 2137

ADVANTAGE OF MAXIMUM AND MINIMUM TARIFF PROVISION

The importance which our manufactures have assumed in the commerce of the world in competition with the manufactures of other countries again draws attention to the duty of this Government to use its utmost endeavors to secure impartial treatment for American products in all markets. Healthy commercial rivalry in international intercourse is best assured by the possession of proper means for protecting and promoting our foreign trade. It is natural that competitive countries should view with some concern this steady expansion of our commerce. If in some instance the measures taken by them to meet it are not entirely equitable, a remedy should be found. In former messages I have described the negotiations of the Department of State with foreign Governments for the adjustment of the maximum and minimum tariff as provided in section 2 of the tariff law of 1909. The advantages secured by the adjustment of our trade relations under this law have continued during the last year, and some additional cases of discriminatory treatment of which we had reason to complain have been removed. The Department of State has for the first time in the history of this country obtained substantial most-favored-nation treatment from all the countries of the world. There are, however, other instances which, while apparently not constituting undue discrimination in the sense of section 2, are nevertheless exceptions to the complete equity of tariff treatment for American products that the Department of State consistently has sought to obtain for American commerce abroad.

NECESSITY FOR SUPPLEMENTARY LEGISLATION

These developments confirm the opinion conveyed to you in my annual message of 1911, that while the maximum and minimum provision of the tariff law of 1909 has been fully justified by the success achieved in removing previously existing undue discriminations against American products, yet experience has shown that this feature of the law should be amended in such way as to provide a fully effective means of meeting the varying degrees of discriminatory treatment of American commerce in foreign countries still encountered, as well as to protect against injurious treatment on the part of foreign Governments, through either legislative or administrative measures, the financial interests abroad of American citizens whose enterprises enlarge the market for American commodities.

I can not too strongly recommend to the Congress the passage of some such enabling measure as the bill which was recommended by the Secretary of State in his letter of December 13, 1911. The object of the proposed legislation is, in brief, to enable the Executive to apply, as the case may require, to any or all commodities, whether or not on the free list from a country which discriminates against the United

Page 2138

States, a graduated scale of duties up to the maximum Of 25 per cent ad valorem provided in the present law. Flat tariffs are out of date. Nations no longer accord equal tariff treatment to all other nations irrespective of the treatment from them received. Such a flexible power at the command of the Executive would serve to moderate any unfavorable tendencies on the part of those countries from which the importations into the United States are substantially confined to articles on the free list as well as of the countries which find a lucrative market in the United States for their products under existing customs rates. It is very necessary that the American Government should be equipped with weapons of negotiation adapted to modern economic conditions, in order that we may at all times be in a position to gain not only technically just but actually equitable treatment for our trade, and also for American enterprise and vested interests abroad.

BUSINESS SECURED TO OUR COUNTRY BY DIRECT OFFICIAL EFFORT

As illustrating the commercial benefits of the Nation derived from the new diplomacy and its effectiveness upon the material as well as the more ideal side, it may be remarked that through direct official efforts alone there have been obtained in the course of this administration, contracts from foreign Governments involving an expenditure of $50,000,000 in the factories of the United States. Consideration of this fact and some reflection upon the necessary effects of a scientific tariff system and a foreign service alert and equipped to cooperate with the business men of America carry the conviction that the gratifying increase in the export trade of this country is, in substantial amount, due to our improved governmental methods of protecting and stimulating it. It is germane to these observations to remark that in the two years that have elapsed since the successful negotiation of our new treaty with Japan, which at the time seemed to present so many practical difficulties, our export trade to that country has increased at the rate of over $1,000,000 a month. Our exports to Japan for the year ended June 30, 1910, were $21,959,310, while for the year ended June 30, 1912, the exports were $53,478,046, a net increase in the sale of American products of nearly 150 per cent.

SPECIAL CLAIMS ARBITRATION WITH GREAT BRITAIN

Under the special agreement entered into between the United States and Great Britain on August 18, 1910, for the arbitration of outstanding pecuniary claims, a schedule of claims and the terms of submission have been agreed upon by the two Governments,

and together with the special agreement were approved by the Senate on July 19, 1911, but in accordance with the terms of the agreement they did not go into effect until confirmed by the two Governments by an exchange of notes, which was done on April 26 last. Negotiations,

Page 2139

are still in progress for a supplemental schedule of claims to be submitted to arbitration under this agreement, and meanwhile the necessary preparations for the arbitration of the claims included in the first schedule have been undertaken and are being carried on under the authority of an appropriation made for that purpose at the last session of Congress. It is anticipated that the two Governments will be prepared to call upon the arbitration tribunal, established under this agreement, to meet at Washington early next year to proceed with this arbitration.

FUR SEAL TREATY AND NEED FOR AMENDMENT OF OUR STATUTE

The act adopted at the last session of Congress to give effect to the fur-seal convention Of July 7, 1911, between Great Britain, Japan, Russia, and the United States provided for the suspension of all land killing of seals on the Pribilof Islands for a period of five years, and an objection has now been presented to this provision by the other parties in interest, which raises the issue as to whether or not this prohibition of land killing is inconsistent with the spirit, if not the letter, of the treaty stipulations. The justification of establishing this close season depends, under the terms of the convention, upon how far, if at all, it is necessary for protecting and preserving the American fur-seal herd and for increasing its number. This is a question requiring examination of the present condition of the herd and the treatment which it needs in the light of actual experience and scientific investigation. A careful examination of the subject is now being made, and this Government will soon be in possession of a considerable amount of new information about the American seal herd, which has been secured during the past season and will be of great value in determining this question; and if it should appear that there is any uncertainty as to the real necessity for imposing a close season at this time I shall take an early opportunity to address a special message to Congress on this subject, in the belief that this Government should yield on this point rather than give the slightest ground for the charge that we have been in any way remiss in observing our treaty obligations.

FINAL SETTLEMENT OF NORTH ATLANTIC FISHERIES DISPUTE

On the 20th of July last an agreement was concluded between the United States and Great Britain adopting, with certain modifications, the rules and method of procedure recommended in the award rendered by the North Atlantic Coast Fisheries Arbitration Tribunal on September 7, 1910, for the settlement hereafter, in accordance with the principles laid down in the award, of questions arising with reference to the exercise of

the American fishing liberties under Article I of the treaty of October 20, 1818, between the United States and Great Britain. This agreement received

Page 2140

the approval of the Senate on August I and was formally ratified by the two Governments on November 15 last. The rules and a method of procedure embodied in the award provided for determining by an impartial tribunal the reasonableness of any new fishery regulations on the treaty coasts of Newfoundland and Canada before such regulations could be enforced against American fishermen exercising their treaty liberties on those coasts, and also for determining the delimitation of bays on such coasts more than 10 miles wide, in accordance with the definition adopted by the tribunal of the meaning of the word “bays” as used in the treaty. In the subsequent negotiations between the two Governments, undertaken for the purpose of giving practical effect to these rules and methods of procedure, it was found that certain modifications therein were desirable from the point of view of both Governments, and these negotiations have finally resulted in the agreement above mentioned by which the award recommendations as modified by mutual consent of the two Governments are finally adopted and made effective, thus bringing this century-old controversy to a final conclusion, which is equally beneficial and satisfactory to both Governments.

IMPERIAL VALLEY AND MEXICO

In order to make possible the more effective performance of the work necessary for the confinement in their present channel of the waters of the lower Colorado River, and thus to protect the people of the Imperial Valley, as well as in order to reach with the Government of Mexico an understanding regarding the distribution of the waters of the Colorado River, in which both Governments are much interested, negotiations are going forward with a view to the establishment of a preliminary Colorado River commission, which shall have the powers necessary to enable it to do the needful work and with authority to study the question of the equitable distribution of the waters. There is every reason to believe that an understanding upon this point will be reached and that an agreement will be signed in the near future.

CHAMIZAL DISPUTE

In the interest of the people and city of El Paso this Government has been assiduous in its efforts to bring to an early settlement the long-standing Chamizal dispute with Mexico. Much has been accomplished, and while the final solution of the dispute is not immediate, the favorable attitude lately assumed by the Mexican Government encourages the hope that this troublesome question will be satisfactorily and definitively settled at an early day.

INTERNATIONAL COMMISSION OF JURISTS

In pursuance of the convention of August 23, 1906, signed at the Third Pan American Conference, held at Rio de Janeiro, the International Commission of jurists met at that capital during the month of last June. At this meeting 16 American Republics were represented, including the United States, and comprehensive plans for the future work of the commission were adopted. At the next meeting fixed for June, 1914, committees already appointed are instructed to I report regarding topics assigned to them.

Page 2141

Opium conference-unfortunate failure of our government to enact recommended legislation

In my message on foreign relations communicated to the two Houses of Congress December 7, 1911, I called especial attention to the assembling of the Opium Conference at The Hague, to the fact that that conference was to review all pertinent municipal laws relating to the opium and allied evils, and certainly all international rules regarding these evils, and to the -fact that it seemed to me most essential that the Congress should take immediate action on the anti-narcotic legislation before the Congress, to which I had previously called attention by a special message.

The international convention adopted by the conference conforms almost entirely to the principles contained in the proposed anti-narcotic legislation which has been before the last two Congresses. It was most unfortunate that this Government, having taken the initiative in the international action which eventuated in the important international opium convention, failed to do its share in the great work by neglecting to pass the necessary legislation to correct the deplorable narcotic evils in the United States as well as to redeem international pledges upon which it entered by virtue of the above-mentioned convention. The Congress at its present session should enact into law those bills now before it which have been so carefully drawn up in collaboration between the Department of State and the other executive departments, and which have behind them not only the moral sentiment of the country, but the practical support of all the legitimate trade interests likely to be affected. Since the international convention was signed, adherence to it has been made by several European States not represented at the conference at The Hague and also by seventeen Latin-American Republics.

EUROPE AND THE NEAR EAST

The war between Italy and Turkey came to a close in October last by the signature of a treaty of peace, subsequently to which the Ottoman Empire renounced sovereignty over Cyrenaica and Tripolitania in favor of Italy. During the past year the Near East has unfortunately been the theater of constant hostilities. Almost simultaneously with the conclusion of peace between Italy and Turkey and their arrival at an adjustment of the complex questions at issue between them, war broke out between Turkey on the one hand and Bulgaria, Greece, Montenegro, and Servia on the other. The United States has happily been involved neither directly nor indirectly with the causes or questions incident to any of these hostilities and has maintained in regard to them an attitude of absolute neutrality and of complete political disinterestedness. In the second war in which the Ottoman Empire has been engaged the loss of life and the consequent distress on both

Page 2142

sides have been appalling, and the United States has found occasion, in the interest of humanity, to carry out the charitable desires of the American people, to extend a measure of relief to the sufferers on either side through the impartial medium of the Red Cross. Beyond this the chief care of the Government of the United States has been to make due provision for the protection of its national resident in belligerent territory. In the exercise of my duty in this matter I have dispatched to Turkish waters a special-service squadron, consisting of two armored cruisers, in order that this Government may if need be bear its part in such measures as it may be necessary for the interested nations to adopt for the safeguarding of foreign lives and property in the Ottoman Empire in the event that a dangerous situation should develop. In the meanwhile the several interested European powers have promised to extend to American citizens the benefit of such precautionary or protective measures as they might adopt, in the same manner in which it has been the practice of this Government to extend its protection to all foreign residents in those countries of the Western Hemisphere in which it has from time to time been the task of the United States to act in the interest of peace and good order. The early appearance of a large fleet of European warships in the Bosphorus apparently assured the protection of foreigners in that quarter, where the presence of the American stationnaire the U. S. S. Scorpion sufficed, tinder the circumstances, to represent the United States. Our cruisers were thus left free to act if need be along the Mediterranean coasts should any unexpected contingency arise affecting the numerous American interests in the neighborhood of Smyrna and Beirut.

SPITZBERGEN

The great preponderance of American material interests in the sub-arctic island of Spitzbergen, which has always been regarded politically as “no man’s land,” impels this Government to a continued and lively interest in the international dispositions to be made for the political governance and administration of that region. The conflict of certain claims of American citizens and others is in a fair way to adjustment, while the settlement of matters of administration, whether by international conference of the interested powers or otherwise, continues to be the subject of exchange of views between the Governments concerned.

LIBERIA

As a result of the efforts of this Government to place the Government of Liberia in position to pay its outstanding indebtedness and to maintain a stable and efficient government, negotiations for a loan of $1,700,000 have been successfully concluded, and it is anticipated that the payment of the old loan and the issuance of the bonds of the 1912 loan for the rehabilitation of the finances of Liberia will follow at an early date,

when the new receivership will go into active operation. The new receivership will consist of a general receiver of customs designated by the Government of the United States and three receivers of customs designated by the Governments of Germany, France, and Great Britain, which countries have commercial interests in the Republic of Liberia.

Page 2143

In carrying out the understanding between the Government of Liberia and that of the United States, and in fulfilling the terms of the agreement between the former Government and the American bankers, three competent ex-army officers are now effectively employed by the Liberian Government in reorganizing the police force of the Republic, not only to keep in order the native tribes in the hinterland but to serve as a necessary police force along the frontier. It is hoped that these measures will assure not only the continued existence but the prosperity and welfare of the Republic of Liberia. Liberia possesses fertility of soil and natural resources, which should insure to its people a reasonable prosperity. It was the duty of the United States to assist the Republic of Liberia in accordance with our historical interest and moral guardianship of a community founded by American citizens, as it was also the duty of the American Government to attempt to assure permanence to a country of much sentimental and perhaps future real interest to a large body of our citizens.

MOROCCO

The legation at Tangier is now in charge of our consul general, who is acting as charge d'affaires, as well as caring for our commercial interests in that country. In view of the fact that many of the foreign powers are now represented by charges d'affaires it has not been deemed necessary to appoint at the present time a minister to fill a vacancy occurring in that post.

THE FAR EAST

The political disturbances in China in the autumn and winter of 1911-12 resulted in the abdication of the Manchu rulers on February 12, followed by the formation of a provisional republican government empowered to conduct the affairs of the nation until a permanent government might be regularly established. The natural sympathy of the American people with the assumption of republican principles by the Chinese people was appropriately expressed in a concurrent resolution of Congress on April 17, 1912. A constituent assembly, composed of representatives duly chosen by the people of China in the elections that are now being held, has been called to meet in January next to adopt a permanent constitution and organize the Government of the nascent Republic. During the formative constitutional stage and pending definite action by the assembly, as expressive of the popular will, and the hoped-for establishment of a stable republican form of government, capable of fulfilling its international obligations, the United States is, according to precedent, maintaining full and friendly de facto relations with the provisional Government.

Page 2144

The new condition of affairs thus created has presented many serious and complicated problems, both of internal rehabilitation and of international relations, whose solution it was realized would necessarily require much time and patience. From the beginning of the upheaval last autumn it was felt by the United States, in common with the other powers having large interests in China, that independent action by the foreign Governments in their own individual interests would add further confusion to a situation already complicated. A policy of international cooperation was accordingly adopted in an understanding, reached early in the disturbances, to act together for the protection of the lives and property of foreigners if menaced, to maintain an attitude of strict impartiality as between the contending factions, and to abstain from any endeavor to influence the Chinese in their organization of a new form of government. In view of the seriousness of the disturbances and their general character, the American minister at Peking was instructed at his discretion to advise our nationals in the affected districts to concentrate at such centers as were easily accessible to foreign troops or men of war. Nineteen of our naval vessels were stationed at various Chinese ports, and other measures were promptly taken for the adequate protection of American interests.

It was further mutually agreed, in the hope of hastening an end to hostilities, that none of the interested powers would approve the making of loans by its nationals to either side. As soon, however, as a united provisional Government of China was assured, the United States joined in a favorable consideration of that Government's request for advances needed for immediate administrative necessities and later for a loan to effect a permanent national reorganization. The interested Governments had already, by common consent, adopted, in respect to the purposes, expenditure, and security of any loans to China made by their nationals, certain conditions which were held to be essential, not only to secure reasonable protection for the foreign investors, but also to safeguard and strengthen China's credit by discouraging indiscriminate borrowing and by insuring the application of the funds toward the establishment of the stable and effective government necessary to China's welfare. In June last representative banking groups of the United States, France, Germany, Great Britain, Japan, and Russia formulated, with the general sanction of their respective Governments, the guaranties that would be expected in relation to the expenditure and security of the large reorganization loan desired by China, which, however, have thus far proved unacceptable to the provisional Government.

SPECIAL MISSION OF CONDOLENCE TO JAPAN

Page 2145

In August last I accredited the Secretary of State as special ambassador to Japan, charged with the mission of bearing to the imperial family, the Government, and the people of that Empire the sympathetic message of the American Commonwealth oil the sad occasion of the death of His Majesty the Emperor Mutsuhito, whose long and benevolent reign was the greater part of Japan's modern history. The kindly reception everywhere accorded to Secretary Knox showed that his mission was deeply appreciated by the Japanese nation and emphasized strongly the friendly relations that have for so many years existed between the two peoples.

SOUTH AMERICA

Our relations with the Argentine Republic are most friendly and cordial. So, also, are our relations with Brazil, whose Government has accepted the invitation of the United States to send two army officers to study at the Coast Artillery School at Fort Monroe. The long-standing Alsop claim, which had been the only hindrance to the healthy growth of the most friendly relations between the United States and Chile, having been eliminated through the submission of the question to His Britannic Majesty King George V as "amiable compositeur," it is a cause of much gratification to me that our relations with Chile are now established upon a firm basis of growing friendship. The Chilean Government has placed an officer of the United States Coast Artillery in charge of the Chilean Coast Artillery School, and has shown appreciation of American methods by confiding to an American firm important work for the Chilean coast defenses.

Last year a revolution against the established Government of Ecuador broke out at the principal port of that Republic. Previous to this occurrence the chief American interest in Ecuador, represented by the Guayaquil & Quito Railway Co., incorporated in the United States, had rendered extensive transportation and other services on account to the Ecuadorian Government, the amount of which ran into a sum which was steadily increasing and which the Ecuadorian Government had made no provision to pay, thereby threatening to crush out the very existence of this American enterprise. When tranquillity had been restored to Ecuador as a result of the triumphant progress of the Government forces from Quito, this Government interposed its good offices to the end that the American interests in Ecuador might be saved from complete extinction. As a part of the arrangement which was reached between the parties, and at the request of the Government of Ecuador, I have consented to name an arbitrator, who, acting under the terms of the railroad contract, with an arbitrator named by the Ecuadorian Government, will pass upon the claims that have arisen since the arrangement reached through the action of a similar arbitral tribunal in 1908.

Page 2146

In pursuance of a request made some time ago by the Ecuadorian Government, the Department of State has given much attention to the problem of the proper sanitation of Guayaquil. As a result a detail of officers of the Canal Zone will be sent to Guayaquil to recommend measures that will lead to the complete permanent sanitation of this plague and fever infected region of that Republic, which has for so long constituted a menace to health conditions on the Canal Zone. It is hoped that the report which this mission will furnish will point out a way whereby the modicum of assistance which the United States may properly lend the Ecuadorian Government may be made effective in ridding the west coast of South America of a focus of contagion to the future commercial current passing through the Panama Canal.

In the matter of the claim of John Celestine Landreau against the Government of Peru, which claim arises out of certain contracts and transactions in connection with the discovery and exploitation of guano, and which has been under discussion between the two Governments since 1874, I am glad to report that as the result of prolonged negotiations, which have been characterized by the utmost friendliness and good will on both sides, the Department of State has succeeded in securing the consent of Peru to the arbitration of the claim, and that the negotiations attending the drafting and signature of a protocol submitting the claim to an arbitral tribunal are proceeding with due celerity.

An officer of the American Public Health Service and an American sanitary engineer are now on the way to Iquitos, in the employ of the Peruvian Government, to take charge of the sanitation of that river port. Peru is building a number of submarines in this country, and continues to show every desire to have American capital invested in the Republic.

In July the United States sent undergraduate delegates to the Third International Students Congress held at Lima, American students having been for the first time invited to one of these meetings.

The Republic of Uruguay has shown its appreciation of American agricultural and other methods by sending a large commission to this country and by employing many American experts to assist in building up agricultural and allied industries in Uruguay.

Venezuela is paying off the last of the claims the settlement of which was provided for by the Washington protocols, including those of American citizens. Our relations with Venezuela are most cordial, and the trade of that Republic with the United States is now greater than with any other country.

CENTRAL AMERICA AND THE CARIBBEAN

Page 2147

During the past summer the revolution against the administration which followed the assassination of President Caceres a year ago last November brought the Dominican Republic to the verge of administrative chaos, without offering any guaranties of eventual stability in the ultimate success of either party. In pursuance of the treaty relations of the United States with the Dominican Republic, which were threatened by the necessity of suspending the operation under American administration of the customhouses on the Haitian frontier, it was found necessary to dispatch special commissioners to the island to reestablish the customhouses and with a guard sufficient to insure needed protection to the customs administration. The efforts which have been made appear to have resulted in the restoration of normal conditions throughout the Republic. The good offices which the commissioners were able to exercise were instrumental in bringing the contending parties together and in furnishing a basis of adjustment which it is hoped will result in permanent benefit to the Dominican people.

Mindful of its treaty relations, and owing to the position of the Government of the United States as mediator between the Dominican Republic and Haiti in their boundary dispute, and because of the further fact that the revolutionary activities on the Haitian-Dominican frontier had become so active as practically to obliterate the line of demarcation that had been heretofore recognized pending the definitive settlement of the boundary in controversy, it was found necessary to indicate to the two island Governments a provisional de facto boundary line. This was done without prejudice to the rights or obligations of either country in a final settlement to be reached by arbitration. The tentative line chosen was one which, under the circumstances brought to the knowledge of this Government, seemed to conform to the best interests of the disputants. The border patrol which it had been found necessary to reestablish for customs purposes between the two countries was instructed provisionally to observe this line.

The Republic of Cuba last May was in the throes of a lawless uprising that for a time threatened the destruction of a great deal of valuable property-much of it owned by Americans and other foreigners-as well as the existence of the Government itself. The armed forces of Cuba being inadequate to guard property from attack and at the same time properly to operate against the rebels, a force of American marines was dispatched from our naval station at Guantanamo into the Province of Oriente for the protection of American and other foreign life and property. The Cuban Government was thus able to use all its forces in putting down the outbreak, which it succeeded in doing in a period of six weeks. The presence of two American warships in the harbor of Habana during the most critical period of this disturbance contributed in great measure to allay the fears of the inhabitants, including a large foreign colony.

Page 2148

There has been under discussion with the Government of Cuba for some time the question of the release by this Government of its leasehold rights at Bahia Honda, on the northern coast of Cuba, and the enlargement, in exchange therefor, of the naval station which has been established at Guantanamo Bay, on the south. As the result of the negotiations thus carried on an agreement has been reached between the two Governments providing for the suitable enlargement of the Guantanamo Bay station upon terms which are entirely fair and equitable to all parties concerned.

At the request alike of the Government and both political parties in Panama, an American commission undertook supervision of the recent presidential election in that Republic, where our treaty relations, and, indeed, every geographical consideration, make the maintenance of order and satisfactory conditions of peculiar interest to the Government of the United States. The elections passed without disorder, and the new administration has entered upon its functions.

The Government of Great Britain has asked the support of the United States for the protection of the interests of British holders of the foreign bonded debt of Guatemala. While this Government is hopeful of an arrangement equitable to the British bondholders, it is naturally unable to view the question apart from its relation to the broad subject of financial stability in Central America, in which the policy of the United States does not permit it to escape a vital interest. Through a renewal of negotiations between the Government of Guatemala and American bankers, the aim of which is a loan for the rehabilitation of Guatemalan finances, a way appears to be open by which the Government of Guatemala could promptly satisfy any equitable and just British claims, and at the same time so improve its whole financial position as to contribute greatly to the increased prosperity of the Republic and to redound to the benefit of foreign investments and foreign trade with that country. Failing such an arrangement, it may become impossible for the Government of the United States to escape its obligations in connection with such measures as may become necessary to exact justice to legitimate foreign claims.

In the recent revolution in Nicaragua, which, it was generally admitted, might well have resulted in a general Central American conflict but for the intervention of the United States, the Government of Honduras was especially menaced; but fortunately peaceful conditions were maintained within the borders of that Republic. The financial condition of that country remains unchanged, no means having been found for the final adjustment of pressing outstanding foreign claims. This makes it the more regrettable that the financial convention between the United States and Honduras has thus far failed of ratification. The Government of the United States continues to hold itself ready to cooperate with the Government of Honduras, which it is believed, can not much longer delay the meeting of its foreign obligations, and it is hoped at the proper time American bankers will be willing to cooperate for this purpose.

Page 2149

Necessity for greater governmental effort in retention and expansion of our foreign trade

It is not possible to make to the Congress a communication upon the present foreign relations of the United States so detailed as to convey an adequate impression of the enormous increase in the importance and activities of those relations. If this Government is really to preserve to the American people that free opportunity in foreign markets which will soon be indispensable to our prosperity, even greater efforts must be made. Otherwise the American merchant, manufacturer, and exporter will find many a field in which American trade should logically predominate preempted through the more energetic efforts of other governments and other commercial nations.

There are many ways in which through hearty cooperation the legislative and executive branches of this Government can do much. The absolute essential is the spirit of united effort and singleness of purpose. I will allude only to a very few specific examples of action which ought then to result. America can not take its proper place in the most important fields for its commercial activity and enterprise unless we have a merchant marine. American commerce and enterprise can not be effectively fostered in those fields unless we have good American banks in the countries referred to. We need American newspapers in those countries and proper means for public information about them. We need to assure the permanency of a trained foreign service. We need legislation enabling the members of the foreign service to be systematically brought in direct contact with the industrial, manufacturing, and exporting interests of this country in order that American business men may enter the foreign field with a clear perception of the exact conditions to be dealt with and the officers themselves may prosecute their work with a clear idea of what American industrial and manufacturing interests require.

CONCLUSION

Congress should fully realize the conditions which obtain in the world as we find ourselves at the threshold of our middle age as a Nation. We have emerged full grown as a peer in the great concourse of nations. We have passed through various formative periods. We have been self-centered in the struggle to develop our domestic resources and deal with our domestic questions. The Nation is now too matured to continue in its foreign relations those temporary expedients natural to a people to whom domestic affairs are the sole concern. In the past our diplomacy has often consisted, in normal times, in a mere assertion of the right to international existence. We are now in a larger relation with broader rights of our own and obligations to others than ourselves. A number of great guiding principles were laid down early in the history of this Government. The

Page 2150

recent task of our diplomacy has been to adjust those principles to the conditions of to-day, to develop their corollaries, to find practical applications of the old principles expanded to meet new situations. Thus are being evolved bases upon which can rest the superstructure of policies which must grow with the destined progress of this Nation. The successful conduct of our foreign relations demands a broad and a modern view. We can not meet new questions nor build for the future if we confine ourselves to outworn dogmas of the past and to the perspective appropriate at our emergence from colonial times and conditions. The opening of the Panama Canal will mark a new era in our international life and create new and worldwide conditions which, with their vast correlations and consequences, will obtain for hundreds of years to come. We must not wait for events to overtake us unawares. With continuity of purpose we must deal with the problems of our external relations by a diplomacy modern, resourceful, magnanimous, and fittingly expressive of the high ideals of a great nation.

Part II.[On Fiscal, judicial, Military and Insular Affairs.] *The white house*, December 6, 1912. To the Senate and House of Representatives:

On the 3d of December I sent a message to the Congress, which was confined to our foreign relations. The Secretary of State makes no report to the President or to Congress, and a review of the history of the transactions of the State Department in one year must therefore be included by the President in his annual message or Congress will not be fully informed of them. A full discussion of all the transactions of the Government, with a view to informing the Congress of the important events of the year and recommending new legislation, requires more space than one message of reasonable length affords. I have therefore adopted the course of sending three or four messages during the first ten days of the session, so as to include reference to the more important matters that should be brought to the attention of the Congress.

BUSINESS CONDITIONS

The condition of the country with reference to business could hardly be better. While the four years of the administration now drawing to a close have not developed great speculative expansion or a wide field of new investment, the recovery and progress made from the depressing conditions following the panic of 1907 have been steady and the improvement has been clear and easily traced in the statistics. The business of the country is now on a solid basis. Credits are not unduly extended, and every phase of the situation seems in a state of preparedness for a period of unexampled prosperity. Manufacturing concerns are running at their full capacity and the demand for labor was never so constant and growing. The foreign trade of the country for this year will exceed $4,000,000,000, while the balance in our favor-that

Page 2151

of the excess of exports over imports-will exceed $500,000,000. More than half our exports are manufactures or partly manufactured material, while our exports of farm products do not show the same increase because of domestic consumption. It is a year of bumper crops; the total money value of farm products will exceed $9,500,000,000. It is a year when the bushel or unit price of agricultural products has gradually fallen, and yet the total value of the entire crop is greater by over $1,000,000,000 than we have known in our history.

CONDITION OF THE TREASURY

The condition of the Treasury is very satisfactory. The total interest-bearing debt is $963,777,770, of which $134,631,980 constitute the Panama Canal loan. The noninterest-bearing debt is $378,301,284.90, including $346,681,016 of greenbacks. We have in the Treasury $150,000,000 in gold coin as a reserve against the outstanding greenbacks; and in addition we have a cash balance in the Treasury as a general fund of $167,152,478.99, or an increase of $26,975,552 over the general fund last year.

RECEIPTS AND EXPENDITURES

For three years the expenditures of the Government have decreased under the influence of an effort to economize. This year presents an apparent exception. The estimate by the Secretary of the Treasury of the ordinary receipts, exclusive of postal revenues, for the year ending June 30, 1914, indicates that they will amount to $710,000,000. The sum of the estimates of the expenditures for that same year, exclusive of Panama Canal disbursements and postal disbursements payable from postal revenues, is $732,000,000, indicating a deficit Of $22,000,000. For the year ending June 30, 1913, similarly estimated receipts were $667,000,000, while the total corresponding estimate of expenditures for that year, submitted through the Secretary of the Treasury to Congress, amounted to $656,000,000. This shows an increase of $76,000,000 in the estimates for 1914 over the total estimates of 1913. This is due to an increase Of $25,000,000 in the estimate for rivers and harbors for the next year on projects and surveys authorized by Congress; to an increase under the new pension bill Of $32,500,000; and to an increase in the estimates for expenses of the Navy Department Of $24,000,000. The estimate for the Navy Department for the year 1913 included two battleships. Congress made provision for only one battleship, and therefore the Navy Department has deemed it necessary and proper to make an estimate which includes the first year's expenditure for three battleships in addition to the amount required for work on the uncompleted ships now under construction. In addition to the natural increase in the expenditures for the uncompleted ships, and the additional battleship estimated for, the other increases are due to the pay required for

4,000 or more additional enlisted men in the Navy; and to this must be added the additional cost of construction imposed by the change in the eight-hour law which makes it applicable to ships built in private shipyards.

Page 2152

With the exceptions of these three items, the estimates show a reduction this year below the total estimates for 1913 of more than $5,000,000.

The estimates for Panama Canal construction for 1914 are $17,000,000 less than for 1913.

OUR BANKING AND CURRENCY SYSTEM

A time when panics seem far removed is the best time for us to prepare our financial system to withstand a storm. The most crying need this country has is a proper banking and currency system. The existing one is inadequate, and everyone who has studied the question admits it.

It is the business of the National Government to provide a medium, automatically contracting and expanding in volume, to meet the needs of trade. Our present system lacks the indispensable quality of elasticity.

The only part of our monetary medium that has elasticity is the bank-note currency. The peculiar provisions of the law requiring national banks to maintain reserves to meet the call of the depositors operates to increase the money stringency when it arises rather than to expand the supply of currency and relieve it. It operates upon each bank and furnishes a motive for the withdrawal of currency from the channels of trade by each bank to save itself, and offers no inducement whatever for the use of the reserve to expand the supply of currency to meet the exceptional demand.

After the panic of 1907 Congress realized that the present system was not adapted to the country's needs and that under it panics were possible that might properly be avoided by legislative provision. Accordingly a monetary commission was appointed which made a report in February, 1912. The system which they recommended involved a National Reserve Association, which was, in certain of its faculties and functions, a bank, and which was given through its governing authorities the power, by issuing circulating notes for approved commercial paper, by fixing discounts, and by other methods of transfer of currency, to expand the supply of the monetary medium where it was most needed to prevent the export or hoarding of gold and generally to exercise such supervision over the supply of money in every part of the country as to prevent a stringency and a panic. The stock in this association was to be distributed to the banks of the whole United States, State and National, in a mixed proportion to bank units and to capital stock paid in. The control of the association was vested in a board of directors to be elected by representatives of the banks, except certain ex-officio directors, three Cabinet officers, and the Comptroller of the Currency. The President was to appoint the governor of the association from three persons to be selected by the directors, while the two deputy governors were to be elected by the board of directors. The details of the

plan were worked out with great care and ability, and the plan in general seems to me to furnish the basis

Page 2153

for a proper solution of our present difficulties. I feel that the Government might very properly be given a greater voice in the executive committee of the board of directors without danger of injecting politics into its management, but I think the federation system of banks is a good one, provided proper precautions are taken to prevent banks of large capital from absorbing power through ownership of stock in other banks. The objections to a central bank it seems to me are obviated if the ownership of the reserve association is distributed among all the banks of a country in which banking is free. The earnings of the reserve association are limited in percentage tit a reasonable and fixed amount, and the profits over and above this are to be turned into the Government Treasury. It is quite probable that still greater security against control by money centers may be worked into the plan.

Certain it is, however, that the objections which were made in the past history of this country to a central bank as furnishing a monopoly of financial power to private individuals, would not apply to an association whose ownership and control is so widely distributed and is divided between all the banks of the country, State and National, on the one hand, and the Chief Executive through three department heads and his Comptroller of the Currency, on the other. The ancient hostility to a national bank, with its branches, in which is concentrated the privilege of doing a banking business and carrying on the financial transactions of the Government, has prevented the establishment of such a bank since it was abolished in the Jackson Administration. Our present national banking law has obviated objections growing out of the same cause by providing a free banking system in which any set of stockholders can establish a national bank if they comply with the conditions of law. It seems to me that the National Reserve Association meets the same objection in a similar way; that is, by giving to each bank, State and National, in accordance with its size, a certain share in the stock of the reserve association, nontransferable and only to be held by the bank while it performs its functions as a partner in the reserve association.

The report of the commission recommends provisions for the imposition of a graduated tax on the expanded currency of such a character as to furnish a motive for reducing the issue of notes whenever their presence in the money market is not required by the exigencies of trade. In other words, the whole system has been worked out with the greatest care. Theoretically it presents a plan that ought to command support. Practically it may require modification in various of its provisions in order to make the security against, abuses by combinations among the banks impossible. But in the face of the crying necessity that there is for improvement in our present system, I urgently invite the attention of Congress to the proposed plan

Page 2154

and the report of the commission, with the hope that an earnest consideration may suggest amendments and changes within the general plan which will lead to its adoption for the benefit of the country. There is no class in the community more interested in a safe and sane banking and currency system, one which will prevent panics and automatically furnish in each trade center the currency needed in the carrying on of the business at that center, than the wage earner. There is no class in the community whose experience better qualifies them to make suggestions as to the sufficiency of a currency and banking system than the bankers and business men. Ought we, therefore, to ignore their recommendations and reject their financial judgment as to the proper method of reforming our financial system merely because of the suspicion which exists against them in the minds of many of our fellow citizens? Is it not the duty of Congress to take up the plan suggested, examine it from all standpoints, give impartial consideration to the testimony of those whose experience ought to fit them to give the best advice on the subject, and then to adopt some plan which will secure the benefits desired?

A banking and currency system seems far away from the wage earner and the farmer, but the fact is that they are vitally interested in a safe system of currency which shall graduate its volume to the amount needed and which shall prevent times of artificial stringency that frighten capital, stop employment, prevent the meeting of the pay roll, destroy local markets, and produce penury and want.

THE TARIFF

I have regarded it as my duty in former messages to the Congress to urge the revision of the tariff upon principles of protection. It was my judgment that the customs duties ought to be revised downward, but that the reduction ought not to be below a rate which would represent the difference in the cost of production between the article in question at home and abroad, and for this and other reasons I vetoed several bills which were presented to me in the last session of this Congress. Now that a new Congress has been elected on a platform of a tariff for revenue only rather than a protective tariff, and is to revise the tariff on that basis, it is needless for me to occupy the time of this Congress with arguments or recommendations in favor of a protective tariff.

Before passing from the tariff law, however, known as the Payne tariff law of August 5, 1909, I desire to call attention to section 38 of that act, assessing a special excise tax on corporations. It contains a provision requiring the levy of an additional 50 per cent to the annual tax in cases of neglect to verify the prescribed return or to file it before the time required by law. This additional charge of 50 per cent operates in some cases as a harsh penalty for what may have been a mere inadvertence or unintentional oversight, and the law should be so amended as to mitigate the severity of the charge in such

instances. Provision should also be made for the refund of additional taxes heretofore collected because of such infractions in those cases where the penalty imposed has been so disproportionate to the offense as equitably to demand relief.

Page 2155

BUDGET

The estimates for the next fiscal year have been assembled by the Secretary of the Treasury and by him transmitted to Congress. I purpose at a later day to submit to Congress a form of budget prepared for me and recommended by the President's Commission on Economy and Efficiency, with a view of suggesting the useful and informing character of a properly framed budget.

WAR DEPARTMENT

The War Department combines within its jurisdiction functions which in other countries usually occupy three departments. It not only has the management of the Army and the coast defenses, but its jurisdiction extends to the government of the Philippines and of Porto Rico and the control of the receivership of the customs revenues of the Dominican Republic; it also includes the recommendation of all plans for the improvement of harbors and waterways and their execution when adopted; and, by virtue of an Executive order, the supervision of the construction of the Panama Canal.

ARMY REORGANIZATION

Our small Army now consists of 83,809 men, excluding the 5,000 Philippine scouts. Leaving out of consideration the Coast Artillery force, whose position is fixed in our various seacoast defenses, and the present garrisons of our various insular possessions, we have to-day within the continental United States a mobile Army of only about 35,000 men. This little force must be still further drawn upon to supply the new garrisons for the great naval base which is being established at Pearl Harbor, in the Hawaiian Islands, and to protect the locks now rapidly approaching completion at Panama. The forces remaining in the United States are now scattered in nearly 50 Posts, situated for a variety of historical reasons in 24 States. These posts contain only fractions of regiments, averaging less than 700 men each. In time of peace it has been our historical policy to administer these units separately by a geographical organization. In other words, our Army in time of peace has never been a united organization but merely scattered groups of companies, battalions, and regiments, and the first task in time of war has been to create out of these scattered units an Army fit for effective teamwork and cooperation.

To the task of meeting these patent defects, the War Department has been addressing itself during the past year. For many years we had no officer or division whose business it was to study these problems and plan remedies for these defects. With the establishment of the General Staff nine years ago a body was created for this purpose. It has, necessarily, required time to overcome, even in its own personnel, the habits of mind engendered by a century of lack of method, but of late years its work has become

systematic and effective, and it has recently been addressing itself vigorously to these problems.

Page 2156

A comprehensive plan of Army reorganization was prepared by the War College Division of the General Staff. This plan was thoroughly discussed last summer at a series of open conferences held by the Secretary of War and attended by representatives from all branches of the Army and from Congress. In printed form it has been distributed to Members of Congress and throughout the Army and the National Guard, and widely through institutions of learning and elsewhere in the United States. In it, for the first time, we have a tentative chart for future progress.

Under the influence of this study definite and effective steps have been taken toward Army reorganization so far as such reorganization lies within the Executive power. Hitherto there has been no difference of policy in the treatment of the organization of our foreign garrisons from those of troops within the United States. The difference of situation is vital, and the foreign garrison should be prepared to defend itself at an instant's notice against a foe who may command the sea. Unlike the troops in the United States, it can not count upon reinforcements or recruitment. It is an outpost upon which will fall the brunt of the first attack in case of war. The historical policy of the United States of carrying its regiments during time of peace at half strength has no application to our foreign garrisons. During the past year this defect has been remedied as to the Philippines garrison. The former garrison of 12 reduced regiments has been replaced by a garrison of 6 regiments at full strength, giving fully the same number of riflemen at an estimated economy in cost of maintenance of over $1,000,000 per year. This garrison is to be permanent. Its regimental units, instead of being transferred periodically back and forth from the United States, will remain in the islands. The officers and men composing these units will, however, serve a regular tropical detail as usual, thus involving no greater hardship upon the personnel and greatly increasing the effectiveness of the garrison. A similar policy is proposed for the Hawaiian and Panama garrisons as fast as the barracks for them are completed. I strongly urge upon Congress that the necessary appropriations for this purpose should be promptly made. It is, in my opinion, of first importance that these national outposts, upon which a successful home defense will, primarily, depend, should be finished and placed in effective condition at the earliest possible day.

THE HOME ARMY

Simultaneously with the foregoing steps the War Department has been proceeding with the reorganization of the Army at home. The formerly disassociated units are being united into a tactical organization of three divisions, each consisting of two or three brigades of Infantry and, so far as practicable, a proper proportion of divisional Cavalry and Artillery. Of course, the extent to which this reform can be carried by the

Page 2157

Executive is practically limited to a paper organization. The scattered units can be brought under a proper organization, but they will remain physically scattered until Congress supplies the necessary funds for grouping them in more concentrated posts. Until that is done the present difficulty of drilling our scattered groups together, and thus training them for the proper team play, can not be removed. But we shall, at least, have an Army which will know its own organization and will be inspected by its proper commanders, and to which, as a unit, emergency orders can be issued in time of war or other emergency. Moreover, the organization, which in many respects is necessarily a skeleton, will furnish a guide for future development. The separate regiments and companies will know the brigades and divisions to which they belong. They will be maneuvered together whenever maneuvers are established by Congress, and the gaps in their organization will show the pattern into which can be filled new troops as the Nation grows and a larger Army is provided.

REGULAR ARMY RESERVE

One of the most important reforms accomplished during the past year has been the legislation enacted in the Army appropriation bill of last summer, providing for a Regular Army reserve. Hitherto our national policy has assumed that at the outbreak of war our regiments would be immediately raised to full strength. But our laws have provided no means by which this could be accomplished, or by which the losses of the regiments when once sent to the front could be repaired. In this respect we have neglected the lessons learned by other nations. The new law provides that the soldier, after serving four years with colors, shall pass into a reserve for three years. At his option he may go into the reserve at the end of three years, remaining there for four years. While in the reserve he can be called to active duty only in case of war or other national emergency, and when so called and only in such case will receive a stated amount of pay for all of the period in which he has been a member of the reserve. The legislation is imperfect, in my opinion, in certain particulars, but it is a most important step in the right direction, and I earnestly hope that it will be carefully studied and perfected by Congress.

THE NATIONAL GUARD

Under existing law the National Guard constitutes, after the Regular Army, the first line of national defense. Its organization, discipline, training, and equipment, under recent legislation, have been assimilated, as far as possible, to those of the Regular Army, and its practical efficiency, under the effect of this training, has very greatly increased. Our citizen soldiers under present conditions have reached a stage of development beyond which they can not reasonably be asked to go without further direct assistance in the form of pay from the Federal Government.

Page 2158

On the other hand, such pay from the National Treasury would not be justified unless it produced a proper equivalent in additional efficiency on the part of the National Guard. The Organized Militia to-day can not be ordered outside of the limits of the United States, and thus can not lawfully be used for general military purposes. The officers and men are ambitious and eager to make themselves thus available and to become an efficient national reserve of citizen soldiery. They are the only force of trained men, other than the Regular Army, upon which we can rely. The so-called militia pay bill, in the form agreed on between the authorities of the War Department and the representatives of the National Guard, in my opinion adequately meets these conditions and offers a proper return for the pay which it is proposed to give to the National Guard. I believe that its enactment into law would be a very long step toward providing this Nation with a first line of citizen soldiery, upon which its main reliance must depend in case of any national emergency. Plans for the organization of the National Guard into tactical divisions, on the same lines as those adopted for the Regular Army, are being formulated by the War College Division of the General Staff.

NATIONAL VOLUNTEERS

The National Guard consists of only about 110,000 men. In any serious war in the past it has always been necessary, and in such a war in the future it doubtless will be necessary, for the Nation to depend, in addition to the Regular Army and the National Guard, upon a large force of volunteers. There is at present no adequate provision of law for the raising of such a force. There is now pending in Congress, however, a bill which makes such provision, and which I believe is admirably adapted to meet the exigencies which would be presented in case of war. The passage of the bill would not entail a dollar's expense upon the Government at this time or in the future until war comes. But if war comes the methods therein directed are in accordance with the best military judgment as to what they ought to be, and the act would prevent the necessity for a discussion of any legislation and the delays incident to its consideration and adoption. I earnestly urge its passage.

CONSOLIDATION OF THE SUPPLY CORPS

The Army appropriation act of 191:2 also carried legislation for the consolidation of the Quartermaster's Department, the Subsistence Department, and the Pay Corps into a single supply department, to be known as the Quartermaster's Corps. It also provided for the organization of a special force of enlisted men, to be known as the Service Corps, gradually to replace many of the civilian employees engaged in the manual labor necessary in every army. I believe that both of these enactments will improve the

administration of our military establishment. The consolidation of the supply corps has already been effected, and the organization of the service corps is being put into effect.

Page 2159

All of the foregoing reforms are in the direction of economy and efficiency. Except for the slight increase necessary to garrison our outposts in Hawaii and Panama, they do not call for a larger Army, but they do tend to produce a much more efficient one. The only substantial new appropriations required are those which, as I have pointed out, are necessary to complete the fortifications and barracks at our naval bases and outposts beyond the sea.

PORTO RICO

Porto Rico continues to show notable progress, both commercially and in the spread of education. Its external commerce has increased 17 per cent over the preceding year, bringing the total value up to $92,631,886, or more than five times the value of the commerce of the island in 1901. During the year 160,657 Pupils were enrolled in the public schools, as against 145,525 for the preceding year, and as compared with 26,000 for the first year of American administration. Special efforts are under way for the promotion of vocational and industrial training, the need of which is particularly pressing in the island. When the bubonic plague broke out last June, the quick and efficient response of the people of Porto Rico to the demands of modern sanitation was strikingly shown by the thorough campaign which was instituted against the plague and the hearty public opinion which supported the Government's efforts to check its progress and to prevent its recurrence.

The failure thus far to grant American citizenship continues to be the only ground of dissatisfaction. The bill conferring such citizenship has passed the House of Representatives and is now awaiting the action of the Senate. I am heartily in favor of the passage of this bill. I believe that the demand for citizenship is just, and that it is amply earned by sustained loyalty on the part of the inhabitants of the island. But it should be remembered that the demand must be, and in the minds of most Porto Ricans is, entirely disassociated from any thought of statehood. I believe that no substantial approved public opinion in the United States or in Porto Rico contemplates statehood for the island as the ultimate form of relations between us. I believe that the aim to be striven for is the fullest possible allowance of legal and fiscal self-government, with American citizenship as to the bond between us; in other words, a relation analogous to the present relation between Great Britain and such self-governing colonies as Canada and Australia. This would conduce to the fullest and most self-sustaining development of Porto Rico, while at the same time it would grant her the economic and political benefits of being under the American flag.

PHILIPPINES

Page 2160

A bill is pending in Congress which revolutionizes the carefully worked out scheme of government under which the Philippine Islands are now governed and which proposes to render them virtually autonomous at once and absolutely independent in eight years. Such a proposal can only be founded on the assumption that we have now discharged our trusteeship to the Filipino people and our responsibility for them to the world, and that they are now prepared for self-government as well as national sovereignty. A thorough and unbiased knowledge of the facts clearly shows that these assumptions are absolutely without justification. As to this, I believe that there is no substantial difference of opinion among any of those who have had the responsibility of facing Philippine problems in the administration of the islands, and I believe that no one to whom the future of this people is a responsible concern can countenance a policy fraught with the direst consequences to those on whose behalf it is ostensibly urged.

In the Philippine Islands we have embarked upon an experiment unprecedented in dealing with dependent people. We are developing there conditions exclusively for their own welfare. We found an archipelago containing 24 tribes and races, speaking a great variety of languages, and with a population over 80 per cent of which could neither read nor write. Through the unifying forces of a common education, of commercial and economic development, and of gradual participation in local self-government we are endeavoring to evolve a homogeneous people fit to determine, when the time arrives, their own destiny. We are seeking to arouse a national spirit and not, as under the older colonial theory, to suppress such a spirit. The character of the work we have been doing is keenly recognized in the Orient, and our success thus far followed with not a little envy by those who, initiating the same policy, find themselves hampered by conditions grown up in earlier days and under different theories of administration. But our work is far from done. Our duty to the Filipinos is far from discharged. Over half a million Filipino students are now in the Philippine schools helping to mold the men of the future into a homogeneous people, but there still remain more than a million Filipino children of school age yet to be reached. Freed from American control the integrating forces of a common education and a common language will cease and the educational system now well started will slip back into inefficiency and disorder.

An enormous increase in the commercial development of the islands has been made since they were virtually granted full access to our markets three years ago, with every prospect of increasing development and diversified industries. Freed from American control such development is bound to decline. Every observer speaks of the great progress in public works for the benefit of the Filipinos, of harbor improvements, of roads

Page 2161

and railways, of irrigation and artesian wells, public buildings, and better means of communication. But large parts of the islands are still unreached, still even unexplored, roads and railways are needed in many parts, irrigation systems are still to be installed, and wells to be driven. Whole villages and towns are still without means of communication other than almost impassable roads and trails. Even the great progress in sanitation, which has successfully suppressed smallpox, the bubonic plague, and Asiatic cholera, has found the cause of and a cure for beriberi, has segregated the lepers, has helped to make Manila the most healthful city in the Orient, and to free life throughout the whole archipelago from its former dread diseases, is nevertheless incomplete in many essentials of permanence in sanitary policy. Even more remains to be accomplished. If freed from American control sanitary progress is bound to be arrested and all that has been achieved likely to be lost.

Concurrent with the economic, social, and industrial development of the islands has been the development of the political capacity of the people. By their progressive participation in government the Filipinos are being steadily and hopefully trained for self-government. Under Spanish control they shared in no way in the government. Under American control they have shared largely and increasingly. Within the last dozen years they have gradually been given complete autonomy in the municipalities, the right to elect two-thirds of the provincial governing boards and the lower house of the insular legislature. They have four native members out of nine members of the commission, or upper house. The chief justice and two justices of the supreme court, about one-half of the higher judicial positions, and all of the justices of the peach are natives. In the classified civil service the proportion of Filipinos increased from 51 per cent in 1904 to 67 per cent in 1911. Thus to-day all the municipal employees, over go per cent of the provincial employees, and 60 per cent of the officials and employees of the central government are Filipinos. The ideal which has been kept in mind in our political guidance of the islands has been real popular self-government and not mere paper independence. I am happy to say that the Filipinos have done well enough in the places they have filled and in the discharge of the political power with which they have been intrusted to warrant the belief that they can be educated and trained to complete self-government. But the present satisfactory results are due to constant support and supervision at every step by Americans.

Page 2162

If the task we have undertaken is higher than that assumed by other nations, its accomplishment must demand even more patience. We must not forget that we found the Filipinos wholly untrained in government. Up to our advent all other experience sought to repress rather than encourage political power. It takes long time and much experience to ingrain political habits of steadiness and efficiency. Popular self-government ultimately must rest upon common habits of thought and upon a reasonably developed public opinion. No such foundations for self-government, let alone independence are now present in the Philippine Islands. Disregarding even their racial heterogeneity and the lack of ability to think as a nation, it is sufficient to point out that under liberal franchise privileges only about 3 per cent of the Filipinos vote and only 5 per cent of the people are said to read the public press. To confer independence upon the Filipinos now is, therefore, to subject the great mass of their people to the dominance of an oligarchical and, probably, exploiting minority. Such a course will be as cruel to those people as it would be shameful to us.

Our true course is to pursue steadily and courageously the path we have thus far followed; to guide the Filipinos into self-sustaining pursuits; to continue the cultivation of sound political habits through education and political practice; to encourage the diversification of industries, and to realize the advantages of their industrial education by conservatively approved cooperative methods, at once checking the dangers of concentrated wealth and building up a sturdy, independent citizenship. We should do all this with a disinterested endeavor to secure for the Filipinos economic independence and to fit them for complete self-government, with the power to decide eventually, according to their own largest good, whether such self-government shall be accompanied by independence. A present declaration even of future independence would retard progress by the dissension and disorder it would arouse. On our part it would be a disingenuous attempt, under the guise of conferring a benefit on them, to relieve ourselves from the heavy and difficult burden which thus far we have been bravely and consistently sustaining. It would be a disguised policy of scuttle. It would make the helpless Filipino the football of oriental politics, tinder the protection of a guaranty of their independence, which we would be powerless to enforce.

REGULATION OF WATER POWER

There are pending before Congress a large number of bills proposing to grant privileges of erecting dams for the purpose of creating water power in our navigable rivers. The pendency of these bills has brought out an important defect in the existing general dam act. That act does not, in my opinion, grant sufficient power to the Federal Government in dealing with the construction of such dams to exact protective

Page 2163

conditions in the interest of navigation. It does not permit the Federal Government, as a condition of its permit, to require that a part of the value thus created shall be applied to the further general improvement and protection of the stream. I believe this to be one of the most important matters of internal improvement now confronting the Government. Most of the navigable rivers of this country are comparatively long and shallow. In order that they may be made fully useful for navigation there has come into vogue a method of improvement known as canalization, or the slack-water method, which consists in building a series of dams and locks, each of which will create a long pool of deep navigable water. At each of these dams there is usually created also water power of commercial value. If the water power thus created can be made available for the further improvement of navigation in the stream, it is manifest that the improvement will be much more quickly effected on the one hand, and, on the other, that the burden on the general taxpayers of the country will be very much reduced. Private interests seeking permits to build water-power dams in navigable streams usually urge that they thus improve navigation, and that if they do not impair navigation they should be allowed to take for themselves the entire profits of the water-power development. Whatever they may do by way of relieving the Government of the expense of improving navigation should be given due consideration, but it must be apparent that there may be a profit beyond a reasonably liberal return upon the private investment which is a potential asset of the Government in carrying out a comprehensive policy of waterway development. It is no objection to the retention and use of such an asset by the Government that a comprehensive waterway policy will include the protection and development of the other public uses of water, which can not and should not be ignored in making and executing plans for the protection and development of navigation. It is also equally clear that inasmuch as the water power thus created is or may be an incident of a general scheme of waterway improvement within the constitutional jurisdiction of the Federal Government, the regulation of such water power lies also within that jurisdiction. In my opinion constructive statesmanship requires that legislation should be enacted which will permit the development of navigation in these great rivers to go hand in hand with the utilization of this by-product of water power, created in the course of the same improvement, and that the general dam act should be so amended as to make this possible. I deem it highly important that the Nation should adopt a consistent and harmonious treatment of these water-power projects, which will preserve for this purpose their value to the Government, whose right it is to grant the permit. Any other policy is equivalent to throwing away a most valuable national asset.

THE PANAMA CANAL

Page 2164

During the past year the work of construction upon the canal has progressed most satisfactorily. About 87 per cent of the excavation work has been completed, and more than 93 per cent of the concrete for all the locks is in place. In view of the great interest which has been manifested as to some slides in the Culebra Cut, I am glad to say that the report of Col. Goethals should allay any apprehension on this point. It is gratifying to note that none of the slides which occurred during this year would have interfered with the passage of the ships had the canal, in fact, been in operation, and when the slope pressures will have been finally adjusted and the growth of vegetation will minimize erosion in the banks of the cut, the slide problem will be practically solved and an ample stability assured for the Culebra Cut.

Although the official date of the opening has been set for January 1, 1915, the canal will, in fact, from present indications, be opened for shipping during the latter half of 1913. No fixed date can as yet be set, but shipping interests will be advised as soon as assurances can be given that vessels can pass through without unnecessary delay.

Recognizing the administrative problem in the management of the canal, Congress in the act of August 24, 1912, has made admirable provisions for executive responsibility in the control of the canal and the government of the Canal Zone. The problem of most efficient organization is receiving careful consideration, so that a scheme of organization and control best adapted to the conditions of the canal may be formulated and put in operation as expeditiously as possible. Acting tinder the authority conferred on me by Congress, I have, by Executive proclamation, promulgated the following schedule of tolls for ships passing through the canal, based upon the thorough report of Emory R. Johnson, special commissioner on traffic and tolls:

I. On merchant vessels carrying passengers or cargo, $1.20 per net vessel ton-each 100 cubic feet-of actual earning capacity. 2. On vessels in ballast without passengers or cargo, 40 per cent less than the rate of tolls for vessels with passengers or cargo. 3. Upon naval vessels, other than transports, colliers, hospital ships, and supply ships, 50 cents per displacement ton. 4. Upon Army and Navy transports, colliers, hospital ships, and supply ships, $1.20 per net ton, the vessels to be measured by the same rules as are employed in determining the net tonnage of merchant vessels. Rules for the determination of the tonnage upon which toll charges are based are now in course of preparation and will be promulgated in due season.

PANAMA CANAL TREATY

Page 2165

The proclamation which I have issued in respect to the Panama Canal tolls is in accord with the Panama Canal act passed by this Congress August 24, 1912. We have been advised that the British Government has prepared a protest against the act and its enforcement in so far as it relieves from the payment of tolls American ships engaged in the American coastwise trade on the ground that it violates British rights tinder the Hay-Pauncefote treaty concerning the Panama Canal. When the protest is presented, it will be promptly considered and an effort made to reach a satisfactory adjustment of any differences there may be between the two Governments.

WORKMEN'S COMPENSATION ACT

The promulgation of an efficient workmen's compensation act, adapted to the particular conditions of the zone, is awaiting adequate appropriation by Congress for the payment of claims arising thereunder. I urge that speedy provision be made in order that we may install upon the zone a system of settling claims for injuries in best accord with modern humane, social, and industrial theories.

PROMOTION FOR COL. GOETHALS

As the completion of the canal grows nearer, and as the wonderful executive work of Col. Goethals becomes more conspicuous in the eyes of the country and of the world, it seems to me wise and proper to make provision by law for such reward to him as may be commensurate with the service that he has rendered to his country. I suggest that this reward take the form of an appointment of Col. Goethals as a major general in the Army of the United States, and that the law authorizing such appointment be accompanied with a provision permitting his designation as Chief of Engineers upon the retirement of the present incumbent of that office.

NAVY DEPARTMENT

The Navy of the United States is in a greater state of efficiency and is more powerful than it has ever been before, but in the emulation which exists between different countries in respect to the increase of naval and military armaments this condition is not a permanent one. In view of the many improvements and increases by foreign Governments the slightest halt on our part in respect to new construction throws us back and reduces us from a naval power of the first rank and places us among the nations of the second rank. In the past 15 years the Navy has expanded rapidly and yet far less rapidly than our country. From now on reduced expenditures in the Navy means reduced military strength. The world's history has shown the importance of sea power both for adequate defense and for the support of important and definite policies.

I had the pleasure of attending this autumn a mobilization of the Atlantic Fleet, and was glad to observe and note the preparedness of the fleet for instant action. The review brought before the President and the Secretary of the Navy a greater and more powerful collection of vessels than had ever been gathered in American waters. The condition of the fleet and of the officers and enlisted men and of the equipment of the vessels entitled those in authority to the greatest credit.

Page 2166

I again commend to Congress the giving of legislative sanction to the appointment of the naval aids to the Secretary of the Navy. These aids and the council of aids appointed by the Secretary of the Navy to assist him in the conduct of his department have proven to be of the highest utility. They have furnished an executive committee of the most skilled naval experts, who have coordinated the action of the various bureaus in the Navy, and by their advice have enabled the Secretary to give an administration at the same time economical and most efficient. Never before has the United States had a Navy that compared in efficiency with its present one, but never before have the requirements with respect to naval warfare been higher and more exacting than now. A year ago Congress refused to appropriate for more than one battleship. In this I think a great mistake of policy was made, and I urgently recommend that this Congress make up for the mistake of the last session by appropriations authorizing the construction of three battleships, in addition to destroyers, fuel ships, and the other auxiliary vessels as shown in the building program of the general board. We are confronted by a condition in respect to the navies of the world which requires us, if we would maintain our Navy as an insurance of peace, to augment our naval force by at least two battleships a year and by battle cruisers, gunboats, torpedo destroyers, and submarine boats in a proper proportion. We have no desire for war. We would go as far as any nation in the world to avoid war, but we are a world power. Our population, our wealth, our definite policies, our responsibilities in the Pacific and the Atlantic, our defense of the Panama Canal, together with our enormous world trade and our missionary outposts on the frontiers of civilization, require us to recognize our position as one of the foremost in the family of nations, and to clothe ourselves with sufficient naval power to give force to our reasonable demands, and to give weight to our influence in those directions of progress that a powerful Christian nation should advocate.

I observe that the Secretary of the Navy devotes some space to a change in the disciplinary system in vogue in that branch of the service. I think there is nothing quite so unsatisfactory to either the Army or the Navy as the severe punishments necessarily inflicted by court-martial for desertions and purely military offenses, and I am glad to hear that the British have solved this important and difficult matter in a satisfactory way. I commend to the consideration of Congress the details of the new disciplinary system, and recommend that laws be passed putting the same into force both in the Army and the Navy.

I invite the attention of Congress to that part of the report of the Secretary of the Navy in which he recommends the formation of a naval reserve by the organization of the ex-sailors of the Navy.

I repeat my recommendation made last year that proper provision should be made for the rank of the commander in chief of the squadrons and fleets of the Navy. The inconvenience attending the necessary precedence that most foreign admirals have over our own whenever they meet in official functions ought to be avoided. It impairs the prestige of our Navy and is a defect that can be very easily removed.

Page 2167

DEPARTMENT OF JUSTICE

This department has been very active in the enforcement of the law. It has been better organized and with a larger force than ever before in the history of the Government. The prosecutions which have been successfully concluded and which are now pending testify to the effectiveness of the departmental work.

The prosecution of trusts under the Sherman antitrust law has gone on without restraint or diminution, and decrees similar to those entered in the Standard Oil and the Tobacco cases have been entered in other suits, like the suits against the Powder Trust and the Bathtub Trust. I am very strongly convinced that a steady, consistent course in this regard, with a continuing of Supreme Court decisions upon new phases of the trust question not already finally decided is going to offer a solution of this much-discussed and troublesome issue in a quiet, calm, and judicial way, without any radical legislation changing the governmental policy in regard to combinations now denounced by the Sherman antitrust law. I have already recommended as an aid in this matter legislation which would declare unlawful certain well-known phases of unfair competition in interstate trade, and I have also advocated voluntary national incorporation for the larger industrial enterprises, with provision for a closer supervision by the Bureau of Corporations, or a board appointed for the purpose, so as to make more certain compliance with the antitrust law on the one hand and to give greater security to the stockholders against possible prosecutions on the other. I believe, however, that the orderly course of litigation in the courts and the regular prosecution of trusts charged with the violation of the antitrust law is producing among business men a clearer and clearer perception of the line of distinction between business that is to be encouraged and business that is to be condemned, and that in this quiet way the question of trusts can be settled and competition retained as an economic force to secure reasonableness in prices and freedom and independence in trade.

REFORM OF COURT PROCEDURE

I am glad to bring to the attention of Congress the fact that the Supreme Court has radically altered the equity rules governing the procedure on the equity side of all Federal courts, and though, as these changes have not been yet put in practice so as to enable us to state from actual results what the reform will accomplish, they are of such a character that we can reasonably prophesy that they will greatly reduce the time and cost of litigation in such courts. The court has adopted many of the shorter methods of the present English procedure, and while it may take a little while for the profession to accustom itself to these methods, it is certain greatly to facilitate litigation. The action of the Supreme Court has

Page 2168

been so drastic and so full of appreciation of the necessity for a great reform in court procedure that I have no hesitation in following up this action with a recommendation which I foreshadowed in my message of three years ago, that the sections of the statute governing the procedure in the Federal courts on the common-law side should be so amended as to give to the Supreme Court the same right to make rules of procedure in common law as they have, since the beginning of the court, exercised in equity. I do not doubt that a full consideration of the subject will enable the court while giving effect to the substantial differences in right and remedy between the system of common law and the system of equity so to unite the two procedures into the form of one civil action and to shorten the procedure in such civil action as to furnish a model to all the State courts exercising concurrent jurisdiction with the Federal courts of first instance.

Under the statute now in force the common-law procedure in each Federal court is made to conform to the procedure in the State in which the court is held. In these days, when we should be making progress in court procedure, such a conformity statute makes the Federal method too dependent upon the action of State legislatures. I can but think it a great opportunity for Congress to intrust to the highest tribunal in this country, evidently imbued with a strong spirit in favor of a reform of procedure, the power to frame a model code of procedure, which, while preserving all that is valuable and necessary of the rights and remedies at common law and in equity, shall lessen the burden of the poor litigant to a minimum in the expedition and cheapness with which his cause can be fought or defended through Federal courts to final judgment.

WORKMAN'S COMPENSATION ACT

The workman's compensation act reported by the special commission appointed by Congress and the Executive, which passed the Senate and is now pending in the House, the passage of which I have in previous messages urged upon Congress, I venture again to call to its attention. The opposition to it which developed in the Senate, but which was overcome by a majority in that body, seemed to me to grow out rather of a misapprehension of its effect than of opposition to its principle. I say again that I think no act can have a better effect directly upon the relations between the employer and employee than this act applying to railroads and common carriers of an interstate character, and I am sure that the passage of the act would greatly relieve the courts of the heaviest burden of litigation that they have, and would enable them to dispatch other business with a speed never before attained in courts of justice in this country.

The white house, December 19, 1912. To the Senate and House of Representatives:

This is the third of a series of messages in which I have brought to the attention of the Congress the important transactions of the Government in each of its departments during the last year and have discussed needed reforms.

Page 2169

HEADS OF DEPARTMENTS SHOULD HAVE SEATS ON THE FLOOR OF CONGRESS

I recommend the adoption of legislation which shall make it the duty of heads of departments—the members of the President's Cabinet—at convenient times to attend the session of the House and the Senate, which shall provide seats for them in each House, and give them the opportunity to take part in all discussions and to answer questions of which they have had due notice. The rigid holding apart of the executive and the legislative branches of this Government has not worked for the great advantage of either. There has been much lost motion in the machinery, due to the lack of cooperation and interchange of views face to face between the representatives of the Executive and the Members of the two legislative branches of the Government. It was never intended that they should be separated in the sense of not being in constant effective touch and relationship to each other. The legislative and the executive each performs its own appropriate function, but these functions must be coordinated. Time and time again debates have arisen in each House upon issues which the information of a particular department head would have enabled him, if present, to end at once by a simple explanation or statement. Time and time again a forceful and earnest presentation of facts and arguments by the representative of the Executive whose duty it is to enforce the law would have brought about a useful reform by amendment, which in the absence of such a statement has failed of passage. I do not think I am mistaken in saying that the presence of the members of the Cabinet on the floor of each House would greatly contribute to the enactment of beneficial legislation. Nor would this in any degree deprive either the legislative or the executive of the independence which separation of the two branches has been intended to promote. It would only facilitate their cooperation in the public interest.

On the other hand, I am sure that the necessity and duty imposed upon department heads of appearing in each house and in answer to searching questions, of rendering upon their feet an account of what they have done, or what has been done by the administration, will spur each member of the Cabinet to closer attention to the details of his department, to greater familiarity with its needs, and to greater care to avoid the just criticism which the answers brought out in questions put and discussions arising between the Members of either House and the members of the Cabinet may properly evoke.

Page 2170

Objection is made that the members of the administration having no vote could exercise no power on the floor of the House, and could not assume that attitude of authority and control which the English parliamentary Government have and which enables them to meet the responsibilities the English system thrusts upon them. I agree that in certain respects it would be more satisfactory if members of the Cabinet could at the same time be Members of both Houses, with voting power, but this is impossible under our system; and while a lack of this feature may detract from the influence of the department chiefs, it will not prevent the good results which I have described above both in the matter of legislation and in the matter of administration. The enactment of such a law would be quite within the power of Congress without constitutional amendment, and it has such possibilities of usefulness that we might well make the experiment, and if we are disappointed the misstep can be easily retraced by a repeal of the enabling legislation.

This is not a new proposition. In the House of Representatives, in the Thirty-eighth Congress, the proposition was referred to a select committee of seven Members. The committee made an extensive report, and urged the adoption of the reform. The report showed that our history had not been without illustration of the necessity and the examples of the practice by pointing out that in early days Secretaries were repeatedly called to the presence of either Rouse for consultation, advice, and information. It also referred to remarks of Mr. justice Story in his Commentaries on the Constitution, in which he urgently presented the wisdom of such a change. This report is to be found in Volume I of the Reports of Committees of the First Session of the Thirty-eighth Congress, April 6, 1864.

Again, on February 4, 1881, a select committee of the Senate recommended the passage of a similar bill, and made a report, In which, while approving the separation of the three branches, the executive, legislative, and judicial, they point out as a reason for the proposed change that, although having a separate existence, the branches are “to cooperate, each with the other, as the different members of the human body must cooperate, with each other in order to form the figure and perform the duties of a perfect man.”

The report concluded as follows: This system will require the selection of the strongest men to be heads of departments and will require them to be well equipped with the knowledge of their offices. It will also require the strongest men to be the leaders of Congress and participate in debate. It will bring these strong men in contact, perhaps into conflict, to advance the public weal, and thus stimulate their abilities and their efforts, and will thus assuredly result to the good of the country.

Page 2171

If it should appear by actual experience that the heads of departments in fact have not time to perform the additional duty imposed on them by this bill, the force in their offices should be increased or the duties devolving on them personally should be diminished. An undersecretary should be appointed to whom could be confided that routine of administration which requires only order and accuracy. The principal officers could then confine their attention to those duties which require wise discretion and intellectual activity. Thus they would have abundance of time for their duties under this bill. Indeed, your committee believes that the public interest would be subserved if the Secretaries were relieved of the harassing cares of distributing clerkships and closely supervising the mere machinery of the departments. Your committee believes that the adoption of this bill and the effective execution of its provisions will be the first step toward a sound civil-service reform which will secure a larger wisdom in the adoption of policies and a better system in their execution.(Signed) GEO. H. *Pendleton*. W. B. *Allison*. D. W. *Voorhees*. J. G. *Blaine*. M. C. *Butler*. *John* J. *Ingalls*. O. H. *Platt*. J. T. *Farley*. It would be difficult to mention the names of higher authority in the practical knowledge of our Government than those which are appended to this report.

POSTAL SAVINGS BANK SYSTEM

The Postal Savings Bank System has been extended so that it now includes 4,004 fourth-class post offices', as well as 645 branch offices and stations in the larger cities. There are now 12,812 depositories at which patrons of the system may open accounts. The number of depositors is 300,000 and the amount of their deposits is approximately $28,000,000, not including $1,314,140 which has been with drawn by depositors for the purpose of buying postal savings bonds. Experience demonstrates the value of dispensing with the pass-book and introducing in its place a certificate of deposit. The gross income of the postal savings system for the fiscal year ending June 30, 1913, will amount to $700,000 and the interest payable to depositors to $300,000. The cost of supplies, equipment, and salaries is $700,000. It thus appears that the system lacks $300,000 a year of paying interest and expenses. It is estimated, however, that when the deposits have reached the sum Of $50,000,000, which at the present rate they soon will do, the system will be self-sustaining. By law the postal savings funds deposited at each post office are required to be redeposited in local banks. State and national banks to the number of 7,357 have qualified as depositories for these funds. Such deposits are secured by bonds aggregating $54,000,000. Of this amount, $37,000,000 represent municipal bonds.

PARCEL POST

Page 2172

In several messages I have favored and recommended the adoption of a system of parcel post. In the postal appropriation act of last year a general system was provided and its installation was directed by the 1st of January. This has entailed upon the Post Office Department a great deal of very heavy labor, but the Postmaster General informs me that on the date selected, to wit, the 1st of January, near at hand, the department will be in readiness to meet successfully the requirements of the public.

CLASSIFICATION OF POSTMASTERS

A trial, during the past three years, of the system of classifying fourth-class postmasters in that part of the country lying between the Mississippi River on the west, Canada on the north, the Atlantic Ocean on the east, and Mason and Dixon's line on the south has been sufficiently satisfactory to justify the postal authorities in recommending the extension of the order to include all the fourth-class postmasters in the country. In September, 1912, upon the suggestion of the Postmaster General, I directed him to prepare an order which should put the system in effect, except in Alaska, Guam, Hawaii, Porto Rico, and Samoa. Under date of October 15 I issued such an order which affected 36,000 postmasters. By the order the post offices were divided into groups A and B. Group A includes all postmasters whose compensation is $500 or more, and group B those whose compensation is less than that sum. Different methods are pursued in the selection of the postmasters for group A and group, B. Criticism has been made of this order on the ground that the motive for it was political. Nothing could be further from the truth. The order was made before the election and in the interest of efficient public service. I have several times requested Congress to give me authority to put first-, second-, and third-class postmasters, and all other local officers, including internal-revenue officers, customs officers, United States marshals, and the local agents of the other departments under the classification of the civil-service law by taking away the necessity for confirming such appointments by the Senate. I deeply regret the failure of Congress to follow these recommendations. The change would have taken out of politics practically every local officer and would have entirely cured the evils growing out of what under the present law must always remain a remnant of the spoils system.

COMPENSATION TO RAILWAYS FOR CARRYING MAILS

It is expected that the establishment of a parcel post on January 1st will largely increase the amount of mail matter to be transported by the railways, and Congress should be prompt to provide a way by which they may receive the additional compensation to which they will be entitled. The Postmaster General urges that the department's plan for a complete readjustment of the system of paying the railways for

Page 2173

carrying the mails be adopted, substituting space for weight as the principal factor in fixing compensation. Under this plan it will be possible to determine without delay what additional payment should be made on account of the parcel post. The Postmaster General's recommendation is based on the results of a far-reaching investigation begun early in the administration with the object of determining what it costs the railways to carry the mails. The statistics obtained during the course of the inquiry show that while many of the railways, and particularly the large systems, were making profits from mail transportations, certain of the lines were actually carrying the mails at a loss. As a result of the investigation the department, after giving the subject careful consideration, decided to urge the abandonment of the present plan of fixing compensation on the basis of the weight of the mails carried, a plan that has proved to be exceedingly expensive and in other respects unsatisfactory. Under the method proposed the railway companies will annually submit to the department reports showing what it costs them to carry the mails, and this cost will be apportioned on the basis of the car space engaged, payment to be allowed at the rate thus determined in amounts that will cover the cost and a reasonable profit. If a railway is not satisfied with the manner in which the department apportions the cost in fixing compensation, it is to have the right, tinder the new plan, of appealing to the Interstate Commerce Commission. This feature of the proposed law would seem to insure a fair treatment of the railways. It is hoped that Congress will give the matter immediate attention and that the method of compensation recommended by the department or some other suitable plan will be promptly authorized.

DEPARTMENT OF THE INTERIOR

The Interior Department, in the problems of administration included within its jurisdiction, presents more difficult questions than any other. This has been due perhaps to temporary causes of a political character, but more especially to the inherent difficulty in the performance of some of the functions which are assigned to it. Its chief duty is the guardianship of the public domain and the disposition of that domain to private ownership under homestead, mining, and other laws, by which patents from the Government to the individual are authorized on certain conditions. During the last decade the public seemed to become suddenly aware that a very large part of its domain had passed from its control into private ownership, under laws not well adapted to modern conditions, and also that in the doing of this the provisions of existing law and regulations adopted in accordance with law had not been strictly observed, and that in the transfer of title much fraud had intervened, to the pecuniary benefit of dishonest persons. There arose thereupon a demand for conservation

Page 2174

of the public domain, its protection against fraudulent diminution, and the preservation of that part of it from private acquisition which it seemed necessary to keep for future public use. The movement, excellent in the intention which prompted it, and useful in its results, has nevertheless had some bad effects, which the western country has recently been feeling and in respect of which there is danger of a reaction toward older abuses unless we can attain the golden mean, which consists in the prevention of the mere exploitation of the public domain for private purposes while at the same, time facilitating its development for the benefit of the local public.

The land laws need complete revision to secure proper conservation on the one hand of land that ought to be kept in public use and, on the other hand, prompt disposition of those lands which ought to be disposed in private ownership or turned over to private use by properly guarded leases. In addition to this there are not enough officials in our Land Department with legal knowledge sufficient promptly to make the decisions which are called for. The whole land-laws system should be reorganized, and not until it is reorganized, will decisions be made as promptly as they ought, or will men who have earned title to public land under the statute receive their patents within a reasonably short period. The present administration has done what it could in this regard, but the necessity for reform and change by a revision of the laws and an increase and reorganization of the force remains, and I submit to Congress the wisdom of a full examination of this subject, in order that a very large and important part of our people in the West may be relieved from a just cause of irritation.

I invite your attention to the discussion by the Secretary of the Interior of the need for legislation with respect to mining claims, leases of coal lands in this country and in Alaska, and for similar disposition of oil, phosphate, and potash lands, and also to his discussion of the proper use to be made of water-power sites held by the Government. Many of these lands are now being withheld from use by the public under the general withdrawal act which was passed by the last Congress. That act was not for the purpose of disposing of the question, but it was for the purpose of preserving the lands until the question could be solved. I earnestly urge that the matter is of the highest importance to our western fellow citizens and ought to command the immediate attention of the legislative branch of the Government.

Another function which the Interior Department has to perform is that of the guardianship of Indians. In spite of everything which has been said in criticism of the policy of our Government toward the Indians, the amount of wealth which is now held by it for these wards per capita shows that the Government has been generous; but the management of so large an estate, with the great variety of circumstances that surround each tribe and each case, calls for the exercise of the highest business discretion, and the machinery provided in the Indian Bureau for the discharge of this function is entirely

inadequate. The position of Indian commissioner demands the exercise of business ability of the first order, and it is difficult to secure such talent for the salary provided.

Page 2175

The condition of health of the Indian and the prevalence in the tribes of curable diseases has been exploited recently in the press. In a message to Congress at its last session I brought this subject to its attention and invited a special appropriation, in order that our facilities for overcoming diseases among the Indians might be properly increased, but no action was then taken by Congress on the subject, nor has such appropriation been made since.

The commission appointed by authority of the Congress to report on proper method of securing railroad development in Alaska is formulating its report, and I expect to have an opportunity before the end of this session to submit its recommendations.

DEPARTMENT OF AGRICULTURE

The far-reaching utility of the educational system carried on by the Department of Agriculture for the benefit of the farmers of our country calls for no elaboration. Each year there is a growth in the variety of facts which it brings out for the benefit of the farmer, and each year confirms the wisdom of the expenditure of the appropriations made for that department.

PURE-FOOD LAW

The Department of Agriculture is charged with the execution of the pure-food law. The passage of this encountered much opposition from manufacturers and others who feared the effect upon their business of the enforcement of its provisions. The opposition aroused the just indignation of the public, and led to an intense sympathy with the severe and rigid enforcement of the provisions of the new law. It had to deal in many instances with the question whether or not products of large business enterprises, in the form of food preparations, were deleterious to the public health; and while in a great majority of instances this issue was easily determinable, there were not a few cases in which it was hard to draw the line between a useful and a harmful food preparation. In cases like this when a decision involved the destruction of great business enterprises representing the investment of large capital and the expenditure of great energy and ability, the danger of serious injustice was very considerable in the enforcement of a new law under the spur of great public indignation. The public officials charged with executing the law might do injustice in heated controversy through unconscious pride of opinion and obstinacy of conclusion. For this reason President Roosevelt felt justified in creating a board of experts, known as the Remsen Board, to whom in cases of much importance an appeal might be taken and a review had of a decision of the Bureau of Chemistry in the Agricultural Department. I heartily agree that it was wise to create this board in order that injustice might not be done. The questions which arise are not generally those involving palpable injury to health, but they are upon the narrow

Page 2176

and doubtful line in respect of which it is better to be in some error not dangerous than to be radically destructive. I think that the time has come for Congress to recognize the necessity for some such tribunal of appeal and to make specific statutory provision for it. While we are struggling to suppress an evil of great proportions like that of impure food, we must provide machinery in the law itself to prevent its becoming an instrument of oppression, and we ought to enable those whose business is threatened with annihilation to have some tribunal and some form of appeal in which they have a complete day in court.

AGRICULTURAL CREDITS

I referred in my first message to the question of improving the system of agricultural credits. The Secretary of Agriculture has made an investigation into the matter of credits in this country, and I commend a consideration of the information which through his agents he has been able to collect. It does not in any way minimize the importance of the proposal, but it gives more accurate information upon some of the phases of the question than we have heretofore had.

DEPARTMENT OF COMMERCE AND LABOR

I commend to Congress an examination of the report of the Secretary of Commerce and Labor, and especially that part in which he discusses the office of the Bureau of Corporations, the value to commerce of a proposed trade commission, and the steps which he has taken to secure the organization of a national chamber of commerce. I heartily commend his view that the plan of a trade commission which looks to the fixing of prices is altogether impractical and ought not for a moment to be considered as a possible solution of the trust question.

The trust question in the enforcement of the Sherman antitrust law is gradually solving itself, is maintaining the principle and restoring the practice of competition, and if the law is quietly but firmly enforced, business will adjust itself to the statutory requirements, and the unrest in commercial circles provoked by the trust discussion will disappear.

PANAMA-PACIFIC INTERNATIONAL EXPOSITION

In conformity with a joint resolution of Congress, an Executive proclamation was issued last February, inviting the nations of the world to participate in the Panama-Pacific International Exposition to be held at San Francisco to celebrate the construction of the Panama, Canal. A sympathetic response was immediately forthcoming, and several nations have already selected the sites for their buildings. In furtherance of my

invitation, a special commission visited European countries during the past summer, and received assurance of hearty cooperation in the task of bringing together a universal industrial, military, and naval display on an unprecedented scale. It is evident that the exposition will be an accurate mirror of the world's activities as they appear 400 years after the date of the discovery of the Pacific Ocean.

Page 2177

It is the duty of the United States to make the nations welcome at San Francisco and to facilitate such acquaintance between them and ourselves as will promote the expansion of commerce and familiarize the world with the new trade route through the Panama Canal. The action of the State governments and individuals assures a comprehensive exhibit of the resources of this country and of the progress of the people. This participation by State and individuals should be supplemented by an adequate showing of the varied and unique activities of the National Government. The United States can not with good grace invite foreign governments to erect buildings and make expensive exhibits while itself refusing to participate. Nor would it be wise to forego the opportunity to join with other nations in the inspiring interchange of ideas tending to promote intercourse, friendship, and commerce. It is the duty of the Government to foster and build up commerce through the canal, just as it was the duty of the Government to construct it.

I earnestly recommend the appropriation at this session of such a sum as will enable the United States to construct a suitable building, install a governmental exhibit, and otherwise participate in the Panama-Pacific International Exposition in a manner commensurate with the dignity of a nation whose guests are to be the people of the world. I recommend also such legislation as will facilitate the entry of material intended for exhibition and protect foreign exhibitors against infringement of patents and the unauthorized copying of patterns and designs. All aliens sent to San Francisco to construct and care for foreign buildings and exhibits should be admitted without restraint or embarrassment.

THE DISTRICT OF COLUMBIA AND THE CITY OF WASHINGTON

The city of Washington is a beautiful city, with a population of 352,936, of whom 98,667 are colored. The annual municipal budget is about $14,000,000. The presence of the National Capital and other governmental structures constitutes the chief beauty and interest of the city. The public grounds are extensive, and the opportunities for improving the city and making it still more attractive are very great. Under a plan adopted some years ago, one half the cost of running the city is paid by taxation upon the property, real and personal, of the citizens and residents, and the other half is borne by the General Government. The city is expanding at a remarkable rate, and this can only be accounted for by the coming here from other parts of the country of well-to-do people who, having finished their business careers elsewhere, build and make this their permanent place of residence.

Page 2178

On the whole, the city as a municipality is very well governed. It is well lighted, the water supply is good, the streets are well paved, the police force is well disciplined, crime is not flagrant, and while it has purlieus and centers of vice, like other large cities, they are not exploited, they do not exercise any influence or control in the government of the city, and they are suppressed in as far as it has been found practicable. Municipal graft is inconsiderable. There are interior courts in the city that are noisome and centers of disease and the refuge of criminals, but Congress has begun to clean these out, and progress has been made in the case of the most notorious of these, which is known as “Willow Tree Alley.” This movement should continue.

The mortality for the past year was at the rate Of 17.80 per 1,000 of both races; among the whites it was 14.61 per thousand, and among the blacks 26.12 per thousand. These are the lowest mortality rates ever recorded in the District.

One of the most crying needs in the government of the District is a tribunal or public authority for the purpose of supervising the corporations engaged in the operation of public utilities. Such a bill is pending in Congress and ought to pass. Washington should show itself under the direction of Congress to be a city with a model form of government, but as long as such authority over public utilities is withheld from the municipal government, it must always be defective.

Without undue criticism of the present street railway accommodations, it can be truly said that under the spur of a public utilities commission they might be substantially improved.

While the school system of Washington perhaps might be bettered in the economy of its management and the distribution of its buildings, its usefulness has nevertheless greatly increased in recent years, and it now offers excellent facilities for primary and secondary education.

From time to time there is considerable agitation in Washington in favor of granting the citizens of the city the franchise and constituting an elective government. I am strongly opposed to this change. The history of Washington discloses a number of experiments of this kind, which have always been abandoned as unsatisfactory. The truth is this is a city governed by a popular body, to wit, the Congress of the United States, selected from the people of the United States, who own Washington. The people who come here to live do so with the knowledge of the origin of the city and the restrictions, and therefore voluntarily give up the privilege of living in a municipality governed by popular vote. Washington is so unique in its origin and in its use for housing and localizing the sovereignty of the Nation that the people who live here must regard its peculiar character and must be content to subject themselves to the control of a body selected by all the people of the Nation. I agree that there are certain inconveniences growing out of the government of a city by a national legislature like Congress, and it would perhaps be possible to lessen these by the delegation by Congress to the District

Commissioners of greater legislative power for the enactment of local laws than they now possess, especially those of a police character.

Page 2179

Every loyal American has a personal pride in the beauty of Washington and in its development and growth. There is no one with a proper appreciation of our Capital City who would favor a niggardly policy in respect to expenditures from the National Treasury to add to the attractiveness of this city, which belongs to every citizen of the entire country, and which no citizen visits without a sense of pride of ownership. We have had restored by a Commission of Fine Arts, at the instance of a committee of the Senate, the original plan of the French engineer L'Enfant for the city of Washington, and we know with great certainty the course which the improvement of Washington should take. Why should there be delay in making this improvement in so far as it involves the extension of the parking system and the construction of greatly needed public buildings? Appropriate buildings for the State Department, the Department of justice, and the Department of Commerce and Labor have been projected, plans have been approved, and nothing is wanting but the appropriations for the beginning and completion of the structures. A hall of archives is also badly needed, but nothing has been done toward its construction, although the land for it has long been bought and paid for. Plans have been made for the union of Potomac Park with the valley of Rock Creek and Rock Creek Park, and the necessity for the connection between the Soldiers' Home and Rock Creek Park calls for no comment. I ask again why there should be delay in carrying out these plans We have the money in the Treasury, the plans are national in their scope, and the improvement should be treated as a national project. The plan will find a hearty approval throughout the country. I am quite sure, from the information which I have, that, at comparatively small expense, from that part of the District of Columbia which was retroceded to Virginia, the portion including the Arlington estate, Fort Myer, and the palisades of the Potomac can be acquired by purchase and the jurisdiction of the State of Virginia over this land ceded to the Nation. This ought to be done.

The construction of the Lincoln Memorial and of a memorial bridge from the base of the Lincoln Monument to Arlington would be an appropriate and symbolic expression of the union of the North and the South at the Capital of the Nation. I urge upon Congress the appointment of a commission to undertake these national improvements, and to submit a plan for their execution; and when the plan has been submitted and approved, and the work carried out, Washington will really become what it ought to be—the most beautiful city in the world.

***

State of the Union Address
Woodrow Wilson
December 2, 1913

Gentlemen of the Congress:

In pursuance of my constitutional duty to “give to the Congress information of the state of the Union,” I take the liberty of addressing you on several matters which ought, as it seems to me, particularly to engage the attention of your honorable bodies, as of all who study the welfare and progress of the Nation.

Page 2180

I shall ask your indulgence if I venture to depart in some degree from the usual custom of setting before you in formal review the many matters which have engaged the attention and called for the action of the several departments of the Government or which look to them for early treatment in the future, because the list is long, very long, and would suffer in the abbreviation to which I should have to subject it. I shall submit to you the reports of the heads of the several departments, in which these subjects are set forth in careful detail, and beg that they may receive the thoughtful attention of your committees and of all Members of the Congress who may have the leisure to study them. Their obvious importance, as constituting the very substance of the business of the Government, makes comment and emphasis on my part unnecessary.

The country, I am thankful to say, is at peace with all the world, and many happy manifestations multiply about us of a growing cordiality and sense of community of interest among the nations, foreshadowing an age of settled peace and good will. More and more readily each decade do the nations manifest their willingness to bind themselves by solemn treaty to the processes of peace, the processes of frankness and fair concession. So far the United States has stood at the front of such negotiations. She will, I earnestly hope and confidently believe, give fresh proof of her sincere adherence to the cause of international friendship by ratifying the several treaties of arbitration awaiting renewal by the Senate. In addition to these, it has been the privilege of the Department of State to gain the assent, in principle, of no less than 31 nations, representing four-fifths of the population of the world, to the negotiation of treaties by which it shall be agreed that whenever differences of interest or of policy arise which can not be resolved by the ordinary processes of diplomacy they shall be publicly analyzed, discussed, and reported upon by a tribunal chosen by the parties before either nation determines its course of action.

There is only one possible standard by which to determine controversies between the United States and other nations, and that is compounded of these two elements: Our own honor and our obligations to the peace of the world. A test so compounded ought easily to be made to govern both the establishment of new treaty obligations and the interpretation of those already assumed.

There is but one cloud upon our horizon. That has shown itself to the south of us, and hangs over Mexico. There can be no certain prospect of peace in America until Gen. Huerta has surrendered his usurped authority in Mexico; until it is understood on all hands, indeed, that such pretended governments will not be countenanced or dealt with by-the Government of the United States. We are the friends of constitutional government in America; we are more than its friends, we are its champions; because in no other way can

Page 2181

our neighbors, to whom we would wish in every way to make proof of our friendship, work out their own development in peace and liberty. Mexico has no Government. The attempt to maintain one at the City of Mexico has broken down, and a mere military despotism has been set up which has hardly more than the semblance of national authority. It originated in the usurpation of Victoriano Huerta, who, after a brief attempt to play the part of constitutional President, has at last cast aside even the pretense of legal right and declared himself dictator. As a consequence, a condition of affairs now exists in Mexico which has made it doubtful whether even the most elementary and fundamental rights either of her own people or of the citizens of other countries resident within her territory can long be successfully safeguarded, and which threatens, if long continued, to imperil the interests of peace, order, and tolerable life in the lands immediately to the south of us. Even if the usurper had succeeded in his purposes, in despite of the constitution of the Republic and the rights of its people, he would have set up nothing but a precarious and hateful power, which could have lasted but a little while, and whose eventual downfall would have left the country in a more deplorable condition than ever. But he has not succeeded. He has forfeited the respect and the moral support even of those who were at one time willing to see him succeed. Little by little he has been completely isolated. By a little every day his power and prestige are crumbling and the collapse is not far away. We shall not, I believe, be obliged to alter our policy of watchful waiting. And then, when the end comes, we shall hope to see constitutional order restored in distressed Mexico by the concert and energy of such of her leaders as prefer the liberty of their people to their own ambitions.

I turn to matters of domestic concern. You already have under consideration a bill for the reform of our system of banking and currency, for which the country waits with impatience, as for something fundamental to its whole business life and necessary to set credit free from arbitrary and artificial restraints. I need not say how earnestly I hope for its early enactment into law. I take leave to beg that the whole energy and attention of the Senate be concentrated upon it till the matter is successfully disposed of. And yet I feel that the request is not needed-that the Members of that great House need no urging in this service to the country.

I present to you, in addition, the urgent necessity that special provision be made also for facilitating the credits needed by the farmers of the country. The pending currency bill does the farmers a great service. It puts them upon an equal footing with other business men and masters of enterprise, as it should; and upon its passage they will find themselves quit of many of the difficulties which now hamper them in the field of credit. The farmers, of course, ask and should be given no special privilege, such as extending to them the credit of the Government itself. What they need and should obtain is legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted local action in their own behalf in getting the capital they must use. It is to this we should now address ourselves.

Page 2182

It has, singularly enough, come to pass that we have allowed the industry of our farms to lag behind the other activities of the country in its development. I need not stop to tell you how fundamental to the life of the Nation is the production of its food. Our thoughts may ordinarily be concentrated upon the cities and the hives of industry, upon the cries of the crowded market place and the clangor of the factory, but it is from the quiet interspaces of the open valleys and the free hillsides that we draw the sources of life and of prosperity, from the farm and the ranch, from the forest and the mine. Without these every street would be silent, every office deserted, every factory fallen into disrepair. And yet the farmer does not stand upon the same footing with the forester and the miner in the market of credit. He is the servant of the seasons. Nature determines how long he must wait for his crops, and will not be hurried in her processes. He may give his note, but the season of its maturity depends upon the season when his crop matures, lies at the gates of the market where his products are sold. And the security he gives is of a character not known in the broker's office or as familiarly as it might be on the counter of the banker.

The Agricultural Department of the Government is seeking to assist as never before to make farming an efficient business, of wide co-operative effort, in quick touch with the markets for foodstuffs. The farmers and the Government will henceforth work together as real partners in this field, where we now begin to see our way very clearly and where many intelligent plans are already being put into execution. The Treasury of the United States has, by a timely and well-considered distribution of its deposits, facilitated the moving of the crops in the present season and prevented the scarcity of available funds too often experienced at such times. But we must not allow ourselves to depend upon extraordinary expedients. We must add the means by which the, farmer may make his credit constantly and easily available and command when he will the capital by which to support and expand his business. We lag behind many other great countries of the modern world in attempting to do this. Systems of rural credit have been studied and developed on the other side of the water while we left our farmers to shift for themselves in the ordinary money market. You have but to look about you in any rural district to see the result, the handicap and embarrassment which have been put upon those who produce our food.

Conscious of this backwardness and neglect on our part, the Congress recently authorized the creation of a special commission to study the various systems of rural credit which have been put into operation in Europe, and this commission is already prepared to report. Its report ought to make it easier for us to determine what methods will be best suited to our own farmers. I hope and believe that the

Page 2183

committees of the Senate and House will address themselves to this matter with the most fruitful results, and I believe that the studies and recently formed plans of the Department of Agriculture may be made to serve them very greatly in their work of framing appropriate and adequate legislation. It would be indiscreet and presumptuous in anyone to dogmatize upon so great and many-sided a question, but I feel confident that common counsel will produce the results we must all desire.

Turn from the farm to the world of business which centers in the city and in the factory, and I think that all thoughtful observers will agree that the immediate service we owe the business communities of the country is to prevent private monopoly more effectually than it has yet been prevented. I think it will be easily agreed that we should let the Sherman anti-trust law stand, unaltered, as it is, with its debatable ground about it, but that we should as much as possible reduce the area of that debatable ground by further and more explicit legislation; and should also supplement that great act by legislation which will not only clarify it but also facilitate its administration and make it fairer to all concerned. No doubt we shall all wish, and the country will expect, this to be the central subject of our deliberations during the present session; but it is a subject so many-sided and so deserving of careful and discriminating discussion that I shall take the liberty of addressing you upon it in a special message at a later date than this. It is of capital importance that the business men of this country should be relieved of all uncertainties of law with regard to their enterprises and investments and a clear path indicated which they can travel without anxiety. It is as important that they should be relieved of embarrassment and set free to prosper as that private monopoly should be destroyed. The ways of action should be thrown wide open.

I turn to a subject which I hope can be handled promptly and without serious controversy of any kind. I mean the method of selecting nominees for the Presidency of the United States. I feel confident that I do not misinterpret the wishes or the expectations of the country when I urge the prompt enactment of legislation which will provide for primary elections throughout the country at which the voters of the several parties may choose their nominees for the Presidency without the intervention of nominating conventions. I venture the suggestion that this legislation should provide for the retention of party conventions, but only for the purpose of declaring and accepting the verdict of the primaries and formulating the platforms of the parties; and I suggest that these conventions should consist not of delegates chosen for this single purpose, but of the nominees for Congress, the nominees for vacant seats in the Senate of the United States, the Senators whose terms have not yet closed, the national committees, and the candidates for the Presidency themselves, in order that platforms may be framed by those responsible to the people for carrying them into effect.

Page 2184

These are all matters of vital domestic concern, and besides them, outside the charmed circle of our own national life in which our affections command us, as well as our consciences, there stand out our obligations toward our territories over sea. Here we are trustees. Porto Rico, Hawaii, the Philippines, are ours, indeed, but not ours to do what we please with. Such territories, once regarded as mere possessions, are no longer to be selfishly exploited; they are part of the domain of public conscience and of serviceable and enlightened statesmanship. We must administer them for the people who live in them and with the same sense of responsibility to them as toward our own people in our domestic affairs. No doubt we shall successfully enough bind Porto Rico and the Hawaiian Islands to ourselves by ties of justice and interest and affection, but the performance of our duty toward the Philippines is a more difficult and debatable matter. We can satisfy the obligations of generous justice toward the people of Porto Rico by giving them the ample and familiar rights and privileges accorded our own citizens in our own territories and our obligations toward the people of Hawaii by perfecting the provisions for self-government already granted them, but in the Philippines we must go further. We must hold steadily in view their ultimate independence, and we must move toward the time of that independence as steadily as the way can be cleared and the foundations thoughtfully and permanently laid.

Acting under the authority conferred upon the President by Congress, I have already accorded the people of the islands a majority in both houses of their legislative body by appointing five instead of four native citizens to the membership of the commission. I believe that in this way we shall make proof of their capacity in counsel and their sense of responsibility in the exercise of political power, and that the success of this step will be sure to clear our view for the steps which are to follow. Step by step we should extend and perfect the system of self-government in the islands, making test of them and modifying them as experience discloses their successes and their failures; that we should more and more put under the control of the native citizens of the archipelago the essential instruments of their life, their local instrumentalities of government, their schools, all the common interests of their communities, and so by counsel and experience set up a government which all the world will see to be suitable to a people whose affairs are under their own control. At last, I hope and believe, we are beginning to gain the confidence of the Filipino peoples. By their counsel and experience, rather than by our own, we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision. Let us once find the path and set out with firm and confident tread upon it and we shall not wander from it or linger upon it.

Page 2185

A duty faces us with regard to Alaska which seems to me very pressing and very imperative; perhaps I should say a double duty, for it concerns both the political and the material development of the Territory. The people of Alaska should be given the full Territorial form of government, and Alaska, as a storehouse, should be unlocked. One key to it is a system of railways. These the Government should itself build and administer, and the ports and terminals it should itself control in the interest of all who wish to use them for the service and development of the country and its people.

But the construction of railways is only the first step; is only thrusting in the key to the storehouse and throwing back the lock and opening the door. How the tempting resources of the country are to be exploited is another matter, to which I shall take the liberty of from time to time calling your attention, for it is a policy which must be worked out by well-considered stages, not upon theory, but upon lines of practical expediency. It is part of our general problem of conservation. We have a freer hand in working out the problem in Alaska than in the States of the Union; and yet the principle and object are the same, wherever we touch it. We must use the resources of the country, not lock them up. There need be no conflict or jealousy as between State and Federal authorities, for there can be no essential difference of purpose between them. The resources in question must be used, but not destroyed or wasted; used, but not monopolized upon any narrow idea of individual rights as against the abiding interests of communities. That a policy can be worked out by conference and concession which will release these resources and yet not jeopard or dissipate them, I for one have no doubt; and it can be done on lines of regulation which need be no less acceptable to the people and governments of the States concerned than to the people and Government of the Nation at large, whose heritage these resources are. We must bend our counsels to this end. A common purpose ought to make agreement easy.

Three or four matters of special importance and significance I beg, that you will permit me to mention in closing.

Our Bureau of Mines ought to be equipped and empowered to render even more effectual service than it renders now in improving the conditions of mine labor and making the mines more economically productive as well as more safe. This is an all-important part of the work of conservation; and the conservation of human life and energy lies even nearer to our interests than the preservation from waste of our material resources.

We owe it, in mere justice to the railway employees of the country, to provide for them a fair and effective employers' liability act; and a law that we can stand by in this matter will be no less to the advantage of those who administer the railroads of the country than to the advantage of those whom they employ. The experience of a large number of the States abundantly proves that.

Page 2186

We ought to devote ourselves to meeting pressing demands of plain justice like this as earnestly as to the accomplishment of political and economic reforms. Social justice comes first. Law is the machinery for its realization and is vital only as it expresses and embodies it.

An international congress for the discussion of all questions that affect safety at sea is now sitting in London at the suggestion of our own Government. So soon as the conclusions of that congress can be learned and considered we ought to address ourselves, among other things, to the prompt alleviation of the very unsafe, unjust, and burdensome conditions which now surround the employment of sailors and render it extremely difficult to obtain the services of spirited and competent men such as every ship needs if it is to be safely handled and brought to port.

May I not express the very real pleas-are I have experienced in co-operating with this Congress and sharing with it the labors of common service to which it has devoted itself so unreservedly during the past seven months of uncomplaining concentration upon the business of legislation? Surely it is a proper and pertinent part of my report on “the state of the Union” to express my admiration for the diligence, the good temper, and the full comprehension of public duty which has already been manifested by both the Houses; and I hope that it may not be deemed an impertinent intrusion of myself into the picture if I say with how much and how constant satisfaction I have availed myself of the privilege of putting my time and energy at their disposal alike in counsel and in action.

***

State of the Union Address
Woodrow Wilson
December 8, 1914

Gentlemen of the congress:

The session upon which you are now entering will be the closing session of the Sixty-third Congress, a Congress, I venture to say, which will long be remembered for the great body of thoughtful and constructive work which it has done, in loyal response to the thought and needs of the country. I should like in this address to review the notable record and try to make adequate assessment of it; but no doubt we stand too near the work that has been done and are ourselves too much part of it to play the part of historians toward it.

Our program of legislation with regard to the regulation of business is now virtually complete. It has been put forth, as we intended, as a whole, and leaves no conjecture as to what is to follow. The road at last lies clear and firm before business. It is a road which it can travel without fear or embarrassment. It is the road to ungrudged,

unclouded success. In it every honest man, every man who believes that the public interest is part of his own interest, may walk with perfect confidence.

Page 2187

Moreover, our thoughts are now more of the future than of the past. While we have worked at our tasks of peace the circumstances of the whole age have been altered by war. What we have done for our own land and our own people we did with the best that was in us, whether of character or of intelligence, with sober enthusiasm and a confidence in the principles upon which we were acting which sustained us at every step of the difficult undertaking; but it is done. It has passed from our hands. It is now an established part of the legislation of the country. Its usefulness, its effects will disclose themselves in experience. What chiefly strikes us now, as we look about us during these closing days of a year which will be forever memorable in the history of the world, is that we face new tasks, have been facing them these six months, must face them in the months to come,-face them without partisan feeling, like men who have forgotten everything but a common duty and the fact that we are representatives of a great people whose thought is not of us but of what America owes to herself and to all mankind in such circumstances as these upon which we look amazed and anxious.

War has interrupted the means of trade not only but also the processes of production. In Europe it is destroying men and resources wholesale and upon a scale unprecedented and appalling, There is reason to fear that the time is near, if it be not already at hand, when several of the countries of Europe will find it difficult to do for their people what they have hitherto been always easily able to do,—many essential and fundamental things. At any rate, they will need our help and our manifold services as they have never needed them before; and we should be ready, more fit and ready than we have ever been.

It is of equal consequence that the nations whom Europe has usually supplied with innumerable articles of manufacture and commerce of which they are in constant need and without which their economic development halts and stands still can now get only a small part of what they formerly imported and eagerly look to us to supply their all but empty markets. This is particularly true of our own neighbors, the States, great and small, of Central and South America. Their lines of trade have hitherto run chiefly athwart the seas, not to our ports but to the ports of Great Britain and of the older continent of Europe. I do not stop to inquire why, or to make any comment on probable causes. What interests us just now is not the explanation but the fact, and our duty and opportunity in the presence of it. Here are markets which we must supply, and we must find the means of action. The United States, this great people for whom we speak and act, should be ready, as never before, to serve itself and to serve mankind; ready with its resources, its energies, its forces of production, and its means of distribution.

Page 2188

It is a very practical matter, a matter of ways and means. We have the resources, but are we fully ready to use them? And, if we can make ready what we have, have we the means at hand to distribute it? We are not fully ready; neither have we the means of distribution. We are willing, but we are not fully able. We have the wish to serve and to serve greatly, generously; but we are not prepared as we should be. We are not ready to mobilize our resources at once. We are not prepared to use them immediately and at their best, without delay and without waste.

To speak plainly, we have grossly erred in the way in which we have stunted and hindered the development of our merchant marine. And now, when we need ships, we have not got them. We have year after year debated, without end or conclusion, the best policy to pursue with regard to the use of the ores and forests and water powers of our national domain in the rich States of the West, when we should have acted; and they are still locked up. The key is still turned upon them, the door shut fast at which thousands of vigorous men, full of initiative, knock clamorously for admittance. The water power of our navigable streams outside the national domain also, even in the eastern States, where we have worked and planned for generations, is still not used as it might be, because we will and we won't; because the laws we have made do not intelligently balance encouragement against restraint. We withhold by regulation.

I have come to ask you to remedy and correct these mistakes and omissions, even at this short session of a Congress which would certainly seem to have done all the work that could reasonably be expected of it. The time and the circumstances are extraordinary, and so must our efforts be also.

Fortunately, two great measures, finely conceived, the one to unlock, with proper safeguards, the resources of the national domain, the other to encourage the use of the navigable waters outside that domain for the generation of power, have already passed the House of Representatives and are ready for immediate consideration and action by the Senate. With the deepest earnestness I urge their prompt passage. In them both we turn our backs upon hesitation and makeshift and formulate a genuine policy of use and conservation, in the best sense of those words. We owe the one measure not only to the people of that great western country for whose free and systematic development, as it seems to me, our legislation has done so little, but also to the people of the Nation as a whole; and we as clearly owe the other fulfillment of our repeated promises that the water power of the country should in fact as well as in name be put at the disposal of great industries which can make economical and profitable use of it, the rights of the public being adequately guarded the while, and monopoly in the use prevented. To have begun such measures and not completed them would indeed mar the record of this great Congress very seriously. I hope and confidently believe that they will be completed.

Page 2189

And there is another great piece of legislation which awaits and should receive the sanction of the Senate: I mean the bill which gives a larger measure of self-government to the people of the Philippines. How better, in this time of anxious questioning and perplexed policy, could we show our confidence in the principles of liberty, as the source as well as the expression of life, how better could we demonstrate our own self-possession and steadfastness in the courses of justice and disinterestedness than by thus going calmly forward to fulfill our promises to a dependent people, who will now look more anxiously than ever to see whether we have indeed the liberality, the unselfishness, the courage, the faith we have boasted and professed. I can not believe that the Senate will let this great measure of constructive justice await the action of another Congress. Its passage would nobly crown the record of these two years of memorable labor.

But I think that you will agree with me that this does not complete the toll of our duty. How are we to carry our goods to the empty markets of which I have spoken if we have not the ships? How are we to build up a great trade if we have not the certain and constant means of transportation upon which all profitable and useful commerce depends? And how are we to get the ships if we wait for the trade to develop without them? To correct the many mistakes by which we have discouraged and all but destroyed the merchant marine of the country, to retrace the steps by which we have.. it seems almost deliberately, withdrawn our flag from the seas.. except where, here and there, a ship of war is bidden carry it or some wandering yacht displays it, would take a long time and involve many detailed items of legislation, and the trade which we ought immediately to handle would disappear or find other channels while we debated the items.

The case is not unlike that which confronted us when our own continent was to be opened up to settlement and industry, and we needed long lines of railway, extended means of transportation prepared beforehand, if development was not to lag intolerably and wait interminably. We lavishly subsidized the building of transcontinental railroads. We look back upon that with regret now, because the subsidies led to many scandals of which we are ashamed; but we know that the railroads had to be built, and if we had it to do over again we should of course build them, but in another way. Therefore I propose another way of providing the means of transportation, which must precede, not tardily follow, the development of our trade with our neighbor states of America. It may seem a reversal of the natural order of things, but it is true, that the routes of trade must be actually opened-by many ships and regular sailings and moderate charges-before streams of merchandise will flow freely and profitably through them.

Page 2190

Hence the pending shipping bill, discussed at the last session but as yet passed by neither House. In my judgment such legislation is imperatively needed and can not wisely be postponed. The Government must open these gates of trade, and open them wide; open them before it is altogether profitable to open them, or altogether reasonable to ask private capital to open them at a venture. It is not a question of the Government monopolizing the field. It should take action to make it certain that transportation at reasonable rates will be promptly provided, even where the carriage is not at first profitable; and then, when the carriage has become sufficiently profitable to attract and engage private capital, and engage it in abundance, the Government ought to withdraw. I very earnestly hope that the Congress will be of this opinion, and that both Houses will adopt this exceedingly important bill.

The great subject of rural credits still remains to be dealt with, and it is a matter of deep regret that the difficulties of the subject have seemed to render it impossible to complete a bill for passage at this session. But it can not be perfected yet, and therefore there are no other constructive measures the necessity for which I will at this time call your attention to; but I would be negligent of a very manifest duty were I not to call the attention of the Senate to the fact that the proposed convention for safety at sea awaits its confirmation and that the limit fixed in the convention itself for its acceptance is the last day of the present month. The conference in which this convention originated was called by the United States; the representatives of the United States played a very influential part indeed in framing the provisions of the proposed convention; and those provisions are in themselves for the most part admirable. It would hardly be consistent with the part we have played in the whole matter to let it drop and go by the board as if forgotten and neglected. It was ratified in May by the German Government and in August by the Parliament of Great Britain. It marks a most hopeful and decided advance in international civilization. We should show our earnest good faith in a great matter by adding our own acceptance of it.

There is another matter of which I must make special mention, if I am to discharge my conscience, lest it should escape your attention. It may seem a very small thing. It affects only a single item of appropriation. But many human lives and many great enterprises hang upon it. It is the matter of making adequate provision for the survey and charting of our coasts. It is immediately pressing and exigent in connection with the immense coast line of Alaska, a coast line greater than that of the United States themselves, though it is also very important indeed with regard to the older coasts of the continent. We can not use our great Alaskan domain, ships will not ply thither, if those coasts and their many hidden

Page 2191

dangers are not thoroughly surveyed and charted. The work is incomplete at almost every point. Ships and lives have been lost in threading what were supposed to be well-known main channels. We have not provided adequate vessels or adequate machinery for the survey and charting. We have used old vessels that were not big enough or strong enough and which were so nearly unseaworthy that our inspectors would not have allowed private owners to send them to sea. This is a matter which, as I have said, seems small, but is in reality very great. Its importance has only to be looked into to be appreciated.

Before I close may I say a few words upon two topics, much discussed out of doors, upon which it is highly important that our judgment should be clear, definite, and steadfast?

One of these is economy in government expenditures. The duty of economy is not debatable. It is manifest and imperative. In the appropriations we pass we are spending the money of the great people whose servants we are,-not our own. We are trustees and responsible stewards in the spending. The only thing debatable and upon which we should be careful to make our thought and purpose clear is the kind of economy demanded of us. I assert with the greatest confidence that the people of the United States are not jealous of the amount their Government costs if they are sure that they get what they need and desire for the outlay, that the money is being spent for objects of which they approve, and that it is being applied with good business sense and management.

Governments grow, piecemeal, both in their tasks and in the means by which those tasks are to be performed, and very few Governments are organized, I venture to say, as wise and experienced business men would organize them if they had a clean sheet of paper to write upon. Certainly the Government of the United States is not. I think that it is generally agreed that there should be a systematic reorganization and reassembling of its parts so as to secure greater efficiency and effect considerable savings in expense. But the amount of money saved in that way would, I believe, though no doubt considerable in itself, running, it may be, into the millions, be relatively small,-small, I mean, in proportion to the total necessary outlays of the Government. It would be thoroughly worth effecting, as every saving would, great or small. Our duty is not altered by the scale of the saving. But my point is that the people of the United States do not wish to curtail the activities of this Government; they wish, rather, to enlarge them; and with every enlargement, with the mere growth, indeed, of the country itself, there must come, of course, the inevitable increase of expense. The sort of economy we ought to practice may be effected, and ought to be effected, by a careful study and assessment of the tasks to be performed; and the money spent ought to be made to yield the best possible returns in efficiency and achievement. And, like good

stewards, we should so account for every dollar of our appropriations as to make it perfectly evident what it was spent for and in what way it was spent.

Page 2192

It is not expenditure but extravagance that we should fear being criticized for; not paying for the legitimate enterprise and undertakings of a great Government whose people command what it should do, but adding what will benefit only a few or pouring money out for what need not have been undertaken at all or might have been postponed or better and more economically conceived and carried out. The Nation is not niggardly; it is very generous. It will chide us only if we forget for whom we pay money out and whose money it is we pay. These are large and general standards, but they are not very difficult of application to particular cases.

The other topic I shall take leave to mention goes deeper into the principles of our national life and policy. It is the subject of national defense.

It can not be discussed without first answering some very searching questions. It is said in some quarters that we are not prepared for war. What is meant by being prepared? Is it meant that we are not ready upon brief notice to put a nation in the field, a nation of men trained to arms? Of course we are not ready to do that; and we shall never be in time of peace so long as we retain our present political principles and institutions. And what is it that it is suggested we should be prepared to do? To defend ourselves against attack? We have always found means to do that, and shall find them whenever it is necessary without calling our people away from their necessary tasks to render compulsory military service in times of peace.

Allow me to speak with great plainness and directness upon this great matter and to avow my convictions with deep earnestness. I have tried to know what America is, what her people think, what they are, what they most cherish and hold dear. I hope that some of their finer passions are in my own heart,—some of the great conceptions and desires which gave birth to this Government and which have made the voice of this people a voice of peace and hope and liberty among the peoples of the world, and that, speaking my own thoughts, I shall, at least in part, speak theirs also, however faintly and inadequately, upon this vital matter.

We are at peace with all the world. No one who speaks counsel based on fact or drawn from a just and candid interpretation of realities can say that there is reason to fear that from any quarter our independence or the integrity of our territory is threatened. Dread of the power of any other nation we are incapable of. We are not jealous of rivalry in the fields of commerce or of any other peaceful achievement. We mean to live our own lives as we will; but we mean also to let live. We are, indeed, a true friend to all the nations of the world, because we threaten none, covet the possessions of none, desire the overthrow of none. Our friendship can be accepted and is accepted without reservation, because it is offered in a spirit and for a purpose which no one need ever

Page 2193

question or suspect. Therein lies our greatness. We are the champions of peace and of concord. And we should be very jealous of this distinction which we have sought to earn. Just now we should be particularly jealous of it because it is our dearest present hope that this character and reputation may presently, in God's providence, bring us an opportunity such as has seldom been vouchsafed any nation, the opportunity to counsel and obtain peace in the world and reconciliation and a healing settlement of many a matter that has cooled and interrupted the friendship of nations. This is the time above all others when we should wish and resolve to keep our strength by self-possession, our influence by preserving our ancient principles of action.

From the first we have had a clear and settled policy with regard to military establishments. We never have had, and while we retain our present principles and ideals we never shall have, a large standing army. If asked, Are you ready to defend yourselves? we reply, Most assuredly, to the utmost; and yet we shall not turn America into a military camp. We will not ask our young men to spend the best years of their lives making soldiers of themselves. There is another sort of energy in us. It will know how to declare itself and make itself effective should occasion arise. And especially when half the world is on fire we shall be careful to make our moral insurance against the spread of the conflagration very definite and certain and adequate indeed.

Let us remind ourselves, therefore, of the only thing we can do or will do. We must depend in every time of national peril, in the future as in the past, not upon a standing army, nor yet upon a reserve army, but upon a citizenry trained and accustomed to arms. It will be right enough, right American policy, based upon our accustomed principles and practices, to provide a system by which every citizen who will volunteer for the training may be made familiar with the use of modern arms, the rudiments of drill and maneuver, and the maintenance and sanitation of camps. We should encourage such training and make it a means of discipline which our young men will learn to value. It is right that we should provide it not only, but that we should make it as attractive as possible, and so induce our young men to undergo it at such times as they can command a little freedom and can seek the physical development they need, for mere health's sake, if for nothing more. Every means by which such things can be stimulated is legitimate, and such a method smacks of true American ideas. It is right, too, that the National Guard of the States should be developed and strengthened by every means which is not inconsistent with our obligations to our own people or with the established policy of our Government. And this, also, not because the time or occasion specially calls for such measures, but because it should be our constant policy to make these provisions for our national peace and safety.

Page 2194

More than this carries with it a reversal of the whole history and character of our polity. More than this, proposed at this time, permit me to say, would mean merely that we had lost our self-possession, that we had been thrown off our balance by a war with which we have nothing to do, whose causes can not touch us, whose very existence affords us opportunities of friendship and disinterested service which should make us ashamed of any thought of hostility or fearful preparation for trouble. This is assuredly the opportunity for which a people and a government like ours were raised up, the opportunity not only to speak but actually to embody and exemplify the counsels of peace and amity and the lasting concord which is based on justice and fair and generous dealing.

A powerful navy we have always regarded as our proper and natural means of defense, and it has always been of defense that we have thought, never of aggression or of conquest. But who shall tell us now what sort of navy to build? We shall take leave to be strong upon the seas, in the future as in the past; and there will be no thought of offense or of provocation in that. Our ships are our natural bulwarks. When will the experts tell us just what kind we should construct-and when will they be right for ten years together, if the relative efficiency of craft of different kinds and uses continues to change as we have seen it change under our very eyes in these last few months?

But I turn away from the subject. It is not new. There is no new need to discuss it. We shall not alter our attitude toward it because some amongst us are nervous and excited. We shall easily and sensibly agree upon a policy of defense. The question has not changed its aspects because the times are not normal. Our policy will not be for an occasion. It will be conceived as a permanent and settled thing, which we will pursue at all seasons, without haste and after a fashion perfectly consistent with the peace of the world, the abiding friendship of states, and the unhampered freedom of all with whom we deal. Let there be no misconception. The country has been misinformed. We have not been negligent of national defense. We are not unmindful of the great responsibility resting upon us. We shall learn and profit by the lesson of every experience and every new circumstance; and what is needed will be adequately done.

I close, as I began, by reminding you of the great tasks and duties of peace which challenge our best powers and invite us to build what will last, the tasks to which we can address ourselves now and at all times with free-hearted zest and with all the finest gifts of constructive wisdom we possess. To develop our life and our resources; to supply our own people, and the people of the world as their need arises, from the abundant plenty of our fields and our marts of trade to enrich the commerce of our own States and of the world with the products of our mines, our farms, and our factories, with the creations of our thought and the fruits of our character,-this is what will hold our attention and our enthusiasm steadily, now and in the years to come, as we strive to show in our life as a nation what liberty and the inspirations of an emancipated spirit may do for men and for societies, for individuals, for states, and for mankind.

Page 2195

***

State of the Union Address
Woodrow Wilson
December 7, 1915

Gentlemen of the congress:

Since I last had the privilege of addressing you on the state of the Union the war of nations on the other side of the sea, which had then only begun to disclose its portentous proportions, has extended its threatening and sinister scope until it has swept within its flame some portion of every quarter of the globe, not excepting our own hemisphere, has altered the whole face of international affairs, and now presents a prospect of reorganization and reconstruction such as statesmen and peoples have never been called upon to attempt before.

We have stood apart, studiously neutral. It was our manifest duty to do so. Not only did we have no part or interest in the policies which seem to have brought the conflict on; it was necessary, if a universal catastrophe was to be avoided, that a limit should be set to the sweep of destructive war and that some part of the great family of nations should keep the processes of peace alive, if only to prevent collective economic ruin and the breakdown throughout the world of the industries by which its populations are fed and sustained. It was manifestly the duty of the self-governed nations of this hemisphere to redress, if possible, the balance of economic loss and confusion in the other, if they could do nothing more. In the day of readjustment and recuperation we earnestly hope and believe that they can be of infinite service.

In this neutrality, to which they were bidden not only by their separate life and their habitual detachment from the politics of Europe but also by a clear perception of international duty, the states of America have become conscious of a new and more vital community of interest and moral partnership in affairs, more clearly conscious of the many common sympathies and interests and duties which bid them stand together.

There was a time in the early days of our own great nation and of the republics fighting their way to independence in Central and South America when the government of the United States looked upon itself as in some sort the guardian of the republics to the South of her as against any encroachments or efforts at political control from the other side of the water; felt it its duty to play the part even without invitation from them; and I think that we can claim that the task was undertaken with a true and disinterested enthusiasm for the freedom of the Americas and the unmolested Self-government of her independent peoples. But it was always difficult to maintain such a role without offense to the pride of the peoples whose freedom of action we sought to protect, and without provoking serious misconceptions of our motives, and every thoughtful man of affairs

must welcome the altered circumstances of the new day in whose light we now stand, when there is no claim of guardianship or thought

Page 2196

of wards but, instead, a full and honorable association as of partners between ourselves and our neighbors, in the interest of all America, north and south. Our concern for the independence and prosperity of the states of Central and South America is not altered. We retain unabated the spirit that has inspired us throughout the whole life of our government and which was so frankly put into words by President Monroe. We still mean always to make a common cause of national independence and of political liberty in America. But that purpose is now better understood so far as it concerns ourselves. It is known not to be a selfish purpose. It is known to have in it no thought of taking advantage of any government in this hemisphere or playing its political fortunes for our own benefit. All the governments of America stand, so far as we are concerned, upon a footing of genuine equality and unquestioned independence.

We have been put to the test in the case of Mexico, and we have stood the test. Whether we have benefited Mexico by the course we have pursued remains to be seen. Her fortunes are in her own hands. But we have at least proved that we will not take advantage of her in her distress and undertake to impose upon her an order and government of our own choosing. Liberty is often a fierce and intractable thing, to which no bounds can be set, and to which no bounds of a few men's choosing ought ever to be set. Every American who has drunk at the true fountains of principle and tradition must subscribe without reservation to the high doctrine of the Virginia Bill of Rights, which in the great days in which our government was set up was everywhere amongst us accepted as the creed of free men. That doctrine is, "That government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community"; that "of all the various modes and forms of government, that is the best which is capable of producing the greatest degree of happiness and safety, and is most effectually secured against the danger of maladministration; and that, when any government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, inalienable, and indefeasible right to reform, alter, or abolish it, in such manner as shall be judged most conducive to the public weal." We have unhesitatingly applied that heroic principle to the case of Mexico, and now hopefully await the rebirth of the troubled Republic, which had so much of which to purge itself and so little sympathy from any outside quarter in the radical but necessary process. We will aid and befriend Mexico, but we will not coerce her; and our course with regard to her ought to be sufficient proof to all America that we seek no political suzerainty or selfish control.

Page 2197

The moral is, that the states of America are not hostile rivals but cooperating friends, and that their growing sense of community or interest, alike in matters political and in matters economic, is likely to give them a new significance as factors in international affairs and in the political history of the world. It presents them as in a very deep and true sense a unit in world affairs, spiritual partners, standing together because thinking together, quick with common sympathies and common ideals. Separated they are subject to all the cross currents of the confused politics of a world of hostile rivalries; united in spirit and purpose they cannot be disappointed of their peaceful destiny.

This is Pan-Americanism. It has none of the spirit of empire in it. It is the embodiment, the effectual embodiment, of the spirit of law and independence and liberty and mutual service.

A very notable body of men recently met in the City of Washington, at the invitation and as the guests of this Government, whose deliberations are likely to be looked back to as marking a memorable turning point in the history of America. They were representative spokesmen of the several independent states of this hemisphere and were assembled to discuss the financial and commercial relations of the republics of the two continents which nature and political fortune have so intimately linked together. I earnestly recommend to your perusal the reports of their proceedings and of the actions of their committees. You will get from them, I think, a fresh conception of the ease and intelligence and advantage with which Americans of both continents may draw together in practical cooperation and of what the material foundations of this hopeful partnership of interest must consist,-of how we should build them and of how necessary it is that we should hasten their building.

There is, I venture to point out, an especial significance just now attaching to this whole matter of drawing the Americans together in bonds of honorable partnership and mutual advantage because of the economic readjustments which the world must inevitably witness within the next generation, when peace shall have at last resumed its healthful tasks. In the performance of these tasks I believe the Americas to be destined to play their parts together. I am interested to fix your attention on this prospect now because unless you take it within your view and permit the full significance of it to command your thought I cannot find the right light in which to set forth the particular matter that lies at the very font of my whole thought as I address you to-day. I mean national defense.

Page 2198

No one who really comprehends the spirit of the great people for whom we are appointed to speak can fail to perceive that their passion is for peace, their genius best displayed in the practice of the arts of peace. Great democracies are not belligerent. They do not seek or desire war. Their thought is of individual liberty and of the free labor that supports life and the uncensored thought that quickens it. Conquest and dominion are not in our reckoning, or agreeable to our principles. But just because we demand unmolested development and the undisturbed government of our own lives upon our own principles of right and liberty, we resent, from whatever quarter it may come, the aggression we ourselves will not practice. We insist upon security in prosecuting our self-chosen lines of national development. We do more than that. We demand it also for others. We do not confine our enthusiasm for individual liberty and free national development to the incidents and movements of affairs which affect only ourselves. We feel it wherever there is a people that tries to walk in these difficult paths of independence and right. From the first we have made common cause with all partisans of liberty on this side the sea, and have deemed it as important that our neighbors should be free from all outside domination as that we ourselves should be. We have set America aside as a whole for the uses of independent nations and political freemen.

Out of such thoughts grow all our policies. We regard war merely as a means of asserting the rights of a people against aggression. And we are as fiercely jealous of coercive or dictatorial power within our own nation as of aggression from without. We will not maintain a standing army except for uses which are as necessary in times of peace as in times of war; and we shall always see to it that our military peace establishment is no larger than is actually and continuously needed for the uses of days in which no enemies move against us. But we do believe in a body of free citizens ready and sufficient to take care of themselves and of the governments which they have set up to serve them. In our constitutions themselves we have commanded that “the right of the people to keep and bear arms shall not be infringed,” and our confidence has been that our safety in times of danger would lie in the rising of the nation to take care of itself, as the farmers rose at Lexington.

But war has never been a mere matter of men and guns. It is a thing of disciplined might. If our citizens are ever to fight effectively upon a sudden summons, they must know how modern fighting is done, and what to do when the summons comes to render themselves immediately available and immediately effective. And the government must be their servant in this matter, must supply them with the training they need to take care of themselves and of it. The military arm of their government, which they will not allow to direct them, they may properly use to serve them and make their independence secure,-and not their own independence merely but the rights also of those with whom they have made common cause, should they also be put in jeopardy. They must be fitted to play the great role in the world, and particularly in this hemisphere, for which they are qualified by principle and by chastened ambition to play.

Page 2199

It is with these ideals in mind that the plans of the Department of War for more adequate national defense were conceived which will be laid before you, and which I urge you to sanction and put into effect as soon as they can be properly scrutinized and discussed. They seem to me the essential first steps, and they seem to me for the present sufficient.

They contemplate an increase of the standing force of the regular army from its present strength of five thousand and twenty-three officers and one hundred and two thousand nine hundred and eighty-five enlisted men of all services to a strength of seven thousand one hundred and thirty-six officers and one hundred and thirty-four thousand seven hundred and seven enlisted men, or 141,843, all told, all services, rank and file, by the addition of fifty-two companies of coast artillery, fifteen companies of engineers, ten regiments of infantry, four regiments of field artillery, and four aero squadrons, besides seven hundred and fifty officers required for a great variety of extra service, especially the all important duty of training the citizen force of which I shall presently speak, seven hundred and ninety-two noncommissioned officers for service in drill, recruiting and the like, and the necessary quota of enlisted men for the Quartermaster Corps, the Hospital Corps, the Ordnance Department, and other similar auxiliary services. These are the additions necessary to render the army adequate for its present duties, duties which it has to perform not only upon our own continental coasts and borders and at our interior army posts, but also in the Philippines, in the Hawaiian Islands, at the Isthmus, and in Porto Rico.

By way of making the country ready to assert some part of its real power promptly and upon a larger scale, should occasion arise, the plan also contemplates supplementing the army by a force of four hundred thousand disciplined citizens, raised in increments of one hundred and thirty-three thousand a year throughout a period of three years. This it is proposed to do by a process of enlistment under which the serviceable men of the country would be asked to bind themselves to serve with the colors for purposes of training for short periods throughout three years, and to come to the colors at call at any time throughout an additional “furlough” period of three years. This force of four hundred thousand men would be provided with personal accoutrements as fast as enlisted and their equipment for the field made ready to be supplied at any time. They would be assembled for training at stated intervals at convenient places in association with suitable units of the regular army. Their period of annual training would not necessarily exceed two months in the year.

It would depend upon the patriotic feeling of the younger men of the country whether they responded to such a call to service or not. It would depend upon the patriotic spirit of the employers of the country whether they made it possible for the younger men in their employ to respond under favorable conditions or not. I, for one, do not doubt the patriotic devotion either of our young men or of those who give them employment,—-those for whose benefit and protection they would in fact enlist. I would look forward to the success of such an experiment with entire confidence.

Page 2200

At least so much by way of preparation for defense seems to me to be absolutely imperative now. We cannot do less.

The programme which will be laid before you by the Secretary of the Navy is similarly conceived. It involves only a shortening of the time within which plans long matured shall be carried out; but it does make definite and explicit a programme which has heretofore been only implicit, held in the minds of the Committees on Naval Affairs and disclosed in the debates of the two Houses but nowhere formulated or formally adopted. It seems to me very clear that it will be to the advantage of the country for the Congress to adopt a comprehensive plan for putting the navy upon a final footing of strength and efficiency and to press that plan to completion within the next five years. We have always looked to the navy of the country as our first and chief line of defense; we have always seen it to be our manifest course of prudence to be strong on the seas. Year by year we have been creating a navy which now ranks very high indeed among the navies of the maritime nations. We should now definitely determine how we shall complete what we have begun, and how soon.

The programme to be laid before you contemplates the construction within five years of ten battleships, six battle cruisers, ten scout cruisers, fifty destroyers, fifteen fleet submarines, eighty-five coast submarines, four gunboats, one hospital ship, two ammunition ships, two fuel oil ships, and one repair ship. It is proposed that of this number we shall the first year provide for the construction of two battleships, two battle cruisers, three scout cruisers, fifteen destroyers, five fleet submarines, twenty-five coast submarines, two gunboats, and one hospital ship; the second year, two battleships, one scout cruiser, ten destroyers, four fleet submarines, fifteen coast submarines, one gunboat, and one fuel oil ship; the third year, two battleships, one battle cruiser, two scout cruisers, five destroyers, two fleet sub marines, and fifteen coast submarines; the fourth year, two battleships, two battle cruisers, two scout cruisers, ten destroyers, two fleet submarines, fifteen coast submarines, one ammunition ship, and one fuel oil ship; and the fifth year, two battleships, one battle cruiser, two scout cruisers, ten destroyers, two fleet submarines, fifteen coast submarines, one gunboat, one ammunition ship, and one repair ship.

The Secretary of the Navy is asking also for the immediate addition to the personnel of the navy of seven thousand five hundred sailors, twenty-five hundred apprentice seamen, and fifteen hundred marines. This increase would be sufficient to care for the ships which are to be completed within the fiscal year 1917 and also for the number of men which must be put in training to man the ships which will be completed early in 1918. It is also necessary that the number of midshipmen at the Naval academy at Annapolis should be increased by at least three hundred in order that the force of officers should be more rapidly added to; and authority is asked to appoint, for engineering duties only, approved graduates of engineering colleges, and for service in the aviation corps a certain number of men taken from civil life.

Page 2201

If this full programme should be carried out we should have built or building in 1921, according to the estimates of survival and standards of classification followed by the General Board of the Department, an effective navy consisting of twenty-seven battleships of the first line, six battle cruisers, twenty-five battleships of the second line, ten armored cruisers, thirteen scout cruisers, five first class cruisers, three second class cruisers, ten third class cruisers, one hundred and eight destroyers, eighteen fleet submarines, one hundred and fifty-seven coast submarines, six monitors, twenty gunboats, four supply ships, fifteen fuel ships, four transports, three tenders to torpedo vessels, eight vessels of special types, and two ammunition ships. This would be a navy fitted to our needs and worthy of our traditions.

But armies and instruments of war are only part of what has to be considered if we are to provide for the supreme matter of national self-sufficiency and security in all its aspects. There are other great matters which will be thrust upon our attention whether we will or not. There is, for example, a very pressing question of trade and shipping involved in this great problem of national adequacy. It is necessary for many weighty reasons of national efficiency and development that we should have a great merchant marine. The great merchant fleet we once used to make us rich, that great body of sturdy sailors who used to carry our flag into every sea, and who were the pride and often the bulwark of the nation, we have almost driven out of existence by inexcusable neglect and indifference and by a hopelessly blind and provincial policy of so-called economic protection. It is high time we repaired our mistake and resumed our commercial independence on the seas.

For it is a question of independence. If other nations go to war or seek to hamper each other's commerce, our merchants, it seems, are at their mercy, to do with as they please. We must use their ships, and use them as they determine. We have not ships enough of our own. We cannot handle our own commerce on the seas. Our independence is provincial, and is only on land and within our own borders. We are not likely to be permitted to use even the ships of other nations in rivalry of their own trade, and are without means to extend our commerce even where the doors are wide open and our goods desired. Such a situation is not to be endured. It is of capital importance not only that the United States should be its own carrier on the seas and enjoy the economic independence which only an adequate merchant marine would give it, but also that the American hemisphere as a whole should enjoy a like independence and self-sufficiency, if it is not to be drawn into the tangle of European affairs. Without such independence the whole question of our political unity and self-determination is very seriously clouded and complicated indeed.

Page 2202

Moreover, we can develop no true or effective American policy without ships of our own, —not ships of war, but ships of peace, carrying goods and carrying much more: creating friendships and rendering indispensable services to all interests on this side the water. They must move constantly back and forth between the Americas. They are the only shuttles that can weave the delicate fabric of sympathy, comprehension, confidence, and mutual dependence in which we wish to clothe our policy of America for Americans.

The task of building up an adequate merchant marine for America private capital must ultimately undertake and achieve, as it has undertaken and achieved every other like task amongst us in the past, with admirable enterprise, intelligence, and vigor; and it seems to me a manifest dictate of wisdom that we should promptly remove every legal obstacle that may stand in the way of this much to be desired revival of our old independence and should facilitate in every possible way the building, purchase, and American registration of ships. But capital cannot accomplish this great task of a sudden. It must embark upon it by degrees, as the opportunities of trade develop. Something must be done at once; done to open routes and develop opportunities where they are as yet undeveloped; done to open the arteries of trade where the currents have not yet learned to run,-especially between the two American continents, where they are, singularly enough, yet to be created and quickened; and it is evident that only the government can undertake such beginnings and assume the initial financial risks. When the risk has passed and private capital begins to find its way in sufficient abundance into these new channels, the government may withdraw. But it cannot omit to begin. It should take the first steps, and should take them at once. Our goods must not lie piled up at our ports and stored upon side tracks in freight cars which are daily needed on the roads; must not be left without means of transport to any foreign quarter. We must not await the permission of foreign ship-owners and foreign governments to send them where we will.

With a view to meeting these pressing necessities of our commerce and availing ourselves at the earliest possible moment of the present unparalleled opportunity of linking the two Americas together in bonds of mutual interest and service, an opportunity which may never return again if we miss it now, proposals will be made to the present Congress for the purchase or construction of ships to be owned and directed by the government similar to those made to the last Congress, but modified in some essential particulars. I recommend these proposals to you for your prompt acceptance with the more confidence because every month that has elapsed since the former proposals were made has made the necessity for such action more and more manifestly imperative. That need was then foreseen; it is now acutely felt

Page 2203

and everywhere realized by those for whom trade is waiting but who can find no conveyance for their goods. I am not so much interested in the particulars of the programme as I am in taking immediate advantage of the great opportunity which awaits us if we will but act in this emergency. In this matter, as in all others, a spirit of common counsel should prevail, and out of it should come an early solution of this pressing problem.

There is another matter which seems to me to be very intimately associated with the question of national safety and preparation for defense. That is our policy towards the Philippines and the people of Porto Rico. Our treatment of them and their attitude towards us are manifestly of the first consequence in the development of our duties in the world and in getting a free hand to perform those duties. We must be free from every unnecessary burden or embarrassment; and there is no better way to be clear of embarrassment than to fulfil our promises and promote the interests of those dependent on us to the utmost. Bills for the alteration and reform of the government of the Philippines and for rendering fuller political justice to the people of Porto Rico were submitted to the sixty-third Congress. They will be submitted also to you. I need not particularize their details. You are most of you already familiar with them. But I do recommend them to your early adoption with the sincere conviction that there are few measures you could adopt which would more serviceably clear the way for the great policies by which we wish to make good, now and always, our right to lead in enterprises of peace and good will and economic and political freedom.

The plans for the armed forces of the nation which I have outlined, and for the general policy of adequate preparation for mobilization and defense, involve of course very large additional expenditures of money,-expenditures which will considerably exceed the estimated revenues of the government. It is made my duty by law, whenever the estimates of expenditure exceed the estimates of revenue, to call the attention of the Congress to the fact and suggest any means of meeting the deficiency that it may be wise or possible for me to suggest. I am ready to believe that it would be my duty to do so in any case; and I feel particularly bound to speak of the matter when it appears that the deficiency will arise directly out of the adoption by the Congress of measures which I myself urge it to adopt. Allow me, therefore, to speak briefly of the present state of the Treasury and of the fiscal problems which the next year will probably disclose.

Page 2204

On the thirtieth of June last there was an available balance in the general fund of the Treasury Of $104,170,105.78. The total estimated receipts for the year 1916, on the assumption that the emergency revenue measure passed by the last Congress will not be extended beyond its present limit, the thirty-first of December, 1915, and that the present duty of one cent per pound on sugar will be discontinued after the first of May, 1916, will be $670,365,500. The balance of June last and these estimated revenues come, therefore, to a grand total of $774,535,605-78. The total estimated disbursements for the present fiscal year, including twenty-five millions for the Panama Canal, twelve millions for probable deficiency appropriations, and fifty thousand dollars for miscellaneous debt redemptions, will be $753,891,000; and the balance in the general fund of the Treasury will be reduced to $20,644,605.78. The emergency revenue act, if continued beyond its present time limitation, would produce, during the half year then remaining, about forty-one millions. The duty of one cent per pound on sugar, if continued, would produce during the two months of the fiscal year remaining after the first of May, about fifteen millions. These two sums, amounting together to fifty-six millions, if added to the revenues of the second half of the fiscal year, would yield the Treasury at the end of the year an available balance Of $76,644,605-78.

The additional revenues required to carry out the programme of military and naval preparation of which I have spoken, would, as at present estimated, be for the fiscal year, 1917, $93,800,000. Those figures, taken with the figures for the present fiscal year which I have already given, disclose our financial problem for the year 1917. Assuming that the taxes imposed by the emergency revenue act and the present duty on sugar are to be discontinued, and that the balance at the close of the present fiscal year will be only $20,644,605.78, that the disbursements for the Panama Canal will again be about twenty-five millions, and that the additional expenditures for the army and navy are authorized by the Congress, the deficit in the general fund of the Treasury on the thirtieth of June, 1917, will be nearly two hundred and thirty-five millions. To this sum at least fifty millions should be added to represent a safe working balance for the Treasury, and twelve millions to include the usual deficiency estimates in 1917; and these additions would make a total deficit of some two hundred and ninety-seven millions. If the present taxes should be continued throughout this year and the next, however, there would be a balance in the Treasury of some seventy-six and a half millions at the end of the present fiscal year, and a deficit at the end of the next year of only some fifty millions, or, reckoning in sixty-two millions for deficiency appropriations and a safe Treasury balance at the end of the year, a total deficit of some one hundred and twelve millions. The obvious moral of the figures is that it is a plain counsel of prudence to continue all of the present taxes or their equivalents, and confine ourselves to the problem of providing one hundred and twelve millions of new revenue rather than two hundred and ninety-seven millions.

Page 2205

How shall we obtain the new revenue? We are frequently reminded that there are many millions of bonds which the Treasury is authorized under existing law to sell to reimburse the sums paid out of current revenues for the construction of the Panama Canal; and it is true that bonds to the amount of approximately $222,000,000 are now available for that purpose. Prior to 1913, $134,631,980 of these bonds had actually been sold to recoup the expenditures at the Isthmus; and now constitute a considerable item of the public debt. But I, for one, do not believe that the people of this country approve of postponing the payment of their bills. Borrowing money is short-sighted finance. It can be justified only when permanent things are to be accomplished which many generations will certainly benefit by and which it seems hardly fair that a single generation should pay for. The objects we are now proposing to spend money for cannot be so classified, except in the sense that everything wisely done may be said to be done in the interest of posterity as well as in our own. It seems to me a clear dictate of prudent statesmanship and frank finance that in what we are now, I hope, about to undertake we should pay as we go. The people of the country are entitled to know just what burdens of taxation they are to carry, and to know from the outset, now. The new bills should be paid by internal taxation.

To what sources, then, shall we turn? This is so peculiarly a question which the gentlemen of the House of Representatives are expected under the Constitution to propose an answer to that you will hardly expect me to do more than discuss it in very general terms. We should be following an almost universal example of modern governments if we were to draw the greater part or even the whole of the revenues we need from the income taxes. By somewhat lowering the present limits of exemption and the figure at which the surtax shall begin to be imposed, and by increasing, step by step throughout the present graduation, the surtax itself, the income taxes as at present apportioned would yield sums sufficient to balance the books of the Treasury at the end of the fiscal year 1917 without anywhere making the burden unreasonably or oppressively heavy. The precise reckonings are fully and accurately set out in the report of the Secretary of the Treasury which will be immediately laid before you.

And there are many additional sources of revenue which can justly be resorted to without hampering the industries of the country or putting any too great charge upon individual expenditure. A tax of one cent per gallon on gasoline and naphtha would yield, at the present estimated production, $10,000,000; a tax of fifty cents per horse power on automobiles and internal explosion engines, $15,000,000; a stamp tax on bank cheques, probably $18,000,000; a tax of twenty-five cents per ton on pig iron, $10,000,000; a tax of twenty-five cents per ton on fabricated iron and steel, probably $10,000,000. In a country of great industries like this it ought to be easy to distribute the burdens of taxation without making them anywhere bear too heavily or too exclusively upon any one set of persons or undertakings. What is clear is, that the industry of this generation should pay the bills of this generation.

Page 2206

I have spoken to you to-day, Gentlemen, upon a single theme, the thorough preparation of the nation to care for its own security and to make sure of entire freedom to play the impartial role in this hemisphere and in the world which we all believe to have been providentially assigned to it. I have had in my mind no thought of any immediate or particular danger arising out of our relations with other nations. We are at peace with all the nations of the world, and there is reason to hope that no question in controversy between this and other Governments will lead to any serious breach of amicable relations, grave as some differences of attitude and policy have been land may yet turn out to be. I am sorry to say that the gravest threats against our national peace and safety have been uttered within our own borders. There are citizens of the United States, I blush to admit, born under other flags but welcomed under our generous naturalization laws to the full freedom and opportunity of America, who have poured the poison of disloyalty into the very arteries of our national life; who have sought to bring the authority and good name of our Government into contempt, to destroy our industries wherever they thought it effective for their vindictive purposes to strike at them, and to debase our politics to the uses of foreign intrigue. Their number is not great as compared with the whole number of those sturdy hosts by which our nation has been enriched in recent generations out of virile foreign stock; but it is great enough to have brought deep disgrace upon us and to have made it necessary that we should promptly make use of processes of law by which we may be purged of their corrupt distempers. America never witnessed anything like this before. It never dreamed it possible that men sworn into its own citizenship, men drawn out of great free stocks such as supplied some of the best and strongest elements of that little, but how heroic, nation that in a high day of old staked its very life to free itself from every entanglement that had darkened the fortunes of the older nations and set up a new standard here, that men of such origins and such free choices of allegiance would ever turn in malign reaction against the Government and people who had welcomed and nurtured them and seek to make this proud country once more a hotbed of European passion. A little while ago such a thing would have seemed incredible. Because it was incredible we made no preparation for it. We would have been almost ashamed to prepare for it, as if we were suspicious of ourselves, our own comrades and neighbors! But the ugly and incredible thing has actually come about and we are without adequate federal laws to deal with it. I urge you to enact such laws at the earliest possible moment and feel that in doing so I am urging you to do nothing less than save the honor and self-respect of the nation. Such creatures of passion, disloyalty, and anarchy must be crushed out. They are not many, but they

Page 2207

are infinitely malignant, and the hand of our power should close over them at once. They have formed plots to destroy property, they have entered into conspiracies against the neutrality of the Government, they have sought to pry into every confidential transaction of the Government in order to serve interests alien to our own. It is possible to deal with these things very effectually. I need not suggest the terms in which they may be dealt with.

I wish that it could be said that only a few men, misled by mistaken sentiments of allegiance to the governments under which they were born, had been guilty of disturbing the self-possession and misrepresenting the temper and principles of the country during these days of terrible war, when it would seem that every man who was truly an American would instinctively make it his duty and his pride to keep the scales of judgment even and prove himself a partisan of no nation but his own. But it cannot. There are some men among us, and many resident abroad who, though born and bred in the United States and calling themselves Americans, have so forgotten themselves and their honor as citizens as to put their passionate sympathy with one or the other side in the great European conflict above their regard for the peace and dignity of the United States. They also preach and practice disloyalty. No laws, I suppose, can reach corruptions of the mind and heart; but I should not speak of others without also speaking of these and expressing the even deeper humiliation and scorn which every self-possessed and thoughtfully patriotic American must feel when he thinks of them and of the discredit they are daily bringing upon us.

While we speak of the preparation of the nation to make sure of her security and her effective power we must not fall into the patent error of supposing that her real strength comes from armaments and mere safeguards of written law. It comes, of course, from her people, their energy, their success in their undertakings, their free opportunity to use the natural resources of our great home land and of the lands outside our continental borders which look to us for protection, for encouragement, and for assistance in their development; from the organization and freedom and vitality of our economic life. The domestic questions which engaged the attention of the last Congress are more vital to the nation in this its time of test than at any other time. We cannot adequately make ready for any trial of our strength unless we wisely and promptly direct the force of our laws into these all-important fields of domestic action. A matter which it seems to me we should have very much at heart is the creation of the right instrumentalities by which to mobilize our economic resources in any time of national necessity. I take it for granted that I do not need your authority to call into systematic consultation with the directing officers of the army and navy men of recognized leadership and ability from among our

Page 2208

citizens who are thoroughly familiar, for example, with the transportation facilities of the country and therefore competent to advise how they may be coordinated when the need arises, those who can suggest the best way in which to bring about prompt cooperation among the manufacturers of the country, should it be necessary, and those who could assist to bring the technical skill of the country to the aid of the Government in the solution of particular problems of defense. I only hope that if I should find it feasible to constitute such an advisory body the Congress would be willing to vote the small sum of money that would be needed to defray the expenses that would probably be necessary to give it the clerical and administrative Machinery with which to do serviceable work.

What is more important is, that the industries and resources of the country should be available and ready for mobilization. It is the more imperatively necessary, therefore, that we should promptly devise means for doing what we have not yet done: that we should give intelligent federal aid and stimulation to industrial and vocational education, as we have long done in the large field of our agricultural industry; that, at the same time that we safeguard and conserve the natural resources of the country we should put them at the disposal of those who will use them promptly and intelligently, as was sought to be done in the admirable bills submitted to the last Congress from its committees on the public lands, bills which I earnestly recommend in principle to your consideration; that we should put into early operation some provision for rural credits which will add to the extensive borrowing facilities already afforded the farmer by the Reserve Bank Act, adequate instrumentalities by which long credits may be obtained on land mortgages; and that we should study more carefully than they have hitherto been studied the right adaptation of our economic arrangements to changing conditions.

Many conditions about which we I-lave repeatedly legislated are being altered from decade to decade, it is evident, under our very eyes, and are likely to change even more rapidly and more radically in the days immediately ahead of us, when peace has returned to the world and the nations of Europe once more take up their tasks of commerce and industry with the energy of those who must bestir themselves to build anew. Just what these changes will be no one can certainly foresee or confidently predict. There are no calculable, because no stable, elements in the problem. The most we can do is to make certain that we have the necessary instrumentalities of information constantly at our service so that we may be sure that we know exactly what we are dealing with when we come to act, if it should be necessary to act at all. We must first certainly know what it is that we are seeking to adapt ourselves to. I may ask the privilege of addressing you more at length on this important matter a little later in your session.

Page 2209

In the meantime may I make this suggestion? The transportation problem is an exceedingly serious and pressing one in this country. There has from time to time of late been reason to fear that our railroads would not much longer be able to cope with it successfully, as at present equipped and coordinated I suggest that it would be wise to provide for a commission of inquiry to ascertain by a thorough canvass of the whole question whether our laws as at present framed and administered are as serviceable as they might be in the solution of the problem. It is obviously a problem that lies at the very foundation of our efficiency as a people. Such an inquiry ought to draw out every circumstance and opinion worth considering and we need to know all sides of the matter if we mean to do anything in the field of federal legislation.

No one, I am sure, would wish to take any backward step. The regulation of the railways of the country by federal commission has had admirable results and has fully justified the hopes and expectations of those by whom the policy of regulation was originally proposed. The question is not what should we undo? It is, whether there is anything else we can do that would supply us with effective means, in the very process of regulation, for bettering the conditions under which the railroads are operated and for making them more useful servants of the country as a whole. It seems to me that it might be the part of wisdom, therefore, before further legislation in this field is attempted, to look at the whole problem of coordination and efficiency in the full light of a fresh assessment of circumstance and opinion, as a guide to dealing with the several parts of it.

For what we are seeking now, what in my mind is the single thought of this message, is national efficiency and security. We serve a great nation. We should serve it in the spirit of its peculiar genius. It is the genius of common men for self-government, industry, justice, liberty and peace. We should see to it that it lacks no instrument, no facility or vigor of law, to make it sufficient to play its part with energy, safety, and assured success. In this we are no partisans but heralds and prophets of a new age.

***

State of the Union Address
Woodrow Wilson
December 5, 1916

Gentlemen of the congress:

In fulfilling at this time the duty laid upon me by the Constitution of communicating to you from time to time information of the state of the Union and recommending to your consideration such legislative measures as may be judged necessary and expedient, I shall continue the practice, which I hope has been acceptable to you, of leaving to the reports of the several heads of the executive departments the elaboration of the detailed needs of the public service and confine myself to those matters of more general public

policy with which it seems necessary and feasible to deal at the present session of the Congress.

Page 2210

I realize the limitations of time under which you will necessarily act at this session and shall make my suggestions as few as possible; but there were some things left undone at the last session which there will now be time to complete and which it seems necessary in the interest of the public to do at once.

In the first place, it seems to me imperatively necessary that the earliest possible consideration and action should be accorded the remaining measures of the program of settlement and regulation which I had occasion to recommend to you at the close of your last session in view of the public dangers disclosed by the unaccommodated difficulties which then existed, and which still unhappily continue to exist, between the railroads of the country and their locomotive engineers, conductors and trainmen.

I then recommended:

First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate; in order that the Commission may be enabled to deal with the many great and various duties now devolving upon it with a promptness and thoroughness which are, with its present constitution and means of action, practically impossible.

Second, the establishment of an eight-hour day as the legal basis alike of work and wages in the employment of all railway employes who are actually engaged in the work of operating trains in interstate transportation.

Third, the authorization of the appointment by the President of a small body of men to observe actual results in experience of the adoption of the eight-hour day in railway transportation alike for the men and for the railroads.

Fourth, explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies, should the facts disclosed justify the increase.

Fifth, an amendment of the existing Federal statute which provides for the mediation, conciliation and arbitration of such controversies as the present by adding to it a provision that, in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

And, sixth, the lodgment in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes,

with authority to draft into the military service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use.

Page 2211

The second and third of these recommendations the Congress immediately acted on: it established the eight-hour day as the legal basis of work and wages in train service and it authorized the appointment of a commission to observe and report upon the practical results, deeming these the measures most immediately needed; but it postponed action upon the other suggestions until an opportunity should be offered for a more deliberate consideration of them.

The fourth recommendation I do not deem it necessary to renew. The power of the Interstate Commerce Commission to grant an increase of rates on the ground referred to is indisputably clear and a recommendation by the Congress with regard to such a matter might seem to draw in question the scope of the commission's authority or its inclination to do justice when there is no reason to doubt either.

The other suggestions-the increase in the Interstate Commerce Commission's membership and in its facilities for performing its manifold duties; the provision for full public investigation and assessment of industrial disputes, and the grant to the Executive of the power to control and operate the railways when necessary in time of war or other like public necessity-I now very earnestly renew.

The necessity for such legislation is manifest and pressing. Those who have entrusted us with the responsibility and duty of serving and safeguarding them in such matters would find it hard, I believe, to excuse a failure to act upon these grave matters or any unnecessary postponement of action upon them.

Not only does the Interstate Commerce Commission now find it practically impossible, with its present membership and organization, to perform its great functions promptly and thoroughly, but it is not unlikely that it may presently be found advisable to add to its duties still others equally heavy and exacting. It must first be perfected as an administrative instrument.

The country cannot and should not consent to remain any longer exposed to profound industrial disturbances for lack of additional means of arbitration and conciliation which the Congress can easily and promptly supply.

And all will agree that there must be no doubt as to the power of the Executive to make immediate and uninterrupted use of the railroads for the concentration of the military forces of the nation wherever they are needed and whenever they are needed.

This is a program of regulation, prevention and administrative efficiency which argues its own case in the mere statement of it. With regard to one of its items, the increase in the efficiency of the Interstate Commerce Commission, the House of Representatives has already acted; its action needs only the concurrence of the Senate.

I would hesitate to recommend, and I dare say the Congress would hesitate to act upon the suggestion should I make it, that any man in any I occupation should be obliged by law to continue in an employment which he desired to leave.

Page 2212

To pass a law which forbade or prevented the individual workman to leave his work before receiving the approval of society in doing so would be to adopt a new principle into our jurisprudence, which I take it for granted we are not prepared to introduce.

But the proposal that the operation of the railways of the country shall not be stopped or interrupted by the concerted action of organized bodies of men until a public investigation shall have been instituted, which shall make the whole question at issue plain for the judgment of the opinion of the nation, is not to propose any such principle.

It is based upon the very different principle that the concerted action of powerful bodies of men shall not be permitted to stop the industrial processes of the nation, at any rate before the nation shall have had an opportunity to acquaint itself with the merits of the case as between employe and employer, time to form its opinion upon an impartial statement of the merits, and opportunity to consider all practicable means of conciliation or arbitration.

I can see nothing in that proposition but the justifiable safeguarding by society of the necessary processes of its very life. There is nothing arbitrary or unjust in it unless it be arbitrarily and unjustly done. It can and should be done with a full and scrupulous regard for the interests and liberties of all concerned as well as for the permanent interests of society itself.

Three matters of capital importance await the action of the Senate which have already been acted upon by the House of Representatives; the bill which seeks to extend greater freedom of combination to those engaged in promoting the foreign commerce of the country than is now thought by some to be legal under the terms of the laws against monopoly; the bill amending the present organic law of Porto Rico; and the bill proposing a more thorough and systematic regulation of the expenditure of money in elections, commonly called the Corrupt Practices Act.

I need not labor my advice that these measures be enacted into law. Their urgency lies in the manifest circumstances which render their adoption at this time not only opportune but necessary. Even delay would seriously jeopard the interests of the country and of the Government.

Immediate passage of the bill to regulate the expenditure of money in elections may seem to be less necessary than the immediate enactment of the other measures to which I refer, because at least two years will elapse before another election in which Federal offices are to be filled; but it would greatly relieve the public mind if this important matter were dealt with while the circumstances and the dangers to the public morals of the present method of obtaining and spending campaign funds stand clear under recent observation, and the methods of expenditure can be frankly studied in the light of present experience; and a delay would have the further very serious disadvantage of postponing action until another election was at hand and some special

object connected with it might be thought to be in the mind of those who urged it. Action can be taken now with facts for guidance and without suspicion of partisan purpose.

Page 2213

I shall not argue at length the desirability of giving a freer hand in the matter of combined and concerted effort to those who shall undertake the essential enterprise of building up our export trade. That enterprise will presently, will immediately assume, has indeed already assumed a magnitude unprecedented in our experience. We have not the necessary instrumentalities for its prosecution; it is deemed to be doubtful whether they could be created upon an adequate scale under our present laws.

We should clear away all legal obstacles and create a basis of undoubted law for it which will give freedom without permitting unregulated license. The thing must be done now, because the opportunity is here and may escape us if we hesitate or delay.

The argument for the proposed amendments of the organic law of Porto Rico is brief and conclusive. The present laws governing the island and regulating the rights and privileges of its people are not just. We have created expectations of extended privilege which we have not satisfied. There is uneasiness among the people of the island and even a suspicious doubt with regard to our intentions concerning them which the adoption of the pending measure would happily remove. We do not doubt what we wish to do in any essential particular. We ought to do it at once.

At the last session of the Congress a bill was passed by the Senate which provides for the promotion of vocational and industrial education, which is of vital importance to the whole country because it concerns a matter, too long neglected, upon which the thorough industrial preparation of the country for the critical years of economic development immediately ahead of us in very large measure depends.

May I not urge its early and favorable consideration by the House of Representatives and its early enactment into law? It contains plans which affect all interests and all parts of the country, and I am sure that there is no legislation now pending before the Congress whose passage the country awaits with more thoughtful approval or greater impatience to see a great and admirable thing set in the way of being done.

There are other matters already advanced to the stage of conference between the two houses of which it is not necessary that I should speak. Some practicable basis of agreement concerning them will no doubt be found an action taken upon them.

Inasmuch as this is, gentlemen, probably the last occasion I shall have to address the Sixty-fourth Congress, I hope that you will permit me to say with what genuine pleasure and satisfaction I have co-operated with you in the many measures of constructive policy with which you have enriched the legislative annals of the country. It has been a privilege to labor in such company. I take the liberty of congratulating you upon the completion of a record of rare serviceableness and distinction.

***

State of the Union Address
Woodrow Wilson
December 4, 1917

Page 2214

Gentlemen of the congress:

Eight months have elapsed since I last had the honor of addressing you. They have been months crowded with events of immense and grave significance for us. I shall not undertake to detail or even to summarize those events. The practical particulars of the part we have played in them will be laid before you in the reports of the executive departments. I shall discuss only our present outlook upon these vast affairs, our present duties, and the immediate means of accomplishing the objects we shall hold always in view.

I shall not go back to debate the causes of the war. The intolerable wrongs done and planned against us by the sinister masters of Germany have long since become too grossly obvious and odious to every true American to need to be rehearsed. But I shall ask you to consider again and with a very grave scrutiny our objectives and the measures by which we mean to attain them; for the purpose of discussion here in this place is action, and our action must move straight toward definite ends. Our object is, of course, to win the war; and we shall not slacken or suffer ourselves to be diverted until it is won. But it is worth while asking and answering the question, When shall we consider the war won?

From one point of view it is not necessary to broach this fundamental matter. I do not doubt that the American people know what the war is about and what sort of an outcome they will regard as a realization of their purpose in it.

As a nation we are united in spirit and intention. I pay little heed to those who tell me otherwise. I hear the voices of dissent-who does not? I bear the criticism and the clamor of the noisily thoughtless and troublesome. I also see men here and there fling themselves in impotent disloyalty against the calm, indomitable power of the Nation. I hear men debate peace who understand neither its nature nor the way in which we may attain it with uplifted eyes and unbroken spirits. But I know that none of these speaks for the Nation. They do not touch the heart of anything. They may safely be left to strut their uneasy hour and be forgotten.

But from another point of view I believe that it is necessary to say plainly what we here at the seat of action consider the war to be for and what part we mean to play in the settlement of its searching issues. We are the spokesmen of the American people, and they have a right to know whether their purpose is ours. They desire peace by the overcoming of evil, by the defeat once for all of the sinister forces that interrupt peace and render it impossible, and they wish to know how closely our thought runs with theirs and what action we propose. They are impatient with those who desire peace by any sort of compromise deeply and indignantly impatient—but they will be equally impatient with us if we do not make it plain to them what our objectives are and what we are planning for in seeking to make conquest of peace by arms.

Page 2215

I believe that I speak for them when I say two things: First, that this intolerable thing of which the masters of Germany have shown us the ugly face, this menace of combined intrigue and force which we now see so clearly as the German power, a thing without conscience or honor of capacity for covenanted peace, must be crushed and, if it be not utterly brought to an end, at least shut out from the friendly intercourse of the nations; and second, that when this thing and its power are indeed defeated and the time comes that we can discuss peace when the German people have spokesmen whose word we can believe and when those spokesmen are ready in the name of their people to accept the common judgment of the nations as to what shall henceforth be the bases of law and of covenant for the life of the world-we shall be willing and glad to pay the full price for peace, and pay it ungrudgingly.

We know what that price will be. It will be full, impartial justice-justice done at every point and to every nation that the final settlement must affect, our enemies as well as our friends.

You catch, with me, the voices of humanity that are in the air. They grow daily more audible, more articulate, more persuasive, and they come from the hearts of men everywhere. They insist that the war shall not end in vindictive action of any kind; that no nation or people shall be robbed or punished because the irresponsible rulers of a single country have themselves done deep and abominable wrong. It is this thought that has been expressed in the formula, “No annexations, no contributions, no punitive indemnities.”

Just because this crude formula expresses the instinctive judgment as to right of plain men everywhere, it has been made diligent use of by the masters of German intrigue to lead the people of Russia astray and the people of every other country their agents could reach-in order that a premature peace might be brought about before autocracy has been taught its final and convincing lesson and the people of the world put in control of their own destinies.

But the fact that a wrong use has been made of a just idea is no reason why a right use should not be made of it. It ought to be brought under the patronage of its real friends. Let it be said again that autocracy must first be shown the utter futility of its claim to power or leadership in the modern world. It is impossible to apply any standard of justice so long as such forces are unchecked and undefeated as the present masters of Germany command. Not until that has been done can right be set up as arbiter and peacemaker among the nations. But when that has been done-as, God willing, it assuredly will be-we shall at last be free to do an unprecedented thing, and this is the time to avow our purpose to do it. We shall be free to base peace on generosity and justice, to the exclusions of all selfish claims to advantage even on the part of the victors.

Page 2216

Let there be no misunderstanding. Our present and immediate task is to win the war and nothing shall turn us aside from it until it is accomplished. Every power and resource we possess, whether of men, of money, or of materials, is being devoted and will continue to be devoted to that purpose until it is achieved. Those who desire to bring peace about before that purpose is achieved I counsel to carry their advice elsewhere. We will not entertain it. We shall regard the war as won only when the German people say to us, through properly accredited representatives, that they are ready to agree to a settlement based upon justice and reparation of the wrongs their rulers have done. They have done a wrong to Belgium which must be repaired. They have established a power over other lands and peoples than their own—over the great empire of Austria-Hungary, over hitherto free Balkan states, over Turkey and within Asia-which must be relinquished.

Germany's success by skill, by industry, by knowledge, by enterprise we did not grudge or oppose, but admired, rather. She had built up for herself a real empire of trade and influence, secured by the peace of the world. We were content to abide by the rivalries of manufacture, science and commerce that were involved for us in her success, and stand or fall as we had or did not have the brains and the initiative to surpass her. But at the moment when she had conspicuously won her triumphs of peace she threw them away, to establish in their stead what the world will no longer permit to be established, military and political domination by arms, by which to oust where she could not excel the rivals she most feared and hated. The peace we make must remedy that wrong. It must deliver the once fair lands and happy peoples of Belgium and Northern France from the Prussian conquest and the Prussian menace, but it must deliver also the peoples of Austria-Hungary, the peoples of the Balkans and the peoples of Turkey, alike in Europe and Asia, from the impudent and alien dominion of the Prussian military and commercial autocracy.

We owe it, however, to ourselves, to say that we do not wish in any way to impair or to rearrange the Austro-Hungarian Empire. It is no affair of ours what they do with their own life, either industrially or politically. We do not purpose or desire to dictate to them in any way. We only desire to see that their affairs are left in their own hands, in all matters, great or small. We shall hope to secure for the peoples of the Balkan peninsula and for the people of the Turkish Empire the right and opportunity to make their own lives safe, their own fortunes secure against oppression or injustice and from the dictation of foreign courts or parties.

And our attitude and purpose with regard to Germany herself are of a like kind. We intend no wrong against the German Empire, no interference with her internal affairs. We should deem either the one or the other absolutely unjustifiable, absolutely contrary to the principles we have professed to live by and to hold most sacred throughout our life as a nation.

Page 2217

The people of Germany are being told by the men whom they now permit to deceive them and to act as their masters that they are fighting for the very life and existence of their empire, a war of desperate self-defense against deliberate aggression. Nothing could be more grossly or wantonly false, and we must seek by the utmost openness and candor as to our real aims to convince them of its falseness. We are in fact fighting for their emancipation from the fear, along with our own-from the fear as well as from the fact of unjust attack by neighbors or rivals or schemers after world empire. No one is threatening the existence or the independence of the peaceful enterprise of the German Empire.

The worst that can happen to the detriment the German people is this, that if they should still, after the war is over, continue to be obliged to live under ambitious and intriguing masters interested to disturb the peace of the world, men or classes of men whom the other peoples of the world could not trust, it might be impossible to admit them to the partnership of nations which must henceforth guarantee the world's peace. That partnership must be a partnership of peoples, not a mere partnership of governments. It might be impossible, also, in such untoward circumstances, to admit Germany to the free economic intercourse which must inevitably spring out of the other partnerships of a real peace. But there would be no aggression in that; and such a situation, inevitable, because of distrust, would in the very nature of things sooner or later cure itself, by processes which would assuredly set in.

The wrongs, the very deep wrongs, committed in this war will have to be righted. That, of course. But they cannot and must not be righted by the commission of similar wrongs against Germany and her allies. The world will not permit the commission of similar wrongs as a means of reparation and settlement. Statesmen must by this time have learned that the opinion of the world is everywhere wide awake and fully comprehends the issues involved. No representative of any self-governed nation will dare disregard it by attempting any such covenants of selfishness and compromise as were entered into at the Congress of Vienna. The thought of the plain people here and everywhere throughout the world, the people who enjoy no privilege and have very simple and unsophisticated standards of right and wrong, is the air all governments must henceforth breathe if they would live.

It is in the full disclosing light of that thought that all policies must be received and executed in this midday hour of the world's life. Ger. man rulers have been able to upset the peace of the world only because the German people were not suffered under their tutelage to share the comradeship of the other peoples of the world either in thought or in purpose. They were allowed to have no opinion of their own which might be set up as a rule of conduct for those who exercised authority over them. But the Congress that concludes this war will feel the full strength of the tides that run now in the hearts and consciences of free men everywhere. Its conclusions will run with those tides.

Page 2218

All those things have been true from the very beginning of this stupendous war; and I cannot help thinking that if they had been made plain at the very outset the sympathy and enthusiasm of the Russian people might have been once for all enlisted on the side of the Allies, suspicion and distrust swept away, and a real and lasting union of purpose effected. Had they believed these things at the very moment of their revolution, and had they been confirmed in that belief since, the sad reverses which have recently marked the progress of their affairs towards an ordered and stable government of free men might have been avoided. The Russian people have been poisoned by the very same falsehoods that have kept the German people in the dark, and the poison has been administered by the very same hand. The only possible antidote is the truth. It cannot be uttered too plainly or too often.

From every point of view, therefore, it has seemed to be my duty to speak these declarations of purpose, to add these specific interpretations to what I took the liberty of saying to the Senate in January. Our entrance into the war has not altered out attitude towards the settlement that must come when it is over.

When I said in January that the nations of the world were entitled not only to free pathways upon the sea, but also to assured and unmolested access to those-pathways, I was thinking, and I am thinking now, not of the smaller and weaker nations alone which need our countenance and support, but also of the great and powerful nations and of our present enemies as well as our present associates in the war. I was thinking, and am thinking now, of Austria herself, among the rest, as well as of Serbia and of Poland.

Justice and equality of rights can be had only at a great price. We are seeking permanent, not temporary, foundations for the peace of the world, and must seek them candidly and fearlessly. As always, the right will prove to be the expedient.

What shall we do, then, to push this great war of freedom and justice to its righteous conclusion? We must clear away with a thorough hand all impediments to success, and we must make every adjustment of law that will facilitate the full and free use of our whole capacity and force as a fighting unit.

One very embarrassing obstacle that stands hi our way is that we are at war with Germany but not with her allies. I, therefore, very earnestly recommend that the Congress immediately declare the United States in a state of war with Austria-Hungary. Does it seem strange to you that this should be the conclusion of the argument I have just addressed to you? It is not. It is in fact the inevitable logic of what I have said. Austria-Hungary is for the time being not her own mistress but simply the vassal of the German Government.

We must face the facts as they are and act upon them without sentiment in this stern business. The Government of Austria and Hungary is not acting upon its own initiative

or in response to the wishes and feelings of its own peoples, but as the instrument of another nation. We must meet its force with our own and regard the Central Powers as but one. The war can be successfully conducted in no other way.

Page 2219

The same logic would lead also to a declaration of war against Turkey and Bulgaria. They also are the tools of Germany, but they are mere tools and do not yet stand in the direct path of our necessary action. We shall go wherever the necessities of this war carry us, but it seems to me that we should go only where immediate and practical considerations lead us, and not heed any others.

The financial and military measures which must be adopted will suggest themselves as the war and its undertakings develop, but I will take the liberty of proposing to you certain other acts of legislation which seem to me to be needed for the support of the war and for the release of our whole force and energy.

It will be necessary to extend in certain particulars the legislation of the last session with regard to alien enemies, and also necessary, I believe, to create a very definite and particular control over the entrance and departure of all persons into and from the United States.

Legislation should be enacted defining as a criminal offense every wilful violation of the presidential proclamation relating to alien enemies promulgated under section 4o67 of the revised statutes and providing appropriate punishments; and women, as well as men, should be included under the terms of the acts placing restraints upon alien enemies.

It is likely that as time goes on many alien enemies will be willing to be fed and housed at the expense of the Government in the detention camps, and it would be the purpose of the legislation I have suggested to confine offenders among them in the penitentiaries and other similar institutions where they could be made to work as other criminals do.

Recent experience has convinced me that the Congress must go further in authorizing the Government to set limits to prices. The law of supply and demand, I am sorry to say, has been replaced by the law of unrestrained selfishness. While we have eliminated profiteering in several branches of industry, it still runs impudently rampant in others. The farmers for example, complain with a great deal of justice that, while the regulation of food prices restricts their incomes, no restraints are placed upon the prices of most of the things they must themselves purchase; and similar inequities obtain on all sides.

It is imperatively necessary that the consideration of the full use of the water power of the country, and also of the consideration of the systematic and yet economical development of such of the natural resources of the country as are still under the control of the Federal Government should be immediately resumed and affirmatively and constructively dealt with at the earliest possible moment. The pressing need of such legislation is daily becoming more obvious.

The legislation proposed at the last session with regard to regulated combinations among our exporters in order to provide for our foreign trade a more effective organization and method of co-operation ought by all means to be completed at this session.

Page 2220

And I beg that the members of the House of Representatives will permit me to express the opinion that it will be impossible to deal in any but a very wasteful and extravagant fashion with the enormous appropriations of the public moneys which must continue to be made if the war is to be properly sustained, unless the House will consent to return to its former practice of initiating and preparing all appropriation bills through a single committee, in order that responsibility may be centered, expenditures standardized and made uniform, and waste and duplication as much as possible avoided.

Additional legislation may also become necessary before the present Congress again adjourns in order to effect the most efficient co-ordination and operation of the railways and other transportation systems of the country; but to that I shall, if circumstances should demand, call the attention of Congress upon another occasion.

If I have overlooked anything that ought to be done for the more effective conduct of the war, your own counsels will supply the omission. What I am perfectly clear about is that in the present session of the Congress our whole attention and energy should be concentrated on the vigorous, rapid and successful prosecution of the great task of winning the war.

We can do this with all the greater zeal and enthusiasm because we know that for us this is a war of high principle, debased by no selfish ambition of conquest or spoliation; because we know, and all the world knows, that we have been forced into it to save the very institutions we five under from corruption and destruction. The purpose of the Central Powers strikes straight at the very heart of everything we believe in; their methods of warfare outrage every principle of humanity and of knightly honor; their intrigue has corrupted the very thought and spirit of many of our people; their sinister and secret diplomacy has sought to take our very territory away from us and disrupt the union of the states. Our safety would be at an end, our honor forever sullied and brought into contempt, were we to permit their triumph. They are striking at the very existence of democracy and liberty.

It is because it is for us a war of high, disinterested purpose, in which all the free peoples of the world are banded together for the vindication of right, a war for the preservation of our nation, of all that it has held dear, of principle and of purpose, that we feel ourselves doubly constrained to propose for its outcome only that which is righteous and of irreproachable intention, for our foes as well as for our friends. The cause being just and holy, the settlement must be of like motive and equality. For this we can fight, but for nothing less noble or less worthy of our traditions. For this cause we entered the war and for this cause will we battle until the last gun is fired.

Page 2221

I have spoken plainly because this seems to me the time when it is most necessary to speak plainly, in order that all the world may know that, even in the heat and ardor of the struggle and when our whole thought is of carrying the war through to its end, we have not forgotten any ideal or principle for which the name of America has been held in honor among the nations and for which it has been our glory to contend in the great generations that went before us. A supreme moment of history has come. The eyes of the people have been opened and they see. The hand of God is laid upon the nations. He will show them favor, I devoutly believe, only if they rise to the clear heights of His own justice and mercy.

***

State of the Union Address
Woodrow Wilson
December 2, 1918

Gentlemen of the congress:

The year that has elapsed since I last stood before you to fulfil my constitutional duty to give to the Congress from time to time information on the state of the Union has been so crowded with great events, great processes, and great results that I cannot hope to give you an adequate picture of its transactions or of the far-reaching changes which have been wrought of our nation and of the world. You have yourselves witnessed these things, as I have. It is too soon to assess them; and we who stand in the midst of them and are part of them are less qualified than men of another generation will be to say what they mean, or even what they have been. But some great outstanding facts are unmistakable and constitute, in a sense, part of the public business with which it is our duty to deal. To state them is to set the stage for the legislative and executive action which must grow out of them and which we have yet to shape and determine.

A year ago we had sent 145,918 men overseas. Since then we have sent 1,950,513, an average of 162,542 each month, the number in fact rising, in May last, to 245,951, in June to 278,760, in July to 307,182, and continuing to reach similar figures in August and September, in August 289,570 and in September 257,438. No such movement of troops ever took place before, across three thousand miles of sea, followed by adequate equipment and supplies, and carried safely through extraordinary dangers of attack,-dangers which were alike strange and infinitely difficult to guard against. In all this movement only seven hundred and fifty-eight men were lost by enemy attack, six hundred and thirty of whom were upon a single English transport which was sunk near the Orkney Islands.

Page 2222

I need not tell you what lay back of this great movement of men and material. It is not invidious to say that back of it lay a supporting organization of the industries of the country and of all its productive activities more complete, more thorough in method and effective in result, more spirited and unanimous in purpose and effort than any other great belligerent had been able to effect. We profited greatly by the experience of the nations which had already been engaged for nearly three years in the exigent and exacting business, their every resource and every executive proficiency taxed to the utmost. We were their pupils. But we learned quickly and acted with a promptness and a readiness of cooperation that justify our great pride that we were able to serve the world with unparalleled energy and quick accomplishment.

But it is not the physical scale and executive efficiency of preparation, supply, equipment and despatch that I would dwell upon, but the mettle and quality of the officers and men we sent over and of the sailors who kept the seas, and the spirit of the nation that stood behind them. No soldiers or sailors ever proved themselves more quickly ready for the test of battle or acquitted themselves with more splendid courage and achievement when put to the test. Those of us who played some part in directing the great processes by which the war was pushed irresistibly forward to the final triumph may now forget all that and delight our thoughts with the story of what our men did. Their officers understood the grim and exacting task they had undertaken and performed it with an audacity, efficiency, and unhesitating courage that touch the story of convoy and battle with imperishable distinction at every turn, whether the enterprise were great or small, from their great chiefs, Pershing and Sims, down to the youngest lieutenant; and their men were worthy of them,-such men as hardly need to be commanded, and go to their terrible adventure blithely and with the quick intelligence of those who know just what it is they would accomplish. I am proud to be the fellow-countryman of men of such stuff and valor. Those of us who stayed at home did our duty; the war could not have been won or the gallant men who fought it given their opportunity to win it otherwise; but for many a long day we shall think ourselves “accurs’d we were not there, and hold our manhoods cheap while any speaks that fought” with these at St. Mihiel or Thierry. The memory of those days of triumphant battle will go with these fortunate men to their graves; and each will have his favorite memory. “Old men forget; yet all shall be forgot, but hell remember with advantages what feats he did that day!”

What we all thank God for with deepest gratitude is that our men went in force into the line of battle just at the critical moment when the whole fate of the world seemed to hang in the balance and threw their fresh strength into the ranks of freedom in time to turn the whole tide and sweep of the fateful struggle,-turn it once for all, so that thenceforth it was back, back, back for their enemies, always back, never again forward! After that it was only a scant four months before the commanders of the Central Empires knew themselves beaten; and now their very empires are in liquidation!

Page 2223

And throughout it all how fine the spirit of the nation was: what unity of purpose, what untiring zeal! What elevation of purpose ran through all its splendid display of strength, its untiring accomplishment! I have said that those of us who stayed at home to do the work of organization and supply will always wish that we had been with the men whom we sustained by our labor; but we can never be ashamed. It has been an inspiring thing to be here in the midst of fine men who had turned aside from every private interest of their own and devoted the whole of their trained capacity to the tasks that supplied the sinews of the whole great undertaking! The patriotism, the unselfishness, the thoroughgoing devotion and distinguished capacity that marked their toilsome labors, day after day, month after month, have made them fit mates and comrades of the men in the trenches and on the sea. And not the men here in Washington only. They have but directed the vast achievement. Throughout innumerable factories, upon innumerable farms, in the depths of coal mines and iron mines and copper mines, wherever the stuffs of industry were to be obtained and prepared, in the shipyards, on the railways, at the docks, on the sea, in every labor that was needed to sustain the battle lines, men have vied with each other to do their part and do it well. They can look any man-at-arms in the face, and say, We also strove to win and gave the best that was in us to make our fleets and armies sure of their triumph!

And what shall we say of the women,-of their instant intelligence, quickening every task that they touched; their capacity for organization and cooperation, which gave their action discipline and enhanced the effectiveness of everything they attempted; their aptitude at tasks to which they had never before set their hands; their utter self-sacrifice alike in what they did and in what they gave? Their contribution to the great result is beyond appraisal. They have added a new lustre to the annals of American womanhood.

The least tribute we can pay them is to make them the equals of men in political rights as they have proved themselves their equals in every field of practical work they have entered, whether for themselves or for their country. These great days of completed achievement would be sadly marred were we to omit that act of justice. Besides the immense practical services they have rendered the women of the country have been the moving spirits in the systematic economies by which our people have voluntarily assisted to supply the suffering peoples of the world and the armies upon every front with food and everything else that we had that might serve the common cause. The details of such a story can never be fully written, but we carry them at our hearts and thank God that we can say that we are the kinsmen of such.

And now we are sure of the great triumph for which every sacrifice was made. It has come, come in its completeness, and with the pride and inspiration of these days of achievement quick within us, we turn to the tasks of peace again,-a peace secure against the violence of irresponsible monarchs and ambitious military coteries and made ready for a new order, for new foundations of justice and fair dealing.

Page 2224

We are about to give order and organization to this peace not only for ourselves but for the other peoples of the world as well, so far as they will suffer us to serve them. It is international justice that we seek, not domestic safety merely. Our thoughts have dwelt of late upon Europe, upon Asia, upon the near and the far East, very little upon the acts of peace and accommodation that wait to be performed at our own doors. While we are adjusting our relations with the rest of the world is it not of capital importance that we should clear away all grounds of misunderstanding with our immediate neighbors and give proof of the friendship we really feel? I hope that the members of the Senate will permit me to speak once more of the unratified treaty of friendship and adjustment with the Republic of Colombia. I very earnestly urge upon them an early and favorable action upon that vital matter. I believe that they will feel, with me, that the stage of affairs is now set for such action as will be not only just but generous and in the spirit of the new age upon which we have so happily entered.

So far as our domestic affairs are concerned the problem of our return to peace is a problem of economic and industrial readjustment. That problem is less serious for us than it may turn out too he for the nations which have suffered the disarrangements and the losses of war longer than we. Our people, moreover, do not wait to be coached and led. They know their own business, are quick and resourceful at every readjustment, definite in purpose, and self-reliant in action. Any leading strings we might seek to put them in would speedily become hopelessly tangled because they would pay no attention to them and go their own way. All that we can do as their legislative and executive servants is to mediate the process of change here, there, and elsewhere as we may. I have heard much counsel as to the plans that should be formed and personally conducted to a happy consummation, but from no quarter have I seen any general scheme of “reconstruction” emerge which I thought it likely we could force our spirited business men and self-reliant laborers to accept with due pliancy and obedience.

While the war lasted we set up many agencies by which to direct the industries of the country in the services it was necessary for them to render, by which to make sure of an abundant supply of the materials needed, by which to check undertakings that could for the time be dispensed with and stimulate those that were most serviceable in war, by which to gain for the purchasing departments of the Government a certain control over the prices of essential articles and materials, by which to restrain trade with alien enemies, make the most of the available shipping, and systematize financial transactions, both public and private, so that there would be no unnecessary conflict or confusion,-by which, in short, to put every material energy of the country

Page 2225

in harness to draw the common load and make of us one team in the accomplishment of a great task. But the moment we knew the armistice to have been signed we took the harness off. Raw materials upon which the Government had kept its hand for fear there should not be enough for the industries that supplied the armies have been released and put into the general market again. Great industrial plants whose whole output and machinery had been taken over for the uses of the Government have been set free to return to the uses to which they were put before the war. It has not been possible to remove so readily or so quickly the control of foodstuffs and of shipping, because the world has still to be fed from our granaries and the ships are still needed to send supplies to our men overseas and to bring the men back as fast as the disturbed conditions on the other side of the water permit; but even there restraints are being relaxed as much as possible and more and more as the weeks go by.

Never before have there been agencies in existence in this country which knew so much of the field of supply, of labor, and of industry as the War Industries Board, the War Trade Board, the Labor Department, the Food Administration, and the Fuel Administration have known since their labors became thoroughly systematized; and they have not been isolated agencies; they have been directed by men who represented the permanent Departments of the Government and so have been the centres of unified and cooperative action. It has been the policy of the Executive, therefore, since the armistice was assured (which is in effect a complete submission of the enemy) to put the knowledge of these bodies at the disposal of the business men of the country and to offer their intelligent mediation at every point and in every matter where it was desired. It is surprising how fast the process of return to a peace footing has moved in the three weeks since the fighting stopped. It promises to outrun any inquiry that may be instituted and any aid that may be offered. It will not be easy to direct it any better than it will direct itself. The American business man is of quick initiative.

The ordinary and normal processes of private initiative will not, however, provide immediate employment for all of the men of our returning armies. Those who are of trained capacity, those who are skilled workmen, those who have acquired familiarity with established businesses, those who are ready and willing to go to the farms, all those whose aptitudes are known or will be sought out by employers will find no difficulty, it is safe to say, in finding place and employment. But there will be others who will be at a loss where to gain a livelihood unless pains are taken to guide them and put them in the way of work. There will be a large floating residuum of labor which should not be left wholly to shift for itself. It seems to me important, therefore, that the development of public works of every sort should be promptly resumed, in order that opportunities should be created for unskilled labor in particular, and that plans should be made for such developments of our unused lands and our natural resources as we have hitherto lacked stimulation to undertake.

Page 2226

I particularly direct your attention to the very practical plans which the Secretary of the Interior has developed in his annual report and before your Committees for the reclamation of arid, swamp, and cutover lands which might, if the States were willing and able to cooperate, redeem some three hundred million acres of land for cultivation. There are said to be fifteen or twenty million acres of land in the West, at present arid, for whose reclamation water is available, if properly conserved. There are about two hundred and thirty million acres from which the forests have been cut but which have never yet been cleared for the plow and which lie waste and desolate. These lie scattered all over the Union. And there are nearly eighty million acres of land that lie under swamps or subject to periodical overflow or too wet for anything but grazing, which it is perfectly feasible to drain and protect and redeem. The Congress can at once direct thousands of the returning soldiers to the reclamation of the arid lands which it has already undertaken, if it will but enlarge the plans and appropriations which it has entrusted to the Department of the Interior. It is possible in dealing with our unused land to effect a great rural and agricultural development which will afford the best sort of opportunity to men who want to help themselves and the Secretary of the Interior has thought the possible methods out in a way which is worthy of your most friendly attention.

I have spoken of the control which must yet for a while, perhaps for a long long while, be exercised over shipping because of the priority of service to which our forces overseas are entitled and which should also be accorded the shipments which are to save recently liberated peoples from starvation and many devastated regions from permanent ruin. May I not say a special word about the needs of Belgium and northern France? No sums of money paid by way of indemnity will serve of themselves to save them from hopeless disadvantage for years to come. Something more must be done than merely find the money. If they had money and raw materials in abundance to-morrow they could not resume their place in the industry of the world to-morrow,-the very important place they held before the flame of war swept across them. Many of their factories are razed to the ground. Much of their machinery is destroyed or has been taken away. Their people are scattered and many of their best workmen are dead. Their markets will be taken by others, if they are not in some special way assisted to rebuild their factories and replace their lost instruments of manufacture. They should not be left to the vicissitudes of the sharp competition for materials and for industrial facilities which is now to set in. I hope, therefore, that the Congress will not be unwilling, if it should become necessary, to grant to some such agency as the War Trade Board the right to establish priorities of export and supply for the benefit of these people whom we have been so happy to assist in saving from the German terror and whom we must not now thoughtlessly leave to shift for themselves in a pitiless competitive market.

Page 2227

For the steadying, and facilitation of our own domestic business readjustments nothing is more important than the immediate determination of the taxes that are to be levied for 1918, 1919, and 1920. As much of the burden of taxation must be lifted from business as sound methods of financing the Government will permit, and those who conduct the great essential industries of the country must be told as exactly as possible what obligations to the Government they will be expected to meet in the years immediately ahead of them. It will be of serious consequence to the country to delay removing all uncertainties in this matter a single day longer than the right processes of debate justify. It is idle to talk of successful and confident business reconstruction before those uncertainties are resolved.

If the war had continued it would have been necessary to raise at least eight billion dollars by taxation payable in the year 1919; but the war has ended and I agree with the Secretary of the Treasury that it will be safe to reduce the amount to six billions. An immediate rapid decline in the expenses of the Government is not to be looked for. Contracts made for war supplies will, indeed, be rapidly cancelled and liquidated, but their immediate liquidation will make heavy drains on the Treasury for the months just ahead of us. The maintenance of our forces on the other side of the sea is still necessary. A considerable proportion of those forces must remain in Europe during the period of occupation, and those which are brought home will be transported and demobilized at heavy expense for months to come. The interest on our war debt must of course be paid and provision made for the retirement of the obligations of the Government which represent it. But these demands will of course fall much below what a continuation of military operations would have entailed and six billions should suffice to supply a sound foundation for the financial operations of the year.

I entirely concur with the Secretary of the Treasury in recommending that the two billions needed in addition to the four billions provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accruing in 1918, or in 1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, that the taxes to be paid in 1920 should be reduced from six to four billions. Any arrangements less definite than these would add elements of doubt and confusion to the critical period of industrial readjustment through which the country must now immediately pass, and which no true friend of the nation's essential business interests can afford to be responsible for creating or prolonging. Clearly determined conditions, clearly and simply charted, are indispensable to the economic revival and rapid industrial development which may confidently be expected if we act now and sweep all interrogation points away.

Page 2228

I take it for granted that the Congress will carry out the naval programme which was undertaken before we entered the war. The Secretary of the Navy has submitted to your Committees for authorization that part of the programme which covers the building plans of the next three years. These plans have been prepared along the lines and in accordance with the policy which the Congress established, not under the exceptional conditions of the war, but with the intention of adhering to a definite method of development for the navy. I earnestly recommend the uninterrupted pursuit of that policy. It would clearly be unwise for us to attempt to adjust our programmes to a future world policy as yet undetermined.

The question which causes me the greatest concern is the question of the policy to be adopted towards the railroads. I frankly turn to you for counsel upon it. I have no confident judgment of my own. I do not see how any thoughtful man can have who knows anything of the complexity of the problem. It is a problem which must be studied, studied immediately, and studied without bias or prejudice. Nothing can be gained by becoming partisans of any particular plan of settlement.

It was necessary that the administration of the railways should be taken over by the Government so long as the war lasted. It would have been impossible otherwise to establish and carry through under a single direction the necessary priorities of shipment. It would have been impossible otherwise to combine maximum production at the factories and mines and farms with the maximum possible car supply to take the products to the ports and markets; impossible to route troop shipments and freight shipments without regard to the advantage or-disadvantage of the roads employed; impossible to subordinate, when necessary, all questions of convenience to the public necessity; impossible to give the necessary financial support to the roads from the public treasury. But all these necessities have now been served, and the question is, What is best for the railroads and for the public in the future?

Exceptional circumstances and exceptional methods of administration were not needed to convince us that the railroads were not equal to the immense tasks of transportation imposed upon them by the rapid and continuous development of the industries of the country. We knew that already. And we knew that they were unequal to it partly because their full cooperation was rendered impossible by law and their competition made obligatory, so that it has been impossible to assign to them severally the traffic which could best be carried by their respective lines in the interest of expedition and national economy.

Page 2229

We may hope, I believe, for the formal conclusion of the war by treaty by the time Spring has come. The twenty-one months to which the present control of the railways is limited after formal proclamation of peace shall have been made will run at the farthest, I take it for granted, only to the January of 1921. The full equipment of the railways which the federal administration had planned could not be completed within any such period. The present law does not permit the use of the revenues of the several roads for the execution of such plans except by formal contract with their directors, some of whom will consent while some will not, and therefore does not afford sufficient authority to undertake improvements upon the scale upon which it would be necessary to undertake them. Every approach to this difficult subject-matter of decision brings us face to face, therefore, with this unanswered question: What is it right that we should do with the railroads, in the interest of the public and in fairness to their owners?

Let me say at once that I have no answer ready. The only thing that is perfectly clear to me is that it is not fair either to the public or to the owners of the railroads to leave the question unanswered and that it will presently become my duty to relinquish control of the roads, even before the expiration of the statutory period, unless there should appear some clear prospect in the meantime of a legislative solution. Their release would at least produce one element of a solution, namely certainty and a quick stimulation of private initiative.

I believe that it will be serviceable for me to set forth as explicitly as possible the alternative courses that lie open to our choice. We can simply release the roads and go back to the old conditions of private management, unrestricted competition, and multiform regulation by both state and federal authorities; or we can go to the opposite extreme and establish complete government control, accompanied, if necessary, by actual government ownership; or we can adopt an intermediate course of modified private control, under a more unified and affirmative public regulation and under such alterations of the law as will permit wasteful competition to be avoided and a considerable degree of unification of administration to be effected, as, for example, by regional corporations under which the railways of definable areas would be in effect combined in single systems.

The one conclusion that I am ready to state with confidence is that it would be a disservice alike to the country and to the owners of the railroads to return to the old conditions unmodified. Those are conditions of restraint without development. There is nothing affirmative or helpful about them. What the country chiefly needs is that all its means of transportation should be developed, its railways, its waterways, its highways, and its countryside roads. Some new element of policy, therefore, is absolutely necessary—necessary

Page 2230

for the service of the public, necessary for the release of credit to those who are administering the railways, necessary for the protection of their security holders. The old policy may be changed much or little, but surely it cannot wisely be left as it was. I hope that the Con will have a complete and impartial study of the whole problem instituted at once and prosecuted as rapidly as possible. I stand ready and anxious to release the roads from the present control and I must do so at a very early date if by waiting until the statutory limit of time is reached I shall be merely prolonging the period of doubt and uncertainty which is hurtful to every interest concerned.

I welcome this occasion to announce to the Congress my purpose to join in Paris the representatives of the governments with which we have been associated in the war against the Central Empires for the purpose of discussing with them the main features of the treaty of peace. I realize the great inconveniences that will attend my leaving the country, particularly at this time, but the conclusion that it was my paramount duty to go has been forced upon me by considerations which I hope will seem as conclusive to you as they have seemed to me.

The Allied governments have accepted the bases of peace which I outlined to the Congress on the eighth of January last, as the Central Empires also have, and very reasonably desire my personal counsel in their interpretation and application, and it is highly desirable that I should give it in order that the sincere desire of our Government to contribute without selfish purpose of any kind to settlements that will be of common benefit to all the nations concerned may be made fully manifest. The peace settlements which are now to be agreed upon are of transcendent importance both to us and to the rest of the world, and I know of no business or interest which should take precedence of them. The gallant men of our armed forces on land and sea have consciously fought for the ideals which they knew to be the ideals of their country; I have sought to express those ideals; they have accepted my statements of them as the substance of their own thought and purpose, as the associated governments have accepted them; I owe it to them to see to it, so far as in me lies, that no false or mistaken interpretation is put upon them, and no possible effort omitted to realize them. It is now my duty to play my full part in making good what they offered their life's blood to obtain. I can think of no call to service which could transcend this.

I shall be in close touch with you and with affairs on this side the water, and you will know all that I do. At my request, the French and English governments have absolutely removed the censorship of cable news which until within a fortnight they had maintained and there is now no censorship whatever exercised at this end except upon attempted trade communications with enemy countries. It has been necessary to

Page 2231

keep an open wire constantly available between Paris and the Department of State and another between France and the Department of War. In order that this might be done with the least possible interference with the other uses of the cables, I have temporarily taken over the control of both cables in order that they may be used as a single system. I did so at the advice of the most experienced cable officials, and I hope that the results will justify my hope that the news of the next few months may pass with the utmost freedom and with the least possible delay from each side of the sea to the other.

May I not hope, Gentlemen of the Congress, that in the delicate tasks I shall have to perform on the other side of the sea, in my efforts truly and faithfully to interpret the principles and purposes of the country we love, I may have the encouragement and the added strength of your united support? I realize the magnitude and difficulty of the duty I am undertaking; I am poignantly aware of its grave responsibilities. I am the servant of the nation. I can have no private thought or purpose of my own in performing such an errand. I go to give the best that is in me to the common settlements which I must now assist in arriving at in conference with the other working heads of the associated governments. I shall count upon your friendly countenance and encouragement. I shall not be inaccessible. The cables and the wireless will render me available for any counsel or service you may desire of me, and I shall be happy in the thought that I am constantly in touch with the weighty matters of domestic policy with which we shall have to deal. I shall make my absence as brief as possible and shall hope to return with the happy assurance that it has been possible to translate into action the great ideals for which America has striven.

***

State of the Union Address
Woodrow Wilson
December 2, 1919

To the Senate and house of representatives:

I sincerely regret that I cannot be present at the opening of this session of the Congress. I am thus prevented from presenting in as direct a way as I could wish the many questions that are pressing for solution at this time. Happily, I have had the advantage of the advice of the heads of the several executive departments who have kept in close touch with affairs in their detail and whose thoughtful recommendations I earnestly second.

In the matter of the railroads and the readjustment of their affairs growing out of Federal control, I shall take the liberty at a later date of addressing you.

Page 2232

I hope that Congress will bring to a conclusion at this session legislation looking to the establishment of a budget system. That there should be one single authority responsible for the making of all appropriations and that appropriations should be made not independently of each other, but with reference to one single comprehensive plan of expenditure properly related to the nation's income, there can be no doubt I believe the burden of preparing the budget must, in the nature of the case, if the work is to be properly done and responsibility concentrated instead of divided, rest upon the executive. The budget so prepared should be submitted to and approved or amended by a single committee of each House of Congress and no single appropriation should be made by the Congress, except such as may have been included in the budget prepared by the executive or added by the particular committee of Congress charged with the budget legislation.

Another and not less important aspect of the problem is the ascertainment of the economy and efficiency with which the moneys appropriated are expended. Under existing law the only audit is for the purpose of ascertaining whether expenditures have been lawfully made within the appropriations. No one is authorized or equipped to ascertain whether the money has been spent wisely, economically and effectively. The auditors should be highly trained officials with permanent tenure in the Treasury Department, free of obligations to or motives of consideration for this or any subsequent administration, and authorized and empowered to examine into and make report upon the methods employed and the results obtained by the executive departments of the Government. Their reports should be made to the Congress and to the Secretary of the Treasury.

I trust that the Congress will give its immediate consideration to the problem of future taxation. Simplification of the income and profits taxes has become an immediate necessity. These taxes performed indispensable service during the war. They must, however, be simplified, not only to save the taxpayer inconvenience and expense, but in order that his liability may be made certain and definite.

With reference to the details of the Revenue Law, the Secretary of the Treasury and the Commissioner of Internal Revenue will lay before you for your consideration certain amendments necessary or desirable in connection with the administration of the law-recommendations which have my approval and support. It is of the utmost importance that in dealing with this matter the present law should not be disturbed so far as regards taxes for the calendar year 1920 payable in the calendar year 1921. The Congress might well consider whether the higher rates of income and profits taxes can in peace times be effectively productive of revenue, and whether they may not, on the contrary, be destructive of business activity and productive of waste and inefficiency. There is a point at which in peace times high rates of income and profits taxes discourage energy, remove the incentive to new enterprises, encourage extravagant expenditures and produce industrial stagnation with consequent unemployment and other attendant evils.

Page 2233

The problem is not an easy one. A fundamental change has taken place with reference to the position of America in the world's affairs. The prejudice and passions engendered by decades of controversy between two schools of political and economic thought,-the one believers in protection of American industries, the other believers in tariff for revenue only,-must be subordinated to the single consideration of the public interest in the light of utterly changed conditions. Before the war America was heavily the debtor of the rest of the world and the interest payments she had to make to foreign countries on American securities held abroad, the expenditures of American travelers abroad and the ocean freight charges she had to pay to others, about balanced the value of her pre-war favorable balance of trade. During the war America's exports have been greatly stimulated, and increased prices have increased their value. On the other hand, she has purchased a large proportion of the American securities previously held abroad, has loaned some $9,000,000,000 to foreign governments, and has built her own ships. Our favorable balance of trade has thus been greatly increased and Europe has been deprived of the means of meeting it heretofore existing. Europe can have only three ways of meeting the favorable balance of trade in peace times: by imports into this country of gold or of goods, or by establishing new credits. Europe is in no position at the present time to ship gold to us nor could we contemplate large further imports of gold into this country without concern. The time has nearly passed for international governmental loans and it will take time to develop in this country a market for foreign securities. Anything, therefore, which would tend to prevent foreign countries from settling for our exports by shipments of goods into this country could only have the effect of preventing them from paying for our exports and therefore of preventing the exports from being made. The productivity of the country, greatly stimulated by the war, must find an outlet by exports to foreign countries, and any measures taken to prevent imports will inevitably curtail exports, force curtailment of production, load the banking machinery of the country with credits to carry unsold products and produce industrial stagnation and unemployment. If we want to sell, we must be prepared to buy. Whatever, therefore, may have been our views during the period of growth of American business concerning tariff legislation, we must now adjust our own economic life to a changed condition growing out of the fact that American business is full grown and that America is the greatest capitalist in the world.

Page 2234

No policy of isolation will satisfy the growing needs and opportunities of America. The provincial standards and policies of the past, which have held American business as if in a strait-jacket, must yield and give way to the needs and exigencies of the new day in which we live, a day full of hope and promise for American business, if we will but take advantage of the opportunities that are ours for the asking. The recent war has ended our isolation and thrown upon us a great duty and responsibility. The United States must share the expanding world market. The United States desires for itself only equal opportunity with the other nations of the world, and that through the process of friendly cooperation and fair competition the legitimate interests of the nations concerned may be successfully and equitably adjusted.

There are other matters of importance upon which I urged action at the last session of Congress which are still pressing for solution. I am sure it is not necessary for me again to remind you that there is one immediate and very practicable question resulting from the war which we should meet in the most liberal spirit. It is a matter of recognition and relief to our soldiers. I can do no better than to quote from my last message urging this very action:

“We must see to it that our returning soldiers are assisted in every practicable way to find the places for which they are fitted in the daily work of the country. This can be done by developing and maintaining upon an adequate scale the admirable organization created by the Department of Labor for placing men seeking work; and it can also be done, in at least one very great field, by creating new opportunities for individual enterprise. The Secretary of the Interior has pointed out the way by which returning soldiers may be helped to find and take up land in the hitherto undeveloped regions of the country which the Federal Government has already prepared, or can readily prepare, for cultivation and also on many of the cutover or neglected areas which lie within the limits of the older states; and I once more take the liberty of recommending very urgently that his plans shall receive the immediate and substantial support of the Congress.”

In the matter of tariff legislation, I beg to call your attention to the statements contained in my last message urging legislation with reference to the establishment of the chemical and dyestuffs industry in America:

“Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacture of dyestuffs, on the one hand, and of explosive and poisonous gases, on the other, moreover, has given the industry an exceptional significance and value. Although the

Page 2235

United States will gladly and unhesitatingly join in the programme of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was and may well be again, a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind."

During the war the farmer performed a vital and willing service to the nation. By materially increasing the production of his land, he supplied America and the Allies with the increased amounts of food necessary to keep their immense armies in the field. He indispensably helped to win the war. But there is now scarcely less need of increasing the production in food -and the necessaries of life. I ask the Congress to consider means of encouraging effort along these lines. The importance of doing everything possible to promote production along economical lines, to improve marketing, and to make rural life more attractive and healthful, is obvious. I would urge approval of the plans already proposed to the Congress by the Secretary of Agriculture, to secure the essential facts required for the proper study of this question, through the proposed enlarged programmes for farm management studies and crop estimates. I would urge, also, the continuance of Federal participation in the building of good roads, under the terms of existing law and under the direction of present agencies; the need of further action on the part of the States and the Federal Government to preserve and develop our forest resources, especially through the practice of better forestry methods on private holdings and the extension of the publicly owned forests; better support for country schools and the more definite direction of their courses of study along lines related to rural problems; and fuller provision for sanitation in rural districts and the building up of needed hospital and medical facilities in these localities. Perhaps the way might be cleared for many of these desirable reforms by a fresh, comprehensive survey made of rural conditions by a conference composed of representatives of the farmers and of the agricultural agencies responsible for leadership.

I would call your attention to the widespread condition of political restlessness in our body politic. The causes of this unrest, while various and complicated, are superficial rather than deep-seated. Broadly, they arise from or are connected with the failure on the part of our Government to arrive speedily at a just and permanent peace permitting return to normal conditions, from the transfusion of radical theories from seething European centers pending such delay, from heartless profiteering resulting in the increase of the cost of living, and lastly from the machinations of passionate and malevolent agitators. With the return to normal conditions, this unrest will

Page 2236

rapidly disappear. In the meantime, it does much evil. It seems to me that in dealing with this situation Congress should not be impatient or drastic but should seek rather to remove the causes. It should endeavor to bring our country back speedily to a peace basis, with ameliorated living conditions under the minimum of restrictions upon personal liberty that is consistent with our reconstruction problems. And it should arm the Federal Government with power to deal in its criminal courts with those persons who by violent methods would abrogate our time-tested institutions. With the free expression of opinion and with the advocacy of orderly political change, however fundamental, there must be no interference, but towards passion and malevolence tending to incite crime and insurrection under guise of political evolution there should be no leniency. Legislation to this end has been recommended by the Attorney General and should be enacted. In this direct connection, I would call your attention to my recommendations on August 8th, pointing out legislative measures which would be effective in controlling and bringing down the present cost of living, which contributes so largely to this unrest. On only one of these recommendations has the Congress acted. If the Government's campaign is to be effective, it is necessary that the other steps suggested should be acted on at once.

I renew and strongly urge the necessity of the extension of the present Food Control Act as to the period of time in which it shall remain in operation. The Attorney General has submitted a bill providing for an extension of this Act for a period of six months. As it now stands, it is limited in operation to the period of the war and becomes inoperative upon the formal proclamation of peace. It is imperative that it should be extended at once. The Department of justice has built up extensive machinery for the purpose of enforcing its provisions; all of which must be abandoned upon the conclusion of peace unless the provisions of this Act are extended.

During this period the Congress will have an opportunity to make similar permanent provisions and regulations with regard to all goods destined for interstate commerce and to exclude them from interstate shipment, if the requirements of the law are not compiled with. Some such regulation is imperatively necessary. The abuses that have grown up in the manipulation of prices by the withholding of foodstuffs and other necessaries of life cannot otherwise be effectively prevented. There can be no doubt of either the necessity of the legitimacy of such measures.

As I pointed out in my last message, publicity can accomplish a great deal in this campaign. The aims of the Government must be clearly brought to the attention of the consuming public, civic organizations and state officials, who are in a position to lend their assistance to our efforts. You have made available funds with which to carry on this campaign, but there is no provision in the law authorizing their expenditure for the purpose of making the public fully informed about the efforts of the Government. Specific recommendation has been made by the Attorney General in this regard. I

would strongly urge upon you its immediate adoption, as it constitutes one of the preliminary steps to this campaign.

Page 2237

I also renew my recommendation that the Congress pass a law regulating cold storage as it is regulated, for example, by the laws of the State of New Jersey, which limit the time during which goods may be kept in storage, prescribe the method of disposing of them if kept beyond the permitted period, and require that goods released from storage shall in all cases bear the date of their receipt. It would materially add to the serviceability of the law, for the purpose we now have in view, if it were also prescribed that all goods released from storage for interstate shipment should have plainly marked upon each package the selling or market price at which they went into storage. By this means the purchaser would always be able to learn what profits stood between him and the producer or the wholesale dealer.

I would also renew my recommendation that all goods destined for interstate commerce should in every case, where their form or package makes it possible, be plainly marked with the price at which they left the hands of the producer.

We should formulate a law requiring a Federal license of all corporations engaged in interstate commerce and embodying in the license or in the conditions under which it is to be issued, specific regulations designed to secure competitive selling and prevent unconscionable profits in the method of marketing. Such a law would afford a welcome opportunity to effect other much needed reforms in the business of interstate shipment and in the methods of corporations which are engaged in it; but for the moment I confine my recommendations to the object immediately in hand, which is to lower the cost of living.

No one who has observed the march of events in the last year can fail to note the absolute need of a definite programme to bring about an improvement in the conditions of labor. There can be no settled conditions leading to increased production and a reduction in the cost of living if labor and capital are to be antagonists instead of partners. Sound thinking and an honest desire to serve the interests of the whole nation, as distinguished from the interests of a class, must be applied to the solution of this great and pressing problem. The failure of other nations to consider this matter in a vigorous way has produced bitterness and jealousies and antagonisms, the food of radicalism. The only way to keep men from agitating against grievances is to remove the grievances. An unwillingness even to discuss these matters produces only dissatisfaction and gives comfort to the extreme elements in our country which endeavor to stir up disturbances in order to provoke governments to embark upon a course of retaliation and repression. The seed of revolution is repression. The remedy for these things must not be negative in character. It must be constructive. It must comprehend the general interest. The real antidote for the unrest which manifests itself is not suppression, but a deep consideration of the wrongs that beset our national life and the application of a remedy.

Page 2238

Congress has already shown its willingness to deal with these industrial wrongs by establishing the eight-hour day as the standard in every field of labor. It has sought to find a way to prevent child labor. It has served the whole country by leading the way in developing the means of preserving and safeguarding lives and health in dangerous industries. It must now help in the difficult task of finding a method that will bring about a genuine democratization of industry, based upon the full recognition of the right of those who work, in whatever rank, to participate in some organic way in every decision which directly affects their welfare. It is with this purpose in mind that I called a conference to meet in Washington on December 1st, to consider these problems in all their broad aspects, with the idea of bringing about a better understanding between these two interests.

The great unrest throughout the world, out of which has emerged a demand for an immediate consideration of the difficulties between capital and labor, bids us put our own house in order. Frankly, there can be no permanent and lasting settlements between capital and labor which do not recognize the fundamental concepts for which labor has been struggling through the years. The whole world gave its recognition and endorsement to these fundamental purposes in the League of Notions. The statesmen gathered at Versailles recognized the fact that world stability could not be had by reverting to industrial standards and conditions against which the average workman of the world had revolted. It is, therefore, the task of the states men of this new day of change and readjustment to recognize world conditions and to seek to bring about, through legislation, conditions that will mean the ending of age-long antagonisms between capital and labor and that will hopefully lead to the building up of a comradeship which will result not only in greater contentment among the mass of workmen but also bring about a greater production and a greater prosperity to business itself.

To analyze the particulars in the demands of labor is to admit the justice of their complaint in many matters that lie at their basis. The workman demands an adequate wage, sufficient to permit him to live in comfort, unhampered by the fear of poverty and want in his old age. He demands the right to live and the right to work amidst sanitary surroundings, both in home and in workshop, surroundings that develop and do not retard his own health and wellbeing; and the right to provide for his children's wants in the matter of health and education. In other words, it is his desire to make the conditions of his life and the lives of those dear to him tolerable and easy to bear.

Page 2239

The establishment of the principles regarding labor laid down ill the covenant of the League of Nations offers us the way to industrial peace and conciliation. No other road lies open to us. Not to pursue this one is longer to invite enmities, bitterness, and antagonisms which in the end only lead to industrial and social disaster. The unwilling workman is not a profitable servant. An employee whose industrial life is hedged about by hard and unjust conditions, which he did not create and over which he has no control, lacks that fine spirit of enthusiasm and volunteer effort which are the necessary ingredients of a great producing entity. Let us be frank about this solemn matter. The evidences of world-wide unrest which manifest themselves in violence throughout the world bid us pause and consider the means to be found to stop the spread of this contagious thing before it saps the very vitality of the nation itself. Do we gain strength by withholding the remedy? Or is it not the business of statesmen to treat these manifestations of unrest which meet us on every hand as evidences of an economic disorder and to apply constructive remedies wherever necessary, being sure that in the application of the remedy we touch not the vital tissues of our industrial and economic life? There can be no recession of the tide of unrest until constructive instrumentalities are set up to stem that tide.

Governments must recognize the right of men collectively to bargain for humane objects that have at their base the mutual protection and welfare of those engaged in all industries. Labor must not be longer treated as a commodity. It must be regarded as the activity of human beings, possessed of deep yearnings and desires. The business man gives his best thought to the repair and replenishment of his machinery, so that its usefulness will not be impaired and its power to produce may always be at its height and kept in full vigor and motion. No less regard ought to be paid to the human machine, which after all propels the machinery of the world and is the great dynamic force that lies back of all industry and progress. Return to the old standards of wage and industry in employment are unthinkable. The terrible tragedy of war which has just ended and which has brought the world to the verge of chaos and disaster would be in vain if there should ensue a return to the conditions of the past. Europe itself, whence has come the unrest which now holds the world at bay, is an example of standpatism in these vital human matters which America might well accept as an example, not to be followed but studiously to be avoided. Europe made labor the differential, and the price of it all is enmity and antagonism and prostrated industry, The right of labor to live in peace and comfort must be recognized by governments and America should be the first to lay the foundation stones upon which industrial peace shall be built.

Labor not only is entitled to an adequate wage, but capital should receive a reasonable return upon its investment and is entitled to protection at the hands of the Government in every emergency. No Government worthy of the name can “play” these elements against each other, for there is a mutuality of interest between them which the Government must seek to express and to safeguard at all cost.

Page 2240

The right of individuals to strike is inviolate and ought not to be interfered with by any process of Government, but there is a predominant right and that is the right of the Government to protect all of its people and to assert its power and majesty against the challenge of any class. The Government, when it asserts that right, seeks not to antagonize a class but simply to defend the right of the whole people as against the irreparable harm and injury that might be done by the attempt by any class to usurp a power that only Government itself has a right to exercise as a protection to all.

In the matter of international disputes which have led to war, statesmen have sought to set up as a remedy arbitration for war. Does this not point the way for the settlement of industrial disputes, by the establishment of a tribunal, fair and just alike to all, which will settle industrial disputes which in the past have led to war and disaster? America, witnessing the evil consequences which have followed out of such disputes between these contending forces, must not admit itself impotent to deal with these matters by means of peaceful processes. Surely, there must be some method of bringing together in a council of peace and amity these two great interests, out of which will come a happier day of peace and cooperation, a day that will make men more hopeful and enthusiastic in their various tasks, that will make for more comfort and happiness in living and a more tolerable condition among all classes of men. Certainly human intelligence can devise some acceptable tribunal for adjusting the differences between capital and labor.

This is the hour of test and trial for America. By her prowess and strength, and the indomitable courage of her soldiers, she demonstrated her power to vindicate on foreign battlefields her conceptions of liberty and justice. Let not her influence as a mediator between capital and labor be weakened and her own failure to settle matters of purely domestic concern be proclaimed to the world. There are those in this country who threaten direct action to force their will, upon a majority. Russia today, with its blood and terror, is a painful object lesson of the power of minorities. It makes little difference what minority it is; whether capital or labor, or any other class; no sort of privilege will ever be permitted to dominate this country. We are a partnership or nothing that is worth while. We are a democracy, where the majority are the masters, or all the hopes and purposes of the men who founded this government have been defeated and forgotten. In America there is but one way by which great reforms can be accomplished and the relief sought by classes obtained, and that is through the orderly processes of representative government. Those who would propose any other method of reform are enemies of this country. America will not be daunted by threats nor lose her composure or calmness in these

Page 2241

distressing times. We can afford, in the midst of this day of passion and unrest, to be self-contained and sure. The instrument of all reform in America is the ballot. The road to economic and social reform in America is the straight road of justice to all classes and conditions of men. Men have but to follow this road to realize the full fruition of their objects and purposes. Let those beware who would take the shorter road of disorder and revolution. The right road is the road of justice and orderly process.

***

State of the Union Address
Woodrow Wilson
December 7, 1920

Gentlemen of the congress:

When I addressed myself to performing the duty laid upon the President by the Constitution to present to you an annual report on the state of the Union, I found my thought dominated by an immortal sentence of Abraham Lincoln's—"Let us have faith that right makes might, and in that faith let us dare to do our duty as we understand it"—a sentence immortal because it embodies in a form of utter simplicity and purity the essential faith of the nation, the faith in which it was conceived, and the faith in which it has grown to glory and power. With that faith and the birth of a nation founded upon it came the hope into the world that a new order would prevail throughout the affairs of mankind, an order in which reason and right would take precedence over covetousness and force; and I believe that I express the wish and purpose of every thoughtful American when I say that this sentence marks for us in the plainest manner the part we should play alike in the arrangement of our domestic affairs and in our exercise of influence upon the affairs of the world.

By this faith, and by this faith alone, can the world be lifted out of its present confusion and despair. It was this faith which prevailed over the wicked force of Germany. You will remember that the beginning of the end of the war came when the German people found themselves face to face with the conscience of the world and realized that right was everywhere arrayed against the wrong that their government was attempting to perpetrate. I think, therefore, that it is true to say that this was the faith which won the war. Certainly this is the faith with which our gallant men went into the field and out upon the seas to make sure of victory.

This is the mission upon which Democracy came into the world. Democracy is an assertion of the right of the individual to live and to be treated justly as against any attempt on the part of any combination of individuals to make laws which will overburden him or which will destroy his equality among his fellows in the matter of right

or privilege; and I think we all realize that the day has come when Democracy is being put upon its final test. The Old World is just now suffering from a wanton rejection of the principle of democracy and a substitution of the principle of autocracy as asserted in the name, but without the authority and sanction, of the multitude. This is the time of all others when Democracy should prove its purity and its spiritual power to prevail. It is surely the manifest destiny of the United States to lead in the attempt to make this spirit prevail.

Page 2242

There are two ways in which the United States can assist to accomplish this great object. First, by offering the example within her own borders of the will and power of Democracy to make and enforce laws which are unquestionably just and which are equal in their administration-laws which secure its full right to Labor and yet at the same time safeguard the integrity of property, and particularly of that property which is devoted to the development of industry and the increase of the necessary wealth of the world. Second, by standing for right and justice as toward individual nations. The law of Democracy is for the protection of the weak, and the influence of every democracy in the world should be for the protection of the weak nation, the nation which is struggling toward its right and toward its proper recognition and privilege in the family of nations.

The United States cannot refuse this role of champion without putting the stigma of rejection upon the great and devoted men who brought its government into existence and established it in the face of almost universal opposition and intrigue, even in the face of wanton force, as, for example, against the Orders in Council of Great Britain and the arbitrary Napoleonic decrees which involved us in what we know as the War of 1812.

I urge you to consider that the display of an immediate disposition on the part of the Congress to remedy any injustices or evils that may have shown themselves in our own national life will afford the most effectual offset to the forces of chaos and tyranny which are playing so disastrous a part in the fortunes of the free peoples of more than one part of the world. The United States is of necessity the sample democracy of the world, and the triumph of Democracy depends upon its success.

Recovery from the disturbing and sometimes disastrous effects of the late war has been exceedingly slow on the other side of the water, and has given promise, I venture-to say, of early completion only in our own fortunate country; but even with us the recovery halts and is impeded at times, and there are immediately serviceable acts of legislation which it seems to me we ought to attempt, to assist that recovery and prove the indestructible recuperative force of a great government of the people. One of these is to prove that a great democracy can keep house as successfully and in as business-like a fashion as any other government. It seems to me that the first step toward providing this is to supply ourselves with a systematic method of handling our estimates and expenditures and bringing them to the point where they will not be an unnecessary strain upon our income or necessitate unreasonable taxation; in other words, a workable budget system. And I respectfully suggest that two elements are essential to such a system-namely, not only that the proposal of appropriations should be in the hands of a single body, such as a single appropriations committee in each house of the Congress, but also that this body should be brought into such cooperation with the Departments of the Government and with the Treasury of the United States as would enable it to act upon a complete conspectus of the needs of the Government and the resources from which it must draw its income.

Page 2243

I reluctantly vetoed the budget bill passed by the last session of the Congress because of a constitutional objection. The House of Representatives subsequently modified the bill in order to meet this objection. In the revised form, I believe that the bill, coupled with action already taken by the Congress to revise its rules and procedure, furnishes the foundation for an effective national budget system. I earnestly hope, therefore, that one of the first steps to be taken by the present session of the Congress will be to pass the budget bill.

The nation's finances have shown marked improvement during the last year. The total ordinary receipts of $6,694,000,000 for the fiscal year 1920 exceeded those for 1919 by $1,542,000,000, while the total net ordinary expenditures decreased from $18,514,000,000 to $6,403,000,000. The gross public debt, which reached its highest point on August 31, 1919, when it was $26,596,000,000, had dropped on November 30, 1920, to $24,175,000,000.

There has also been a marked decrease in holdings of government war securities by the banking institutions of the country, as well as in the amount of bills held by the Federal Reserve Banks secured by government war obligations. This fortunate result has relieved the banks and left them freer to finance the needs of Agriculture, Industry, and Commerce. It has been due in large part to the reduction of the public debt, especially of the floating debt, but more particularly to the improved distribution of government securities among permanent investors. The cessation of the Government's borrowings, except through short-term certificates of indebtedness, has been a matter of great consequence to the people of the country at large, as well as to the holders of Liberty Bonds and Victory Notes, and has had an important bearing on the matter of effective credit control.

The year has been characterized by the progressive withdrawal of the Treasury from the domestic credit market and from a position of dominant influence in that market. The future course will necessarily depend upon the extent to which economies are practiced and upon the burdens placed upon the Treasury, as well as upon industrial developments and the maintenance of tax receipts at a sufficiently high level. The fundamental fact which at present dominates the Government's financial situation is that seven and a half billions of its war indebtedness mature within the next two and a half years. Of this amount, two and a half billions are floating debt and five billions, Victory Notes and War. Savings Certificates. The fiscal program of the Government must be determined with reference to these maturities. Sound policy demands that Government expenditures be reduced to the lowest amount which will permit the various services to operate efficiently and that Government receipts from taxes and salvage be maintained sufficiently high to provide for current requirements, including interest and sinking fund charges on the public debt, and at the same time retire the floating debt and part of the Victory Loan before maturity.

Page 2244

With rigid economy, vigorous salvage operations, and adequate revenues from taxation, a surplus of current receipts over current expenditures can be realized and should be applied to the floating debt. All branches of the Government should cooperate to see that this program is realized. I cannot overemphasize the necessity of economy in Government appropriations and expenditures and the avoidance by the Congress of practices which take money from the Treasury by indefinite or revolving fund appropriations. The estimates for the present year show that over a billion dollars of expenditures were authorized by the last Congress in addition to the amounts shown in the usual compiled statements of appropriations. This strikingly illustrates the importance of making direct and specific appropriations. The relation between the current receipts and current expenditures of the Government during the present fiscal year, as well as during the last half of the last fiscal year, has been disturbed by the extraordinary burdens thrown upon the Treasury by the Transportation Act, in connection with the return of the railroads to private control. Over $600,000,000 has already been paid to the railroads under this act-$350,000,000 during the present fiscal year; and it is estimated that further payments aggregating possibly $650,000,000 must still be made to the railroads during the current year. It is obvious that these large payments have already seriously limited the Government's progress in retiring the floating debt.

Closely connected with this, it seems to me, is the necessity for an immediate consideration of the revision of our tax laws. Simplification of the income and profits taxes has become an immediate necessity. These taxes performed an indispensable service during the war. The need for their simplification, however, is very great, in order to save the taxpayer inconvenience and expense and in order to make his liability more certain and definite. Other and more detailed recommendations with regard to taxes will no doubt be laid before you by the Secretary of the Treasury and the Commissioner of Internal Revenue.

It is my privilege to draw to the attention of Congress for very sympathetic consideration the problem of providing adequate facilities for the care and treatment of former members of the military and naval forces who are sick and disabled as the result of their participation in the war. These heroic men can never be paid in money for the service they patriotically rendered the nation. Their reward will lie rather in realization of the fact that they vindicated the rights of their country and aided in safeguarding civilization. The nation's gratitude must be effectively revealed to them by the most ample provision for their medical care and treatment as well as for their vocational training and placement. The time has come when a more complete program can be formulated and more satisfactorily administered for their treatment and training, and I earnestly urge that the Congress give the matter its early consideration. The Secretary of the Treasury and the Board for Vocational Education will outline in their annual reports proposals covering medical care and rehabilitation which I am sure will engage your earnest study and commend your most generous support.

Page 2245

Permit me to emphasize once more the need for action upon certain matters upon which I dwelt at some length in my message to the second session of the Sixty-sixth Congress. The necessity, for example, of encouraging the manufacture of dyestuffs and related chemicals; the importance of doing everything possible to promote agricultural production along economic lines, to improve agricultural marketing, and to make rural life more attractive and healthful; the need for a law regulating cold storage in such a way as to limit the time during which goods may be kept in storage, prescribing the method of disposing of them if kept beyond the permitted period, and requiring goods released from storage in all cases to bear the date of their receipt. It would also be most serviceable if it were provided that all goods released from cold storage for interstate shipment should have plainly marked upon each package the selling or market price at which they went into storage, in order that the purchaser might be able to learn what profits stood between him and the producer or the wholesale dealer. Indeed, It would be very serviceable to the public if all goods destined for interstate commerce were made to carry upon every packing case whose form made it possible a plain statement of the price at which they left the hands of the producer. I respectfully call your attention also to the recommendations of the message referred to with regard to a federal license for all corporations engaged in interstate commerce.

In brief, the immediate legislative need of the time is the removal of all obstacles to the realization of the best ambitions of our people in their several classes of employment and the strengthening of all instrumentalities by. which difficulties are to be met and removed and justice dealt out, whether by law or by some form of mediation and conciliation. I do not feel it to be my privilege at present to, suggest the detailed and particular methods by which these objects may be attained, but I have faith that the inquiries of your several committees will discover the way and the method.

In response to what I believe to be the impulse of sympathy and opinion throughout the United States, I earnestly suggest that the Congress authorize the Treasury of the United States to make to the struggling government of Armenia such a loan as was made to several of the Allied governments during the war, and I would also suggest that it would be desirable to provide in the legislation itself that the expenditure of the money thus loaned should be under the supervision of a commission, or at least a commissioner, from the United States in order that revolutionary tendencies within Armenia itself might not be afforded by the loan a further tempting opportunity.

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition set by the Congress as precedent to a consideration of granting independence to the Islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet.

Page 2246

I have not so much laid before you a series of recommendations, gentlemen, as sought to utter a confession of faith, of the faith in which I was bred and which it is my solemn purpose to stand by until my last fighting day. I believe this to be the faith of America, the faith of the future, and of all the victories which await national action in the days to come, whether in America or elsewhere.

***

State of the Union Address
Warren Harding
December 6, 1921

Mr. Speaker and members of the congress:

It is a very gratifying privilege to come to the Congress with the Republic at peace with all the nations of the world. More, it is equally gratifying to report that our country is not only free from every impending, menace of war, but there are growing assurances of the permanency of the peace which we so deeply cherish.

For approximately ten years we have dwelt amid menaces of war or as participants in war's actualities, and the inevitable aftermath, with its disordered conditions, bits added to the difficulties of government which adequately can not be appraised except by, those who are in immediate contact and know the responsibilities. Our tasks would be less difficult if we had only ourselves to consider, but so much of the world was involved, the disordered conditions are so well-nigh universal, even among nations not engaged in actual warfare, that no permanent readjustments can be effected without consideration of our inescapable relationship to world affairs in finance and trade. Indeed, we should be unworthy of our best traditions if we were unmindful of social, moral, and political conditions which are not of direct concern to us, but which do appeal to the human sympathies and the very becoming interest of a people blest with our national good fortune.

It is not my purpose to bring to you a program of world restoration. In the main such a program must be worked out by the nations more directly concerned. They must themselves turn to the heroic remedies for the menacing conditions under which they are struggling, then we can help, and we mean to help. We shall do so unselfishly because there is compensation in the consciousness of assisting, selfishly because the commerce and international exchanges in trade, which marked our high tide of fortunate advancement, are possible only when the nations of all continents are restored to stable order and normal relationship.

In the main the contribution of this Republic to restored normalcy in the world must come through the initiative of the executive branch of the Government, but the best of

intentions and most carefully considered purposes would fail utterly if the sanction and the cooperation of Congress were not cheerfully accorded.

Page 2247

I am very sure we shall have no conflict of opinion about constitutional duties or authority. During the anxieties of war, when necessity seemed compelling there were excessive grants of authority and all extraordinary concentration of powers in the Chief Executive. The repeal of war-time legislation and the automatic expirations which attended the peace proclamations have put an end to these emergency excesses but I have the wish to go further than that. I want to join you ill restoring-, ill the most cordial way, the spirit of coordination and cooperation, and that mutuality of confidence and respect which is necessary ill representative popular government.

Encroachment upon the functions of Congress or attempted dictation of its policy are not to be thought of, much less attempted, but there is all insistent call for harmony of purpose and concord of action to speed the solution of the difficult problems confronting both the legislative and executive branches of the Government.

It is worth while to make allusion here to the character of our Clove Government, mindful as one must be that an address to you is no less it message to all our people, for whom you speak most intimately. Ours is it popular Government through political parties. We divide along political lines, and I would ever have it so. I do not mean that partisan preferences should hinder any public servant in the performance of a conscientious and patriotic official duty. We saw partisan lines utterly obliterated when war imperiled, and our faith in the Republic was riveted anew. We ought not to find these partisan lines obstructing the expeditious solution of the urgent problems of peace.

Granting that we are fundamentally a representative popular Government, with political parties the governing agencies, I believe the political party in power should assume responsibility, determine upon policies ill the conference which supplements conventions and election campaigns, and then strive for achievement through adherence to the accepted policy.

There is vastly greater security, immensely more of the national viewpoint, much larger and prompter accomplishment where our divisions are along party lines, in the broader and loftier sense, than to divide geographically, or according to pursuits, or personal following. For a century and a third, parties have been charged with responsibility and held to strict accounting. When they fail, they are relieved of authority; and the system has brought its to a national eminence no less than a world example.

Necessarily legislation is a matter of compromise. The full ideal is seldom attained. In that meeting of minds necessary to insure results, there must and will be accommodations and compromises, but in the estimate of convictions and sincere put-poses the supreme responsibility to national interest must not be ignored. The shield to the high-minded public servant who adheres to party policy is manifest, but the higher purpose is the good of the Republic as a whole.

Page 2248

It would be ungracious to withhold acknowledgment of the really large volume and excellent quality of work accomplished by the extraordinary session of Congress which so recently adjourned. I am not unmindful of the very difficult tasks with which you were called to deal, and no one can ignore the insistent conditions which, during recent years, have called for the continued and almost exclusive attention of your membership to public work. It would suggest insincerity if I expressed complete accord with every expression recorded in your roll calls, but we are all agreed about the difficulties and the inevitable divergence of opinion in seeking the reduction, amelioration and readjustment of the burdens of taxation. Later on, when other problems are solved, I shall make some recommendations about renewed consideration of our tax program, but for the immediate time before us we must be content with the billion dollar reduction in the tax draft upon the people, and diminished irritations, banished uncertainty and improved methods of collection. By your sustainment of the rigid economies already inaugurated, with hoped-for extension of these economies and added efficiencies in administration, I believe further reductions may be enacted and hindering burdens abolished.

In these urgent economies we shall be immensely assisted by the budget system for which you made provision in the extraordinary session. The first budget is before you. Its preparation is a signal achievement, and the perfection of the system, a thing impossible in the few months available for its initial trial, will mark its enactment as the beginning of the greatest reformation in governmental practices since the beginning of the Republic.

There is pending a grant of authority to the administrative branch of the Government for the funding and settlement of our vast foreign loans growing out of our grant of war credits. With the hands of the executive branch held impotent to deal with these debts we are hindering urgent readjustments among our debtors and accomplishing nothing for ourselves. I think it is fair for the Congress to assume that the executive branch of the Government would adopt no major policy in dealing with these matters which would conflict with the purpose of Congress in authorizing the loans, certainly not without asking congressional approval, but there are minor problems incident to prudent loan transactions and the safeguarding of our interests which can not even be attempted without this authorization. It will be helpful to ourselves and it will improve conditions among our debtors if funding and the settlement of defaulted interest may be negotiated.

Page 2249

The previous Congress, deeply concerned in behalf of our merchant marine, in 1920 enacted the existing shipping law, designed for the upbuilding of the American merchant marine. Among other things provided to encourage our shipping on the world's seas, the Executive was directed to give notice of the termination of all existing commercial treaties in order to admit of reduced duties on imports carried in American bottoms. During the life of the act no Executive has complied with this order of the Congress. When the present administration came into responsibility it began an early inquiry into the failure to execute the expressed purpose of the Jones Act. Only one conclusion has been possible. Frankly, Members of House and Senate, eager its I am to join you in the making of an American merchant marine commensurate with our commerce, the denouncement of our commercial treaties would involve us in a chaos of trade relationships and add indescribably to the confusion of the already disordered commercial world. Our power to do so is not disputed, but power and ships, without comity of relationship, will not give us the expanded trade which is inseparably linked with a great merchant marine. Moreover, the applied reduction of duty, for which the treaty denouncements were necessary, encouraged only the carrying of dutiable imports to our shores, while the tonnage which unfurls the flag on the seas is both free and dutiable, and the cargoes which make it nation eminent in trade are outgoing, rather than incoming.

It is not my thought to lay the problem before you in detail today. It is desired only to say to you that the executive branch of the Government, uninfluenced by the protest of any nation, for none has been made, is well convinced that your proposal, highly intended and heartily supported here, is so fraught with difficulties and so marked by tendencies to discourage trade expansion, that I invite your tolerance of noncompliance for only a few weeks until a plan may be presented which contemplates no greater draft upon the Public Treasury, and which, though yet too crude to offer it to-day, gives such promise of expanding our merchant marine, that it will argue its own approval. It is enough to say to-day that we are so possessed of ships, and the American intention to establish it merchant marine is so unalterable, that a plain of reimbursement, at no other cost than is contemplated in the existing act, will appeal to the pride and encourage the hope of all the American people.

There is before you the completion of the enactment of what has been termed a "permanent" tariff law, the word "permanent" being used to distinguish it from the emergency act which the Congress expedited early in the extraordinary session, and which is the law today. I can not too strongly urge in early completion of this necessary legislation It is needed to stabilize our industry at home; it is essential to make more definite our trade relations abroad. More, it is vital to the preservation of many of our own industries which contribute so notably to the very lifeblood of our Nation.

Page 2250

There is now, and there always will be, a storm of conflicting opinion about any tariff revision. We can not go far wrong when we base our tariffs on the policy of preserving the productive activities which enhance employment and add to our national prosperity.

Again comes the reminder that we must not be unmindful of world conditions, that peoples are struggling for industrial rehabilitation and that we can not dwell in industrial and commercial exclusion and at the same time do the just thing in aiding world reconstruction and readjustment. We do not seek a selfish aloofness, and we could not profit by it, were it possible. We recognize the necessity of buying wherever we sell, and the permanency of trade lies in its acceptable exchanges. In our pursuit of markets we must give as well as receive. We can not sell to others who do not produce, nor can we buy unless we produce at home. Sensible of every obligation of humanity, commerce and finance, linked as they are in the present world condition, it is not to be argued that we need destroy ourselves to be helpful to others. With all my heart I wish restoration to the peoples blighted by the awful World War, but the process of restoration does not lie in our acceptance of like conditions. It were better to, remain on firm ground, strive for ample employment and high standards of wage at home, and point the way to balanced budgets, rigid economies, and resolute, efficient work as the necessary remedies to cure disaster.

Everything relating to trade, among ourselves and among nations, has been expanded, excessive, inflated, abnormal, and there is a madness in finance which no American policy alone will cure. We are a creditor Nation, not by normal processes, but made so by war. It is not an unworthy selfishness to seek to save ourselves, when the processes of that salvation are not only not denied to others, but commended to them. We seek to undermine for others no industry by which they subsist; we are obligated to permit the undermining of none of our own which make for employment and maintained activities.

Every contemplation, it little matters in which direction one turns, magnifies the difficulty of tariff legislation, but the necessity of the revision is magnified with it. Doubtless we are justified in seeking it. More flexible policy than we have provided heretofore. I hope a way will be found to make for flexibility and elasticity, so that rates may be adjusted to meet unusual and changing conditions which can not be accurately anticipated. There are problems incident to unfair practices, and to exchanges which madness in money have made almost unsolvable. I know of no manner in which to effect this flexibility other than the extension of the powers of the Tariff Commission so that it can adapt itself to it scientific and wholly just administration of the law.

I am not unmindful of the constitutional difficulties. These can be met by giving authority to the Chief Executive, who could proclaim-additional duties to meet conditions which the Congress may designate.

Page 2251

At this point I must disavow any desire to enlarge the Executive's powers or add to the responsibilities of the office. They are already too large. If there were any other plan I would prefer it.

The grant of authority to proclaim would necessarily bring the Tariff Commission into new and enlarged activities, because no Executive could discharge such a duty except upon the information acquired and recommendations made by this commission. But the plan is feasible, and the proper functioning of the board would give its it better administration of a defined policy than ever can be made possible by tariff duties prescribed without flexibility.

There is a manifest difference of opinion about the merits of American valuation. Many nations have adopted delivery valuation as the basis for collecting duties; that is, they take the cost of the imports delivered at the port of entry as the basis for levying duty. It is no radical departure, in view of varying conditions and the disordered state of money values, to provide for American valuation, but there can not be ignored the danger of such a valuation, brought to the level of our own production costs, making our tariffs prohibitive. It might do so in many instances where imports ought to be encouraged. I believe Congress ought well consider the desirability of the only promising alternative, namely, a provision authorizing proclaimed American valuation, under prescribed conditions, on any given list of articles imported.

In this proposed flexibility, authorizing increases to meet conditions so likely to change, there should also be provision for decreases. A rate may be just to-day, and entirely out of proportion six months from to-day. If our tariffs are to be made equitable, and not necessarily burden our imports and hinder our trade abroad, frequent adjustment will be necessary for years to come. Knowing the impossibility of modification by act of Congress for any one or a score of lines without involving a long array of schedules, I think we shall go a long ways toward stabilization, if there is recognition of the Tariff Commission's fitness to recommend urgent changes by proclamation.

I am sure about public opinion favoring the early determination of our tariff policy. There have been reassuring signs of a business revival from the deep slump which all the world has been experiencing. Our unemployment, which gave its deep concern only a few weeks ago, has grown encouragingly less, and new assurances and renewed confidence will attend the congressional declaration that American industry will be held secure.

Page 2252

Much has been said about the protective policy for ourselves making it impossible for our debtors to discharge their obligations to us. This is a contention not now pressing for decision. If we must choose between a people in idleness pressing for the payment of indebtedness, or a people resuming the normal ways of employment and carrying the credit, let us choose the latter. Sometimes we appraise largest the human ill most vivid in our minds. We have been giving, and are giving now, of our influence and appeals to minimize the likelihood of war and throw off the crushing burdens of armament. It is all very earnest, with a national soul impelling. But a people unemployed, and gaunt with hunger, face a situation quite as disheartening as war, and our greater obligation to-day is to do the Government's part toward resuming productivity and promoting fortunate and remunerative employment.

Something more than tariff protection is required by American agriculture. To the farmer has come the earlier and the heavier burdens of readjustment. There is actual depression in our agricultural industry, while agricultural prosperity is absolutely essential to the general prosperity of the country.

Congress has sought very earnestly to provide relief. It has promptly given such temporary relief as has been possible, but the call is insistent for the permanent solution. It is inevitable that large crops lower the prices and short crops advance them. No legislation can cure that fundamental law. But there must be some economic solution for the excessive variation in returns for agricultural production.

It is rather shocking to be told, and to have the statement strongly supported, that 9,000,000 bales of cotton, raised on American plantations in a given year, will actually be worth more to the producers than 13,000,000 bales would have been. Equally shocking is the statement that 700,000,000 bushels of wheat, raised by American farmers, would bring them more money than a billion bushels. Yet these are not exaggerated statements. In a world where there are tens of millions who need food and clothing which they can not get, such a condition is sure to indict the social system which makes it possible.

In the main the remedy lies in distribution and marketing. Every proper encouragement should be given to the cooperative marketing programs. These have proven very helpful to the cooperating communities in Europe. In Russia the cooperative community has become the recognized bulwark of law and order, and saved individualism from engulfment in social paralysis. Ultimately they will be accredited with the salvation of the Russian State.

There is the appeal for this experiment. Why not try it? No one challenges the right of the farmer to a larger share of the consumer's pay for his product, no one disputes that we can not live without the farmer. He is justified in rebelling against the transportation cost. Given a fair return for his labor, he will have less occasion to appeal for financial

aid; and given assurance that his labors shall not be in vain, we reassure all the people of a production sufficient to meet our National requirement and guard against disaster.

Page 2253

The base of the pyramid of civilization which rests upon the soil is shrinking through the drift of population from farm to city. For a generation we have been expressing more or less concern about this tendency. Economists have warned and statesmen have deplored. We thought for at time that modern conveniences and the more intimate contact would halt the movement, but it has gone steadily on. Perhaps only grim necessity will correct it, but we ought to find a less drastic remedy.

The existing scheme of adjusting freight rates hits been favoring the basing points, until industries are attracted to some centers and repelled from others. A great volume of uneconomic and wasteful transportation has attended, and the cost increased accordingly. The grain-milling and meat-packing industries afford ample illustration, and the attending concentration is readily apparent. The menaces in concentration are not limited to the retardingly influences on agriculture. Manifestly the. conditions and terms of railway transportation ought not be permitted to increase this undesirable tendency. We have a just pride in our great cities, but we shall find a greater pride in the Nation, which has it larger distribution of its population into the country, where comparatively self-sufficient smaller communities may blend agricultural and manufacturing interests in harmonious helpfulness and enhanced good fortune. Such a movement contemplates no destruction of things wrought, of investments made, or wealth involved. It only looks to a general policy of transportation of distributed industry, and of highway construction, to encourage the spread of our population and restore the proper balance between city and country. The problem may well have your earnest attention.

It has been perhaps the proudest claim of our American civilization that in dealing with human relationships it has constantly moved toward such justice in distributing the product of human energy that it has improved continuously the economic status of the mass of people. Ours has been a highly productive social organization. On the way up from the elemental stages of society we have eliminated slavery and serfdom and are now far on the way to the elimination of poverty.

Through the eradication of illiteracy and the diffusion of education mankind has reached a stage where we may fairly say that in the United States equality of opportunity has been attained, though all are not prepared to embrace it. There is, indeed, a too great divergence between the economic conditions of the most and the least favored classes in the community. But even that divergence has now come to the point where we bracket the very poor and the very rich together as the least fortunate classes. Our efforts may well be directed to improving the status of both.

Page 2254

While this set of problems is commonly comprehended under the general phrase "Capital and labor," it is really vastly broader. It is a question of social and economic organization. Labor has become a large contributor, through its savings, to the stock of capital; while the people who own the largest individual aggregates of capital are themselves often hard and earnest laborers. Very often it is extremely difficult to draw the line of demarcation between the two groups; to determine whether a particular individual is entitled to be set down as laborer or as capitalist. In a very large proportion of cases he is both, and when he is both he is the most useful citizen.

The right of labor to organize is just as fundamental and necessary as is the right of capital to organize. The right of labor to negotiate, to deal with and solve its particular problems in an organized way, through its chosen agents, is just as essential as is the right of capital to organize, to maintain corporations, to limit the liabilities of stockholders. Indeed, we have come to recognize that the limited liability of the citizen as a member of a labor organization closely parallels the limitation of liability of the citizen as a stockholder in a corporation for profit. Along this line of reasoning we shall make the greatest progress toward solution of our problem of capital and labor.

In the case of the corporation which enjoys the privilege of limited liability of stockholders, particularly when engaged in in the public service, it is recognized that the outside public has a large concern which must be protected; and so we provide regulations, restrictions, and in some cases detailed supervision. Likewise in the case of labor organizations, we might well apply similar and equally well-defined principles of regulation and supervision in order to conserve the public's interests as affected by their operations.

Just as it is not desirable that a corporation shall be allowed to impose undue exactions upon the public, so it is not desirable that a labor organization shall be permitted to exact unfair terms of employment or subject the public to actual distresses in order to enforce its terms. Finally, just as we are earnestly seeking for procedures whereby to adjust and settle political differences between nations without resort to war, so we may well look about for means to settle the differences between organized capital and organized labor without resort to those forms of warfare which we recognize under the name of strikes, lockouts, boycotts, and the like.

Page 2255

As we have great bodies of law carefully regulating the organization and operations of industrial and financial corporations, as we have treaties and compacts among nations which look to the settlement of differences without the necessity of conflict in arms, so we might well have plans of conference, of common counsel, of mediation, arbitration, and judicial determination in controversies between labor and capital. To accomplish this would involve the necessity to develop a thoroughgoing code of practice in dealing with such affairs It might be well to frankly set forth the superior interest of the community as a whole to either the labor group or the capital group. With rights, privileges, immunities, and modes of organization thus carefully defined, it should be possible to set up judicial or quasi judicial tribunals for the consideration and determination of all disputes which menace the public welfare.

In an industrial society such as ours the strike, the lockout, and the boycott are as much out of place and as disastrous in their results as is war or armed revolution in the domain of politics. The same disposition to reasonableness, to conciliation, to recognition of the other side's point of view, the same provision of fair and recognized tribunals and processes, ought to make it possible to solve the one set of questions its easily as the other. I believe the solution is possible.

The consideration of such a policy would necessitate the exercise of care and deliberation in the construction of a code and a charter of elemental rights, dealing with the relations of employer and employee. This foundation in the law, dealing with the modern conditions of social and economic life, would hasten the building of the temple of peace in industry which a rejoicing nation would acclaim.

After each war, until the last, the Government has been enabled to give homes to its returned soldiers, and a large part of our settlement and development has attended this generous provision of land for the Nation's defenders.

There is yet unreserved approximately 200,000,000 acres in the public domain, 20,000,000 acres of which are known to be susceptible of reclamation and made fit for homes by provision for irrigation.

The Government has been assisting in the development of its remaining lands, until the estimated increase in land values in the irrigated sections is full $500,000,000 and the crops of 1920 alone on these lands are estimated to exceed $100,000,000. Under the law authorization these expenditures for development the advances are to be returned and it would be good business for the Government to provide for the reclamation of the remaining 20,000,000 acres, in addition to expediting the completion of projects long under way.

Under what is known as the coal and gas lease law, applicable also to deposits of phosphates and other minerals on the public domain, leases are now being made on the royalty basis, and are producing large revenues to the Government. Under this

legislation, 10 per centum of all royalties is to be paid directly to the Federal Treasury, and of the remainder 50 per centum is to be used for reclamation of arid lands by irrigation, and 40 per centum is to be paid to the States, in which the operations are located, to be used by them for school and road purposes.

Page 2256

These resources are so vast, and the development is affording so reliable a basis of estimate, that the Interior Department expresses the belief that ultimately the present law will add in royalties and payments to the treasuries of the Federal Government and the States containing these public lands a total of $12,000,000,000. This means, of course, an added wealth of many times that sum. These prospects seem to afford every justification of Government advances in reclamation and irrigation.

Contemplating the inevitable and desirable increase of population, there is another phase of reclamation full worthy of consideration. There are 79,000,000 acres of swamp and cut-over lands which may be reclaimed and made as valuable as any farm lands we possess. These acres are largely located in Southern States, and the greater proportion is owned by the States or by private citizens. Congress has a report of the survey of this field for reclamation, and the feasibility is established. I gladly commend Federal aid, by way of advances, where State and private participation is assured.

Home making is one of the greater benefits which government can bestow. Measures are pending embodying this sound policy to which we may well adhere. It is easily possible to make available permanent homes which will provide, in turn, for prosperous American families, without injurious competition with established activities, or imposition on wealth already acquired.

While we are thinking of promoting the fortunes of our own people I am sure there is room in the sympathetic thought of America for fellow human beings who are suffering and dying of starvation in Russia. A severe drought in the Valley of the Volga has plunged 15,000,000 people into grievous famine. Our voluntary agencies are exerting themselves to the utmost to save the lives of children in this area, but it is now evident that unless relief is afforded the loss of life will extend into many millions. America can not be deaf to such a call as that.

We do not recognize the government of Russia, nor tolerate the propaganda which emanates therefrom, but we do not forget the traditions of Russian friendship. We may put aside our consideration of all international politics and fundamental differences in government. The big thing is the call of the suffering and the dying. Unreservedly I recommend the appropriation necessary to supply the American Relief Administration with 10,000,000 bushels of corn and 1,000,000 bushels of seed grains, not alone to halt the wave of death through starvation, but to enable spring planting in areas where the seed grains have been exhausted temporarily to stem starvation.

The American Relief Administration is directed in Russia by former officers of our own armies, and has fully demonstrated its ability to transport and distribute relief through American hands without hindrance or loss. The time has come to add the Government's support to the wonderful relief already wrought out of the generosity of the American private purse.

Page 2257

I am not unaware that we have suffering and privation at home. When it exceeds the capacity for the relief within the States concerned, it will have Federal consideration. It seems to me we should be indifferent to our own heart promptings, and out of accord with the spirit which acclaims the Christmastide, if we do not give out of our national abundance to lighten this burden of woe upon a people blameless and helpless in famine's peril.

There are it full score of topics concerning which it would be becoming to address you, and on which I hope to make report at a later time. I have alluded to the things requiring your earlier attention. However, I can not end this limited address without a suggested amendment to the organic law.

Many of us belong to that school of thought which is hesitant about altering the fundamental law. I think our tax problems, the tendency of wealth to seek nontaxable investment, and the menacing increase of public debt, Federal, State and municipal-all justify a proposal to change the Constitution so as to end the issue of nontaxable bonds. No action can change the status of the many billions outstanding, but we can guard against future encouragement of capital's paralysis, while a halt in the growth of public indebtedness would be beneficial throughout our whole land.

Such a change in the Constitution must be very thoroughly considered before submission. There ought to be known what influence it will have on the inevitable refunding of our vast national debt, how it will operate on the necessary refunding of State and municipal debt, how the advantages of Nation over State and municipality, or the contrary, may be avoided. Clearly the States would not ratify to their own apparent disadvantage. I suggest the consideration because the drift of wealth into nontaxable securities is hindering the flow of large capital to our industries, manufacturing, agricultural, and carrying, until we are discouraging the very activities which make our wealth.

Agreeable to your expressed desire and in complete accord with the purposes of the executive branch of the Government, there is in Washington, as you happily know, an International Conference now most earnestly at work on plans for the limitation of armament, a naval holiday, and the just settlement of problems which might develop into causes of international disagreement.

It is easy to believe a world-hope is centered on this Capital City. A most gratifying world-accomplishment is not improbable.

***

State of the Union Address
Warren Harding
December 8, 1922

Members of the congress:

So many problems are calling for solution that a recital of all of them, in the face of the known limitations of a short session of Congress, would seem to lack sincerity of purpose. It is four years since the World War ended, but the inevitable readjustment of the social and economic order is not more than barely begun. There is no acceptance of pre-war conditions anywhere in the world. In a very general way humanity harbors individual wishes to go on with war-time compensation for production, with pre-war requirements in expenditure. In short, everyone, speaking broadly, craves readjustment for everybody except himself, while there can be no just and permanent readjustment except when all participate.

Page 2258

The civilization which measured its strength of genius and the power of science and the resources of industries, in addition to testing the limits of man power and the endurance and heroism of men and women—that same civilization is brought to its severest test in restoring a tranquil order and committing humanity to the stable ways of peace.

If the sober and deliberate appraisal of pre-war civilization makes it seem a worth-while inheritance, then with patience and good courage it will be preserved. There never again will be precisely the old order; indeed, I know of no one who thinks it to be desirable For out of the old order came the war itself, and the new order, established and made secure, never will permit its recurrence.

It is no figure of speech to say we have come to the test of Our civilization. The world has been passing—is today passing through of a great crisis. The conduct of war itself is not more difficult than the solution of the problems which necessarily follow. I am not speaking at this moment of the problem in its wider aspect of world rehabilitation or of international relationships. The reference is to our own social, financial, and economic problems at home. These things are not to be considered solely as problems apart from all international relationship, but every nation must be able to carry on for itself, else its international relationship will have scant importance.

Doubtless our own people have emerged from the World War tumult less impaired than most belligerent powers; probably we have made larger progress toward reconstruction. Surely we have been fortunate in diminishing unemployment, and our industrial and business activities, which are the lifeblood of our material existence, have been restored as in no other reconstruction period of like length in the history of the world. Had we escaped the coal and railway strikes, which had no excuse for their beginning and less justification for their delayed settlement, we should have done infinitely better. But labor was insistent on holding to the war heights, and heedless forces of reaction sought the pre-war levels, and both were wrong. In the folly of conflict our progress was hindered, and the heavy cost has not yet been fully estimated. There can be neither adjustment nor the penalty of the failure to readjust in which all do not somehow participate.

The railway strike accentuated the difficulty of the American farmer. The first distress of readjustment came to the farmer, and it will not be a readjustment fit to abide until he is relieved. The distress brought to the farmer does not affect him alone. Agricultural ill fortune is a national ill fortune. That one-fourth of our population which produces the food of the Republic and adds so largely to our export commerce must participate in the good fortunes of the Nation, else there is none worth retaining.

Page 2259

Agriculture is a vital activity in our national life. In it we had our beginning, and its westward march with the star of the empire has reflected the growth of the Republic. It has its vicissitudes which no legislation will prevent, its hardships for which no law can provide escape. But the Congress can make available to the farmer the financial facilities which have been built up under Government aid and supervision for other commercial and industrial enterprises. It may be done on the same solid fundamentals and make the vitally important agricultural industry more secure, and it must be done.

This Congress already has taken cognizance of the misfortune which precipitate deflation brought to American agriculture. Your measures of relief and the reduction of the Federal reserve discount rate undoubtedly saved the country from widespread disaster. The very proof of helpfulness already given is the strongest argument for the permanent establishment of widened credits, heretofore temporarily extended through the War Finance Corporation.

The Farm Loan Bureau, which already has proven its usefulness through the Federal land banks, may well have its powers enlarged to provide ample farm production credits as well as enlarged land credits. It is entirely practical to create a division in the Federal land banks to deal with production credits, with the limitations of time so adjusted to the farm turnover as the Federal reserve system provides for the turnover in the manufacturing and mercantile world. Special provision must be made for live-stock production credits, and the limit of land loans may be safely enlarged. Various measures are pending before you, and the best judgment of Congress ought to be expressed in a prompt enactment at the present session.

But American agriculture needs more than added credit facilities. The credits will help to solve the pressing problems growing out of war-inflated land values and the drastic deflation of three years ago, but permanent and deserved agricultural good fortune depends on better and cheaper transportation.

Here is an outstanding problem, demanding the most rigorous consideration of the Congress and the country. It has to do with more than agriculture. It provides the channel for the flow of the country's commerce. But the farmer is particularly hard hit. His market, so affected by the world consumption, does not admit of the price adjustment to meet carrying charges. In the last half of the year now closing the railways, broken in carrying capacity because of motive power and rolling stock out of order, though insistently declaring to the contrary, embargoed his shipments or denied him cars when fortunate markets were calling. Too frequently transportation failed while perishable products were turning from possible profit to losses counted in tens of millions.

I know of no problem exceeding in importance this one of transportation. In our complex and interdependent modern life transportation is essential to our very existence. Let us pass for the moment the menace in the possible paralysis of such

service as we have and note the failure, for whatever reason, to expand our transportation to meet the Nation's needs.

Page 2260

The census of 1880 recorded a population of 50,000,000. In two decades more we may reasonably expect to count thrice that number. In the three decades ending in 1920 the country's freight by rail increased from 631,000,000 tons to 2,234,000,000 tons; that is to say, while our population was increasing, less than 70 per cent, the freight movement increased over 250 per cent.

We have built 40 per cent of the world's railroad mileage, and yet find it inadequate to our present requirements. When we contemplate the inadequacy of to-day it is easy to believe that the next few decades will witness the paralysis of our transportation-using social scheme or a complete reorganization on some new basis. Mindful of the tremendous costs of betterments, extensions, and expansions, and mindful of the staggering debts of the world to-day, the difficulty is magnified. Here is a problem demanding wide vision and the avoidance of mere makeshifts. No matter what the errors of the past, no matter how we acclaimed construction and then condemned operations in the past, we have the transportation and the honest investment in the transportation which sped us on to what we are, and we face conditions which reflect its inadequacy to-day, its greater inadequacy to-morrow, and we contemplate transportation costs which much of the traffic can not and will not continue to pay.

Manifestly, we have need to begin on plans to coordinate all transportation facilities. We should more effectively connect up our rail lines with our carriers by sea. We ought to reap some benefit from the hundreds of millions expended on inland waterways, proving our capacity to utilize as well as expend. We ought to turn the motor truck into a railway feeder and distributor instead of a destroying competitor.

It would be folly to ignore that we live in a motor age. The motor car reflects our standard of living and gauges the speed of our present-day life. It long ago ran down Simple Living, and never halted to inquire about the prostrate figure which fell as its victim. With full recognition of motor-car transportation we must turn it to the most practical use. It can not supersede the railway lines, no matter how generously we afford it highways out of the Public Treasury. If freight traffic by motor were charged with its proper and proportionate share of highway construction, we should find much of it wasteful and more costly than like service by rail. Yet we have paralleled the railways, a most natural line of construction, and thereby taken away from the agency of expected service much of its profitable traffic, which the taxpayers have been providing the highways, whose cost of maintenance is not yet realized.

The Federal Government has a right to inquire into the wisdom of this policy, because the National Treasury is contributing largely to this highway construction. Costly highways ought to be made to serve as feeders rather than competitors of the railroads, and the motor truck should become a coordinate factor in our great distributing system.

Page 2261

This transportation problem can not be waived aside. The demand for lowered costs on farm products and basic materials can not be ignored. Rates horizontally increased, to meet increased wage outlays during the war inflation, are not easily reduced. When some very moderate wage reductions were effected last summer there was a 5 per cent horizontal reduction in rates. I sought at that time, in a very informal way, to have the railway managers go before the Interstate Commerce Commission and agree to a heavier reduction on farm products and coal and other basic commodities, and leave unchanged the freight tariffs which a very large portion of the traffic was able to bear. Neither the managers nor the commission tile@@ suggestion, so we had the horizontal reduction saw fit to adopt too slight to be felt by the higher class cargoes and too little to benefit the heavy tonnage calling most loudly for relief.

Railways are not to be expected to render the most essential service in our social organization without a air return on capital invested, but the Government has gone so far in the regulation of rates and rules of operation that it has the responsibility of pointing the way to the reduced freight costs so essential to our national welfare.

Government operation does not afford the cure. It was Government operation which brought us to the very order of things against which we now rebel, and we are still liquidating the costs of that supreme folly.

Surely the genius of the railway builders has not become extinct among the railway managers. New economies, new efficiencies in cooperation must be found. The fact that labor takes 50 to 60 per cent of total railway earnings makes limitations within which to effect economies very difficult, but the demand is no less insistent on that account.

Clearly the managers are without that intercarrier, cooperative relationship so highly essential to the best and most economical operation. They could not function in harmony when the strike threatened the paralysis of all railway transportation. The relationship of the service to public welfare, so intimately affected by State and Federal regulation, demands the effective correlation and a concerted drive to meet an insistent and justified public demand.

The merger of lines into systems, a facilitated interchange of freight cars, the economic use of terminals, and the consolidation of facilities are suggested ways of economy and efficiency.

I remind you that Congress provided a Joint Commission of Agricultural Inquiry which made an exhaustive investigation of car service and transportation, and unanimously recommended in its report of October 15, 1921, the pooling of freight cars under a central agency. This report well deserves your serious consideration. I think well of the central agency, which shall be a creation of the railways themselves, to provide, under the jurisdiction of the Interstate Commerce Commission, the means for financing

equipment for carriers which are otherwise unable to provide their proportion of car equipment adequate to transportation needs. This same agency ought to point the way to every possible economy in maintained equipment and the necessary interchanges in railway commerce.

Page 2262

In a previous address to the Congress I called to your attention the insufficiency of power to enforce the decisions of the Railroad Labor Board. Carriers have ignored its decisions, on the one hand, railway workmen have challenged its decisions by a strike, on the other hand.

The intent of Congress to establish a tribunal to which railway labor and managers may appeal respecting questions of wages and working conditions can not be too strongly commended. It is vitally important that some such agency should be a guaranty against suspended operation. The public must be spared even the threat of discontinued service.

Sponsoring the railroads as we do, it is an obligation that labor shall be assured the highest justice and every proper consideration of wage and working conditions, but it is an equal obligation to see that no concerted action in forcing demands shall deprive the public of the transportation service essential to its very existence. It is now impossible to safeguard public interest, because the decrees of the board are unenforceable against either employer or employee.

The Labor Board itself is not so constituted as best to serve the public interest. With six partisan members on a board of nine, three partisans nominated by the employees and three by the railway managers, it is inevitable that the partisan viewpoint is maintained throughout hearings and in decisions handed down. Indeed, the few exceptions to a strictly partisan expression in decisions thus far rendered have been followed by accusations of betrayal of the partisan interests represented. Only the public group of three is free to function in unbiased decisions. Therefore the partisan membership may well be abolished, and decisions should be made by an impartial tribunal.

I am well convinced that the functions of this tribunal could be much better carried on here in Washington. Even were it to be continued as a separate tribunal, there ought to be contact with the Interstate Commerce Commission, which has supreme authority in the rate making to which wage cost bears an indissoluble relationship Theoretically, a fair and living wage must be determined quite apart from the employer's earning capacity, but in practice, in the railway service, they are inseparable. The record of advanced rates to meet increased wages, both determined by the Government, is proof enough.

The substitution of a labor division in the Interstate Commerce Commission made up from its membership, to hear and decide disputes relating to wages and working conditions which have failed of adjustment by proper committees created by the railways and their employees, offers a more effective plan.

It need not be surprising that there is dissatisfaction over delayed hearings and decisions by the present board when every trivial dispute is carried to that tribunal. The law should require the railroads and their employees to institute means and methods to

negotiate between themselves their constantly arising differences, limiting appeals to the Government tribunal to disputes of such character as are likely to affect the public welfare.

Page 2263

This suggested substitution will involve a necessary increase in the membership of the commission, probably four, to constitute the labor division. If the suggestion appeals to the Congress, it will be well to specify that the labor division shall be constituted of representatives of the four rate-making territories, thereby assuring a tribunal conversant with the conditions which obtain in the different ratemaking sections of the country.

I wish I could bring to you the precise recommendation for the prevention of strikes which threaten the welfare of the people and menace public safety. It is an impotent civilization and an inadequate government which lacks the genius and the courage to guard against such a menace to public welfare as we experienced last summer. You were aware of the Government's great concern and its futile attempt to aid in an adjustment. It will reveal the inexcusable obstinacy which was responsible for so much distress to the country to recall now that, though all disputes are not yet adjusted, the many settlements which have been made were on the terms which the Government proposed in mediation.

Public interest demands that ample power shall be conferred upon the. labor tribunal, whether it is the present board or the suggested substitute, to require its rulings to be accepted by both parties to a disputed question.

Let there be no confusion about the purpose of the suggested conferment of power to make decisions effective. There can be no denial of constitutional rights of either railway workmen or railway managers. No man can be denied his right to labor when and how he chooses, or cease to labor when he so elects, but, since the Government assumes to safeguard his interests while employed in an essential public service, the security of society itself demands his retirement from the service shall not be so timed and related as to effect the destruction of that service. This vitally essential public transportation service, demanding so much of brain and brawn, so much for efficiency and security, ought to offer the most attractive working conditions and the highest of wages paid to workmen in any employment.

In essentially every branch, from track repairer to the man at the locomotive throttle, the railroad worker is responsible for the safety of human lives and the care of vast property. His high responsibility might well rate high his pay within the limits the traffic will bear; but the same responsibility, plus governmental protection, may justly deny him and his associates a withdrawal from service without a warning or under circumstances which involve the paralysis of necessary transportation. We have assumed so great a responsibility in necessary regulation that we unconsciously have assumed the responsibility for maintained service; therefore the lawful power for the enforcement of decisions is necessary to sustain the majesty of government and to administer to the public welfare.

Page 2264

During its longer session the present Congress enacted a new tariff law. The protection of the American standards of living demanded the insurance it provides against the distorted conditions of world commerce The framers of the law made provision for a certain flexibility of customs duties, whereby it is possible to readjust them as developing conditions may require. The enactment has imposed a large responsibility upon the Executive, but that responsibility will be discharged with a broad mindfulness of the whole business situation. The provision itself admits either the possible fallibility of rates or their unsuitableness to changing conditions. I believe the grant of authority may be promptly and discreetly exercised, ever mindful of the intent and purpose to safeguard American industrial activity, and at the same time prevent the exploitation of the American consumer and keep open the paths of such liberal exchanges as do not endanger our own productivity.

No one contemplates commercial aloofness nor any other aloofness contradictory to the best American traditions or loftiest human purposes. Our fortunate capacity for comparative self-containment affords the firm foundation on which to build for our own security, and a like foundation on which to build for a future of influence and importance in world commerce. Our trade expansion must come of capacity and of policies of righteousness and reasonableness in till our commercial relations.

Let no one assume that our provision for maintained good fortune at home, and our unwillingness to assume the correction of all the ills of the world, means a reluctance to cooperate with other peoples or to assume every just obligation to promote human advancement anywhere in the world.

War made its a creditor Nation. We did not seek an excess possession of the world's gold, and we have neither desire to profit Unduly by its possession nor permanently retain it. We do not seek to become an international dictator because of its power.

The voice of the United States has a respectful hearing in international councils, because we have convinced the world that we have no selfish ends to serve, no old grievances to avenge, no territorial or other greed to satisfy. But the voice being heard is that of good counsel, not of dictation. It is the voice of sympathy and fraternity and helpfulness, seeking to assist but not assume for the United States burdens which nations must bear for themselves. We would rejoice to help rehabilitate currency systems and facilitate all commerce which does not drag us to the very levels of those we seek to lift up.

While I have everlasting faith in our Republic, it would be folly, indeed, to blind ourselves to our problems at home. Abusing the hospitality of our shores are the advocates of revolution, finding their deluded followers among those who take on the habiliments of an American without knowing an American soul. There is the recrudescence of hyphenated Americanism which we thought to have been stamped out when we committed the Nation, life and soul, to the World War.

Page 2265

There is a call to make the alien respect our institutions while he accepts our hospitality. There is need to magnify the American viewpoint to the alien who seeks a citizenship among us. There is need to magnify the national viewpoint to Americans throughout the land. More there is a demand for every living being in the United States to respect and abide by the laws of the Republic. Let men who are rending the moral fiber of the Republic through easy contempt for the prohibition law, because they think it restricts their personal liberty, remember that they set the example and breed a contempt for law which will ultimately destroy the Republic.

Constitutional prohibition has been adopted by the Nation. It is the supreme law of the land. In plain speaking, there are conditions relating to its enforcement which savor of nation-wide scandal. It is the most demoralizing factor in our public life.

Most of our people assumed that the adoption of the eighteenth amendment meant the elimination of the question from our politics. On the contrary, it has been so intensified as an issue that many voters are disposed to make all political decisions with reference to this single question. It is distracting the public mind and prejudicing the judgment of the electorate.

The day is unlikely to come when the eighteenth amendment will be repealed. The fact may as well be recognized and our course adapted accordingly. If the statutory provisions for its enforcement are contrary to deliberate public opinion, which I do not believe the rigorous and literal enforcement will concentrate public attention on any requisite modification. Such a course, conforms with the law and saves the humiliation of the Government and the humiliation of our people before the world, and challenges the destructive forces engaged in widespread violation, official corruption and individual demoralization.

The eighteenth amendment involves the concurrent authority of State and Federal Governments, for the enforcement of the policy it defines. A certain lack of definiteness, through division of responsibility is thus introduced. In order to bring about a full understanding of duties and responsibilities as thus distributed, I purpose to invite the governors of the States and Territories, at an early opportunity, to a conference with the Federal Executive authority. Out of the full and free considerations which will thus be possible, it is confidently believed, will emerge a more adequate, comprehension of the whole problem, and definite policies of National and State cooperation in administering the laws.

There are pending bills for the registration of the alien who has come to our shores. I wish the passage of such an act might be expedited. Life amid American opportunities is worth the cost of registration if it is worth the seeking, and the Nation has the right to know who are citizens in the making or who live among us anti share our advantages while seeking to undermine our cherished institutions. This provision will enable us to guard against the abuses in immigration, checking the undesirable whose irregular

Willing is his first violation of our laws. More, it will facilitate the needed Americanizing of those who mean to enroll as fellow citizens.

Page 2266

Before enlarging the immigration quotas we had better provide registration for aliens, those now here or continually pressing for admission, and establish our examination boards abroad, to make sure of desirables only. By the examination abroad we could end the pathos at our ports, when men and women find our doors closed, after long voyages and wasted savings, because they are unfit for admission It would be kindlier and safer to tell them before they embark.

Our program of admission and treatment of immigrants is very intimately related to the educational policy of the Republic With illiteracy estimated at front two-tenths of 1 per cent to less than 2 per cent in 10 of the foremost nations of Europe it rivets our attention to it serious problem when we are reminded of a 6 per cent illiteracy in the United States. The figures are based on the test which defines an Illiterate as one having no schooling whatever. Remembering the wide freedom of our public schools with compulsory attendance in many States in the Union, one is convinced that much of our excessive illiteracy comes to us from abroad, and the education of the immigrant becomes it requisite to his Americanization. It must be done if he is fittingly to exercise the duties as well as enjoy the privileges of American citizenship. Here is revealed the special field for Federal cooperation in furthering education.

From the very beginning public education has been left mainly in the hands of the States. So far as schooling youth is concerned the policy has been justified, because no responsibility can be so effective as that of the local community alive to its task. I believe in the cooperation of the national authority to stimulate, encourage, and broaden the work of the local authorities. But it is the especial obligation of the Federal Government to devise means and effectively assist in the education of the newcomer from foreign lands, so that the level of American education may be made the highest that is humanly possible.

Closely related to this problem of education is the abolition of child labor. Twice Congress has attempted the correction of the evils incident to child employment. The decision of the Supreme Court has put this problem outside the proper domain of Federal regulation until the Constitution is so amended as to give the Congress indubitable authority. I recommend the submission of such an amendment.

We have two schools of thought relating to amendment of the Constitution. One need not be committed to the belief that amendment is weakening the fundamental law, or that excessive amendment is essential to meet every ephemeral whim. We ought to amend to meet the demands of the people when sanctioned by deliberate public opinion.

Page 2267

One year ago I suggested the submission of an amendment so that we may lawfully restrict the issues of tax-exempt securities, and I renew that recommendation now. Tax-exempt securities are drying up the sources of Federal taxation and they are encouraging unproductive and extravagant expenditures by States and municipalities. There is more than the menace in mounting public debt, there is the dissipation of capital which should be made available to the needs of productive industry. The proposed amendment will place the State and Federal Governments and all political subdivisions on an exact equality, and will correct the growing menace of public borrowing, which if left unchecked may soon threaten the stability of our institutions.

We are so vast and so varied in our national interests that scores of problems are pressing for attention. I must not risk the wearying of your patience with detailed reference.

Reclamation and irrigation projects, where waste land may be made available for settlement and productivity, are worthy of your favorable consideration.

When it is realized that we are consuming our timber four times as rapidly as we are growing it, we must encourage the greatest possible cooperation between the Federal Government, the various States, and the owners of forest lands, to the end that protection from fire shall be made more effective and replanting encouraged.

The fuel problem is under study now by a very capable fact-finding commission, and any attempt to deal with the coal problem, of such deep concern to the entire Nation, must await the report of the commission.

There are necessary studies of great problems which Congress might well initiate. The wide spread between production costs and prices which consumers pay concerns every citizen of the Republic. It contributes very largely to the unrest in agriculture and must stand sponsor for much against which we inveigh in that familiar term—the high cost of living.

No one doubts the excess is traceable to the levy of the middleman, but it would be unfair to charge him with all responsibility before we appraise what is exacted of him by our modernly complex life. We have attacked the problem on one side by the promotion of cooperative marketing, and we might well inquire into the benefits of cooperative buying. Admittedly, the consumer is much to blame himself, because of his prodigal expenditure and his exaction of service, but Government might well serve to point the way of narrowing the spread of price, especially between the production of food and its consumption.

A superpower survey of the eastern industrial region has recently been completed, looking to unification of steam, water, and electric powers, and to a unified scheme of power distribution. The survey proved that vast economies in tonnage movement of

freights, and in the efficiency of the railroads, would be effected if the superpower program were adopted. I am convinced that constructive measures calculated to promote such an industrial development—I am tempted to say, such an industrial revolution-would be well worthy the careful attention and fostering interest of the National Government.

Page 2268

The proposed survey of a plan to draft all the resources of the Republic, human and material, for national defense may well have your approval. I commended such a program in case of future war, in the inaugural address. of March 4, 1921, and every experience in the adjustment and liquidation of war claims and the settlement of war obligations persuades me we ought to be prepared for such universal call to armed defense.

I bring you no apprehension of war. The world is abhorrent of it, and our own relations are not only free from every threatening cloud, but we have contributed our larger influence toward making armed conflict less likely.

Those who assume that we played our part in the World War and later took ourselves aloof and apart, unmindful of world obligations, give scant credit to the helpful part we assume in international relationships.

Whether all nations signatory ratify all the treaties growing out of the Washington Conference on Limitation of Armament or some withhold approval, the underlying policy of limiting naval armament has the sanction of the larger naval powers, and naval competition is suspended. Of course, unanimous ratification is much to be desired.

The four-power pact, which abolishes every probability of war on the Pacific, has brought new confidence in a maintained peace, and I can well believe it might be made a model for like assurances wherever in the world any common interests are concerned.

We have had expressed the hostility of the American people to a supergovernment or to any commitment where either a council or an assembly of leagued powers may chart our course. Treaties of armed alliance can have no likelihood of American sanction, but we believe in respecting the rights of nations, in the value of conference and consultation, in the effectiveness of leaders of nations looking each other in the face ace before resorting to the arbitrament of arms.

It has been our fortune both to preach and promote international understanding. The influence of the United States in bringing near the settlement of an ancient dispute between South American nations is added proof of the glow of peace in ample understanding. In Washington to-day are met the delegates of the Central American nations, gathered at the table of international understanding, to stabilize their Republics and remove every vestige of disagreement. They are met here by our invitation, not in our aloofness, and they accept our hospitality because they have faith in our unselfishness and believe in our helpfulness. Perhaps we are selfish in craving their confidence and friendship, but such a selfishness we proclaim to the world, regardless of hemisphere, or seas dividing.

Page 2269

I would like the Congress and the people of the Nation to believe that in a firm and considerate way we are insistent on American rights wherever they may be questioned, and deny no rights of others in the assertion of our own. Moreover we are cognizant of the world's struggles for full readjustment and rehabilitation, and we have shirked no duty which comes of sympathy, or fraternity, or highest fellowship among nations. Every obligation consonant with American ideals and sanctioned under our form of government is willingly met. When we can not support we do not demand. Our constitutional limitations do not forbid the exercise of a moral influence, the measure of which is not less than the high purposes we have sought to serve.

After all there is less difference about the part this great Republic shall play in furthering peace and advancing humanity than in the manner of playing it. We ask no one to assume responsibility for us; we assume no responsibility which others must bear for themselves, unless nationality is hopelessly swallowed up in internationalism.

***

State of the Union Address
Calvin Coolidge
December 6, 1923

Since the close of the last Congress the Nation has lost President Harding. The world knew his kindness and his humanity, his greatness and his character. He has left his mark upon history. He has made justice more certain and peace more secure. The surpassing tribute paid to his memory as he was borne across the continent to rest at last at home revealed the place he held in the hearts of the American people. But this is not the occasion for extended reference to the man or his work. In this presence, among these who knew and loved him, that is unnecessary. But we who were associated with him could not resume together the functions of our office without pausing for a moment, and in his memory reconsecrating ourselves to the service of our country. He is gone. We remain. It is our duty, under the inspiration of his example, to take up the burdens which he was permitted to lay down, and to develop and support the wise principles of government which he represented.

FOREIGN AFFAIRS

For us peace reigns everywhere. We desire to perpetuate it always by granting full justice to others and requiring of others full justice to ourselves.

Our country has one cardinal principle to maintain in its foreign policy. It is an American principle. It must be an American policy. We attend to our own affairs, conserve our own strength, and protect the interests of our own citizens; but we recognize thoroughly our obligation to help others, reserving to the decision of our own Judgment the time,

the place, and the method. We realize the common bond of humanity. We know the inescapable law of service.

Page 2270

Our country has definitely refused to adopt and ratify the covenant of the League of Nations. We have not felt warranted in assuming the responsibilities which its members have assumed. I am not proposing any change in this policy; neither is the Senate. The incident, so far as we are concerned, is closed. The League exists as a foreign agency. We hope it will be helpful. But the United States sees no reason to limit its own freedom and independence of action by joining it. We shall do well to recognize this basic fact in all national affairs and govern ourselves accordingly.

WORLD COURT

Our foreign policy has always been guided by two principles. The one is the avoidance of permanent political alliances which would sacrifice our proper independence. The other is the peaceful settlement of controversies between nations. By example and by treaty we have advocated arbitration. For nearly 25 years we have been a member of The Hague Tribunal, and have long sought the creation of a permanent World Court of Justice. I am in full accord with both of these policies. I favor the establishment of such a court intended to include the whole world. That is, and has long been, an American policy.

Pending before the Senate is a proposal that this Government give its support to the Permanent Court of International Justice, which is a new and somewhat different plan. This is not a partisan question. It should not assume an artificial importance. The court is merely a convenient instrument of adjustment to which we could go, but to which we could not be brought. It should be discussed with entire candor, not by a political but by a judicial method, without pressure and without prejudice. Partisanship has no place in our foreign relations. As I wish to see a court established, and as the proposal presents the only practical plan on which many nations have ever agreed, though it may not meet every desire, I therefore commend it to the favorable consideration of the Senate, with the proposed reservations clearly indicating our refusal to adhere to the League of Nations.

RUSSIA

Our diplomatic relations, lately so largely interrupted, are now being resumed, but Russia presents notable difficulties. We have every desire to see that great people, who are our traditional friends, restored to their position among the nations of the earth. We have relieved their pitiable destitution with an enormous charity. Our Government offers no objection to the carrying on of commerce by our citizens with the people of Russia. Our Government does not propose, however, to enter into relations with another regime which refuses to recognize the sanctity of international obligations. I do not propose to barter away for the privilege of trade any of the cherished rights of

humanity. I do not propose to make merchandise of any American principles. These rights and principles must go wherever the sanctions of our Government go.

Page 2271

But while the favor of America is not for sale, I am willing to make very large concessions for the purpose of rescuing the people of Russia. Already encouraging evidences of returning to the ancient ways of society can be detected. But more are needed. Whenever there appears any disposition to compensate our citizens who were despoiled, and to recognize that debt contracted with our Government, not by the Czar, but by the newly formed Republic of Russia; whenever the active spirit of enmity to our institutions is abated; whenever there appear works mete for repentance; our country ought to be the first to go to the economic and moral rescue of Russia. We have every desire to help and no desire to injure. We hope the time is near at hand when we can act.

DEBTS

The current debt and interest due from foreign Governments, exclusive of the British debt of $4,600,000,000, is about $7,200,000,000. I do not favor the cancellation of this debt, but I see no objection to adjusting it in accordance with the principle adopted for the British debt. Our country would not wish to assume the role of an oppressive creditor, but would maintain the principle that financial obligations between nations are likewise moral obligations which international faith and honor require should be discharged.

Our Government has a liquidated claim against Germany for the expense of the army of occupation of over $255,000,000. Besides this, the Mixed Claims Commission have before them about 12,500 claims of American citizens, aggregating about $1,225,000,000. These claims have already been reduced by a recent decision, but there are valid claims reaching well toward $500,000,000. Our thousands of citizens with credits due them of hundreds of millions of dollars have no redress save in the action of our Government. These are very substantial interests, which it is the duty of our Government to protect as best it can. That course I propose to pursue.

It is for these reasons that we have a direct interest in the economic recovery of Europe. They are enlarged by our desire for the stability of civilization and the welfare of humanity. That we are making sacrifices to that end none can deny. Our deferred interest alone amounts to a million dollars every day. But recently we offered to aid with our advice and counsel. We have reiterated our desire to see France paid and Germany revived. We have proposed disarmament. We have earnestly sought to compose differences and restore peace. We shall persevere in well-doing, not by force, but by reason.

FOREIGN PAPERS

Under the law the papers pertaining to foreign relations to be printed are transmitted as a part of this message. Other volumes of these papers will follow.

FOREIGN SERVICE

The foreign service of our Government needs to be reorganized and improved.

Page 2272

FISCAL CONDITION

Our main problems are domestic problems. Financial stability is the first requisite of sound government. We can not escape the effect of world conditions. We can not avoid the inevitable results of the economic disorders which have reached all nations. But we shall diminish their harm to us in proportion as we continue to restore our Government finances to a secure and endurable position. This we can and must do. Upon that firm foundation rests the only hope of progress and prosperity. From that source must come relief for the people.

This is being, accomplished by a drastic but orderly retrenchment, which is bringing our expenses within our means. The origin of this has been the determination of the American people, the main support has been the courage of those in authority, and the effective method has been the Budget System. The result has involved real sacrifice by department heads, but it has been made without flinching. This system is a law of the Congress. It represents your will. It must be maintained, and ought to be strengthened by the example of your observance. Without a Budget System there can be no fixed responsibility and no constructive scientific economy.

This great concentration of effort by the administration and Congress has brought the expenditures, exclusive of the self-supporting Post. Office Department, down to three billion dollars. It is possible, in consequence, to make a large reduction in the taxes of the people, which is the sole object of all curtailment. This is treated at greater length in the Budget message, and a proposed plan has been presented in detail in a statement by the Secretary of the Treasury which has my unqualified approval. I especially commend a decrease on earned incomes, and further abolition of admission, message, and nuisance taxes. The amusement and educational value of moving pictures ought not to be taxed. Diminishing charges against moderate incomes from investment will afford immense relief, while a revision of the surtaxes will not only provide additional money for capital investment, thus stimulating industry and employing more but will not greatly reduce the revenue from that source, and may in the future actually increase it.

Being opposed to war taxes in time of peace, I am not in favor of excess-profits taxes. A very great service could be rendered through immediate enactment of legislation relieving the people of some of the burden of taxation. To reduce war taxes is to give every home a better chance.

Page 2273

For seven years the people have borne with uncomplaining courage the tremendous burden of national and local taxation. These must both be reduced. The taxes of the Nation must be reduced now as much as prudence will permit, and expenditures must be reduced accordingly. High taxes reach everywhere and burden everybody. They gear most heavily upon the poor. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessary of life. Of all services which the Congress can render to the country, I have no hesitation in declaring t neglect it, to postpone it, to obstruct it by unsound proposals, is to become unworthy of public confidence and untrue to public trust. The country wants this measure to have the right of way over an others.

Another reform which is urgent in our fiscal system is the abolition of the right to issue tax-exempt securities. The existing system not only permits a large amount of the wealth of the Notion to escape its just burden but acts as a continual stimulant to municipal extravagance. This should be prohibited by constitutional amendment. All the wealth of the Nation ought to contribute its fair share to the expenses of the Nation.

TARIFF TAW

The present tariff law has accomplished its two main objects. It has secured an abundant revenue and been productive of an abounding prosperity. Under it the country has had a very large export and import trade. A constant revision of the tariff by the Congress is disturbing and harmful. The present law contains an elastic provision authorizing the President to increase or decrease present schedules not in excess of 50 per centum to meet the difference in cost of production at home and abroad. This does not, to my mind, warrant a rewriting g of the whole law, but does mean, and will be so administered, that whenever the required investigation shows that inequalities of sufficient importance exist in any schedule, the power to change them should and will be applied.

SHIPPING

The entire well being of our country is dependent upon transportation by sea and land. Our Government during the war acquired a large merchant fleet which should be transferred, as soon as possible, to private ownership and operation under conditions which would secure two results: First, and of prime importance, adequate means for national defense; second, adequate service to American commerce. Until shipping conditions are such that our fleet can be disposed of advantageously under these conditions, it will be operated as economically as possible under such plans as may be devised from time to time by the Shipping Board. We must have a merchant marine which meets these requirements, and we shall have to pay the cost of its service.

PUBLIC IMPROVEMENTS

Page 2274

The time has come to resume in a moderate way the opening of our intracoastal waterways; the control of flood waters of the Mississippi and of the Colorado Rivers; the improvement of the waterways from the Great Lakes toward the Gulf of Mexico; and the development of the great power and navigation project of the St. Lawrence River, for which efforts are now being made to secure the necessary treaty with Canada. These projects can not all be undertaken at once, but all should have the immediate consideration of the Congress and be adopted as fast as plans can be matured and the necessary funds become available. This is not incompatible with economy, for their nature does not require so much a public expenditure as a capital investment which will be reproductive, as evidenced by the marked increase in revenue from the Panama Canal. Upon these projects depend much future industrial and agricultural progress. They represent the protection of large areas from flood and the addition of a great amount of cheap power and cheap freight by use of navigation, chief of which is the bringing of ocean-going ships to the Great Lakes.

Another problem of allied character is the superpower development of the Northeastern States, consideration of which is growing under the direction of the Department of Commerce by joint conference with the local authorities.

RAILROADS

Criticism of the railroad law has been directed, first, to the section laying down the rule by which rates are fixed, and providing for payment to the Government and use of excess earnings; second, to the method for the adjustment of wage scales; and third, to the authority permitting consolidations.

It has been erroneously assumed that the act undertakes to guarantee railroad earnings. The law requires that rates should be just and reasonable. That has always been the rule under which rates have been fixed. To make a rate that does not yield a fair return results in confiscation, and confiscatory rates are of course unconstitutional. Unless the Government adheres to the rule of making a rate that will yield a fair return, it must abandon rate making altogether. The new and important feature of that part of the law is the recapture and redistribution of excess rates. The constitutionality of this method is now before the Supreme Court for adjudication. Their decision should be awaited before attempting further legislation on this subject. Furthermore, the importance of this feature will not be great if consolidation goes into effect.

The settlement of railroad labor disputes is a matter of grave public concern. The Labor Board was established to protect the public in the enjoyment of continuous service by attempting to insure justice between the companies and their employees. It has been a great help, but is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested,

there should be no hesitation in enacting such agreement into law. If it is not reached, the Labor Board may very well be left for the present to protect the public welfare.

Page 2275

The law for consolidations is not sufficiently effective to be expeditious. Additional legislation is needed giving authority for voluntary consolidations, both regional and route, and providing Government machinery to aid and stimulate such action, always subject to the approval of the Interstate Commerce Commission. This should authorize the commission to appoint committees for each proposed group, representing the public and the component roads, with power to negotiate with individual security holders for an exchange of their securities for those of the, consolidation on such terms and conditions as the commission may prescribe for avoiding any confiscation and preserving fair values. Should this permissive consolidation prove ineffective after a limited period, the authority of the Government will have to be directly invoked.

Consolidation appears to be the only feasible method for the maintenance of an adequate system of transportation with an opportunity so to adjust freight rates as to meet such temporary conditions as now prevail in some agricultural sections. Competent authorities agree that an entire reorganization of the rate structure for freight is necessary. This should be ordered at once by the Congress.

DEPARTMENT OF JUSTICE

As no revision of the laws of the United States has been made since 1878, a commission or committee should be created to undertake this work. The Judicial Council reports that two more district judges are needed in the southern district of New York, one in the northern district of Georgia, and two more circuit judges in the Circuit Court of Appeals of the Eighth Circuit. Legislation should be considered for this purpose.

It is desirable to expedite the hearing and disposal of cases. A commission of Federal judges and lawyers should be created to recommend legislation by which the procedure in the Federal trial courts may be simplified and regulated by rules of court, rather than by statute; such rules to be submitted to the Congress and to be in force until annulled or modified by the Congress. The Supreme Court needs legislation revising and simplifying the laws governing review by that court, and enlarging the classes of cases of too little public importance to be subject to review. Such reforms would expedite the transaction of the business of the courts. The administration of justice is likely to fail if it be long delayed.

The National Government has never given adequate attention to its prison problems. It ought to provide employment in such forms of production as can be used by the Government, though not sold to the public in competition with private business, for all prisoners who can be placed at work, and for which they should receive a reasonable compensation, available for their dependents.

Two independent reformatories are needed; one for the segregation of women, and another for the segregation of young men serving their first sentence.

Page 2276

The administration of justice would be facilitated greatly by including in the Bureau of Investigation of the Department of Justice a Division of Criminal Identification, where there would be collected this information which is now indispensable in the suppression of crime.

PROHIBITION

The prohibition amendment to the Constitution requires the Congress. and the President to provide adequate laws to prevent its violation. It is my duty to enforce such laws. For that purpose a treaty is being negotiated with Great Britain with respect to the right of search of hovering vessels. To prevent smuggling, the Coast Card should be greatly strengthened, and a supply of swift power boats should be provided. The major sources of production should be rigidly regulated, and every effort should be made to suppress interstate traffic. With this action on the part of the National Government, and the cooperation which is usually rendered by municipal and State authorities, prohibition should be made effective. Free government has no greater menace than disrespect for authority and continual violation of law. It is the duty of a citizen not only to observe the law but to let it be known that he is opposed to its violation.

THE NEGRO

Numbered among our population are some 12,000,000 colored people. Under our Constitution their rights are just as sacred as those of any other citizen. It is both a public and a private duty to protect those rights. The Congress ought to exercise all its powers of prevention and punishment against the hideous crime of lynching, of which the negroes are by no means the sole sufferers, but for which they furnish a majority of the victims.

Already a considerable sum is appropriated to give the negroes vocational training in agriculture. About half a million dollars is recommended for medical courses at Howard University to help contribute to the education of 500 colored doctors needed each year. On account of the integration of large numbers into industrial centers, it has been proposed that a commission be created, composed of members from both races, to formulate a better policy for mutual understanding and confidence. Such an effort is to be commended. Everyone would rejoice in the accomplishment of the results which it seeks. But it is well to recognize that these difficulties are to a large extent local problems which must be worked out by the mutual forbearance and human kindness of each community. Such a method gives much more promise of a real remedy than outside interference.

CIVIL SERVICE

Page 2277

The maintenance and extension of the classified civil service is exceedingly important. There are nearly 550,000 persons in the executive civil service drawing about $700,000,000 of yearly compensation. Four-fifths of these are in the classified service. This method of selection of the employees of the United States is especially desirable for the Post Office Department. The Civil Service Commission has recommended that postmasters at first, second, and third class offices be classified. Such action, accompanied by a repeal of the four-year term of office, would undoubtedly be an improvement. I also recommend that the field force for prohibition enforcement be brought within the classified civil service without covering in the present membership. The best method for selecting public servants is the merit system.

PUBLIC BUILDINGS

Many of the departments in Washington need better housing facilities. Some are so crowded that their work is impeded, others are so scattered that they lose their identity. While I do not favor at this time a general public building law, I believe it is now necessary, in accordance with plans already sanctioned for a unified and orderly system for the development of this city, to begin the carrying out of those plans by authorizing the erection of three or four buildings most urgently needed by an annual appropriation of $5,000,000.

REGULATORY LEGISLATION

Cooperation with other maritime powers is necessary for complete protection of our coast waters from pollution. Plans for this are under way, but await certain experiments for refuse disposal. Meantime laws prohibiting spreading oil and oil refuse from vessels in our own territorial waters would be most helpful against this menace and should be speedily enacted.

Laws should be passed regulating aviation.

Revision is needed of the laws regulating radio interference.

Legislation and regulations establishing load liner, to provide safe loading of vessels leaving our ports are necessary and recodification of our navigation laws is vital.

Revision of procedure of the Federal Trade Commission will give more constructive purpose to this department.

If our Alaskan fisheries are to be saved from destruction, there must be further legislation declaring a general policy and delegating the authority to make rules and regulations to an administrative body.

ARMY AND NAVY

For several years we have been decreasing the personnel of the Army and Navy, and reducing their power to the danger point. Further reductions should not be made. The Army is a guarantee of the security of our citizens at home; the Navy is a guarantee of the security of our citizens abroad. Both of these services should be strengthened rather than weakened. Additional planes are needed for the Army, and additional submarines for the Navy. The defenses of Panama must be perfected. We want no more competitive armaments. We want no more war. But we want no weakness that invites imposition. A people who neglect their national defense are putting in jeopardy their national honor.

Page 2278

INSULAR POSSESSIONS

Conditions in the insular possessions on the whole have been good. Their business has been reviving. They are being administered according to law. That effort has the full support of the administration. Such recommendations as may conic from their people or their governments should have the most considerate attention.

EDUCATION AND WELFARE

Our National Government is not doing as much as it legitimately can do to promote the welfare of the people. Our enormous material wealth, our institutions, our whole form of society, can not be considered fully successful until their benefits reach the merit of every individual. This is not a suggestion that the Government should, or could, assume for the people the inevitable burdens of existence. There is no method by which we can either be relieved of the results of our own folly or be guaranteed a successful life. There is an inescapable personal responsibility for the development of character, of industry, of thrift, and of self-control. These do not come from the Government, but from the people themselves. But the Government can and should always be expressive of steadfast determination, always vigilant, to maintain conditions under which these virtues are most likely to develop and secure recognition and reward. This is the American policy.

It is in accordance with this principle that we have enacted laws for the protection of the public health and have adopted prohibition in narcotic drugs and intoxicating liquors. For purposes of national uniformity we ought to provide, by constitutional amendment and appropriate legislation, for a limitation of child labor, and in all cases under the exclusive jurisdiction of the Federal Government a minimum wage law for women, which would undoubtedly find sufficient power of enforcement in the influence of public opinion.

Having in mind that education is peculiarly a local problem, and that it should always be pursued with the largest freedom of choice by students and parents, nevertheless, the Federal Government might well give the benefit of its counsel and encouragement more freely in this direction. If anyone doubts the need of concerted action by the States of the Nation for this purpose, it is only necessary to consider the appalling figures of illiteracy representing a condition which does not vary much in all parts of the Union. I do not favor the making of appropriations from the National Treasury to be expended directly on local education, but I do consider it a fundamental requirement of national activity which, accompanied by allied subjects of welfare, is worthy of a separate department and a place in the Cabinet. The humanitarian side of government should not be repressed, but should be cultivated.

Mere intelligence, however, is not enough. Enlightenment must be accompanied by that moral power which is the product of the home and of rebellion. Real education and true welfare for the people rest inevitably on this foundation, which the Government can approve and commend, but which the people themselves must create.

Page 2279

IMMIGRATION

American institutions rest solely on good citizenship. They were created by people who had a background of self-government. New arrivals should be limited to our capacity to absorb them into the ranks of good citizenship. America must be kept American. For this purpose, it is necessary to continue a policy of restricted immigration. It would be well to make such immigration of a selective nature with some inspection at the source, and based either on a prior census or upon the record of naturalization. Either method would insure the admission of those with the largest capacity and best intention of becoming citizens. I am convinced that our present economic and social conditions warrant a limitation of those to be admitted. We should find additional safety in a law requiring the immediate registration of all aliens. Those who do not want to be partakers of the American spirit ought not to settle in America.

VETERANS

No more important duty falls on the Government of the United States than the adequate care of its veterans. Those suffering disabilities incurred in the service must have sufficient hospital relief and compensation. Their dependents must be supported. Rehabilitation and vocational training must be completed. All of this service must be clean, must be prompt and effective, and it must be administered in a spirit of the broadest and deepest human sympathy. If investigation reveals any present defects of administration or need Of legislation, orders will be given for the immediate correction of administration, and recommendations for legislation should be given the highest preference.

At present there are 9,500 vacant beds in Government hospitals, I recommend that all hospitals be authorized at once to receive and care for, without hospital pay, the veterans of all wars needing such care, whenever there are vacant beds, and that immediate steps be taken to enlarge and build new hospitals to serve all such cases.

The American Legion will present to the Congress a legislative program too extensive for detailed discussion here. It is a carefully matured plan. While some of it I do not favor, with much of it I am in hearty accord, and I recommend that a most painstaking effort be made to provide remedies for any defects in the administration of the present laws which their experience has revealed. The attitude of the Government toward these proposals should be one of generosity. But I do not favor the granting of a bonus.

COAL

The cost of coal has become unbearably high. It places a great burden on our industrial and domestic life. The public welfare requires a reduction in the price of fuel. With the

enormous deposits in existence, failure of supply ought not to be tolerated. Those responsible for the conditions in this industry should undertake its reform and free it from any charge of profiteering.

Page 2280

The report of the Coal Commission will be before the Congress. It comprises all the facts. It represents the mature deliberations and conclusions of the best talent and experience that ever made a national survey of the production and distribution of fuel. I do not favor Government ownership or operation of coal mines. The need is for action under private ownership that will secure greater continuity of production and greater public protection. The Federal Government probably has no peacetime authority to regulate wages, prices, or profits in coal at the mines or among dealers, but by ascertaining and publishing facts it can exercise great influence.

The source of the difficulty in the bituminous coal fields is the intermittence of operation which causes great waste of both capital and labor. That part of the report dealing with this problem has much significance, and is suggestive of necessary remedies. By amending, the car rules, by encouraging greater unity of ownership, and possibly by permitting common selling agents for limited districts on condition that they accept adequate regulations and guarantee that competition between districts be unlimited, distribution, storage, and continuity ought to be improved.

The supply of coal must be constant. In case of its prospective interruption, the President should have authority to appoint a commission empowered to deal with whatever emergency situation might arise, to aid conciliation and voluntary arbitration, to adjust any existing or threatened controversy between the employer and the employee when collective bargaining fails, and by controlling distribution to prevent profiteering in this vital necessity. This legislation is exceedingly urgent, and essential to the exercise of national authority for the protection of the people. Those who undertake the responsibility of management or employment in this industry do so with the full knowledge that the public interest is paramount, and that to fail through any motive of selfishness in its service is such a betrayal of duty as warrants uncompromising action by the Government.

REORGANIZATION

A special joint committee has been appointed to work out a plan for a reorganization of the different departments and bureaus of the Government more scientific and economical than the present system. With the exception of the consolidation of the War and Navy Departments and some minor details, the plan has the general sanction of the President and the Cabinet. It is important that reorganization be enacted into law at the present session.

AGRICULTURE

Page 2281

Aided by the sound principles adopted by the Government, the business of the country has had an extraordinary revival. Looked at as a whole, the Nation is in the enjoyment of remarkable prosperity. Industry and commerce are thriving. For the most tart agriculture is successful, eleven staples having risen in value from about $5,300,000,000 two years ago to about. $7,000,000,000 for the current year. But range cattle are still low in price, and some sections of the wheat area, notably Minnesota, North Dakota, and on west, have many cases of actual distress. With his products not selling on a parity with the products of industry, every sound remedy that can be devised should be applied for the relief of the farmer. He represents a character, a type of citizenship, and a public necessity that must be preserved and afforded every facility for regaining prosperity.

The distress is most acute among those wholly dependent upon one crop.. Wheat acreage was greatly expanded and has not yet been sufficiently reduced. A large amount is raised for export, which has to meet the competition in the world market of large amounts raised on land much cheaper and much more productive.

No complicated scheme of relief, no plan for Government fixing of prices, no resort to the public Treasury will be of any permanent value in establishing agriculture. Simple and direct methods put into operation by the farmer himself are the only real sources for restoration.

Indirectly the farmer must be relieved by a reduction of national and local taxation. He must be assisted by the reorganization of the freight-rate structure which could reduce charges on his production. To make this fully effective there ought to be railroad consolidations. Cheaper fertilizers must be provided.

He must have organization. His customer with whom he exchanges products o he farm for those of industry is organized, labor is organized, business is organized, and there is no way for agriculture to meet this unless it, too, is organized. The acreage of wheat is too large. Unless we can meet the world market at a profit, we must stop raising for export. Organization would help to reduce acreage. Systems of cooperative marketing created by the farmers themselves, supervised by competent management, without doubt would be of assistance, but, the can not wholly solve the problem. Our agricultural schools ought to have thorough courses in the theory of organization and cooperative marketing.

Diversification is necessary. Those farmers who raise their living on their land are not greatly in distress. Such loans as are wisely needed to assist buying stock and other materials to start in this direction should be financed through a Government agency as a temporary and emergency expedient.

The remaining difficulty is the disposition of exportable wheat. I do not favor the permanent interference of the Government in this problem. That probably would

increase the trouble by increasing production. But it seems feasible to provide Government assistance to exports, and authority should be given the War Finance Corporation to grant, in its discretion, the most liberal terms of payment for fats and grains exported for the direct benefit of the farm.

Page 2282

MUSCLE SHOALS

The Government is undertaking to develop a great water-power project known as Muscle Shoals, on which it has expended many million dollars. The work is still going on. Subject to the right to retake in time of war, I recommend that this property with a location for auxiliary steam plant and rights of way be sold. This would end the present burden of expense and should return to the Treasury the largest price possible to secure.

While the price is an important element, there is another consideration even more compelling. The agriculture of the Nation needs a greater supply and lower cost of fertilizer. This is now imported in large quantities. The best information I can secure indicates that present methods of power production would not be able profitably to meet the price at which these imports can be sold. To obtain a supply from this water power would require long and costly experimentation to perfect a process for cheap production. Otherwise our purpose would fail completely. It seems desirable, therefore, in order to protect and promote the public welfare, to have adequate covenants that such experimentation be made and carried on to success. The great advantage of low-priced nitrates must be secured for the direct benefit of the farmers and the indirect benefit of the public in time of peace, and of the Government in time of war. If this main object be accomplished, the amount of money received for the property is not a primary or major consideration.

Such a solution will involve complicated negotiations, and there is no authority for that purpose. I therefore recommend that the Congress appoint a small joint committee to consider offers, conduct negotiations, and report definite recommendations.

RECLAMATION

By reason of many contributing causes, occupants of our reclamation projects are in financial difficulties, which in some cases are acute. Relief should be granted by definite authority of law empowering the Secretary of the Interior in his discretion to suspend, readjust, and reassess all charges against water users. This whole question is being considered by experts. You will have the advantage of the facts and conclusions which they may develop. This situation, involving a Government investment of more than $135,000,000, and affecting more than 30,000 water users, is serious. While relief which is necessary should be granted, yet contracts with the Government which can be met should be met. The established general policy of these projects should not be abandoned for any private control.

HIGHWAYS AND FORESTS

Highways and reforestation should continue to have the interest and support of the Government. Everyone is anxious for good highways. I have made a liberal proposal in the Budget for the continuing payment to the States by the Federal Government of its share for this necessary public improvement. No expenditure of public money contributes so much to the national wealth as for building good roads.

Page 2283

Reforestation has an importance far above the attention it usually secures. A special committee of the Senate is investigating this need, and I shall welcome a constructive policy based on their report.

It is 100 years since our country announced the Monroe doctrine. This principle has been ever since, and is now, one of the main foundations of our foreign relations. It must be maintained. But in maintaining it we must not be forgetful that a great change has taken place. We are no longer a weak Nation, thinking mainly of defense, dreading foreign imposition. We are great and powerful. New powers bring new responsibilities. Our ditty then was to protect ourselves. Added to that, our duty now is to help give stability to the world. We want idealism. We want that vision which lifts men and nations above themselves. These are virtues by reason of their own merit. But they must not be cloistered; they must not be impractical; they must not be ineffective.

The world has had enough of the curse of hatred and selfishness, of destruction and war. It has had enough of the wrongful use of material power. For the healing of the nations there must be good will and charity, confidence and peace. The time has come for a more practical use of moral power, and more reliance upon the principle that right makes its own might. Our authority among the nations must be represented by justice and mercy. It is necessary not only to have faith, but to make sacrifices for our faith. The spiritual forces of the world make all its final determinations. It is with these voices that America should speak. Whenever they declare a righteous purpose there need be no doubt that they will be heard. America has taken her place in the world as a Republic—free, independent, powerful. The best service that can be rendered to humanity is the assurance that this place will be maintained.

***

State of the Union Address
Calvin Coolidge
December 3, 1924

To the Congress of the United States:

The present state of the Union, upon which it is customary for the President to report to the Congress under the provisions of the Constitution, is such that it may be regarded with encouragement and satisfaction by every American. Our country is almost unique in its ability to discharge fully and promptly all its obligations at home and abroad, and provide for all its inhabitants an increase in material resources, in intellectual vigor and in moral power. The Nation holds a position unsurpassed in all former human experience. This does not mean that we do not have any problems. It is elementary that the increasing breadth of our experience necessarily increases the problems of our national life. But it does mean that if all will but apply ourselves industriously and honestly, we have ample powers with which to meet our problems and provide for I heir

speedy solution. I do not profess that we can secure an era of perfection in human existence, but we can provide an era of peace and prosperity, attended with freedom and justice and made more and more satisfying by the ministrations of the charities and humanities of life.

Page 2284

Our domestic problems are for the most part economic. We have our enormous debt to pay, and we are paying it. We have the high cost of government to diminish, and we are diminishing it. We have a heavy burden of taxation to reduce, and we are reducing it. But while remarkable progress has been made in these directions, the work is yet far from accomplished. We still owe over $21,000,000,000, the cost of the National Government is still about $3,500,000,000, and the national taxes still amount to about $27 for each one of our inhabitants. There yet exists this enormous field for the application of economy.

In my opinion the Government can do more to remedy the economic ills of the people by a system of rigid economy in public expenditure than can be accomplished through any other action. The costs of our national and local governments combined now stand at a sum close to $100 for each inhabitant of the land. A little less than one-third of this is represented by national expenditure, and a little more than two-thirds by local expenditure. It is an ominous fact that only the National Government is reducing its debt. Others are increasing theirs at about $1,000,000,000 each year. The depression that overtook business, the disaster experienced in agriculture, the lack of employment and the terrific shrinkage in all values which our country experienced in a most acute form in 1920, resulted in no small measure from the prohibitive taxes which were then levied on all productive effort. The establishment of a system of drastic economy in public expenditure, which has enabled us to pay off about one-fifth of the national debt since 1919, and almost cut in two the national tax burden since 1921, has been one of the main causes in reestablishing a prosperity which has come to include within its benefits almost every one of our inhabitants. Economy reaches everywhere. It carries a blessing to everybody.

The fallacy of the claim that the costs of government are borne by the rich and those who make a direct contribution to the National Treasury can not be too often exposed. No system has been devised, I do not think any system could be devised, under which any person living in this country could escape being affected by the cost of our government. It has a direct effect both upon the rate and the purchasing power of wages. It is felt in the price of those prime necessities of existence, food, clothing, fuel and shelter. It would appear to be elementary that the more the Government expends the more it must require every producer to contribute out of his production to the Public Treasury, and the less he will have for his own benefit. The continuing costs of public administration can be met in only one way—by the work of the people. The higher they become, the more the people must work for the Government. The less they are, the more the people can work for themselves.

Page 2285

The present estimated margin between public receipts and expenditures for this fiscal year is very small. Perhaps the most important work that this session of the Congress can do is to continue a policy of economy and further reduce the cost of government, in order that we may have a reduction of taxes for the next fiscal year. Nothing is more likely to produce that public confidence which is the forerunner and the mainstay of prosperity, encourage and enlarge business opportunity with ample opportunity for employment at good wages, provide a larger market for agricultural products, and put our country in a stronger position to be able to meet the world competition in trade, than a continuing policy of economy. Of course necessary costs must be met, proper functions of the Government performed, and constant investments for capital account and reproductive effort must be carried on by our various departments. But the people must know that their Government is placing upon them no unnecessary burden.

TAXES

Everyone desires a reduction of taxes, and there is a great preponderance of sentiment in favor of taxation reform. When I approved the present tax law, I stated publicly that I did so in spite of certain provisions which I believed unwise and harmful. One of the most glaring of these was the making public of the amounts assessed against different income-tax payers. Although that damage has now been done, I believe its continuation to be detrimental To the public welfare and bound to decrease public revenues, so that it ought to be repealed.

Anybody can reduce taxes, but it is not so easy to stand in the gap and resist the passage of increasing appropriation bills which would make tax reduction impossible. It will be very easy to measure the strength of the attachment to reduced taxation by the power with which increased appropriations are resisted. If at the close of the present session the Congress has kept within the budget which I propose to present, it will then be possible to have a moderate amount of tax reduction and all the tax reform that the Congress may wish for during the next fiscal year. The country is now feeling the direct stimulus which came from the passage of the last revenue bill, and under the assurance of a reasonable system of taxation there is every prospect of an era of prosperity of unprecedented proportions. But it would be idle to expect any such results unless business can continue free from excess profits taxation and be accorded a system of surtaxes at rates which have for their object not the punishment of success or the discouragement of business, but the production of the greatest amount of revenue from large incomes. I am convinced that the larger incomes of the country would actually yield more revenue to the Government if the basis of taxation were scientifically revised downward. Moreover the effect of the present method of this taxation is to increase the cost of interest on productive enterprise and to increase the burden of rent. It is altogether likely that such reduction would so encourage and stimulate investment that it would firmly establish our country in the economic leadership of the world.

Page 2286

WATERWAYS

Meantime our internal development should go on. Provision should be made for flood control of such rivers as the Mississippi and the Colorado, and for the opening up of our inland waterways to commerce. Consideration is due to the project of better navigation from the Great Lakes to the Gulf. Every effort is being made to promote an agreement with Canada to build the, St. Lawrence waterway. There are pending before the Congress bills for further development of the Mississippi Basin, for the taking over of the Cape Cod Canal in accordance with a moral obligation which seems to have been incurred during the war, and for the improvement of harbors on both the Pacific and the Atlantic coasts. While this last should be divested of some of its projects and we must proceed slowly, these bills in general have my approval. Such works are productive of wealth and in the long run tend to a reduction of the tax burden.

RECLAMATION

Our country has a well defined policy of reclamation established under statutory authority. This policy should be continued and made a self-sustaining activity administered in a manner that will meet local requirements and bring our and lands into a profitable state of cultivation as fast as there is a market for their products. Legislation is pending based on the report of the Fact Finding Commission for the proper relief of those needing extension of time in which to meet their payments on irrigated land, and for additional amendments and reforms of our reclamation laws, which are all exceedingly important and should be enacted at once.

No more important development has taken place in the last year than the beginning of a restoration of agriculture to a prosperous condition. We must permit no division of classes in this country, with one occupation striving to secure advantage over another. Each must proceed under open opportunities and with a fair prospect of economic equality. The Government can not successfully insure prosperity or fix prices by legislative fiat. Every business has its risk and its times of depression. It is well known that in the long run there will be a more even prosperity and a more satisfactory range of prices under the natural working out of economic laws than when the Government undertakes the artificial support of markets and industries. Still we can so order our affairs, so protect our own people from foreign competition, so arrange our national finances, so administer our monetary system, so provide for the extension of credits, so improve methods of distribution, as to provide a better working machinery for the transaction of the business of the Nation with the least possible friction and loss. The Government has been constantly increasing its efforts in these directions for the relief and permanent establishment of agriculture on a sound and equal basis with other business.

Page 2287

It is estimated that the value of the crops for this harvest year may reach $13,000,000,000, which is an increase of over $3,000,000,000 in three years. It compares with $7,100,000,000 in 1913, and if we make deduction from the figures of 1924 for the comparatively decreased value of the dollar, the yield this year still exceeds 1913 in purchasing power by over $1,000,000,000, and in this interval there has been no increase in the number of farmers. Mostly by his own effort the farmer has decreased the cost of production. A marked increase in the price of his products and some decrease in the price of his supplies has brought him about to a parity with the rest of the Nation. The crop area of this season is estimated at 370,000,000 acres, which is a decline of 3,000,000 acres from last year, and 6,000,000 acres from 1919. This has been a normal and natural application of economic laws, which has placed agriculture on a foundation which is undeniably sound and beginning to be satisfactory.

A decrease in the world supply of wheat has resulted in a very large increase in the price of that commodity. The position of all agricultural products indicates a better balanced supply, but we can not yet conclude that agriculture is recovered from the effects of the war period or that it is permanently on a prosperous basis. The cattle industry has not yet recovered and in some sections has been suffering from dry weather. Every effort must be made both by Government activity and by private agencies to restore and maintain agriculture to a complete normal relationship with other industries.

It was on account of past depression, and in spite of present more encouraging conditions, that I have assembled an Agricultural Conference made up of those who are representative of this great industry in both its operating and economic sides. Everyone knows that the great need of the farmers is markets. The country is not suffering on the side of production. Almost the entire difficulty is on the side of distribution. This reaches back, of course, to unit costs and diversification, and many allied subjects. It is exceedingly intricate, for our domestic and foreign trade, transportation and banking, and in fact our entire economic system, are closely related to it. In time for action at this session, I hope to report to the Congress such legislative remedies as the conference may recommend. An appropriation should be made to defray their necessary expenses.

MUSCLE SHOALS

The production of nitrogen for plant food in peace and explosives in war is more and more important. It is one of the chief sustaining elements of life. It is estimated that soil exhaustion each year is represented by about 9,000,000 tons and replenishment by 5,450,000 tons. The deficit of 3,550,000 tons is reported to represent the impairment of 118,000,000 acres of farm lands each year.

Page 2288

To meet these necessities the Government has been developing a water power project at Muscle Shoals to be equipped to produce nitrogen for explosives and fertilizer. It is my opinion that the support of agriculture is the chief problem to consider in connection with this property. It could by no means supply the present needs for nitrogen, but it would help and its development would encourage bringing other water powers into like use.

Several offers have been made for the purchase of this property. Probably none of them represent final terms. Much costly experimentation is necessary to produce commercial nitrogen. For that reason it is a field better suited to private enterprise than to Government operation. I should favor a sale of this property, or long-time lease, tinder rigid guaranties of commercial nitrogen production at reasonable prices for agricultural use. There would be a surplus of power for many years over any possibility of its application to a developing manufacture of nitrogen. It may be found advantageous to dispose of the right to surplus power separately with such reservations as will allow its gradual withdrawal and application to nitrogen manufacture. A subcommittee of the Committees on Agriculture should investigate this field and negotiate with prospective purchasers. If no advantageous offer be made, the development should continue and the plant should be dedicated primarily to the production of materials for the fertilization of the soil.

RAILWAYS

The railways during the past year have made still further progress in recuperation from the war, with large rains in efficiency and ability expeditiously to handle the traffic of the country. We have now passed through several periods of peak traffic without the car shortages which so frequently in the past have brought havoc to our agriculture and industries. The condition of many of our great freight terminals is still one of difficulty and results in imposing, large costs on the public for inward-bound freight, and on the railways for outward-bound freight. Owing to the growth of our large cities and the great increase in the volume of traffic, particularly in perishables, the problem is not only difficult of solution, but in some cases not wholly solvable by railway action alone.

In my message last year I emphasized the necessity for further legislation with a view to expediting the consolidation of our rail ways into larger systems. The principle of Government control of rates and profits, now thoroughly imbedded in our governmental attitude toward natural monopolies such as the railways, at once eliminates the need of competition by small units as a method of rate adjustment. Competition must be preserved as a stimulus to service, but this will exist and can be increased tinder enlarged systems. Consequently the consolidation of the railways into larger units for the purpose of securing the substantial

Page 2289

values to the public which will come from larger operation has been the logical conclusion of Congress in its previous enactments, and is also supported by the best opinion in the country. Such consolidation will assure not only a greater element of competition as to service, but it will afford economy in operation, greater stability in railway earnings, and more economical financing. It opens large possibilities of better equalization of rates between different classes of traffic so as to relieve undue burdens upon agricultural products and raw materials generally, which are now not possible without ruin to small units owing to the lack of diversity of traffic. It would also tend to equalize earnings in such fashion as to reduce the importance of section 15A, at which criticism, often misapplied, has been directed. A smaller number of units would offer less difficulties in labor adjustments and would contribute much to the, solution of terminal difficulties.

The consolidations need to be carried out with due regard to public interest and to the rights and established life of various communities in our country. It does not seem to me necessary that we endeavor to anticipate any final plan or adhere to an artificial and unchangeable project which shall stipulate a fixed number of systems, but rather we ought to approach the problem with such a latitude of action that it can be worked out step by step in accordance with a comprehensive consideration of public interest. Whether the number of ultimate systems shall be more or less seems to me can only be determined by time and actual experience in the development of such consolidations.

Those portions of the present law contemplating consolidations ore not, sufficiently effective in producing expeditious action and need amplification of the authority of the Interstate Commerce Commission, particularly in affording a period for voluntary proposals to the commission and in supplying Government pressure to secure action after the expiration of such a period.

There are other proposals before Congress for amending the transportation acts. One of these contemplates a revision of the method of valuation for rate-making purposes to be followed by a renewed valuation of the railways. The valuations instituted by the Interstate Commerce Commission 10 years ago have not yet been completed. They have cost the Government an enormous sum, and they have imposed great expenditure upon the railways, most of which has in effect come out of the public in increased rates. This work should not be abandoned or supplanted until its results are known and can be considered.

Another matter before the Congress is legislation affecting the labor sections of the transportation act. Much criticism has been directed at the workings of this section and experience has shown that some useful amendment could be made to these provisions.

Page 2290

It would be helpful if a plan could be adopted which, while retaining the practice of systematic collective bargaining with conciliation voluntary arbitration of labor differences, could also provide simplicity in relations and more direct local responsibility of employees and managers. But such legislation will not meet the requirements of the situation unless it recognizes the principle that t e public has a right to the uninterrupted service of transportation, and therefore a right to be heard when there is danger that the Nation may suffer great injury through the interruption of operations because of labor disputes. If these elements are not comprehended in proposed legislation, it would be better to gain further experience with the present organization for dealing with these questions before undertaking a change.

SHIPPING BOARD

The form of the organization of the Shipping Board was based originally on its functions as a semi judicial body in regulation of rates. During the war it was loaded with enormous administrative duties. It has been demonstrated time and again that this form of organization results in indecision, division of opinion and administrative functions, which make a wholly inadequate foundation for the conduct of a great business enterprise. The first principle in securing the objective set out by Congress in building up the American merchant marine upon the great trade routes and subsequently disposing of it into private operation can not proceed with effectiveness until the entire functions of the board are reorganized. The immediate requirement is to transfer into the Emergency Fleet, Corporation the whole responsibility of operation of the fleet and other property, leaving to the Shipping Board solely the duty of determining certain major policies which require deliberative action.

The procedure under section 28 of the merchant marine act has created great difficulty and threatened friction during the past 12 months. Its attempted application developed not only great opposition from exporters, particularly as to burdens that may be imposed upon agricultural products, but also great anxiety in the different seaports as to the effect upon their relative rate structures. This trouble will certainly recur if action is attempted under this section. It is uncertain in some of its terms and of great difficulty in interpretation.

It is my belief that action under this section should be suspended until the Congress can reconsider the entire question in the light of the experience that has been developed since its enactment.

NATIONAL ELECTIONS

Nothing is so fundamental to the integrity of a republican form of government as honesty in all that relates to the conduct of elections. I am of the opinion that the

national laws governing the choice of members of the Congress should be extended to include appropriate representation of the respective parties at the ballot box ant equality of representation on the various registration boards, wherever they exist.

Page 2291

THE JUDICIARY

The docket of the Supreme Court is becoming congested. At the opening term last year it had 592 cases, while this year it had 687 cases. Justice long delayed is justice refused. Unless the court be given power by preliminary and summary consideration to determine the importance of cases, and by disposing of those which are not of public moment reserve its time for the more extended consideration of the remainder, the congestion of the docket is likely to increase. It is also desirable that Supreme Court should have power to improve and reform procedure in suits at law in the Federal courts through the adoption of appropriate rules. The Judiciary Committee of the Senate has reported favorably upon two bills providing for these reforms which should have the immediate favorable consideration of the Congress.

I further recommend that provision be made for the appointment of a commission, to consist of two or three members of the Federal judiciary and as many members of the bar, to examine the present criminal code of procedure and recommend to the Congress measures which may reform and expedite court procedure in the administration and enforcement of our criminal laws.

PRISON REFORM

Pending before the Congress is a bill which has already passed one House providing for a reformatory to which could be committed first offenders and young men for the purpose of segregating them from contact with banned criminals and providing them with special training in order to reestablish in them the power to pursue a law-abiding existence in the social and economic life of the Nation. This is a matter of so much importance as to warrant the early attention of the present session. Further provision should also be made, for a like reason, for a separate reformatory for women.

NATIONAL POLICE BUREAU

Representatives of the International Police Conference will bring to t e attention of the Congress a proposal for the establishment of a national police bureau. Such action would provide a central point for gathering, compiling, and later distributing to local police authorities much information which would be helpful in the prevention and detection of crime. I believe this bureau is needed, and I recommend favorable consideration of this proposal.

DISTRICT OF COLUMBIA WELFARE

The welfare work of the District of Columbia is administered by several different boards dealing with charities and various correctional efforts. It would be an improvement if this work were consolidated and placed under the direction of a single commission.

FRENCH SPOLIATION CLAIMS

Page 2292

During the last session of the Congress legislation was introduced looking to the payment of the remaining claims generally referred to as the French spoliation claims. The Congress has provided for the payment of many similar claims. Those that remain unpaid have been long pending. The beneficiaries thereunder have every reason to expect payment. These claims have been examined by the Court of Claims and their validity and amount determined. The United States ought to pay its debts. I recommend action by the Congress which will permit of the payment of these remaining claims.

THE WAGE EARNER

Two very important policies have been adopted by this country which, while extending their benefits also in other directions, have been of the utmost importance to the wage earners. One of these is the protective tariff, which enables our people to live according to a better standard and receive a better rate of compensation than any people, any time, anywhere on earth, ever enjoyed. This saves the American market for the products of the American workmen. The other is a policy of more recent origin and seeks to shield our wage earners from the disastrous competition of a great influx of foreign peoples. This has been done by the restrictive immigration law. This saves the American job for the American workmen. I should like to see the administrative features of this law rendered a little more humane for the purpose of permitting those already here a greater latitude in securing admission of members of their own families. But I believe this law in principle is necessary and sound, and destined to increase greatly the public welfare. We must maintain our own economic position, we must defend our own national integrity.

It is gratifying to report that the progress of industry, the enormous increase in individual productivity through labor-saving devices, and the high rate of wages have all combined to furnish our people in general with such an abundance not only of the necessaries but of the conveniences of life that we are by a natural evolution solving our problems of economic and social justice.

THE NEGRO

These developments have brought about a very remarkable improvement in the condition of the negro race. Gradually, but surely, with the almost universal sympathy of those among whom they live, the colored people are working out their own destiny. I firmly believe that it is better for all concerned that they should be cheerfully accorded their full constitutional rights, that they should be protected from all of those impositions to which, from their position, they naturally fall a prey, especially from the crime of lynching and that they should receive every encouragement to become full partakers in all the blessings of our common American citizenship.

CIVIL SERVICE

Page 2293

The merit system has long been recognized as the correct basis for employment in our, civil service. I believe that first second, and third class postmasters, and without covering in the present membership the field force of prohibition enforcement, should be brought within the classified service by statute law. Otherwise the Executive order of one administration is changed by the Executive order of another administration, and little real progress is made. Whatever its defects, the merit system is certainly to be preferred to the spoils system.

DEPARTMENTAL REORGANIZATION

One way to save public money would be to pass the pending bill for the reorganization of the various departments. This project has been pending for some time, and has had the most careful consideration of experts and the thorough study of a special congressional committee. This legislation is vital as a companion piece to the Budget law. Legal authority for a thorough reorganization of the Federal structure with some latitude of action to the Executive in the rearrangement of secondary functions would make for continuing economy in the shift of government activities which must follow every change in a developing country. Beyond this many of the independent agencies of the Government must be placed under responsible Cabinet officials, if we are to have safeguards of efficiency, economy, and probity.

ARMY AND NAVY

Little has developed in relation to our national defense which needs special attention. Progress is constantly being made in air navigation and requires encouragement and development. Army aviators have made a successful trip around the world, for which I recommend suitable recognition through provisions for promotion, compensation, and retirement. Under the direction of the Navy a new Zeppelin has been successfully brought from Europe across the Atlantic to our own country.

Due to the efficient supervision of the Secretary of War the Army of the United States has been organized with a small body of Regulars and a moderate National Guard and Reserve. The defense test of September 12 demonstrated the efficiency of the operating plans. These methods and operations are well worthy of congressional support.

Under the limitation of armaments treaty a large saving in outlay and a considerable decrease in maintenance of the Navy has been accomplished. We should maintain the policy of constantly working toward the full treaty strength of the Navy. Careful investigation is being made in this department of the relative importance of aircraft, surface and submarine vessels, in order that we may not fail to take advantage of all modern improvements for our national defense. A special commission also is

investigating the problem of petroleum oil for the Navy, considering the best policy to insure the future supply of fuel oil and prevent the threatened drainage of naval oil reserves. Legislative action is required to carry on experiments in oil shale reduction, as large deposits of this type have been set aside for the use of the Navy.

Page 2294

We have been constantly besought to engage in competitive armaments. Frequent reports will reach us of the magnitude of the military equipment of other, nations. We shall do well to be little impressed by such reports or such actions. Any nation undertaking to maintain a military establishment with aggressive and imperialistic designs will find itself severely handicapped in the economic development of the world. I believe thoroughly in the Army and Navy, in adequate defense and preparation. But I am opposed to any policy of competition in building and maintaining land or sea armaments.

Our country has definitely relinquished the old standard of dealing with other countries by terror and force, and is definitely committed to the new standard of dealing with them through friendship and understanding. This new policy should be constantly kept in mind by the guiding forces of the Army and Navy, by the. Congress and by the country at large. I believe it holds a promise of great benefit to humanity. I shall resist any attempt to resort to the old methods and the old standards. I am especially solicitous that foreign nations should comprehend the candor and sincerity with which we have adopted this position. While we propose to maintain defensive and supplementary police forces by land and sea, and to train them through inspections and maneuvers upon appropriate occasions in order to maintain their efficiency, I wish every other nation to understand that this does not express any unfriendliness or convey any hostile intent. I want the armed forces of America to be considered by all peoples not as enemies but as friends as the contribution which is made by this country for the maintenance of the peace and security of the world.

VETERANS

With the authorization for general hospitalization of the veterans of all wars provided during the present year, the care and treatment of those who have served their country in time of peril and the attitude of the Government toward them is not now so much one of needed legislation as one of careful, generous and humane administration. It will ever be recognized that their welfare is of the first concern and always entitled to the most solicitous consideration oil the part of their fellow citizens. They are organized in various associations, of which the chief and most representative is the American Legion. Through its officers the Legion will present to the Congress numerous suggestions for legislation. They cover such a wide variety of subjects that it is impossible to discuss them within the scope of this message. With many of the proposals I join in hearty approval and commend them all to the sympathetic investigation and consideration of the Congress.

FOREIGN RELATIONS

Page 2295

At no period in the past 12 years have our foreign relations been in such a satisfactory condition as they are at the present time. Our actions in the recent months have greatly strengthened the American policy of permanent peace with independence. The attitude which our Government took and maintained toward an adjustment of European reparations, by pointing out that it wits not a political but a business problem, has demonstrated its wisdom by its actual results. We desire to see Europe restored that it may resume its productivity in the increase of industry and its support in the advance of civilization. We look with great gratification at the hopeful prospect of recuperation in Europe through the Dawes plan. Such assistance as can be given through the action of the public authorities and of our private citizens, through friendly counsel and cooperation, and through economic and financial support, not for any warlike effort but for reproductive enterprise, not to provide means for unsound government financing but to establish sound business administration should be unhesitatingly provided.

Ultimately nations, like individuals, can not depend upon each other but must depend upon themselves. Each one must work out its own salvation. We have every desire to help. But with all our resources we are powerless to save unless our efforts meet with a constructive response. The situation in our own country and all over the world is one Chat can be improved only by bard work and self-denial. It is necessary to reduce expenditures, increase savings and liquidate debts. It is in this direction that there lies the greatest hope of domestic tranquility and international peace. Our own country ought to finish the leading example in this effort. Our past adherence to this policy, our constant refusal to maintain a military establishment that could be thought to menace the security of others, our honorable dealings with other nations whether great or small, has left us in the almost constant enjoyment of peace.

It is not necessary to stress the general desire of all the people of this country for the promotion of peace. It is the leading principle of all our foreign relations. We have on every occasion tried to cooperate to this end in all ways that were consistent with our proper independence and our traditional policies. It will be my constant effort to maintain these principles, and to reinforce them by all appropriate agreements and treaties. While we desire always to cooperate and to help, we are equally determined to be independent and free. Right and truth and justice and humanitarian efforts will have the moral support of this country all over the world. But we do not wish to become involved in the political controversies of others. Nor is the country disposed to become a member of the League of Nations or to assume the obligations imposed by its covenant.

INTERNATIONAL COURT

Page 2296

America has been one of the foremost nations in advocating tribunals for the settlement of international disputes of a justiciable character. Our representatives took a leading in those conferences which resulted in the establishment of e ague Tribunal, and later in providing for a Permanent Court of International Justice. I believe it would be for the advantage of this country and helpful to the stability of other nations for us to adhere to the protocol establishing, that court upon the conditions stated in the recommendation which is now before the Senate, and further that our country shall not be bound by advisory opinions which may be, rendered by the court upon questions which we have not voluntarily submitted for its judgment. This court would provide a practical and convenient tribunal before which we could go voluntarily, but to which we could not be summoned, for a determination of justiciable questions when they fail to be resolved by diplomatic negotiations.

DISARMAMENT CONFERENCE

Many times I have expressed my desire to see the work of the Washington Conference on Limitation of Armaments appropriately supplemented by further agreements for a further reduction M for the purpose of diminishing the menace and waste of the competition in preparing instruments of international war. It has been and is my expectation that we might hopefully approach other great powers for further conference on this subject as soon as the carrying out of the present reparation plan as the established and settled policy of Europe has created a favorable opportunity. But on account of proposals which have already been made by other governments for a European conference, it will be necessary to wait to see what the outcome of their actions may be. I should not wish to propose or have representatives attend a conference which would contemplate commitments opposed to the freedom of action we desire to maintain unimpaired with respect to our purely domestic policies.

INTERNATIONAL LAW

Our country should also support efforts which are being made toward the codification of international law. We can look more hopefully, in the first instance, for research and studies that are likely to be productive of results, to a cooperation among representatives of the bar and members of international law institutes and societies, than to a conference of those who are technically representative of their respective governments, although, when projects have been developed, they must go to the governments for their approval. These expert professional studies are going on in certain quarters and should have our constant encouragement and approval.

OUTLAW OF WAR

Page 2297

Much interest has of late been manifested in this country in the discussion of various proposals to outlaw aggressive war. I look with great sympathy upon the examination of this subject. It is in harmony with the traditional policy of our country, which is against aggressive war and for the maintenance of permanent and honorable peace. While, as I have said, we must safeguard our liberty to deal according to our own judgment with our domestic policies, we can not fail to view with sympathetic interest all progress to this desired end or carefully to study the measures that may be proposed to attain it.

LATIN AMERICA

While we are desirous of promoting peace in every quarter of the globe, we have a special interest in the peace of this hemisphere. It is our constant desire that all causes of dispute in this area may be tranquilly and satisfactorily adjusted. Along with our desire for peace is the earnest hope for the increased prosperity of our sister republics of Latin America, and our constant purpose to promote cooperation with them which may be mutually beneficial and always inspired by the most cordial friendships.

FOREIGN DEBTS

About $12,000,000,000 is due to our Government from abroad, mostly from European Governments. Great Britain, Finland, Hungary, Lithuania and Poland have negotiated settlements amounting close to $5,000,000,000. This represents the funding of over 42 per cent of the debt since the creation of the special Foreign Debt Commission. As the life of this commission is about to expire, its term should be extended. I am opposed to the cancellation of these debts and believe it for the best welfare of the world that they should be liquidated and paid as fast as possible. I do not favor oppressive measures, but unless money that is borrowed is repaid credit can not be secured in time of necessity, and there exists besides a moral obligation which our country can not ignore and no other country can evade. Terms and conditions may have to conform to differences in the financial abilities of the countries concerned, but the principle that each country should meet its obligation admits of no differences and is of universal application.

It is axiomatic that our country can not stand still. It would seem to be perfectly plain from recent events that it is determined to go forward. But it wants no pretenses, it wants no vagaries. It is determined to advance in an orderly, sound and common-sense way. It does not propose to abandon the theory of the Declaration that the people have inalienable rights which no majority and no power of government can destroy. It does not propose to abandon the practice of the Constitution that provides for the protection of these rights. It believes that within these limitations, which are imposed not by the fiat of man but by the law of the Creator, self-government is just and wise. It is

convinced that it will be impossible for the people to provide their own government unless they continue to own their own property.

Page 2298

These are the very foundations of America. On them has been erected a Government of freedom and equality, of justice and mercy, of education and charity. Living under it and supporting it the people have come into great possessions on the material and spiritual sides of life. I want to continue in this direction. I know that the Congress shares with me that desire. I want our institutions to be more and more expressive of these principles. I want the people of all the earth to see in the American flag the symbol of a Government which intends no oppression at home and no aggression abroad, which in the spirit of a common brotherhood provides assistance in time of distress.

***

State of the Union Address
Calvin Coolidge
December 8, 1925

Members of the Congress:

In meeting the constitutional requirement of informing the Congress upon the state of the Union, it is exceedingly gratifying to report that the general condition is one of progress and prosperity. Here and there are comparatively small and apparently temporary difficulties needing adjustment and improved administrative methods, such as are always to be expected, but in the fundamentals of government and business the results demonstrate that we are going in the right direction. The country does not appear to require radical departures from the policies already adopted so much as it needs a further extension of these policies and the improvement of details. The age of perfection is still in the somewhat distant future, but it is more in danger of being retarded by mistaken Government activity than it is from lack of legislation. We are by far the most likely to accomplish permanent good if we proceed with moderation.

In our country the people are sovereign and independent, and must accept the resulting responsibilities. It is their duty to support themselves and support the Government. That is the business of the Nation, whatever the charity of the Nation may require. The functions which the Congress are to discharge are not those of local government but of National Government. The greatest solicitude should be exercised to prevent any encroachment upon the rights of the States or their various political subdivisions. Local self-government is one of our most precious possessions. It is the greatest contributing factor to the stability strength liberty, and progress of the Nation. It ought not to be in ringed by assault or undermined by purchase. It ought not to abdicate its power through weakness or resign its authority through favor. It does not at all follow that because abuses exist it is the concern of the Federal Government to attempt the r reform.

Society is in much more danger from encumbering the National Government beyond its wisdom to comprehend, or its ability to administer, than from leaving the local

communities to bear their own burdens and remedy their own evils. Our local habit and custom is so strong, our variety of race and creed is so great the Federal authority is so tenuous, that the area within which it can function successfully is very limited. The wiser policy is to leave the localities, so far as we can, possessed of their own sources of revenue and charged with their own obligations.

Page 2299

GOVERNMENT ECONOMY

It is a fundamental principle of our country that the people are sovereign. While they recognize the undeniable authority of the state, they have established as its instrument a Government of limited powers. They hold inviolate in their own hands the jurisdiction over their own freedom and the ownership of their own property. Neither of these can be impaired except by due process of law. The wealth of our country is not public wealth, but private wealth. It does not belong to the Government, it belongs to the people. The Government has no justification in taking private Property except for a public purpose. It is always necessary to keep these principles in mind in the laying of taxes and in the making of appropriations. No right exists to levy on a dollar, or to order the expenditure of a dollar, of the money of the people, except for a necessary public purpose duly authorized by the Constitution. The power over the purse is the power over liberty.

That is the legal limitation within which the Congress can act, How it will, proceed within this limitation is always a question of policy. When the country is prosperous and free from debt, when the rate of taxation is low, opportunity exists for assuming new burdens and undertaking new enterprises. Such a condition now prevails only to a limited extent. All proposals for assuming new obligations ought to be postponed, unless they are reproductive capital investments or are such as are absolutely necessary at this time. We still have an enormous debt of over $20,000,000,000, on which the interest and sinking-fund requirements are $1,320,000,000. Our appropriations for the Pension Office and the Veterans' Bureau are $600,000,000. The War and Navy Departments call for $642,000,000. Other requirements, exclusive of the Post Office which is virtually self-sustaining, brought the appropriations for the current year up to almost $3,100,060,000. This shows an expenditure of close to $30 for every inhabitant of our country. For the average family of five it means a tax, directly or indirectly paid, of about $150 for national purposes alone. The local tax adds much more. These enormous expenditures ought not to be increased, but through every possible effort they ought to be reduced.

Only one of these great items can be ultimately extinguished. That is the item of our war debt. Already this has been reduced to about $6,000,000,000, which means an annual saving in interest of close to $250,000,000. The present interest charge is about $820,000,000 yearly. It would seem to be obvious that the sooner this debt can be retired the more the taxpayers will save in interest and the easier it will be to secure funds with which to prosecute needed running expenses, constructions, and improvements. This item of $820,000,000 for interest is a heavy charge on all the people of the country, and it seems to me that we might well consider whether it is not greatly worth while to dispense with it as early as possible by retiring the principal debt which it is required to serve.

Page 2300

It has always been our policy to retire our debts. That of the Revolutionary War period, notwithstanding the additions made in 1812, was paid by 1835. and the Civil War debt within 23 years. Of the amount already paid, over $1,000,000,000 is a reduction in cash balances. That source is exhausted. Over one and two-thirds billions of dollars was derived from excess receipts. Tax reduction eliminates that. The sale of surplus war materials has been another element of our income. That is practically finished. With these eliminated, the reduction of the debt has been only about $500,000,000 each year, not an excessive sum on so large a debt.

Proposals have been made to extend the payment over a period of 62 years. If $1,000,000,000 is paid at the end of 20 years, the cost to the taxpayers is the principal and, if the interest is 4% per cent, a total of $1,850,000,000. If the same sum is paid at the end of 62 years, the cost is $3,635,000,000, or almost double. Here is another consideration: Compared with its purchasing power in 1913, the dollar we borrowed represented but 52 cents. As the value of our dollar increases, due to the falling prices of commodities, the burden of our debt increases. It has now risen to 631/2 cents. The taxpayer will be required to produce nearly twice the amount of commodities to pay his debt if the dollar returns to the 1913 value. The more we pay while prices are high, the easier it will be.

Deflation of government after a war period is slower than deflation of business, where curtailment is either prompt and effective or disaster follows. There is room for further economy in the cost of the Federal Government, but a co n of current expenditures with pre-war expenditures is not able to the efficiency with which Government business is now being done. The expenditures of 19161 the last pre-war year, were $742,000,000, and in 1925 over $3,500,000,000, or nearly five times as great. If we subtract expenditures for debt retirements and interest, veterans' relief, increase of pensions, and other special outlays, consisting of refunds, trust investments, and like charges, we find that the general expenditures of the Government in 1925 were slightly more than twice as large as in 1916.

As prices in 1925 were approximately 40 per cent higher than in 1916, the cost of the same Government must also have increased. But the Government is not the same. It is more expensive to collect the much greater revenue necessary and to administer our great debt. We have given enlarged and improved services to agriculture and commerce. Above all, America has grown in population and wealth. Government expenditures must always share in this growth. Taking into account the factors I have mentioned, I believe that present Federal expenses are not far out of line with pre-war expenses. We have nearly accomplished the deflation.

Page 2301

This does not mean that further economies will not come. As we reduce our debt our interest charges decline. There are many details yet to correct. The real improvement, however, must come not from additional curtailment of expenses, but by a more intelligent, more ordered spending. Our economy must be constructive. While we should avoid as far as possible increases in permanent current expenditures, oftentimes a capital outlay like internal improvements will result in actual constructive saving. That is economy in its best sense. It is an avoidance of waste that there may be the means for an outlay to-day which will bring larger returns to-morrow. We should constantly engage in scientific studies of our future requirements and adopt an orderly program for their service. Economy is the method by which we prepare to-day to afford the improvements of to-morrow.

A mere policy of economy without any instrumentalities for putting it into operation would be very ineffective. The Congress has wisely set up the Bureau of the Budget to investigate and inform the President what recommendations he ought to make for current appropriations. This gives a centralized authority where a general and comprehensive understanding can be reached of the sources of income and the most equitable distribution of expenditures. How well it has worked is indicated by the fact that the departmental estimates for 1922, before the budget law, were $4,068,000,000 while the Budget estimates for 1927 are $3,156,000,000. This latter figure shows the reductions in departmental estimates for the coming year made possible by the operation of the Budget system that the Congress has provided.

But it is evidently not enough to have care in making appropriations without any restraint upon expenditure. The Congress has provided that check by establishing the office of Comptroller General.

The purpose of maintaining the Budget Director and the Comptroller General is to secure economy and efficiency in Government expenditure. No better method has been devised for the accomplishment of that end. These offices can not be administered in all the various details without making some errors both of fact and of judgment. But the important consideration remains that these are the instrumentalities of the Congress and that no other plan has ever been adopted which was so successful in promoting economy and efficiency. The Congress has absolute authority over the appropriations and is free to exercise its judgment, as the evidence may warrant, in increasing or decreasing budget recommendations. But it ought to resist every effort to weaken or break down this most beneficial system of supervising appropriations and expenditures. Without it all the claim of economy would be a mere pretense.

TAXATION

Page 2302

The purpose of reducing expenditures is to secure a reduction in taxes. That purpose is about to be realized. With commendable promptness the Ways and Means Committee of the House has undertaken in advance of the meeting of the Congress to frame a revenue act. As the bill has proceeded through the committee it has taken on a nonpartisan character, and both Republicans and Democrats have joined in a measure which embodies many sound principles of tax reform. The bill will correct substantially the economic defects injected into the revenue act of 1924, as well as many which have remained as war-time legacies. In its present form it should provide sufficient revenue for the Government.

The excessive surtaxes have been reduced, estate tax rates are restored to more reasonable figures, with every prospect of withdrawing from the field when the States have had the opportunity to correct the abuses in their own inheritance tax laws, the gift tax and publicity section are to be repealed many miscellaneous taxes are lowered or abandoned, and the Board of Tax Appeals and the administrative features of the law are improved and strengthened. I approve of the bill in principle. In so far as income-tax exemptions are concerned, it seems, to me the committee has gone as far as it is Safe to go and somewhat further than I should have gone. Any further extension along these lines would, in my opinion, impair the integrity of our income-tax system.

I am advised that the bill will be through the House by Christmas. For this prompt action the country call thank the good sense of the Ways and Means Committee in framing an economic measure upon economic considerations. If this attitude continues to be reflected through the Congress, the taxpayer will have his relief by the time his March 15th installment of income taxes is due. Nonpartisan effort means certain, quick action. Determination of a revenue law definitely, promptly and solely as a revenue law, is one of the greatest gifts a legislature can bestow upon its constituents. I commend the example of file Ways and Means Committee. If followed, it will place sound legislation upon the books in time to give the taxpayers the full benefit of tax reduction next year. This means that the bill should reach me prior to March 15.

All these economic results are being sought not to benefit the rich, but to benefit the people. They are for the purpose of encouraging industry in order that employment may be plentiful. They seek to make business good in order that wages may be good. They encourage prosperity in order that poverty may be banished from the home. They, seek to lay the foundation which, through increased production, may, give the people a more bountiful supply of the necessaries of life, afford more leisure for the improvement of the mind, the appreciation of the arts of music and literature, sculpture and painting, and the beneficial enjoyment of outdoor sports and recreation, enlarge the resources which minister to charity and by all these means attempting to strengthen the spiritual life of the Nation.

Page 2303

FOREIGN RELATIONS

The policy of our foreign relations, casting aside any suggestion of force, rests solely on the foundation of peace, good will, and good works. We have sought, in our intercourse with other nations, better understandings through conference and exchange of views its befits beings endowed with reason. The results have been the gradual elimination of disputes, the settlement of controversies, and the establishment of a firmer friendship between America and the rest of the world that has ever existed tit any previous time.

The example of this attitude has not been without its influence upon other countries. Acting upon it, an adjustment was made of the difficult problem of reparations. This was the second step toward peace in Europe. It paved the way for the agreements which were drawn up at the Locarno Conference. When ratified, these will represent the third step toward peace. While they do not of themselves provide an economic rehabilitation, which is necessary for the progress of Europe, by strengthening the guarantees of peace they diminish the need for great armaments. If the energy which now goes into military effort is transferred to productive endeavor it will greatly assist economic progress.

The Locarno agreements were made by the, European countries directly interested without any formal intervention of America, although on July 3 I publicly advocated such agreements in an address made in Massachusetts. We have consistently refrained from intervening except when our help has been sought and we have felt it could be effectively given, as in the settlement of reparations and the London Conference. These recent Locarno agreements represent the success of this policy which we have been insisting ought to be adopted, of having European countries settle their own political problems without involving this country. This beginning seems to demonstrate that this policy is sound. It is exceedingly gratifying to observe this progress, both in its method and in its result promises so much that is beneficial to the world.

When these agreements are finally adopted, they will provide guarantees of peace that make the present prime reliance upon force in some parts of Europe very much less necessary. The natural corollary to these treaties should be further international contracts for the limitation of armaments. This work was successfully begun at the Washington Conference. Nothing was done at that time concerning land forces because of European objection. Our standing army has been reduced to around 118,000, about the necessary police force for 115,000,000 people. We are not proposing to increase it, nor is it supposable that any foreign country looks with the slightest misapprehension upon our land forces. They do not menace anybody. They are rather a protection to everybody.

Page 2304

The question of disarming upon land is so peculiarly European in its practical aspects that our country would look with particular gratitude upon any action which those countries might take to reduce their own military forces. This is in accordance with our policy of not intervening unless the European powers are unable to agree and make request for our assistance. Whenever they are able to agree of their own accord it is especially gratifying to its, and such agreements may be sure of our sympathetic support.

It seems clear that it is the reduction of armies rather than of navies that is of the first importance to the world at the present time. We shall look with great satisfaction upon that effort and give it our approbation and encouragement. If that can be settled, we may more easily consider further reduction and limitation of naval armaments. For that purpose our country has constantly through its Executive, and through repeated acts of Congress, indicated its willingness to call such a conference. Under congressional sanction it would seem to be wise to participate in any conference of the great powers for naval limitation of armament proposed upon such conditions that it would hold a fair promise of being effective. The general policy of our country is for disarmament, and it ought not to hesitate to adopt any practical plan that might reasonably be expected to succeed. But it would not care to attend a conference which from its location or constituency would in all probability prove futile.

In the further pursuit, of strengthening the bonds of peace and good will we have joined with other nations in an international conference held at Geneva and signed an agreement which will be laid before the Senate for ratification providing suitable measures for control and for publicity in international trade in arms, ammunition, and implements of war, and also executed a protocol providing for a prohibition of the use of poison gas in war, in accordance with the principles of Article 5 of the treaty relating thereto signed at the Washington Conference. We are supporting the Pan American efforts that are being made toward the codification of international law, and looking with sympathy oil the investigations conducted under philanthropic auspices of the proposal to agreements outlawing war. In accordance with promises made at the Washington Conference, we have urged the calling of and are now represented at the Chinese Customs Conference and on the Commission on Extraterritoriality, where it will be our policy so far as possible to meet the, aspirations of China in all ways consistent with the interests of the countries involved.

COURT OF INTERNATIONAL JUSTICE

Pending before the Senate for nearly three years is the proposal to adhere to the protocol establishing the Permanent Court of International Justice. A well-established line of precedents mark America's effort to effect the establishment of it court of this nature.. We took a leading part in laying the foundation on which it rests in the

establishment of The Hague Court of Arbitration. It is that tribunal which nominates the judges who are elected by the Council and Assembly of the League of Nations.

Page 2305

The proposal submitted to the Senate was made dependent upon four conditions, the first of which is that by supporting the court we do not assume any obligations under the league; second, that we may participate upon an equality with other States in the election of judges; third, that the Congress shall determine what part of the expenses we shall bear; fourth, that the statute creating the court shall not be amended without out consent; and to these I have proposed an additional condition to the effect that we are not to be bound by advisory opinions rendered without our consent.

The court appears to be independent of the league. It is true the judges are elected by the Assembly and Council, but they are nominated by the Court of Arbitration, which we assisted to create and of which we are a part. The court was created by it statute, so-called, which is really a treaty made among some forty-eight different countries, that might properly be called a constitution of the court. This statute provides a method by which the judges are chosen so that when the Court of Arbitration nominates them and the Assembly and Council of the League elect them, they are not acting as instruments of the Court of Arbitration or instruments of the league, but as instruments of the statute.

This will be even more apparent if our representatives sit with the members of the council and assembly in electing the judges. It is true they are paid through the league though not by the league, but by the countries which are members of the league and by our country if we accept the protocol. The judges are paid by the league only in the same sense that it could be said United States judges are paid by the Congress. The court derives all its authority from the statute and is so completely independent of the league that it could go on functioning if the league were disbanded, at least until the terms of the judges expired.

The most careful provisions are made in the statute as to the qualifications of judges. Those who make the nominations are recommended to consult with their highest court of justice, their law schools and academies. The judges must be persons of high moral character, qualified to hold the highest judicial offices in that country, or be jurisconsults of recognized competence in international law. It must be assumed that these requirements will continue to be carefully met, and with America joining the countries already concerned it is difficult to comprehend how human ingenuity could better provide for the establishment of a court which would maintain its independence. It has to be recognized that independence is to a considerable extent a matter of ability, character, and personality. Some effort was made in the early beginnings to interfere with the independence of our Supreme Court. It did not succeed because of the quality of the men who made up that tribunal.

Page 2306

It does not seem that the authority to give advisory opinions interferes with the independence of the court. Advisory opinions in and of themselves are not harmful, but may be used in such a way as to be very beneficial because they undertake to prevent injury rather than merely afford a remedy after the injury has been done. As a principle that only implies that the court shall function when proper application is made to it. Deciding the question involved upon issues submitted for an advisory opinion does not differ materially from deciding the question involved upon issues submitted by contending parties. Up to the present time the court has given an advisory opinion when it judged it had jurisdiction, and refused to give one when it judged it did not have jurisdiction. Nothing in the work of the court has yet been an indication that this is an impairment of its independence or that its practice differs materially from the giving of like opinions under the authority of the constitutions of several of our States.

No provision of the statute seems to me to give this court any authority to be a political rather than a judicial court. We have brought cases in this country before our courts which, when they have been adjudged to be political, have been thereby dismissed. It is not improbable that political questions will be submitted to this court, but again up to the present time the court has refused to pass on political questions and our support would undoubtedly have a tendency to strengthen it in that refusal.

We are not proposing to subject ourselves to any compulsory jurisdiction. If we support the court, we can never be obliged to submit any case which involves our interests for its decision. Our appearance before it would always be voluntary, for the purpose of presenting a case which we had agreed might be presented. There is no more danger that others might bring cases before the court involving our interests which we did not wish to have brought, after we have adhered, and probably not so much, than there would be of bringing such cases if we do not adhere. I think that we would have the same legal or moral right to disregard such a finding in the one case that we would in the other.

If we are going to support any court, it will not be one that we have set up alone or which reflects only our ideals. Other nations have their customs and their institutions, their thoughts and their methods of life. If a court is going to be international, its composition will have to yield to what is good in all these various elements. Neither will it be possible to support a court which is exactly perfect, or under which we assume absolutely no obligations. If we are seeking that opportunity, we might as well declare that we are opposed to supporting any court. If any agreement is made, it will be because it undertakes to set up a tribunal which can do some of the things that other nations wish to have done. We shall

Page 2307

not find ourselves bearing a disproportionate share of the world's burdens by our adherence, and we may as well remember that there is absolutely no escape for our country from bearing its share of the world's burdens in any case. We shall do far better service to ourselves and to others if we admit this and discharge our duties voluntarily, than if we deny it and are forced to meet the same obligations unwillingly.

It is difficult to imagine anything that would be more helpful to the world than stability, tranquility and international justice. We may say that we are contributing to these factors independently, but others less fortunately located do not and can not make a like contribution except through mutual cooperation. The old balance of power, mutual alliances, and great military forces were not brought bout by any mutual dislike for independence, but resulted from the domination of circumstances. Ultimately they were forced on us. Like all others engaged in the war whatever we said as a matter of fact we joined an alliance, we became a military power, we impaired our independence. We have more at stake than any one else in avoiding a repetition of that calamity. Wars do not, spring into existence. They arise from small incidents and trifling irritations which can be adjusted by an international court. We can contribute greatly to the advancement of our ideals by joining with other nations in maintaining such a tribunal.

FOREIGN DEBTS

Gradually, settlements have been made which provide for the liquidation of debts due to our Government from foreign governments. Those made with Great Britain, Finland, Hungary Lithuania, and Poland have already been approved by the Congress. Since the adjournment, further agreements have been entered into with Belgium, Czechoslovakia, Latvia, Estonia, Italy, and Rumania. These 11 nations, which have already made settlements, represent $6,419,528,641 of the original principal of the loans. The principal sums without interest, still pending, are the debt of France, of $3,340,000,000; Greece, $15,000,000; Yugoslavia, $.51,000,000; Liberia, $26,000; Russia, $192,000,000, which those at present in control have undertaken, openly to repudiate; Nicaragua, $84,000, which is being paid currently; and Austria, $24,000,000, on which by act of Congress a moratorium of 20 years has been granted. The only remaining sum is $12,000,000, due from Armenia, which has now ceased to exist as an independent nation.

In accordance with the settlements made, the amount of principal and interest which is to be paid to the United States under these agreements aggregate $15,200,688,253.93. It is obvious that the remaining settlements, which will undoubtedly be made, will bring this sum up to an amount which will more than equal the principal due on our present national debt. While these settlements are very large in the aggregate, it has been felt that the terms granted were in all cases very generous.

They impose no undue burden and are mutually beneficial in the observance of international faith and the improvement of international credit.

Page 2308

Every reasonable effort will be made to secure agreements for liquidation with the remaining countries, whenever they are in such condition that they can be made. Those which have already been negotiated under the bipartisan commission established by the Congress have been made only after the most thoroughgoing and painstaking investigation, continued for a long time before meeting with the representatives of the countries concerned. It is believed that they represent in each instance the best that can be done and the wisest settlement that can be secured. One very important result is the stabilization of foreign currency, making exchange assist rather than embarrass our trade. Wherever sacrifices have been made of money, it will be more than amply returned in better understanding and friendship, while in so far as these adjustments will contribute to the financial stability of the debtor countries, to their good order, prosperity, and progress, they represent hope of improved trade relations and mutual contributions to the civilization of the world.

ALIEN PROBLEM

Negotiations are progressing among the interested parties in relation to the final distribution of the assets in the hands of the Alien Property Custodian. Our Government and people are interested as creditors; the German Government and people are interested as debtors and owners of the seized property. Pending the outcome of these negotiations, I do not recommend any affirmative legislation. For the present we should continue in possession of this property which we hold as security for the settlement of claims due to our people and our Government.

IMMIGRATION

While not enough time has elapsed to afford a conclusive demonstration, such results as have been secured indicate that our immigration law is on the whole beneficial. It is undoubtedly a protection to the wage earners of this country. The situation should however, be carefully surveyed, in order to ascertain whether it is working a needless hardship upon our own inhabitants. If it deprives them of the comfort and society of those bound to them by close family ties, such modifications should be adopted as will afford relief, always in accordance with the principle that our Government owes its first duty to our own people and that no alien, inhabitant of another country, has any legal rights whatever under our Constitution and laws. It is only through treaty, or through residence here that such rights accrue. But we should not, however, be forgetful of the obligations of a common humanity.

Page 2309

While our country numbers among its best citizens many of those of foreign birth, yet those who now enter in violation of our laws by that very act thereby place themselves in a class of undesirables. Investigation reveals that any considerable number are coming here in defiance of our immigration restrictions, it will undoubtedly create the necessity for the registration of all aliens. We ought to have no prejudice against an alien because he is an alien. The standard which we apply to our inhabitants is that of manhood, not place of birth. Restrictive immigration is to a large degree for economic purposes. It is applied in order that we may not have a larger annual increment of good people within our borders than we can weave into our economic fabric in such a way as to supply their needs without undue injury to ourselves.

NATIONAL DEFENSE

Never before in time of peace has our country maintained so large and effective a military force as it now has. The Army, Navy, Marine Corps, National Guard, and Organized Reserves represent a strength of about 558,400 men. These forces are well trained, well equipped, and high in morale.

A sound selective service act giving broad authority for the mobilization in time of peril of all the resources of the country, both persons and materials, is needed to perfect our defense policy in accordance with our ideals of equality. The provision for more suitable housing to be paid for out of funds derived from the sale of excess lands, pending before the last Congress, ought to be brought forward and passed. Reasonable replacements ought to be made to maintain a sufficient ammunition reserve.

The Navy has the full treaty tonnage of capital ships. Work is going forward in modernizing the older ones, building aircraft carriers, additional fleet submarines, and fast scout cruisers, but we are carefully avoiding anything that might be construed as a competition in armaments with other nations. The joint Army and Navy maneuvers at Hawaii, followed by the cruise of a full Battle Fleet to Australia and New Zealand, were successfully carried out. These demonstrations revealed a most satisfactory condition of the ships and the men engaged.

Last year at my suggestion the General Board of the Navy made an investigation and report on the relation of aircraft to warships. As a result authorizations and appropriations were made for more scout cruisers and fleet submarines and for completing aircraft carriers and equipping them with necessary planes. Additional training in aviation was begun at the Military and Naval Academies. A method of coordination and cooperation of the Army and Navy and the principal aircraft builders is being perfected. At the suggestion of the Secretaries of War and Navy I appointed a special board to make a further study of the problem of aircraft.

Page 2310

The report of the Air Board ought to be reassuring to the country, gratifying to the service and satisfactory to the Congress. It is thoroughly complete and represents the mature thought of the best talent in the country. No radical change in organization of the service seems necessary. The Departments of War, Navy, and Commerce should each be provided with an additional assistant secretary, not necessarily with statutory duties but who would be available under the direction of the Secretary to give especial attention to air navigation. We must have an air strength worthy of America. Provision should be made for two additional brigadier generals for the Army Air Service. Temporary rank corresponding to their duties should be awarded to active flying officers in both Army and Navy.

Aviation is of great importance both for national defense and commercial development. We ought to proceed in its improvement by the necessary experiment and investigation. Our country is not behind in this art. It has made records for speed and for the excellence of its planes. It ought to go on maintaining its manufacturing plants capable of rapid production, giving national assistance to the la in out of airways, equipping itself with a moderate number of planes and keeping an air force trained to the highest efficiency.

While I am a thorough believer in national defense and entirely committed to the policy of adequate preparation, I am just as thoroughly opposed to instigating or participating in a policy of competitive armaments. Nor does preparation mean a policy of militarizing. Our people and industries are solicitous for the cause of 0111, country, and have great respect for the Army and Navy and foil the uniform worn by the men who stand ready at all times for our protection to encounter the dangers and perils necessary to military service, but all of these activities are to be taken not in behalf of aggression but in behalf of peace. They are the instruments by which we undertake to do our part to promote good will and support stability among all peoples.

VETERANS

If any one desires to estimate the esteem in which the veterans of America are held by their fellow citizens, it is but necessary to remember that the current budget calls for an expenditure of about $650,000.000 in their behalf. This is nearly the amount of the total cost of the National Government, exclusive of the post office, before we entered the last war.

At the two previous sessions of Congress legislation affecting veterans' relief was enacted and the law liberalized. This legislation brought into being a number of new provisions tending more nearly to meet the needs of our veterans, as well as afford the necessary authority to perfect the administration of these laws.

Page 2311

Experience with the new legislation so far has clearly demonstrated its constructive nature. It has increased the benefits received by many and has made eligible for benefits many others. Direct disbursements to the veteran or his dependents exceeding $21,000,000 have resulted, which otherwise would not have been made. The degree of utilization of our hospitals has increased through making facilities available to the incapacitated veteran regardless of service origin of the disability. This new legislation also has brought about a marked improvement of service to the veteran.

The organizations of ex-service men have proposed additional legislative changes which you will consider, but until the new law and the modifications made at the last session of Congress are given a more thorough test further changes in the basic law should be few and made only after careful though sympathetic consideration.

The principal work now before the Veterans' Bureau is the perfection of its organization and further improvements in service. Some minor legislative changes are deemed necessary to enable the bureau to retain that high grade of professional talent essential in handling the problems of the bureau. Such changes as tend toward the improvement of service and the carrying forward to completion of the hospital construction program are recommended for the consideration of the proper committees of Congress.

With the enormous outlay that is now being made in behalf of the veterans and their dependents, with a tremendous war debt still requiring great annual expenditure, with the still high rate of taxation, while every provision should be made for the relief of the disabled and the necessary care of dependents, the Congress may well consider whether the financial condition of the Government is not such that further bounty through the enlargement of general pensions and other emoluments ought not to be postponed.

AGRICULTURE

No doubt the position of agriculture as a whole has very much improved since the depression of three and four years ago. But there are many localities and many groups of individuals, apparently through no fault of their own, sometimes due to climatic conditions and sometimes to the prevailing price of a certain crop, still in a distressing condition. This is probably temporary, but it is none the less acute. National Government agencies, the Departments of Agriculture and Commerce, the Farm Loan Board, the intermediate credit banks, and the Federal Reserve Board are all cooperating to be of assistance and relief. On the other hand, there are localities and individuals who have had one of their most prosperous years. The general price level is fair, but here again there are exceptions both ways, some items being poor while others are excellent. In spite of a lessened production the farm income for this year will be about the same as last year and much above the three preceding years.

Page 2312

Agriculture is a very complex industry. It does not consist of one problem, but of several. They can not be solved at one stroke. They have to be met in different ways, and small gains are not to be despised.

It has appeared from all the investigations that I have been able to make that the farmers as a whole are determined to maintain the independence of their business. They do not wish to have meddling on the part of the Government or to be placed under the inevitable restrictions involved in any system of direct or indirect price-fixing, which would result from permitting the Government to operate in the agricultural markets. They are showing a very commendable skill in organizing themselves to transact their own business through cooperative marketing, which will this year turn over about $2,500,000,000, or nearly one-fifth of the total agricultural business. In this they are receiving help from the Government. The Department of Agriculture should be strengthened in this facility, in order to be able to respond when these marketing associations want help. While it ought not to undertake undue regulation, it should be equipped to give prompt information on crop prospects, supply, demand, current receipts, imports, exports, and prices.

A bill embodying these principles, which has been drafted under the advice and with the approval of substantially all the leaders and managers in the cooperative movement, will be presented to the Congress for its enactment. Legislation should also be considered to provide for leasing the unappropriated public domain for grazing purposes and adopting a uniform policy relative to grazing on the public lands and in the national forests.

A more intimate relation should be established between agriculture and the other business activities of the Nation. They are mutually dependent and can each advance their own prosperity most by advancing the prosperity of the other. Meantime the Government will continue those activities which have resulted in an unprecedented amount of legislation and the pouring out of great sums of money during the last five years. The work for good roads, better land and water transportation, increased support for agricultural education, extension of credit facilities through the Farm Loan Boards and the intermediate credit banks, the encouragement of orderly marketing and a repression of wasteful speculation, will all be continued.

Following every other depression, after a short period the price of farm produce has taken and maintained the lead in the advance. This advance had reached a climax before the war. Everyone will recall the discussion that went on for four or five years prior to 1914 concerning the high cost of living. This history is apparently beginning to repeat itself. While wholesale prices of other commodities have been declining, farm prices have been increasing. There is every reason to suppose that a new era in agricultural prosperity lies just before us, which will probably be unprecedented.

Page 2313

MUSCLE SHOALS

The problem of Muscle Shoals seems to me to have assumed a place all out of proportion with its real importance. It probably does not represent in market value much more than a first-class battleship, yet it has been discussed in the Congress over a period of years and for months at a time. It ought to be developed for the production of nitrates primarily, and incidentally for power purposes. This would serve defensive, agricultural, and industrial purposes. I am in favor of disposing of this property to meet these purposes. The findings of the special commission will be transmitted to the Congress for their information. I am convinced that the best possible disposition can be made by direct authorization of the Congress. As a means of negotiation I recommend the immediate appointment of a small joint special committee chosen from the appropriate general standing committees of the House and Senate to receive bids, which when made should be reported with recommendations as to acceptance, upon which a law should be enacted, effecting a sale to the highest bidder who will agree to carry out these purposes.

If anything were needed to demonstrate the almost utter incapacity of the National Government to deal directly with an industrial and commercial problem, it has been provided by our experience with this property. We have expended vast fortunes, we have taxed everybody, but we are unable to secure results, which benefit anybody. This property ought, to be transferred to private management under conditions which will dedicate it to the public purpose for which it was conceived.

RECLAMATION

The National Government is committed to a policy of reclamation and irrigation which it desires to establish on a sound basis and continue in the interest of the localities concerned. Exhaustive studies have recently been made of Federal reclamation, which have resulted in improving the projects and adjusting many difficulties. About one third of the projects is in good financial condition, another third can probably be made profitable, while the other third is under unfavorable conditions. The Congress has already provided for a survey which will soon be embodied in a report. That ought to suggest a method of relief which will make unnecessary further appeals to the Congress. Unless this can be done, Federal reclamation will be considerably retarded. With the greatly increased cost of construction and operation, it has become necessary to plan in advance, by community organization and selective agriculture, methods sufficient to repay these increasing outlays.

Page 2314

The human and economic interests of the farmer citizens suggest that the States should be required to exert some effort and assume some responsibility, especially in the intimate, detailed, and difficult work of securing settlers and developing farms which directly profit them, but only indirectly and remotely can reimburse the Nation. It is believed that the Federal Government should continue to be the agency for planning and constructing the great undertakings needed to regulate and bring into use the rivers the West, many of which are interstate in character, but the detailed work of creating agricultural communities and a rural civilization on the land made ready for reclamation ought to be either transferred to the State in its entirety or made a cooperative effort of the State and Federal Government.

SHIPPING

The maintenance of a merchant marine is of the utmost importance for national defense and the service of our commerce. We have a large number of ships engaged in that service. We also have a surplus supply, costly to care for, which ought to be sold. All the investigations that have been made under my direction, and those which have been prosecuted independently, have reached the conclusion that the fleet should be under the direct control of a single executive head, while the Shipping Board should exercise its judicial and regulatory functions in Accordance with its original conception. The report of Henry G. Dalton, a business man of broad experience, with a knowledge of shipping, made to me after careful investigation, will be transmitted for the information of the Congress, the studies pursued under the direction of the United States Chamber of Commerce will also be accessible, and added to these will be the report of the special committee of the House.

I do not advocate the elimination of regional considerations, but it has become apparent that without centralized executive action the management of this great business, like the management of any other great business, will flounder in incapacity and languish under a division of council. A plain and unmistakable reassertion of this principle of unified control, which I have always been advised was the intention of the Congress to apply, is necessary to increase the efficiency of our merchant fleet.

COAL

The perennial conflict in the coal industry is still going on to the great detriment of the wage earners, the owners, and especially to the public. With deposits of coal in this country capable of supplying its needs for hundreds of years, inability to manage and control this great resource for the benefit of all concerned is very close to a national economic failure. It has been the subject of repeated investigation and reiterated recommendation. Yet the industry seems never to have accepted modern methods of adjusting differences between employers and employees. The industry could serve the

public much better and become subject to a much more effective method of control if regional consolidations and more freedom in the formation of marketing associations, under the supervision of the Department of Commerce, were permitted.

Page 2315

At the present time the National Government has little or no authority to deal with this vital necessity of the life of the country. It has permitted itself to remain so powerless that its only attitude must be humble supplication. Authority should be lodged with the President and the Departments of Commerce and Labor, giving them power to deal with an emergency. They should be able to appoint temporary boards with authority to call for witnesses and documents, conciliate differences, encourage arbitration, and in case of threatened scarcity exercise control over distribution. Making the facts public under these circumstances through a statement from an authoritative source would be of great public benefit. The report of the last coal commission should be brought forward, reconsidered, and acted upon.

PROHIBITION

Under the orderly processes of our fundamental institutions the Constitution was lately amended providing for national prohibition. The Congress passed an act for its enforcement, and similar acts have been provided by most of the States. It is the law of the land. It is the duty of all who come under its, jurisdiction to observe the spirit of that law, and it is the duty of the Department of Justice and the Treasury Department to enforce it. Action to prevent smuggling, illegal transportation in interstate commerce, abuse in the use of permits, and existence of sources of supply for illegal traffic is almost entirely imposed upon the Federal Government.

Through treaties with foreign governments and increased activities of the Coast Guard, revenue agents, district attorneys and enforcement agents effort is being made to prevent these violations. But the Constitution also puts a concurrent duty on the States. We need their active and energetic cooperation, the vigilant action of their police, and the jurisdiction of their courts to assist in enforcement. I request of the people observance, of the public officers continuing efforts for enforcement, and of the Congress favorable action on the budget recommendation for the prosecution of this work.

WATERWAY DEVELOPMENT

For many years our country has been employed in plans and M for the development of our intracoastal and inland waterways. This work along our coast is an important adjunct to our commerce. It will be carried on, together with the further opening up of our harbors, as our resources permit. The Government made an agreement during the war to take over the Cape Cod Canal, under which the owners made valuable concessions. This pledged faith of the Government ought to be redeemed.

Page 2316

Two other main fields are under consideration. One is the Great Lakes and St. Lawrence, including the Erie Canal. This includes stabilizing the lake level, and is both a waterway and power project. A joint commission of the United States and Canada is working on plans and surveys which will not be completed until next April. No final determination can be made, apparently, except under treaty as to the participation of both countries. The other is the Mississippi River stem. This is almost entirely devoted to navigation. Work on the Ohio River will be completed in about three years. A modern channel connecting Chicago, New Orleans, Kansas City, and Pittsburgh should be laid out and work on the tributaries prosecuted. Some work is being done of a preparatory nature along the Missouri, and large expenditures are being made yearly in the lower reaches of the Mississippi and its tributaries which contribute both to flood control and navigation. Preliminary measures are being taken on the Colorado River project, which is exceedingly important for flood control, irrigation, power development, and water supply to the area concerned. It would seem to be very doubtful, however, whether it is practical to secure affirmative action of the Congress, except under a Joint agreement of the several States.

The Government has already expended large sums upon scientific research and engineering investigation in promotion of this Colorado River project. The actual progress has been retarded for many years by differences among the seven States in the basin over their relative water rights and among different groups as to methods. In an attempt to settle the primary difficulty of the water rights, Congress authorized the Colorado River Commission which agreed on November 24, 1922, upon an interstate compact to settle these rights, subject to the ratification of the State legislatures and Congress. All seven States except Arizona at one time ratified, the Arizona Legislature making certain reservations which failed to meet the approval of the governor. Subsequently an attempt was made to establish the compact upon a six-State basis, but in this case California imposed reservations. There appears to be no division of opinion upon the major principles of the compact, but difficulty in separating contentions to methods of development from the discussion of it. It is imperative that flood control be undertaken for California and Arizona. preparation made for irrigation, for power, and for domestic water.

Some or all of these questions are combined in every proposed development. The Federal Government is interested in some of these phases, State governments and municipalities and irrigation districts in others, and private corporations in still others. Because of all this difference of view it is most desirable that Congress should consider the creation of some agency that will be able to determine methods of improvement solely upon economic and engineering facts, that would be authorized to negotiate and settle, subject to the approval of Congress, the participation, rights, and obligations of each group in any particular works. Only by some such method can early construction be secured.

Page 2317

WATER POWER

Along with the development of navigation should go every possible encouragement for the development of our water power. While steam still plays a dominant part, this is more and more becoming an era of electricity. Once installed, the cost is moderate, has not tended greatly to increase, and is entirely free from the unavoidable dirt and disagreeable features attendant upon the burning of coal. Every facility should be extended for the connection of the various units into a superpower plant, capable at all times of a current increasing uniformity over the entire system.

RAILROADS

The railroads throughout the country are in a fair state of prosperity. Their service is good and their supply of cars is abundant. Their condition would be improved and the public better served by a system of consolidations. I recommend that the Congress authorize such consolidations tinder the supervision of the Interstate Commerce Commission, with power to approve or disapprove when proposed parts are excluded or new parts added. I am informed that the railroad managers and their employees have reached a substantial agreement as to what legislation is necessary to regulate and improve their relationship. Whenever they bring forward such proposals, which seem sufficient also to protect the interests of the public, they should be enacted into law.

It is gratifying to report that both the railroad managers and railroad employees are providing boards for the mutual adjustment of differences in harmony with the principles of conference, conciliation, and arbitration. The solution of their problems ought to be an example to all other industries. Those who ask the protections of civilization should be ready to use the methods of civilization.

A strike in modern industry has many of the aspects of war in the modern world. It injures labor and it injures capital. If the industry involved is a basic one, it reduces the necessary economic surplus and, increasing the cost of living, it injures the economic welfare and general comfort of the whole people. It also involves a deeper cost. It tends to embitter and divide the community into warring classes and thus weakens the unity and power of our national life.

Labor can make no permanent gains at the cost of the general welfare. All the victories won by organized labor in the past generation have been won through the support of public opinion. The manifest inclination of the managers and employees of the railroads to adopt a policy of action in harmony with these principles marks a new epoch in our industrial life.

OUTLYING POSSESSIONS

Page 2318

The time has come for careful investigation of the expenditures and success of the laws by which we have undertaken to administer our outlying possessions. A very large amount of money is being expended for administration in Alaska. It appears so far out of proportion to the number of inhabitants and the amount of production as to indicate cause for thorough investigation. Likewise consideration should be given to the experience under the law which governs the Philippines. From such reports as reach me there are indications that more authority should be given to the Governor General, so that he will not be so dependent upon the local legislative body to render effective our efforts to set an example of the, sound administration and good government, which is so necessary for the preparation of the Philippine people for self-government under ultimate independence. If they are to be trained in these arts, it is our duty to provide for them the best that there is.

RETIREMENT OF JUDGES

The act of March 3, 1911, ought to be amended so that the term of years of service of judges of any court of the United States requisite for retirement with pay shall be computed to include not only continuous but aggregate service.

MOTHERS' AID

The Government ought always to be alert on the side of the humanities. It Ought to encourage provisions for economic justice for the defenseless. It ought to extend its relief through its national and local agencies, as may be appropriate in each case, to the suffering and the needy. It ought to be charitable.

Although more than 40 of our States have enacted measures in aid of motherhood, the District of Columbia is still without such a law. A carefully considered bill will be presented, which ought to have most thoughtful consideration in order that the Congress may adopt a measure which will be hereafter a model for all parts of the Union.

CIVIL SERVICE

In 1883 the Congress passed the civil service act, which from a modest beginning of 14,000 employees has grown until there are now 425,000 in the classified service. This has removed the clerical force of the Nation from the wasteful effects of the spoils system and made it more stable and efficient. The time has come to consider classifying all postmasters, collectors of customs, collectors of internal revenue, and prohibition agents, by an act covering in those at present in office, except when otherwise provided by Executive order.

The necessary statistics are now being gathered to form the basis of a valuation of the civil service retirement fund based on current conditions of the service. It is confidently expected that this valuation will be completed in time to be made available to the Congress during the present session. It will afford definite knowledge of existing, and future liabilities under the present law and determination *of* liabilities under any proposed change in the present law. We should have this information before creating further obligations for retirement annuities which will become liabilities to be met in the future from the money of the taxpayer.

Page 2319

The classification act of 1923, with the subsequent legislative action providing for adjustment of the compensation of field service positions, has operated materially to improve employment conditions in the Federal service. The administration of the act is in the hands of an impartial board, functioning without the necessity of a direct appropriation. It would be inadvisable at this time to place in other hands the administration of this act.

FEDERAL TRADE COMMISSION

The proper function of the Federal Trade Commission is to supervise and correct those practices in commerce which are detrimental to fair competition. In this it performs a useful function and should be continued and supported. It was designed also to be a help to honest business. In my message to the Sixty-eighth Congress I recommended that changes in the procedure then existing be made. Since then the commission by its own action has reformed its rules, giving greater speed and economy in the disposal of its cases and full opportunity for those accused to be heard. These changes are improvements and, if necessary, provision should be made for their permanency.

REORGANIZATION

No final action has yet been taken on the measure providing for the reorganization of the various departments. I therefore suggest that this measure, which will be of great benefit to the efficient and economical administration of the business of the Government, be brought forward and passed.

THE NEGRO

Nearly one-tenth of our population consists of the Negro race. The progress which they have made in all the arts of civilization in the last 60 years is almost beyond belief. Our country has no more loyal citizens. But they do still need sympathy, kindness, and helpfulness. They need reassurance that the requirements of the Government and society to deal out to them even-handed justice will be met. They should be protected from all violence and supported in the peaceable enjoyment of the fruits of their labor. Those who do violence to them should be punished for their crimes. No other course of action is worthy of the American people.

Our country has many elements in its population, many different modes of thinking and living, all of which are striving in their own way to be loyal to the high ideals worthy of the crown of American citizenship. It is fundamental of our institutions that they seek to guarantee to all our inhabitants the right to live their own lives under the protection of the public law. This does not include any license to injure others materially, physically,

morally, to Incite revolution, or to violate the established customs which have long had the sanction of enlightened society.

Page 2320

But it does mean the full right to liberty and equality before the law without distinction of race or creed. This condition can not be granted to others, or enjoyed by ourselves, except by the application of the principle of broadest tolerance. Bigotry is only another name for slavery. It reduces to serfdom not only those against whom it is directed, but also those who seek to apply it. An enlarged freedom can only be secured by the application of the golden rule. No other utterance ever presented such a practical rule of life.

CONCLUSION

It is apparent that we are reaching into an era of great general prosperity. It will continue only so long as we shall use it properly. After all, there is but a fixed quantity of wealth in this country at any fixed time. The only way that we can all secure more of it is to create more. The element of time enters into production, If the people have sufficient moderation and contentment to be willing to improve their condition by the process of enlarging production, eliminating waste, and distributing equitably, a prosperity almost without limit lies before its. If the people are to be dominated by selfishness, seeking immediate riches by nonproductive speculation and by wasteful quarreling over the returns from industry, they will be confronted by the inevitable results of depression and privation. If they will continue industrious and thrifty, contented with fair wages and moderate profits, and the returns which accrue from the development of oar natural resources, our prosperity will extend itself indefinitely.

In all your deliberations you should remember that the purpose of legislation is to translate principles into action. It is an effort to have our country be better by doing better. Because the thoughts and ways of people are firmly fixed and not easily changed, the field within which immediate improvement can be secured is very narrow. Legislation can provide opportunity. Whether it is taken advantage of or not depends upon the people themselves. The Government of the United States has been created by the people. It is solely responsible to them. It will be most successful if it is conducted solely for their benefit. All its efforts would be of little avail unless they brought more justice, more enlightenment, more happiness and prosperity into the home. This means an opportunity to observe religion, secure education, and earn a living under a reign of law and order. It is the growth and improvement of the material and spiritual life of the Nation. We shall not be able to gain these ends merely by our own action. If they come at all, it will be because we have been willing to work in harmony with the abiding purpose of a Divine Providence.

***

State of the Union Address
Calvin Coolidge
December 7, 1926

Members of the Congress:

Page 2321

In reporting to the Congress the state of the Union, I find it impossible to characterize it other than one of general peace and prosperity. In some quarters our diplomacy is vexed with difficult and as yet unsolved problems, but nowhere are we met with armed conflict. If some occupations and areas are not flourishing, in none does there remain any acute chronic depression. What the country requires is not so much new policies as a steady continuation of those which are already being crowned with such abundant success. It can not be too often repeated that in common with all the world we are engaged in liquidating the war.

In the present short session no great amount of new legislation is possible, but in order to comprehend what is most desirable some survey of our general situation is necessary. A large amount of time is consumed in the passage of appropriation bills. If each Congress in its opening session would make appropriations to continue for two years, very much time would be saved which could either be devoted to a consideration of the general needs of the country or would result in decreasing the work of legislation.
Economy

Our present state of prosperity has been greatly promoted by three important causes, one of which is economy, resulting in reduction and reform in national taxation. Another is the elimination of many kinds of waste. The third is a general raising of the standards of efficiency. This combination has brought the perfectly astonishing result of a reduction in the index price of commodities and an increase in the index rate of wages. We have secured a lowering of the cost to produce and a raising of the ability to consume. Prosperity resulting from these causes rests on the securest of all foundations. It gathers strength from its own progress.

In promoting this progress the chief part which the National Government plays lies in the field of economy. Whatever doubts may have been entertained as to the necessity of this policy and the beneficial results which would accrue from it to all the people of the Nation, its wisdom must now be considered thoroughly demonstrated. It may not have appeared to be a novel or perhaps brilliant conception, but it has turned out to be preeminently sound. It has not failed to work. It has surely brought results. It does not have to be excused as a temporary expedient adopted as the lesser evil to remedy some abuse, it is not a palliative seeking to treat symptoms, but a major operation for the, eradication at the source of a large number of social diseases.

Page 2322

Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody. But the results of extravagance are ruinous. The property of the country, like the freedom of the country, belongs to the people of the country. They have not empowered their Government to take a dollar of it except for a necessary public purpose. But if the Constitution conferred such right, sound economics would forbid it. Nothing is more, destructive of the progress of the Nation than government extravagance. It means an increase in the burden of taxation, dissipation of the returns from enterprise, a decrease in the real value of wages, with ultimate stagnation and decay. The whole theory of our institutions is based on the liberty and independence of the individual. He is dependent on himself for support and therefore entitled to the rewards of his own industry. He is not to be deprived of what he earns that others may be benefited by what they do not earn. What he saves through his private effort is not to be wasted by Government extravagance.

Our national activities have become so vast that it is necessary to scrutinize each item of public expenditure if we are to apply the principle of economy. At the last session we made an immediate increase in the annual budget of more than $100,000,000 in benefits conferred on the veterans of three wars, public buildings, and river and harbor improvement. Many projects are being broached requiring further large outlays. I am convinced that it would be greatly for the welfare of the country if we avoid at the present session all commitments except those of the most pressing nature. From a reduction of the debt and taxes will accrue a wider benefit to all the people of this country than from embarking on any new enterprise. When our war debt is decreased we shall have resources for expansion. Until that is accomplished we should confine ourselves to expenditures of the most urgent necessity.

The Department of Commerce has performed a most important function in making plans and securing support of all kinds of national enterprise for the elimination of waste. Efficiency has been greatly promoted through good management and the constantly increasing cooperation of the wage earners throughout the whole realm of private business. It is my opinion that this whole development has been predicated on the foundation of a protective tariff.

TAX REDUCTION

As a result of economy of administration by the Executive and of appropriation by the Congress, the end of this fiscal year will leave a surplus in the Treasury estimated at $383,000,000. Unless otherwise ordered, such surplus is used for the retirement of the war debt. A bond which can be retired today for 100 cents will cost the people 104 1/4 cents to retire a year from now. While I favor a speedy reduction of the

Page 2323

debt as already required by law and in accordance with the promises made to the holders of our Liberty bonds when they were issued, there is no reason why a balanced portion of surplus revenue should not be applied to a reduction of taxation. It can not be repeated too often that the enormous revenues of this Nation could not be collected without becoming a charge on all the people whether or not they directly pay taxes. Everyone who is paying or the bare necessities of fool and shelter and clothing, without considering the better things of life, is indirectly paying a national tax. The nearly 20,000,000 owners of securities, the additional scores of millions of holders of insurance policies and depositors in savings banks, are all paying a national tax. Millions of individuals and corporations are making a direct contribution to the National Treasury which runs from 11/2 to 25 per cent of their income, besides a number of special requirements, like automobile and admission taxes. Whenever the state of the Treasury will permit, I believe in a reduction of taxation. I think the taxpayers are entitled to it. But I am not advocating tax reduction merely for the benefit of the taxpayer; I am advocating it for the benefit of the country.

If it appeared feasible, I should welcome permanent tax reduction at this time. The estimated surplus, however, for June 30, 1928, is not much larger than is required in a going business of nearly $4,000,000,000. We have had but a few months' experience under the present revenue act and shall need to know what is developed by the returns of income produced under it, which are not required t o be made until about the time this session terminates, and what the economic probabilities of the country are in the latter part of 1927, before we can reach any justifiable conclusion as to permanent tax reduction. Moreover the present surplus results from many nonrecurrent items. Meantime, it is possible to grant some real relief by a simple measure making reductions in the payments which accrue on the 15th of March and June, 1927. I am very strongly of the conviction that this is so much a purely business matter that it ought not to be dealt with in a partisan spirit. The Congress has already set the notable example of treating tax problems without much reference to party, which might well be continued. What I desire to advocate most earnestly is relief for the country from unnecessary tax burdens. We can not secure that if we stop to engage in a partisan controversy. As I do not think any change in the special taxes, or tiny permanent reduction is practical, I therefore urge both parties of the House Ways and Means Committee to agree on a bill granting the temporary relief which I have indicated. Such a reduction would directly affect millions of taxpayers, release large sums for investment in new enterprise, stimulating industrial production and agricultural consumption, and indirectly benefiting every family in the whole country. These are my convictions stated with full knowledge that it is for the Congress to decide whether they judge it best to make such a reduction or leave the surplus for the present year to be applied to retirement of the war debt. That also is eventually tax reduction.

Page 2324

PROTECTIVE TARIFF

It is estimated that customs receipts for the present fiscal year will exceed $615,000,000, the largest which were ever secured from that source. The value of our imports for the last fiscal year was $4,466,000,000, an increase of more than 71 per cent since the present tariff law went into effect. Of these imports about 65 per cent, or, roughly, $2,900,000,000, came in free of duty, which means that the United States affords a duty-free market to other countries almost equal in value to the total imports of Germany and greatly exceeding the total imports of France. We have admitted a greater volume of free imports than any other country except England.

We are, therefore, levying duties on about $1,550,000,000 of imports. Nearly half of this, or $700,000,000, is subject to duties for the protection of agriculture and have their origin in countries other than Europe. They substantially increased the prices received by our farmers for their produce. About $300,000.000 more is represented by luxuries such as costly rugs, furs, precious stones, *etc*. This leaves only about $550,000,000 of our imports under a schedule of duties which is in general under consideration when there is discussion of lowering the tariff. While the duties on this small portion, representing only about 12 per cent of our imports, undoubtedly represent the difference between a fair degree of prosperity or marked depression to many of our industries and the difference between good pay and steady work or wide unemployment to many of our wage earners, it is impossible to conceive how other countries or our own importers could be greatly benefited if these duties are reduced. Those who are starting an agitation for a reduction of tariff duties, partly at least for the benefit of those to whom money has been lent abroad, ought to know that there does not seem to be a very large field within the area of our imports in which probable reductions would be advantageous to foreign goods. Those who wish to benefit foreign producers are much more likely to secure that result by continuing the present enormous purchasing power which comes from our prosperity that increased our imports over 71 per cent in four years than from any advantages that are likely to accrue from a general tariff reduction.

AGRICULTURE

The important place which agriculture holds in the economic and social life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a desirable place to live. No condition meets this requirement which fails to supply a fair return on labor expended and capital invested. While some localities and some particular crops furnish exceptions, in general agriculture is continuing to make progress in recovering from the depression of 1921 and 1922. Animal products and food products

Page 2325

are in a more encouraging position, while cotton, due to the high prices of past years supplemented by ideal weather conditions, has been stimulated to a point of temporary over production. Acting on the request of the cotton growing interests, appointed a committee to assist in carrying out their plans. As it result of this cooperation sufficient funds have been pledged to finance the storage and carrying of 4,000,000 bales of cotton. Whether those who own the cotton are willing to put a part of their stock into this plan depends on themselves. The Federal Government has cooperated in providing ample facilities. No method of meeting the situation would be adequate which does not contemplate a reduction of about one-third in the acreage for the coming year. The responsibility for making the plan effective lies with those who own and finance cotton and cotton lands.

The Department of Agriculture estimates the net income of agriculture for the year 1920-21 at only $375,000,000; for 1924-25, $2,656,000,000; for 1925-26, $2,757,000,000. This increase has been brought about in part by the method already referred to, of Federal tax reduction, the elimination of waste, and increased efficiency in industry. The wide gap that existed a few years ago between the index price of agricultural products and the index price of other products has been gradually closing up, though the recent depression in cotton has somewhat enlarged it. Agriculture had on the whole been going higher while industry had been growing lower. Industrial and commercial activities, being carried on for the most part by corporations, are taxed at a much higher rate than farming, which is carried on by individuals. This will inevitably make industrial commodity costs high while war taxation lasts. It is because of this circumstance that national tax reduction has a very large indirect benefit upon the farmer, though it can not relieve him from the very great burden of the local taxes which he pays directly. We have practically relieved the farmer of any Federal income tax.

There is agreement on all sides that some portions of our agricultural industry have lagged behind other industries in recovery from the war and that further improvement in methods of marketing of agricultural products is most desirable. There is belief also that the Federal Government can further contribute to these ends beyond the many helpful measures taken during the last five years through the different acts of Congress for advancing the interests of the farmers.

The packers and stockyards act,

Establishing of the intermediate credit banks for agricultural purposes,

The Purnell Act for agricultural research,

The Capper-Volstead Cooperative Marketing Act,

The cooperative marketing act of 1926,

Amendments to the warehousing act,

The enlargement of the activities of the Department of Agriculture,

Page 2326

Enlargement of the scope of loans by the Farm Loan Board,

The tariff on agricultural products,

The large Federal expenditure in improvement of waterways and highways,

The reduction of Federal taxes, in all comprise a great series of governmental actions in the advancement of the special interest of agriculture.

In determination of what further measures may be undertaken it seems to me there are certain pitfalls which must be avoided and our test in avoiding them should be to avoid disaster to the farmer himself.

Acting upon my recommendation, the Congress has ordered the interstate Commerce Commission to investigate the freight-rate structure, directing that such changes shall be made in freight rates as will promote freedom of movement of agricultural products. Railroad consolidation which I am advocating would also result in a situation where rates could be made more advantageous for farm produce, as has recently been done in the revision of rates on fertilizers in the South. Additional benefit will accrue from the development of our inland waterways. The Mississippi River system carries a commerce of over 50,000,000 tons at a saving of nearly $18,000,000 annually. The Inland Waterways Corporation operates boats on 2,500 miles of navigable streams and through its relation with 165 railroads carries freight into and out of 45 States of the Union. During the past six months it has handled over 1,000,000 bushels of grain monthly and by its lower freight rates has raised the price of such grain to the farmer probably 21/2 cents to 3 cents a bushel. The highway system on which the Federal Government expends about $85,000,000 a year is of vital importance to the rural regions.

The advantages to be derived from a more comprehensive and less expensive system of transportation for agriculture ought to be supplemented by provision for an adequate supply of fertilizer at a lower cost than it is at present obtainable. This advantage we are attempting to secure by the proposed development at Muscle Shoals, and there are promising experiments being made in synthetic chemistry for the production of nitrates.

A survey should be made of the relation of Government grazing lands to the livestock industry. Additional legislation is desirable more definitely to establish the place of grazing in the administration of the national forests, properly subordinated to their functions of producing timber and conserving the water supply. Over 180,000,000 acres of grazing lands are still pastured as commons in the public domain with little or no regulation. This has made their use so uncertain that it has contributed greatly to the instability of the livestock industry. Very little of this land is suited to settlement or private ownership. Some plan ought to be adopted for its use in grazing, corresponding broadly to that already successfully applied to the national forests.

Page 2327

The development of sound and strong cooperative associations is of fundamental importance to our agriculture. It is encouraging to note, therefore, that a vigorous and healthy growth in the cooperative movement is continuing. Cooperative associations reporting to the Department of Agriculture at the end of 1925 had on their membership rolls a total of 2,700,000 producers. Their total business in 1925 amounted to approximately $2,400,000,000, compared with $635,800,000 in 1915. Legislative action to assist cooperative associations and supplement their efforts was passed at the last session of Congress. Important credit measures were also provided by Congress in 1923 which have been of inestimable value to the cooperative associations. Although the Federal credit agencies have served agriculture well, I think it may be possible to broaden and strengthen the service of these institutions.

Attention is again directed to the surplus problem of agriculture by the present cotton situation. Surpluses often affect prices of various farm commodities in a disastrous manner, and the problem urgently demands a solution. Discussions both in and out of Congress during the past few years have given us a better understanding of the subject, and it is my hope that out of the various proposals made the basis will be found for a sound and effective solution upon which agreement can be reached. In my opinion cooperative marketing associations will be important aids to the ultimate solution of the problem. It may well be, however, that additional measures will be needed to supplement their efforts. I believe all will agree that such measures should not conflict with the best interests of the cooperatives, but rather assist and strengthen them. In working out this problem to any sound conclusion it is necessary to avoid putting the Government into the business of production or marketing or attempting to enact legislation for the purpose of price fixing. The farmer does not favor any attempted remedies that partake of these elements. He has a sincere and candid desire for assistance. If matched by an equally sincere and candid consideration of the different remedies proposed a sound measure of relief ought to result. It is unfortunate that no general agreement has been reached by the various agricultural interests upon any of the proposed remedies. Out of the discussion of various proposals which can be had before the Committees of Agriculture some measure ought to be perfected which would be generally satisfactory.

Due to the emergency arising from a heavy tropical storm in southern Florida, I authorized the Secretary of Agriculture to use certain funds in anticipation of legislation to enable the farmers in that region to plant their crops. The department will present a bill ratifying the loans which were made for this purpose.

Federal legislation has been adopted authorizing the cooperation of the Government with States and private owners in the protection of forest lands from fire. This preventive measure is of such great importance that I have recommended for it an increased appropriation.

Page 2328

Another preventive measure of great economic and sanitary importance is the eradication of tuberculosis in cattle. Active work is now in progress in one-fourth of the counties of the United States to secure this result. Over 12,000,000 cattle have been under treatment, and the average degree of infection has fallen from 4.9 per cent to 2.8 per cent. he Federal Government is making substantial expenditures for this purpose.

Serious damage is threatened to the corn crop by the European corn borer. Since 1917 it has spread from eastern New England westward into Indiana and now covers about 100,000 square miles. It is one of the most formidable pests because it spreads rapidly and is exceedingly difficult of control. It has assumed a menace that is of national magnitude and warrants the Federal Government in extending its cooperation to the State and local agencies which are attempting to prevent its further spread and secure its eradication.

The whole question of agriculture needs most careful consideration. In the past few years the Government has given this subject more attention than any other and has held more consultations in relation to it than on any other subject. While the Government is not to be blamed for failure to perform the impossible, the agricultural regions are entitled to know that they have its constant solicitude and sympathy. Many of the farmers are burdened with debts and taxes which they are unable to carry. We are expending in this country many millions of dollars each year to increase farm production. We ought now to put more emphasis on the question of farm marketing. If a sound solution of a permanent nature can be found for this problem, the Congress ought not to hesitate to adopt it.

DEVELOPMENT OF WATER RESOURCES

In previous messages I have referred to the national importance of the proper development of our water resources. The great projects of extension of the Mississippi system, the protection an development of the lower Colorado River, are before Congress, and I have previously commented upon them. I favor the necessary legislation to expedite these projects. Engineering studies are being made for connecting the Great Lakes with the North Atlantic either through an all-American canal or by way of the St. Lawrence River. These reports will undoubtedly be before the Congress during its present session. It is unnecessary to dwell upon the great importance of such a waterway not only to our mid-continental basin but to the commerce and development of practically the whole Nation. Our river and harbor improvement should be continued in accordance with the present policy. Expenditure of this character is compatible with economy; it is in the nature of capital investment. Work should proceed on the basic trunk lines if this work is to be a success. If the country will be content to be moderate and patient and permit improvements to be made where they will do the greatest general good, rather than insisting on expenditures at this time on secondary projects, our internal Waterways can be made a success. If proposes

legislation results in a gross manifestation of local jealousies and selfishness, this program can not be carried out. Ultimately we can take care of extensions, but our first effort should be confined to the main arteries.

Page 2329

Our inland commerce has been put to great inconvenience and expense by reason of the lowering of the water level of the Great Lakes. This is an international problem on which competent engineers are making reports. Out of their study it is expected that a feasible method will be developed for raising the level to provide relief for our commerce and supply water for drainage. Whenever a practical plan is presented it ought to be speedily adopted.

RECLAMATION

It is increasingly evident that the Federal Government must in the future take a leading part in the impounding of water for conservation with incidental power for the development of the irrigable lands of the and region. The unused waters of the West are found mainly in large rivers. Works to store and distribute these have such magnitude and cost that they are not attractive to private enterprise. Water is the irreplaceable natural resource. Its precipitation can not be increased. Its storage on the higher reaches of streams, to meet growing needs, to be used repeatedly as it flows toward the seas, is a practical and prudent business policy.

The United States promises to follow the course of older irrigation countries, where recent important irrigation developments have been carried out as national undertakings. It is gratifying, therefore, that conditions on Federal reclamation projects have become satisfactory. The gross value of crop, grown with water from project works increased from $110,000,000 in 1924 to $131,000,000 in 1925. The adjustments made last year by Congress relieved irrigators from paying construction costs on unprofitable land, and by so doing inspired new hope and confidence in ability to meet the payments required. Construction payments by water users last year were the largest in the history of the bureau.

The anticipated reclamation fund will be fully absorbed for a number of years in the completion of old projects and the construction of projects inaugurated in the past three years. We should, however, continue to investigate and study the possibilities of a carefully planned development of promising projects, logically of governmental concern because of their physical magnitude, immense cost, and the interstate and international problems involved. Only in this way may we be fully prepared to meet intelligently the needs of our fast-growing population in the years to come.

TRANSPORTATION

It would be difficult to conceive of any modern activity which contributes more to the necessities and conveniences of life than transportation. Without it our present agricultural production and practically all of our commerce would be completely prostrated. One of the large contributing causes to the present highly satisfactory state

of our economic condition is the prompt and dependable service, surpassing all our previous

Page 2330

records, rendered by the railroads. This power has been fostered by the spirit of cooperation between Federal and State regulatory commissions. To render this service more efficient and effective and to promote a more scientific regulation, the process of valuing railroad properties should be simplified and the primary valuations should be completed as rapidly as possible. The problem of rate reduction would be much simplified by a process of railroad consolidations. This principle has already been adopted as Federal law. Experience has shown that a more effective method must be provided. Studies have already been made and legislation introduced seeking to promote this end. It would be of great advantage if it could be taken up at once and speedily enacted. The railroad systems of the country and the convenience of all the people are waiting on this important decision.

MERCHANT MARINE

It is axiomatic that no agricultural and industrial country can get the full benefit of its own advantages without a merchant marine. We have been proceeding under the act of Congress that contemplates the establishment of trade routes to be ultimately transferred to private ownership and operation. Due to temporary conditions abroad and at home we have a large demand just now for certain types of freight vessels. Some suggestion has been made for new construction. I do not feel that we are yet warranted in entering, that field. Such ships as we might build could not be sold after they are launched for anywhere near what they would cost. We have expended over $250,000,000 out of the public Treasury in recent years to make up the losses of operation, not counting the depreciation or any cost whatever of our capital investment. The great need of our merchant marine is not for more ships but for more freight.

Our merchants are altogether too indifferent about using American ships for the transportation of goods which they send abroad or bring home. Some of our vessels necessarily need repairs, which should be made. I do not believe that the operation of our fleet is as economical and efficient as it could be made if placed under a single responsible head, leaving the Shipping Board free to deal with general matters of policy and regulation.

RADIO LEGISLATION

The Department of Commerce has for some years urgently presented the necessity for further legislation in order to protect radio listeners from interference between broadcasting stations and to carry out other regulatory functions. Both branches of Congress at the last session passed enactments intended to effect such regulation, but the two bills yet remain to be brought into agreement and final passage.

Due to decisions of the courts, the authority of the department under the law of 1912 has broken down; many more stations have been operating than can be accommodated within the limited number of wave lengths available; further stations are in course of construction; many stations have departed from the scheme of allocation set down by the department, and the whole service of this most important public function has drifted into such chaos as seems likely, if not remedied, to destroy its great value. I most urgently recommend that this legislation should be speedily enacted.

Page 2331

I do not believe it is desirable to set up further independent agencies in the Government. Rather I believe it advisable to entrust the important functions of deciding who shall exercise the privilege of radio transmission and under what conditions, the assigning of wave lengths and determination of power, to a board to be assembled whenever action on such questions becomes necessary. There should be right of appeal to the courts from the decisions of such board. The administration of the decisions of the board and the other features of regulation and promotion of radio in the public interest, together with scientific research, should remain in the Department of Commerce. Such an arrangement makes for more expert, more efficient, and more economical administration that an independent agency or board, whose duties, after initial stages, require but little attention, in which administrative functions are confused with semijudicial functions and from which of necessity there must be greatly increased personnel and expenditure.

THE WAGE EARNER

The great body of our people are made up of wage earners. Several hundred thousands of them are on the pay rolls of the United States Government. Their condition very largely is fixed by legislation. We have recently provided increases in compensation under a method of reclassification and given them the advantage of a liberal retirement system as a support for their declining years. Most of them are under the merit system, which is a guaranty of their intelligence, and the efficiency of their service is a demonstration of their loyalty. The Federal Government should continue to set a good example for all other employers.

In the industries the condition of the wage earner has steadily improved. The 12-hour day is almost entirely unknown. Skilled labor is well compensated. But there are unfortunately a multitude of workers who have not yet come to share in the general prosperity of the Nation. Both the public authorities and private enterprise should be solicitous to advance the welfare of this class. The Federal Government has been seeking to secure this end through a protective tariff, through restrictive immigration, through requiring safety devices for the prevention of accidents, through the granting of workman's compensation, through civilian vocational rehabilitation and education, through employment information bureaus, and through such humanitarian relief as was provided in the maternity and infancy legislation. It is a satisfaction to report that a more general condition of contentment exists among wage earners and the country is more free from labor disputes than it has been for years. While restrictive immigration has been adopted in part for the benefit of the wage earner, and in its entirety for the benefit of the country, it ought not to cause a needless separation of families and dependents from their natural source of support contrary to the dictates of humanity.

Page 2332

BITUMINOUS COAL

No progress appears to have been made within large areas of the bituminous coal industry toward creation of voluntary machinery by which greater assurance can be given to the public of peaceful adjustment of wage difficulties such as has been accomplished in the anthracite industry. This bituminous industry is one of primary necessity and bears a great responsibility to the Nation for continuity of supplies. As the wage agreements in the unionized section of the industry expire on April 1 next, and as conflicts may result which may imperil public interest, and have for many years often called for action of the Executive in protection of the public, I again recommend the passage of such legislation as will assist the Executive in dealing with such emergencies through a special temporary board of conciliation and mediation and through administrative agencies for the purpose of distribution of coal and protection of the consumers of coal from profiteering. At present the Executive is not only without authority to act but is actually prohibited by law from making any expenditure to meet the emergency of a coal famine.

JUDICIARY

The Federal courts hold a high position in the administration of justice in the world. While individual judicial officers have sometimes been subjected to just criticism, the courts as a whole have maintained an exceedingly high standard. The Congress may well consider the question of supplying fair salaries and conferring upon the Supreme Court the same rule-making power on the law side of the district courts that they have always possessed on the equity side. A bill is also pending providing for retirement after a certain number of years of service, although they have not been consecutive, which should have your favorable consideration. These faithful servants of the Government are about the last that remain to be provided for in the postwar readjustments.

BANKING

There has been pending in Congress for nearly three years banking legislation to clarify the national bank act and reasonably to increase the powers of the national banks. I believe that within the limitation of sound banking principles Congress should now and for the future place the national banks upon a fair equality with their competitors, the State banks, and I trust that means may be found so that the differences on branch-banking legislation between the Senate and the House of Representatives may be settled along sound lines and the legislation promptly enacted.

It would be difficult to overestimate the service which the Federal reserve system has already rendered to the country. It is necessary only to recall the chaotic condition of our banking organization at the time the Federal reserve system was put into operation.

The old system consisted of a vast number of independent banking units, with scattered bank reserves which never could be mobilized in times of greatest need. In spite of vast banking resources, there was no coordination of reserves or any credit elasticity. As a consequence, a strain was felt even during crop-moving periods and when it was necessary to meet other seasonal and regularly recurring needs.

Page 2333

The Federal reserve system is not a panacea for all economic or financial ills. It can not prevent depression in certain industries which are experiencing overexpansion of production or contraction of their markets. Its business is to furnish adequate credit and currency facilities. This it has succeeded in doing, both during the war and in the more difficult period of deflation and readjustment which followed. It enables us to look to the future with confidence and to make plans far ahead, based on the belief that the Federal reserve system will exercise a steadying influence on credit conditions and thereby prevent tiny sudden or severe reactions from the period of prosperity which we are now enjoying. In order that these plans may go forward, action should be taken at the present session on the question of renewing the banks' charters and thereby insuring a continuation of the policies and present usefulness of the Federal reserve system.

FEDERAL REGULATION

I am in favor of reducing, rather than expanding, Government bureaus which seek to regulate and control the business activities of the people. Everyone is aware that abuses exist and will exist so long as we are limited by human imperfections. Unfortunately, human nature can not be changed by an act of the legislature. When practically the sole remedy for many evils lies in the necessity of the people looking out for themselves and reforming their own abuses, they will find that they are relying on a false security if the Government assumes to hold out the promise that it is looking out for them and providing reforms for them. This principle is preeminently applicable to the National Government. It is too much assumed that because an abuse exists it is the business of the National Government to provide a remedy. The presumption should be that it is the business of local and State governments. Such national action results in encroaching upon the salutary independence of the States and by undertaking to supersede their natural authority fills the land with bureaus and departments which are undertaking to do what it is impossible for them to accomplish and brings our whole system of government into disrespect and disfavor. We ought to maintain high standards. We ought to punish wrongdoing. Society has not only the privilege but the absolute duty of protecting itself and its individuals. But we can not accomplish this end by adopting a wrong method. Permanent success lies in local, rather than national action. Unless the locality rises to its own requirements, there is an almost irresistible impulse for the National Government to intervene. The States and the Nation should both realize that such action is to be adopted only as a last resort.

THE NEGRO

Page 2334

The social well-being of our country requires our constant effort for the amelioration of race prejudice and the extension to all elements of equal opportunity and equal protection under the laws which are guaranteed by the. Constitution. The Federal Government especially is charged with this obligation in behalf of the colored people of the Nation. Not only their remarkable progress, their devotion and their loyalty, but, our duty to ourselves under our claim that we are an enlightened people requires us to use all our power to protect them from the crime of lynching. Although violence of this kind has very much decreased, while any of it remains we can not justify neglecting to make every effort to eradicate it by law.

The education of the colored race under Government encouragement is proceeding successfully and ought to have continuing support. An increasing need exists for properly educated and trained medical skill to be devoted to the service of this race.

INSULAR POSSESSIONS

This Government holds in sacred trusteeship islands which it has acquired in the East and West Indies. In all of them the people are more prosperous than at any previous time. A system of good roads, education, and general development is in progress. The people are better governed than ever before and generally content.

In the Philippine Islands Maj. Gen. Leonard Wood has been Governor General for five years and has administered his office with tact and ability greatly to the success of the Filipino people. These are a proud and sensitive race, who are making such progress with our cooperation that we can view the results of this experiment with great satisfaction. As we are attempting to assist this race toward self-government, we should look upon their wishes with great respect, granting their requests immediately when they are right, yet maintaining a frank firmness in refusing when they are wrong. We shall measure their progress in no small part by their acceptance of the terms of the organic law under which the islands are governed and their faithful observance of its provisions. Need exists for clarifying the duties of the auditor and declaring them to be what everyone had supposed they were. We have placed our own expenditures under the supervision of the Comptroller General. It is not likely that the expenditures in the Philippine Islands need less supervision than our own. The Governor General is hampered in his selection of subordinates by the necessity of securing a confirmation, which has oftentimes driven him to the expediency of using Army officers in work for which civilian experts would be much better fitted. Means should be provided for this and such other purposes as he may require out of the revenue which this Government now turns back to the Philippine treasury.

Page 2335

In order that these possessions might stiffer no seeming neglect, I have recently sent Col. Carmi A. Thompson to the islands to make a survey in cooperation with the Governor General to suggest what might be done to improve conditions. Later, I may make a more extended report including recommendations. The economic development of the islands is very important. They ought not to be turned back to the people until they are both politically fitted for self-government and economically independent. Large areas are adaptable to the production of rubber. No one contemplates any time in the future either under the present or a more independent form of government when we should not assume some responsibility for their defense. For their economic advantage, for the employment of their people, and as a contribution to our power of defense which could not be carried on without rubber, I believe this industry should be encouraged. It is especially adapted to the Filipino people themselves, who might cultivate it individually on a small acreage. It could be carried on extensively by American capital in a way to furnish employment at good wages. I am opposed to the promotion of any policy that does not provide for absolute freedom on the part of the wage earners and do not think we should undertake to give power for large holdings of land in the islands against the opposition of the people of the locality. Any development of the islands must be solely with the first object of benefiting the people of the islands. At an early day, these possessions should be taken out from under all military control and administered entirely on the civil side of government.

NATIONAL DEFENSE

Our policy of national defense is not one of making war, but of insuring peace. The land and sea force of America, both in its domestic and foreign implications, is distinctly a peace force. It is an arm of the police power to guarantee order and the execution of the law at home and security to our citizens abroad. No self-respecting nation would neglect to provide an army and navy proportionate to its population, the extent of its territory, and the dignity of the place which it occupies in the world. When it is considered that no navy in the world, with one exception, approaches ours and none surpasses it, that our Regular Army of about 115,000 men is the equal of any other like number of troops, that our entire permanent and reserve land and sea force trained and training consists of a personnel of about 610,000, and that our annual appropriations are about $680,000,000 a year, expended under the direction of an exceedingly competent staff, it can not be said that our country is neglecting its national defense. It is true that a cult of disparagement exists, but that candid examination made by the Congress through its various committees has always reassured the country and demonstrated that it is maintaining the most adequate defensive forces in these present years that it has ever supported in time of peace.

Page 2336

This general policy should be kept in effect. Here and there temporary changes may be made in personnel to meet requirements in other directions. Attention should be given to submarines, cruisers, and air forces. Particular points may need strengthening, but as a whole our military power is sufficient.

The one weak place in the whole line is our still stupendous war debt. In any modern campaign the dollars are the shock troops. With a depleted treasury in the rear, no army can maintain itself in the field. A country loaded with debt is a country devoid of the first line of defense. Economy is the handmaid of preparedness. If we wish to be able to defend ourselves to the full extent of our power in the future, we shall discharge as soon as possible the financial burden of the last war. Otherwise we would face a crisis with a part of our capital resources already expended.

The amount and kind of our military equipment is preeminently a question for the decision of the Congress, after giving due consideration to the advice of military experts and the available public revenue. Nothing is more laudable than the cooperation of the agricultural and industrial resources of the country for the purpose of supplying the needs of national defense. In time of peril the people employed in these interests volunteered in a most self-sacrificing way, often at the nominal charge of a dollar a year. But the Army and Navy are not supported for the benefit of supply concerns; supply concerns are supported for the benefit of the Army and Navy. The distribution of orders on what is needed from different concerns for the purpose of keeping up equipment and organization is perfectly justified, but any attempt to prevail upon the Government to purchase beyond its needs ought not to be tolerated. It is eminently fair that those who deal with the Government should do so at a reasonable profit. However, public money is expended not that some one may profit by it, but in order to serve a public purpose.

While our policy of national defense will proceed in order that we may be independent and self-sufficient, I am opposed to engaging in any attempt at competitive armaments. No matter how much or how little some other country may feel constrained to provide, we can well afford to set the example, not of being dictated to by others, but of adopting our own standards. We are strong enough to pursue that method, which will be a most wholesome model for the rest of the world. We are eminently peaceful, but we are by no means weak. While we submit our differences with others, not to the adjudication of force, but of reason, it is not because we are unable to defend our rights. While we are doing our best to eliminate all resort to war for the purpose of settling disputes, we can not but remember that the peace we now enjoy had to be won by the sword and that if the rights of our country are to be defended we can not rely for that purpose upon anyone but ourselves. We can not shirk the responsibility, which is the first requisite of all government, of preserving its own integrity and maintaining the rights of its own citizens. It is only in accordance with these principles that we can establish any lasting foundations for an honorable and permanent peace.

Page 2337

It is for these reasons that our country, like any other country, proposes to provide itself with an army and navy supported by a merchant marine. Yet these are not for competition with any other power. For years we have besought nations to disarm. We have recently expressed our willingness at Geneva to enter into treaties for the limitation of all types of warships according to the ratio adopted at the Washington Conference. This offer is still pending. While we are and shall continue to be armed it is not as a menace, but rather a common assurance of tranquility to all the peaceloving people of the world. For us to do any less would be to disregard our obligations, evade our responsibilities, and jeopardize our national honor.

VETERANS

This country, not only because it is bound by honor but because of the satisfaction derived from it, has always lavished its bounty upon its veterans. For years a service pension has been bestowed upon the Grand Army on reaching a certain age. Like provision has been made for the survivors of the Spanish War. A liberal future compensation has been granted to all the veterans of the World War. But it is in the case of the, disabled and the dependents that the Government exhibits its greatest solicitude. This work is being well administered by the Veterans' Bureau. The main unfinished feature is that of hospitalization. This requirement is being rapidly met. Various veteran bodies will present to you recommendations which should have your careful consideration. At the last session we increased our annual expenditure for pensions and relief on account of the veterans of three wars. While I approve of proper relief for all suffering, I do not favor any further extension of our pension system at this time.

ALIEN PROPERTY

We still have in the possession of the Government the alien property. It has always been the policy of America to hold that private enemy property should not be confiscated in time of war. This principle we have scrupulously observed. As this property is security for the claims of our citizens and our Government, we can not relinquish it without adequate provision for their reimbursement. Legislation for the return of this property, accompanied by suitable provisions for the liquidation of the claims of our citizens and our Treasury, should be adopted. If our Government releases to foreigners the security which it holds for Americans, it must at the same time provide satisfactory safeguards for meeting American claims.

PROHIBITION

Page 2338

The duly authorized public authorities of this country have made prohibition the law of the land. Acting under the Constitution the Congress and the legislatures of practically all the, States have adopted legislation for its enforcement. Some abuses have arisen which require reform. Under the law the National Government has entrusted to the Treasury Department the especial duty of regulation and enforcement. Such supplementary legislation as it requires to meet existing conditions should be carefully and speedily enacted. Failure to support the Constitution and observe the law ought not to be tolerated by public opinion. Especially those in public places, who have taken their oath to support the Constitution, ought to be most scrupulous in its observance. Officers of the Department of Justice throughout the country should be vigilant in enforcing the law, but local authorities, which had always been mainly responsible for the enforcement of law in relation to intoxicating liquor, ought not to seek evasion by attempting to shift the burden wholly upon the Federal agencies. Under the Constitution the States are jointly charged with the Nation in providing for the enforcement of the prohibition amendment. Some people do not like the amendment, some do not like other parts of the Constitution, some do not like any of it. Those who entertain such sentiments have a perfect right to seek through legal methods for a change. But for any of our inhabitants to observe such parts of the Constitution as they like, while disregarding others, is a doctrine that would break down all protection of life and property and destroy the American system of ordered liberty.

FOREIGN RELATIONS

The foreign policy of this Government is well known. It is one of peace based on that mutual respect that arises from mutual regard for international rights and the discharge of international obligations. It is our purpose to promote understanding and good will between ourselves and all other people. The American people are altogether lacking in an appreciation of the tremendous good fortune that surrounds their international position. We have no traditional enemies. We are not embarrassed over any disputed territory. We have no possessions that are coveted by others; they have none that are coveted by us. Our borders are unfortified. We fear no one; no one fears us. All the world knows that the whole extent of our influence is against war and in favor of peace, against the use of force and in favor of negotiation, arbitration, and adjudication as a method of adjusting international differences. We look with disfavor upon all aggressive warfare. We are strong enough so that no one can charge us with weakness if we are slow to anger. Our place is sufficiently established so that we need not be sensitive over trifles. Our resources, are large enough so that we can afford to be generous. At the same time we are a nation among nations and recognize a responsibility not only to ourselves, but in the interests of a stable and enlightened civilization, to protect and defend the international rights of our Government and our citizens.

Page 2339

It is because of our historical detachment and the generations of comparative indifference toward it by other nations that our public is inclined to consider altogether too seriously the reports that we are criticized abroad. We never had a larger foreign trade than at the present time. Our good offices were never more sought and the necessity for our assistance and cooperation was never more universally declared in any time of peace. We know that the sentiments which we entertain toward all other nations are those of the most sincere friendship and good will and of all unbounded desire to help, which we are perfectly willing to have judged by their fruits. In our efforts to adjust our international obligations we have met with a response which, when everything is considered, I believe history will record as a most remarkable and gratifying demonstration of the sanctity with which civilized nations undertake to discharge their mutual obligations. Debt settlements have been negotiated with practically all of those who owed us and all finally adjusted but two, which are, in process of ratification. When we consider the real sacrifice that will be necessary on the part of other nations, considering all their circumstances, to meet their agreed payments, we ought to hold them in increased admiration and respect. It is true that we have extended to them very generous treatment, but it is also true that they have agreed to repay its all that we loaned to them and some interest.

A special conference on the Chinese customs tariff provided for by the treaty between the nine powers relating to the Chinese customs tariff signed at Washington on February 6, 1922, was called by the Chinese Government to meet at Peking, on October 26, 1925. We participated in this conference through fully empowered delegates and, with good will, endeavored to cooperate with the other participating powers with a view to putting into effect promises made to China at the Washington conference, and considering any reasonable proposal that might be made by the Chinese Government for the revision of the treaties on the subject of China's tariff. With these aims in view the American delegation at the outset of the conference proposed to put into effect the surtaxes provided for by the Washington treaty and to proceed immediately to the negotiation of a treaty, which, among other things, was to make provision for the abolition of taxes collected on goods in transit, remove the tariff restrictions in existing treaties, and put into effect the national tariff law of China.

Early in April of the present year the central Chinese Government was ousted from power by opposing warring factions. It became impossible under the circumstances to continue the negotiations. Finally, on July 3, the delegates of the foreign powers, including those of the United States, issued a statement expressing their unanimous and earnest desire to proceed with the work of the conference at the earliest possible

Page 2340

moment when the delegates of the Chinese Government are in a position to resume discussions with the foreign delegates of the problems before the conference. We are prepared to resume the negotiations thus interrupted whenever a Government representing the Chinese people and acting on their behalf presents itself. The fact that constant warfare between contending Chinese factions has rendered it impossible to bring these negotiations to a successful conclusion is a matter of deep regret. Throughout these conflicts we have maintained a position of the most careful neutrality. Our naval vessels in Asiatic waters, pursuant to treaty rights, have been used only for the protection of American citizens.

Silas H. Strawn, Esq., was sent to China as American commissioner to cooperate with commissioners of the other powers in the establishment of a commission to inquire into the present practice of extraterritorial jurisdiction in China, with a view to reporting to the Governments of the several powers their findings of fact in regard to these matters. The commission commenced its work in January, 1926, and agreed upon a joint report which was signed on September 16, 1926. The commission's report has been received and is being studied with a view to determining our future policy in regard to the question of extraterritorial privileges under treaties between the United States and China.

The Preparatory Commission for the Disarmament Conference met at Geneva on May 18 and its work has been proceeding almost continuously since that date. It would be premature to attempt to form a judgment as to the progress that has been made. The commission has had before it a comprehensive list of questions touching upon all aspects of the question of the limitation of armament. In the commission's discussions many differences of opinion have developed. However, I am hopeful that at least some measure of agreement will be reached as the discussions continue. The American representation on the commission has consistently tried to be helpful, and has kept before it the practical objective to which the commission is working, namely, actual agreements for the limitation of armaments. Our representatives will continue their work in that direction.

One of the most encouraging features of the commission's work thus far has been the agreement in principle among the naval experts of a majority of the powers parties to the Washington treaty limiting naval armament upon methods and standards for the comparison and further limitation of naval armament. It is needless to say that at the proper time I shall be prepared to proceed along practical lines to the conclusion of agreements carrying further the work begun at the Washington Conference in 1921.

DEPARTMENT REPORTS

Many important subjects which it is impossible even to mention in the short space of an annual message you will find fully discussed in the departmental reports. A failure to include them here is not to be taken as indicating any lack of interest, but only a disinclination to state inadequately what has been much better done in other documents.

Page 2341

THE CAPITAL CITY

We are embarking on an ambitious building program for the city of Washington. The Memorial Bridge is under way with all that it holds for use and beauty. New buildings are soon contemplated. This program should represent the best that exists in the art and science of architecture. Into these structures which must be considered as of a permanent nature ought to go the aspirations of the Nation, its ideals expressed in forms of beauty. If our country wishes to compete with others, let it not be in the support of armaments but in the making of a beautiful capital city. Let it express the soul of America. Whenever an American is at the seat of his Government, however traveled and cultured he may be, he ought to find a city of stately proportion, symmetrically laid out and adorned with the best that there is in architecture, which would arouse his imagination and stir his patriotic pride. In the coming years Washington should be not only the art center of our own country but the art center of the world. Around it should center all that is best in science, in learning, in letters, and in art. These are the results that justify the creation of those national resources with which we have been favored.

AMERICAN IDEALS

America is not and must not be a country without ideals. They are useless if they are only visionary; they are only valuable if they are practical. A nation can not dwell constantly on the mountain tops. It has to be replenished and sustained through the ceaseless toil of the less inspiring valleys. But its face ought always to be turned upward, its vision ought always to be fixed on high.

We need ideals that can be followed in daily life, that can be translated into terms of the home. We can not expect to be relieved from toil, but we do expect to divest it of degrading conditions. Work is honorable; it is entitled to an honorable recompense. We must strive mightily, but having striven there is a defect in our political and social system if we are not in general rewarded with success. To relieve the land of the burdens that came from the war, to release to the individual more of the fruits of his own industry, to increase his earning capacity and decrease his hours of labor, to enlarge the circle of his vision through good roads and better transportation, to lace before him the opportunity for education both in science and in art, to leave him free to receive the inspiration of religion, all these are ideals which deliver him from the servitude of the body and exalt him to the service of the soul. Through this emancipation from the things that are material, we broaden our dominion over the things that are spiritual.

***

State of the Union Address
Calvin Coolidge
December 6, 1927

Members of the Congress:

Page 2342

It is gratifying to report that for the fourth consecutive year the state of the Union in general is good. We are at peace. The country as a whole has had a prosperity never exceeded. Wages are at their highest range, employment is plentiful. Some parts of agriculture and industry have lagged; some localities have suffered from storm and flood. But such losses have been absorbed without serious detriment to our great economic structure. Stocks of goods are moderate and a wholesome caution is prevalent. Rates of interest for industry, agriculture, and government have been reduced. Savers and investors are providing capital for new construction in industry and public works. The purchasing power of agriculture has increased. If the people maintain that confidence which they are entitled to have in themselves, in each other, and in America, a comfortable prosperity will continue.

CONSTRUCTIVE ECONOMY

Without constructive economy in Government expenditures we should not now be enjoying these results or these prospects. Because we are not now physically at war, some people are disposed to forget that our war debt still remains. The Nation must make financial sacrifices, accompanied by a stern self-denial in public expenditures, until we have conquered the disabilities of our public finance. While our obligation to veterans and dependents is large and continuing, the heavier burden of the national debt is being steadily eliminated. At the end of this fiscal year it will be reduced from about $26,600,000,000 to about $17,975,000,000. Annual interest, including war savings, will have been reduced from $1,055,000,000 to $670,0001,000. The sacrifices of the people, the economy of the Government, are showing remarkable results. They should be continued for the purpose of relieving the Nation of the burden of interest and debt and releasing revenue for internal improvements and national development.

Not only the amount, but the rate, of Government interest has been reduced. Callable bonds have been refunded and paid, so that during this year the average rate of interest on the present public debt for the first time fell below 4 per cent. Keeping the credit of the Nation high is a tremendously profitable operation.

TAX REDUCTION

The immediate fruit of economy and the retirement of the public debt is tax reduction. The annual saving in interest between 1925 and 1929 is $212,000,000. Without this no bill to relieve the taxpayers would be worth proposing. The three measures already enacted leave our Government revenues where they are not oppressive. Exemptions, have been increased until 115,000,000 people make but 2,500,000 individual taxable returns, so that further reduction should be mainly for the purpose of removing inequalities. The Secretary of the Treasury has recommended a measure which would

give us a much better balanced system of taxation and without oppression produce sufficient revenue. It has my complete support.

Page 2343

Unforeseen contingencies requiring money are always arising. Our probable surplus for June 30, 1929, is small. A slight depression in business would greatly reduce our revenue because of our present method of taxation. The people ought to take no selfish attitude of pressing for removing moderate and fair taxes which might produce a deficit. We must keep our budget balanced for each year. That is the corner stone of our national credit, the trifling price we pay to command the lowest rate of interest of any great power in the world. Any surplus can be applied to debt reduction, and debt reduction is tax reduction. Under the present circumstances it would be far better to leave the rates as they are than to enact a bill carrying the peril of a deficit. This is not a problem to be approached in a narrow or partisan spirit. All of those who participate in finding a reasonable solution will be entitled to participate in any credit that accrues from it without regard to party. The Congress has already demonstrated that tax legislation can be removed from purely political consideration into the realm of patriotic business principles.

Any bill for tax reduction should be written by those who are responsible for raising, managing, and expending the finances of the Government. If special interests, too often selfish, always uninformed of the national needs as a whole, with hired agents using their proposed beneficiaries as engines of propaganda, are permitted to influence the withdrawal of their property from taxation, we shall have a law that is unbalanced and unjust, bad for business, bad for the country, probably resulting in a deficit, with disastrous financial Consequences. The Constitution has given the Members of the Congress sole authority to decide what tax measures shall be presented for approval. While welcoming information from any quarter, the Congress should continue to exercise its own judgment in a matter so vital and important to all the interests of the country as taxation.

NATIONAL DEFENSE

Being a nation relying not on force, but on fair dealing and good will, to maintain peace with others, we have provided a moderate military force in a form adapted solely to defense. It should be continued with a very generous supply of officers and with the present base of personnel, subject to fluctuations which may be temporarily desirable.

The five-year program for our air forces is in keeping with this same policy and commensurate with the notable contributions of America to the science of aeronautics. The provisions of the law lately enacted are being executed as fast as the practical difficulties of an orderly and stable development permit.

Page 2344

While our Army is small, prudence requires that it should be kept in a high state of efficiency and provided with such supplies as would permit of its immediate expansion. The garrison ration has lately been increased. Recommendations for an appropriation of $6,166,000 for new housing made to the previous Congress failed to pass. While most of the Army is well housed, some of it which is quartered in wartime training camps is becoming poorly housed. In the past three years $12,533,000 have been appropriated for reconstruction and repairs, and an authorization has been approved of $22,301,000 for new housing, under which $8,070,000 has already been appropriated. A law has also been passed, complying with the request of the War Department, allocating funds received from the sale of buildings and land for housing purposes. The work, however, is not completed, so that other appropriations are being recommended.

Our Navy is likewise a weapon of defense. We have a foreign commerce and ocean lines of trade unsurpassed by any other country. We have outlying territory in the two great oceans and long stretches of seacoast studded with the richest cities in the world. We are responsible for the protection of a large population and the greatest treasure ever bestowed upon any people. We are charged with an international duty of defending the Panama Canal. To meet these responsibilities we need a very substantial sea armament. It needs aircraft development, which is being provided under the five-year program. It needs submarines as soon as the department decides upon the best type of construction. It needs airplane carriers and a material addition to its force of cruisers. We can plan for the future and begin a moderate building program.

This country has put away the Old World policy of competitive armaments. It can never be relieved of the responsibility of adequate national defense. We have one treaty secured by an unprecedented attitude of generosity on our part for a limitation in naval armament. After most careful preparation, extending over months, we recently made every effort to secure a three-power treaty to the same end. We were granted much cooperation by Japan, but we were unable to come to an agreement with Great Britain. While the results of the conference were of considerable value, they were mostly of a negative character. We know now that no agreement can be reached which will be inconsistent with a considerable building program on our part. We are ready and willing to continue the preparatory investigations on the general subject of limitation of armaments which have been started under the auspices of the League of Nations.

Page 2345

We have a considerable cruiser tonnage, but a part of it is obsolete. Everyone knew that had a three-power agreement been reached it would have left us with the necessity of continuing our building program. The failure to agree should not cause us to build either more or less than we otherwise should. Any future treaty of limitation will call on us for more ships. We should enter on no competition. We should refrain from no needful program. It should be made clear to all the world that lacking a definite agreement, the attitude of any other country is not to be permitted to alter our own policy. It should especially be demonstrated that propaganda will not cause us to change our course. Where there is no treaty limitation, the size of the Navy which America is to have will be solely for America to determine. No outside influence should enlarge it or diminish it. But it should be known to all that our military power holds no threat of aggrandizement. It is a guaranty of peace and security at home, and when it goes abroad it is an instrument for the protection of the legal rights of our citizens under international law, a refuge in time of disorder, and always the servant of world peace. Wherever our flag goes the rights of humanity increase.

MERCHANT MARINE

The United States Government fleet is transporting a large amount of freight and reducing its drain on the Treasury. The Shipping Board is constantly under pressure, to which it too often yields, to protect private interests, rather than serve the public welfare. More attention should be given to merchant ships as an auxiliary of the Navy. The possibility of including their masters and crews in the Naval Reserve, with some reasonable compensation, should be thoroughly explored as a method of encouraging private operation of shipping. Public operation is not a success. No investigation, of which I have caused several to be made, has failed to report that it could not succeed or to recommend speedy transfer to private ownership. Our exporters and importers are both indifferent about using American ships. It should be our policy to keep our present vessels in repair and dispose of them as rapidly as possible, rather than undertake any new construction. Their operation is a burden on the National Treasury, for which we are not receiving sufficient benefits.

COMMERCIAL AVIATION

A rapid growth is taking place in aeronautics. The Department of Commerce has charge of the inspection and licensing system and the construction of national airways. Almost 8,000 miles are already completed and about 4,000 miles more contemplated. Nearly 4,400 miles are now equipped and over 3,000 miles more will have lighting and emergency landing fields by next July. Air mail contracts are expected to cover 24 of these lines. Daily airway flying is nearly 15,000 miles and is expected to reach 25,000 miles early next year.

Page 2346

Flights for other purposes exceed 22,000 miles each day. Over 900 airports, completed and uncompleted, have been laid out. The demand for aircraft has greatly increased. The policy already adopted by the Congress is producing the sound development of this coming industry.

WESTERN HEMISPHERE AIR MAIL

Private enterprise is showing much interest in opening up aviation service to Mexico and Central and South America. We are particularly solicitous to have the United States take a leading part in this development. It is understood that the governments of our sister countries would be willing to cooperate. Their physical features, the undeveloped state of their transportation, make an air service especially adaptable to their usage. The Post Office Department should be granted power to make liberal long-term contracts for carrying our mail, and authority should be given to the Army and the Navy to detail aviators and planes to cooperate with private enterprise in establishing such mail service with the consent of the countries concerned. A committee of the Cabinet will later present a report on this subject.

GOOD ROADS

The importance and benefit of good roads is more and more coming to be appreciated. The National Government has been making liberal contributions to encourage their construction. The results and benefits have been very gratifying. National participation, however, should be confined to trunk-line systems. The national tax on automobiles is now nearly sufficient to meet this outlay. This tax is very small, and on low-priced cars is not more than $2 or $3 each year.

While the advantage of having good roads is very large, the desire for improved highways is not limited to our own country. It should and does include all the Western Hemisphere. The principal points in Canada are already accessible. We ought to lend our encouragement in any way we can for more good roads to all the principal points in this hemisphere south of the Rio Grande. It has been our practice to supply these countries with military and naval advisers, when they have requested it, to assist them in national defense. The arts of peace are even more important to them and to us. Authority should be given by law to provide them at their request with engineering advisers for the construction of roads and bridges. In some of these countries already wonderful progress is being made in road building, but the engineering features are often very exacting and the financing difficult. Private interests should look with favor on all reasonable loans sought by these countries to open such main lines of travel.

This general subject has been promoted by the Pan American Congress of Highways, which will convene again at Rio de Janeiro in July, 1928. It is desirable that the

Congress should provide for the appointment of delegates to represent the Government of the United States.

Page 2347

CUBAN PARCEL POST

We have a temporary parcel-post convention with Cuba. The advantage of it is all on our side. During 1926 we shipped twelve times as many parcels, weighing twenty-four times as much, as we received. This convention was made on the understanding that we would repeal an old law prohibiting the importation of cigars and cigarettes in quantities less than 3,000 enacted in 1866 to discourage smuggling, for which it has long been unnecessary. This law unjustly discriminates against an important industry of Cuba. Its repeal has been recommended by the Treasury and Post Office Departments. Unless this is done our merchants and railroads will find themselves deprived of this large parcel-post business after the 1st of next March, the date of the expiration of the convention, which has been extended upon the specific understanding that it would expire at that time unless this legislation was enacted. We purchase large quantities of tobacco made in Cuba. It is not probable that our purchases would be any larger if this law was repealed, while it would be an advantage to many other industries in the United States.

INSULAR POSSESSIONS

Conditions in the Philippine Islands have been steadily improved. Contentment and good order prevail. Roads, irrigation works, harbor improvements, and public buildings are being constructed. Public education and sanitation have been advanced. The Government is in a sound financial condition. These immediate results were especially due to the administration of Gov. Gen. Leonard Wood. The six years of his governorship marked a distinct improvement in the islands and rank as one of the outstanding accomplishments of this distinguished man. His death is a loss to the Nation and the islands.

Greater progress could be made, more efficiency could be put into administration, if the Congress would undertake to expend, through its appropriating power, all or a part of the customs revenues which are now turned over to the Philippine treasury. The powers of the auditor of the islands also need revision and clarification. The government of the islands is about 98 per cent in the hands of the Filipinos. An extension of the policy of self-government will be hastened by the demonstration on their part of their desire and their ability to carry out cordially and efficiently the provisions of the organic law enacted by the Congress for the government of the islands. It would be well for a committee of the Congress to visit the islands every two years.

Page 2348

A fair degree of progress is being made in Porto Rico. Its agricultural products are increasing; its treasury position, which has given much concern, shows improvement. I am advised by the governor that educational facilities are still lacking. Roads are being constructed, which he represents are the first requisite for building schoolhouses. The loyalty of the island to the United States is exceedingly gratifying. A memorial will be presented to you requesting authority to have the governor elected by the people of Porto Rico. This was never done in the case of our own Territories. It is admitted that education outside of the towns is as yet very deficient. Until it has progressed further the efficiency of the government and the happiness of the people may need the guiding hand of an appointed governor. As it is not contemplated that any change should be made immediately, the general subject may well have the thoughtful study of the Congress.

PANAMA CANAL

The number of commercial ships passing through the Panama Canal has increased from 3,967 in 1923 to 5,475 in 1927. The total amount of tolls turned into the Treasury is over $166,000,000, while all the operations of the canal have yielded a surplus of about $80,000,000. In order to provide additional storage of water and give some control over the floods of the Chagres River, it is proposed to erect a dam to cost about $12,000,000 at Alhajuela. It will take some five years to complete this work.

AGRICULTURE

The past year has seen a marked improvement in the general condition of agriculture. Production is better balanced and without acute shortage or heavy surplus. Costs have been reduced and the average output of the worker increased. The level of farm prices has risen while others have fallen, so that the purchasing power of the farmer is approaching a normal figure. The individual farmer is entitled to great credit for the progress made since 1921. He has adjusted his production and through cooperative organizations and other methods improved his marketing. He is using authenticated facts and employing sound methods which other industries are obliged to use to secure stability and prosperity. The old-fashioned haphazard system is being abandoned, economics are being applied to ascertain the best adapted unit of land, diversification is being promoted, and scientific methods are being used in production, and business principles in marketing.

Agriculture has not fully recovered from postwar depression. The fact is that economic progress never marches forward in a straight line. It goes in waves. One part goes ahead, while another halts and another recedes. Everybody wishes agriculture to prosper. Any sound and workable proposal to help the farmer will have the earnest support of the Government. Their interests are not all identical. Legislation should

assist as many producers in as many regions as possible. It should be the aim to assist the farmer to work out his own salvation socially and economically. No plan will be of any permanent value to him which does not leave him standing on his own foundation.

Page 2349

In the past the Government has spent vast sums to bring land under cultivation. It is apparent that this has reached temporarily the saturation point. We have had a surplus of production and a poor market for land, which has only lately shown signs of improvement. The main problem which is presented for solution is one of dealing with a surplus of production. It is useless to propose a temporary expedient. What is needed is permanency and stability. Government price fixing is known to be unsound and bound to result in disaster. A Government subsidy would work out in the same way. It can not be sound for all of the people to hire some of the people to produce a crop which neither the producers nor the rest of the people want.

Price fixing and subsidy will both increase the surplus, instead of diminishing it. Putting the Government directly into business is merely a combination of subsidy and price fixing aggravated by political pressure. These expedients would lead logically to telling the farmer by law what and how much he should plant and where he should plant it, and what and how much he should sell and where he should sell it. The most effective means of dealing with surplus crops is to reduce the surplus acreage. While this can not be done by the individual farmer, it can be done through the organizations already in existence, through the information published by the Department of Agriculture, and especially through banks and others who supply credit refusing to finance an acreage manifestly too large.

It is impossible to provide by law for an assured success and prosperity for all those who engage in farming. If acreage becomes overextended, the Government can not assume responsibility for it. The Government can, however, assist cooperative associations and other organizations in orderly marketing and handling a surplus clearly due to weather and seasonal conditions, in order to save the producer from preventable loss. While it is probably impossible to secure this result at a single step, and much will have to be worked out by trial and rejection, a beginning could be made by setting up a Federal board or commission of able and experienced men in marketing, granting equal advantages under this board to the various agricultural commodities and sections of the country, giving encouragement to the cooperative movement in agriculture, and providing a revolving loan fund at a moderate rate of interest for the necessary financing. Such legislation would lay the foundation for a permanent solution of the surplus problem.

This is not a proposal to lend more money to the farmer, who is already fairly well financed, but to lend money temporarily to experimental marketing associations which will no doubt ultimately be financed by the regularly established banks, as were the temporary operations of the War Finance Corporation. Cooperative marketing especially would be provided with means of buying or building physical properties.

Page 2350

The National Government has almost entirely relieved the farmer from income taxes by successive tax reductions, but State and local taxes have increased, putting on him a grievous burden. A policy of rigid economy should be applied to State and local expenditures. This is clearly within the legislative domain of the States. The Federal Government has also improved our banking structure and system of agricultural credits. The farmer will be greatly benefited by similar action in many States. The Department of Agriculture is undergoing changes in organization in order more completely to separate the research and regulatory divisions, that each may be better administered. More emphasis is being placed on the research program, not only by enlarging the appropriations for State experiment stations but by providing funds for expanding the research work of the department. It is in this direction that much future progress can be expected.

THE PROTECTIVE TARIFF

The present tariff rates supply the National Treasury with well over $600,000,000 of annual revenue. Yet, about 65 per cent of our imports come in duty free. Of the remaining 35 per cent of imports on which duties are laid about 23 per cent consists of luxuries and agricultural products, and the balance of about 12 per cent, amounting, to around $560,000,000 is made up of manufactures and merchandise. As no one is advocating any material reduction in the rates on agriculture or luxuries, it is only the comparatively small amount of about $560,000,000 of other imports that are really considered in any discussion of reducing tariff rates. While this amount, duty free, would be large enough seriously to depress many lines of business in our own country, it is of small importance when spread over the rest of the world.

It is often stated that a reduction of tariff rates on industry would benefit agriculture. It would be interesting to know to what commodities it is thought this could be applied. Everything the farmer uses in farming is already on the free list. Nearly everything he sells is protected. It would seem to be obvious that it is better for the country to have the farmer raise food to supply the domestic manufacturer than the foreign manufacturer. In one case our country would have only the farmer; in the other it would have the farmer and the manufacturer. Assuming that Europe would have more money if it sold us larger amounts of merchandise, it is not certain it would consume more food, or, if it did, that its purchases would be made in this country. Undoubtedly it would resort to the cheapest market, which is by no means ours. The largest and best and most profitable market for the farmer in the world is our own domestic market. Any great increase in manufactured imports means the closing of our own plants. Nothing would be worse for agriculture.

Page 2351

Probably no one expects a material reduction in the rates on manufactures while maintaining the rates on agriculture. A material reduction in either would be disastrous to the farmer. It would mean a general shrinkage of values, a deflation of prices, a reduction of wages, a general depression carrying our people down to the low standard of living in our competing countries. It is obvious that this would not improve but destroy our market for imports, which is best served by maintaining our present high purchasing power under which in the past five years imports have increased 63 per cent.

FARM LOAN SYSTEM

It is exceedingly important that the Federal land and joint-stock land banks should furnish the best possible service for agriculture. Certain joint-stock banks have fallen into improper and unsound practices, resulting in the indictment of the officials of three of them. More money has been provided for examinations, and at the instance of the Treasury rules and regulations of the Federal Farm Board have been revised. Early last May three of its members resigned. Their places were filled with men connected with the War Finance Corporation. Eugene Meyer being designated as Farm Loan Commissioner. The new members have demonstrated their ability in the field of agricultural finance in the extensive operations of he War Finance Corporation. Three joint-stock banks have gone into receivership. It is necessary to preserve the public confidence in this system in order to find a market for their bonds. A recent flotation was made at a record low rate of 4 per cent. Careful supervision is absolutely necessary to protect the investor and enable these banks to exercise their chief function in serving agriculture.

MUSCLE SHOALS

The last year has seen considerable changes in the problem of Muscle Shoals. Development of other methods show that nitrates can probably be produced at less cost than by the use of hydroelectric power. Extensive investigation made by the Department of War indicates that the nitrate plants on this project are of little value for national defense and can probably be disposed of within two years. The oxidation part of the plants, however, should be retained indefinitely. This leaves this project mostly concerned with power. It should, nevertheless, continue to be dedicated to agriculture. It is probable that this desire can be best served by disposing of the plant and applying the revenues received from it to research for methods of more economical production of concentrated fertilizer and to demonstrations and other methods of stimulating its use on the farm. But in disposing of the property preference should be given to proposals to use all or part of it for nitrate production and fertilizer manufacturing.

FLOOD CONTROL

Page 2352

For many years the Federal Government has been building a system of dikes along the Mississippi River for protection against high water. During the past season the lower States were overcome by a most disastrous flood. Many thousands of square miles were inundated a great many lives were lost, much livestock was drowned, and a very heavy destruction of property was inflicted upon the inhabitants. The American Red Cross at once went to the relief of the stricken communities. Appeals for contributions have brought in over $17,000,000. The Federal Government has provided services, equipment, and supplies probably amounting to about $7,000,000 more. Between $5,000,000 and $10,000,000 in addition have been provided by local railroads, the States, and their political units. Credits have been arranged by the Farm Loan Board, and three emergency finance corporations with a total capital of $3,000,000 have insured additional resources to the extent of $12,000,000. Through these means the 700,000 people in the flooded areas have been adequately supported. Provision has been made to care for those in need until after the 1st of January.

The Engineering Corps of the Army has contracted to close all breaks in the dike system before the next season of high water. A most thorough and elaborate survey of the whole situation has been made and embodied in a report with recommendations for future flood control, which will be presented to the Congress. The carrying out of their plans will necessarily extend over a series of years. They will call for a raising and strengthening of the dike system with provision for emergency spillway's and improvements for the benefit of navigation.

Under the present law the land adjacent to the dikes has paid one-third of the cost of their construction. This has been a most extraordinary concession from the plan adopted in relation to irrigation, where the general rule has been that the land benefited should bear the entire expense. It is true, of course, that the troublesome waters do not originate on the land to be reclaimed, but it is also true that such waters have a right of way through that section of the country and the land there is charged with that easement. It is the land of this region that is to be benefited. To say that it is unable to bear any expense of reclamation is the same thing as saying that it is not worth reclaiming. Because of expenses incurred and charges already held against this land, it seems probable that some revision will have to be made concerning the proportion of cost which it should bear. But it is extremely important that it should pay enough so that those requesting improvements will be charged with some responsibility for their cost, and the neighborhood where works are constructed have a pecuniary interest in preventing waste and extravagance and securing a wise and economical expenditure of public funds.

Page 2353

It is necessary to look upon this emergency as a national disaster. It has been so treated from its inception. Our whole people have provided with great generosity for its relief. Most of the departments of the Federal Government have been engaged in the same effort. The governments of the afflicted areas, both State and municipal, can not be given too high praise for the courageous and helpful way in which they have come to the rescue of the people. If the sources directly chargeable can not meet the demand, the National Government should not fail to provide generous relief. This, however, does not mean restoration. The Government is not an insurer of its citizens against the hazard of the elements. We shall always have flood and drought, heat and cold, earthquake and wind, lightning and tidal wave, which are all too constant in their afflictions. The Government does not undertake to reimburse its citizens for loss and damage incurred under such circumstances. It is chargeable, however, with the rebuilding of public works and the humanitarian duty of relieving its citizens from distress.

The people in the flooded area and their representatives have approached this problem in the most generous and broad-minded way. They should be met with a like spirit on the part of the National government. This is all one country. The public needs of each part must be provided for by the public at large. No required relief should be refused. An adequate plan should be adopted to prevent a recurrence of this disaster in order that the people may restore to productivity and comfort their fields and their towns.

Legislation by this Congress should be confined to our principal and most pressing problem, the lower Mississippi, considering tributaries only so far as they materially affect the main flood problem. A definite Federal program relating to our waterways was proposed when the last Congress authorized a comprehensive survey of all the important streams of the country in order to provide for their improvement, including flood control, navigation, power, and irrigation. Other legislation should wait pending a report on this survey. The recognized needs of the Mississippi should not be made a vehicle for carrying other projects. All proposals for development should stand on their own merits. Any other method would result in ill-advised conclusions, great waste of money, and instead of promoting would delay the orderly and certain utilization of our water resources.

Very recently several of the New England States have suffered somewhat similarly from heavy rainfall and high water. No reliable estimate of damage has yet been computed, but it is very large to private and public property. The Red Cross is generously undertaking what is needed for immediate relief, repair and reconstruction of houses, restocking of domestic animals, and food, clothing, and shelter. A considerable sum of money will be available through the regular channels in the Department of Agriculture for reconstruction of highways. It may be necessary to grant special aid for this purpose. Complete reports of what is required will undoubtedly be available early in the session.

Page 2354

INLAND NAVIGATION

The Congress in its last session authorized the general improvements necessary to provide the Mississippi waterway system with better transportation. Stabilization of the levels of the Great Lakes and their opening to the sea by an effective shipway remain to be considered. Since the last session the Board of Engineers of the War Department has made a report on the proposal for a canal through the State of New York, and the Joint Board of Engineers, representing Canada and the United States, has finished a report on the St. Lawrence River. Both of these boards conclude that the St. Lawrence project is cheaper, affords a more expeditious method of placing western products in European markets, and will cost less to operate. The State Department has requested the Canadian Government to negotiate treaties necessary to provide for this improvement. It will also be necessary to secure an agreement with Canada to put in works necessary to prevent fluctuation in the levels of the Great Lakes.

Legislation is desirable for the construction of a dam at Boulder Canyon on the Colorado River, primarily as a method of flood control and irrigation. A secondary result would be a considerable power development and a source of domestic water supply for southern California. Flood control is clearly a national problem, and water supply is a Government problem, but every other possibility should be exhausted before the Federal Government becomes engaged in the power business. The States which are interested ought to reach mutual agreement. This project is in reality their work. If they wish the Federal Government to undertake it, they should not hesitate to make the necessary concessions to each other. This subject is fully discussed in the annual report of the Secretary of the Interior. The Columbia River Basin project is being studied and will be one to be considered at some future time.

The Inland Waterways Corporation is proving successful and especially beneficial to agriculture. A survey is being made to determine its future needs. It has never been contemplated that if inland rivers were opened to navigation it would then be necessary for the Federal Government to provide the navigation. Such a request is very nearly the equivalent of a declaration that their navigation is not profitable, that the commodities which they are to carry can be taken at a cheaper rate by some other method, in which case the hundreds of millions of dollars proposed to be expended for opening rivers to navigation would be not only wasted, but would entail further constant expenditures to carry the commodities of private persons for less than cost.

Page 2355

The policy is well established that the Government should open public highways on land and on water, but for use of the public in their private capacity. It has put on some demonstration barge lines, but always with the expectation that if they prove profitable they would pass into private hands and if they do not prove profitable they will be withdrawn. The problems of transportation over inland waterways should be taken up by private enterprise, so that the public will have the advantage of competition in service. It is expected that some of our lines can be sold, some more demonstration work done, and that with the completion of the Ohio project a policy of private operation can be fully developed.

PROHIBITION

After more than two generations of constant debate, our country adopted a system of national prohibition under all the solemnities involved in an amendment to the Federal Constitution. In obedience to this mandate the Congress and the States, with one or two notable exceptions, have passed required laws for its administration and enforcement. This imposes upon the citizenship of the country, and especially on all public officers, not only the duty to enforce, but the obligation to observe the sanctions of this constitutional provision and its resulting laws. If this condition could be secured, all question concerning prohibition would cease. The Federal Government is making every effort to accomplish these results through careful organization, large appropriations, and administrative effort. Smuggling has been greatly cut down, the larger sources of supply for illegal sale have been checked, and by means of injunction and criminal prosecution the process of enforcement is being applied. The same vigilance on the part of local governments would render these efforts much more successful. The Federal authorities propose to discharge their obligation for enforcement to the full extent of their ability.

THE NEGRO

History does not anywhere record so much progress made in the same length of time as that which has been accomplished by the Negro race in the United States since the Emancipation Proclamation. They have come up from slavery to be prominent in education, the professions, art, science, agriculture, banking, and commerce. It is estimated that 50,000 of them are on the Government pay rolls, drawing about $50,000,000 each year. They have been the recipients of presidential appointments and their professional ability has arisen to a sufficiently high plane so that they have been intrusted with the entire management and control of the great veterans hospital at Tuskegee, where their conduct has taken high rank. They have shown that they have been worthy of all the encouragement which they have received. Nevertheless, they are too often subjected to thoughtless and inconsiderate treatment, unworthy alike of the white or colored races. They have especially been made the target of the foul crime

of lynching. For several years these acts of unlawful violence had been diminishing. In the last year they have shown an increase. Every principle of order and law and liberty is opposed to this crime. The Congress should enact any legislation it can under the Constitution to provide for its elimination.

Page 2356

AMERICAN INDIAN

The condition of the American Indian has much improved in recent years. Full citizenship was bestowed upon them on June 2, 1924, and appropriations for their care and advancement have been increased. Still there remains much to be done.

Notable increases in appropriations for the several major functions performed by the Department of the Interior on behalf of the Indians have marked the last five years. In that time, successive annual increases in appropriations for their education total $1,804,325; for medical care, $578,000; and for industrial advancement, $205,000; or $2,582,325 more than would have been spent in the same period on the basis of appropriations for 1923 and the preceding years.

The needs along health, educational, industrial and social lines however, are great, and the Budget estimates for 1929 include still further increases for Indian administration.

To advance the time when the Indians may become self-sustaining, it is my belief that the Federal Government should continue to improve the facilities for their care, and as rapidly as possible turn its responsibility over to the States.

COAL

Legislation authorizing a system of fuel administration and the appointment by the President of a Board of Mediation and Conciliation in case of actual or threatened interruption of production is needed. The miners themselves are now seeking information and action from the Government, which could readily be secured through such a board. It is believed that a thorough investigation and reconsideration of this proposed policy by the Congress will demonstrate that this recommendation is sound and should be adopted.

PETROLEUM CONSERVATION

The National Government is undertaking to join in the formation of a cooperative committee of lawyers, engineers, and public officers, to consider what legislation by the States or by the Congress can be adopted for the preservation and conservation of our supply of petroleum. This has come to be one of the main dependencies for transportation and power so necessary to our agricultural and industrial life. It is expected the report of this committee will be available for later congressional action. Meantime, the requirement that the Secretary of the Interior should make certain leases of land belonging to the Osage Indians, in accordance with the act of March 3, 1921, should be repealed. The authority to lease should be discretionary, in order that the property of the Indians way not be wasted and the public suffer a future lack of supply.

ALIEN PROPERTY

Under treaty the property held by the Alien Property Custodian was to be retained until suitable provision had been made for the satisfaction of American claims. While still protecting the American claimants, in order to afford every possible accommodation to the nationals of the countries whose property was held, the Congress has made liberal provision for the return of a larger part of the property. All trusts under $10,000 were returned in full, and partial returns were made on the others. The total returned was approximately $350,000,000.

Page 2357

There is still retained, however, about $250,000,000. The Mixed Claims Commission has made such progress in the adjudication of claims that legislation can now be enacted providing for the return of the property, which should be done under conditions which will protect our Government and our claimants. Such a measure will be proposed, and I recommend its enactment.

RAILROAD CONSOLIDATION

In order to increase the efficiency of transportation and decrease its cost to the shipper, railroad consolidation must be secured. Legislation is needed to simplify the necessary procedure to secure such agreements and arrangements for consolidation, always under the control and with the approval of the Interstate Commerce Commission. Pending this, no adequate or permanent reorganization can be made of the freight-rate structure. Meantime, both agriculture and industry are compelled to wait for needed relief. This is purely a business question, which should be stripped of all local and partisan bias and decided on broad principles and its merits in order to promote the public welfare. A large amount of new construction and equipment, which will furnish employment for labor and markets for commodities of both factory and farm, wait on the decision of this important question. Delay is holding back the progress of our country.

Many of the same arguments are applicable to the consolidation of the Washington traction companies.

VETERANS

The care which this country has lavished on its veterans is known of all men. The yearly outlay for this purpose is about $750,000,000, or about the cost of running the Federal Government, outside of the Post Office Department, before the World War. The Congress will have before it recommendations of the American Legion, the Veterans of Foreign Wars, and other like organizations, which should receive candid consideration. We should continue to foster our system of compensation and rehabilitation, and provide hospitals and insurance. The magnitude of the undertaking is already so large that all requests calling for further expenditure should have the most searching scrutiny. Our present system of pensions is already sufficiently liberal. It was increased by the last Congress for Civil and Spanish War veterans and widows and for some dependents.

It has been suggested that the various governmental agencies now dealing with veterans' relief be consolidated. This would bring many advantages. It is recommended that the proper committees of the Congress make a thorough survey of this subject, in order to determine if legislation to secure such consolidation is desirable.

EDUCATION

Page 2358

For many years it has been the policy of the Federal Government to encourage and foster the cause of education. Large sums of money are annually appropriated to carry on vocational training. Many millions go into agricultural schools. The general subject is under the immediate direction of a Commissioner of Education. While this subject is strictly a State and local function, it should continue to have the encouragement of the National Government. I am still of the opinion that much good could be accomplished through the establishment of a Department of Education and Relief, into which would be gathered all of these functions under one directing member of the Cabinet.

DEPARTMENT OF LABOR

Industrial relations have never been more peaceful. In recent months they have suffered from only one serious controversy. In all others difficulties have been adjusted, both management and labor wishing to settle controversies by friendly agreement rather than by compulsion. The welfare of women and children is being especially guarded by our Department of Labor. Its Children's Bureau is in cooperation with 26 State boards and 80 juvenile courts.

Through its Bureau of Immigration it has been found that medical examination abroad has saved prospective immigrants from much hardship. Some further legislation to provide for reuniting families when either the husband or the wife is in this country, and granting more freedom for the migration of the North American Indian tribes is desirable.

The United States Employment Service has enabled about 2,000,000 men and women to gain paying positions in the last fiscal year. Particular attention has been given to assisting men past middle life and in providing field labor for harvesting agricultural crops. This has been made possible in part through the service of the Federal Board for Vocational Education, which is cooperating with the States in a program to increase the technical knowledge and skill of the wage earner.

PUBLIC BUILDINGS

Construction is under way in the country and ground has been broken for carrying out a public-building program for Washington. We have reached a time when not only the conveniences but the architectural beauty of the public buildings of the Capital City should be given much attention. It will be necessary to purchase further land and provide the required continuing appropriations.

HISTORICAL CELEBRATIONS

Provision is being made to commemorate the two hundredth anniversary of the birth of George Washington. Suggestion has been made for the construction of a memorial

road leading from the Capital to Mount Vernon, which may well have the consideration of the Congress, and the commission intrusted with preparations for the celebration will undoubtedly recommend publication of the complete writings of Washington and a series of writings by different authors relating to him.

Page 2359

February 25, 1929. is the one hundred and fiftieth anniversary of the capture of Fort Sackville, at Vincennes, in the State of Indiana. This eventually brought into the Union what was known as the Northwest Territory, embracing the region north of the Ohio River between the Alleghenies and the Mississippi River. This expedition was led by George Rogers Clark. His heroic character and the importance of his victory are too little known and understood. They gave us not only this Northwest Territory but by means of that the prospect of reaching the Pacific. The State of Indiana is proposing to dedicate the site of Fort Sackville as a national shrine. The Federal Government may well make some provision for the erection under its own management of a fitting memorial at that point.

FOREIGN RELATIONS

It is the policy of the United States to promote peace. We are a peaceful people and committed to the settling of disputes by amicable adjustment rather than by force. We have believed that peace can best be secured by a faithful observance on our part of the principles of international law, accompanied by patience and conciliation, and requiring of others a like treatment for ourselves. We have lately had some difference with Mexico relative to the injuries inflicted upon our nationals and their property within that country. A firm adherence to our rights and a scrupulous respect for the sovereignty of Mexico, both in accordance with the law of nations, coupled with patience and forbearance, it is hoped will resolve all our differences without interfering with the friendly relationship between the two Governments.

We have been compelled to send naval and marine forces to China to protect the lives and property of our citizens. Fortunately their simple presence there has been sufficient to prevent any material loss of life. But there has been considerable loss of property. That unhappy country is torn by factions and revolutions which bid fair to last for an indefinite period. Meanwhile we are protecting our citizens and stand ready to cooperate with any government which may emerge in promoting the welfare of the people of China. They have always had our friendship, and they should especially merit our consideration in these days of their distraction and distress.

We were confronted by similar condition on a small scale in Nicaragua. Our marine and naval forces protected our citizens and their property and prevented a heavy sacrifice of life and the destruction of that country by a reversion to a state of revolution. Henry L. Stimson, former Secretary of War, was sent there to cooperate with our diplomatic and military officers in effecting a settlement between the contending parties. This was done on the assurance that we would cooperate in restoring a state of peace where our rights would be protected by giving our assistance in the conduct of the next presidential election, which occurs in a few months. With this assurance the population returned to their peacetime pursuits, with the exception of some small roving bands of outlaws.

Page 2360

In general, our relations with other countries can be said to have improved within the year. While having a due regard for our own affairs, the protection of our own rights, and the advancement of our own people, we can afford to be liberal toward others. Our example has become of great importance in the world. It is recognized that we are independent, detached, and can and do take a disinterested position in relation to international affairs. Our charity embraces the earth. Our trade is far flung. Our financial favors are widespread. Those who are peaceful and law-abiding realize that not only have they nothing to fear from us, but that they can rely on our moral support. Proposals for promoting the peace of the world will have careful consideration. But we are not a people who are always seeking for a sign. We know that peace comes from honesty and fair dealing, from moderation, and a generous regard for the rights of others. The heart of the Nation is more important than treaties. A spirit of generous consideration is a more certain defense than great armaments. We should continue to promote peace by our example, and fortify it by such international covenants against war as we are permitted under our Constitution to make.

AMERICAN PROGRESS

Our country has made much progress. But it has taken, and will continue to take, much effort. Competition will be keen, the temptation to selfishness and arrogance will be severe, the provocations to deal harshly with weaker peoples will be many. All of these are embraced in the opportunity for true greatness. They will be overbalanced by cooperation by generosity, and a spirit of neighborly kindness. The forces of the universe are taking humanity in that direction. In doing good, in walking humbly, in sustaining its own people in ministering to other nations, America will work out its own mighty destiny.

***

State of the Union Address
Calvin Coolidge
December 4, 1928

To the Congress of the United States:

No Congress of the United States ever assembled, on surveying the state of the Union, has met with a more pleasing prospect than that which appears at the present time. In the domestic field there is tranquility and contentment, harmonious relations between management and wage earner, freedom from industrial strife, and the highest record of years of prosperity. In the foreign field there is peace, the good will which comes from mutual understanding, and the knowledge that the problems which a short time ago appeared so ominous are yielding to the touch of manifest friendship. The great wealth created by our enterprise and industry, and saved by our economy, has had the widest

distribution among our own people, and has gone out in a steady stream to serve the charity and the business of the world. The requirements of existence have passed beyond the standard of necessity into the region of luxury. Enlarging production is consumed by an increasing demand at home and an expanding commerce abroad. The country can regard the present with satisfaction and anticipate the future with optimism.

Page 2361

The main source of these unexampled blessings lies in the integrity and character of the American people. They have had great faith, which they have supplemented with mighty works. They have been able to put trust in each other and trust in their Government. Their candor in dealing with foreign governments has commanded respect and confidence. Yet these remarkable powers would have been exerted almost in vain without the constant cooperation and careful administration of the Federal Government.

We have been coming into a period which may be fairly characterized as a conservation of our national resources. Wastefulness in public business and private enterprise has been displaced by constructive economy. This has been accomplished by bringing our domestic and foreign relations more and more under a reign of law. A rule of force has been giving way to a rule of reason. We have substituted for the vicious circle of increasing expenditures, increasing tax rates, and diminishing profits the charmed circle of diminishing expenditures, diminishing tax rates, and increasing profits.

Four times we have made a drastic revision of our internal revenue system, abolishing many taxes and substantially reducing almost all others. Each time the resulting stimulation to business has so increased taxable incomes and profits that a surplus has been reduced. One-third of the national debt has been paid, while much of the other two-thirds has been refunded at lower rates, and these savings of interest and constant economies have enabled us to repeat the satisfying process of more tax reductions. Under this sound and healthful encouragement the national income has increased nearly 50 per cent, until it is estimated to stand well over $90,000,000,000. It gas been a method which has performed the seeming miracle of leaving a much greater percentage of earnings in the hands of the taxpayers with scarcely any diminution of the Government revenue. That is constructive economy in the highest degree. It is the corner stone of prosperity. It should not fail to be continued.

This action began by the application of economy to public expenditure. If it is to be permanent, it must be made so by the repeated application of economy. There is no surplus on which to base further tax revision at this time. Last June the estimates showed a threatened deficit for the current fiscal year of $94,000,000. Under my direction the departments began saving all they could out of their present appropriations. The last tax reduction brought an encouraging improvement in business, beginning early in October, which will also increase our revenue. The combination of economy and good times now indicates a surplus of about $37,000,000. This is a margin of less than I percent on out, expenditures and makes it obvious that the Treasury is in no condition to undertake increases in expenditures to be made before June 30. It is necessary therefore during the

Page 2362

present session to refrain from new appropriations for immediate outlay, or if such are absolutely required to provide for them by new revenue; otherwise, we shall reach the end of the year with the unthinkable result of an unbalanced budget. For the first time during my term of office we face that contingency. I am certain that the Congress would not pass and I should not feel warranted in approving legislation which would involve us in that financial disgrace.

On the whole the finances of the Government are most satisfactory. Last year the national debt was reduced about $906,000,000. The refunding and retirement of the second and third Liberty loans have just been brought to a successful conclusion, which will save about $75,000,000 a year in interest. The unpaid balance has been arranged in maturities convenient for carrying out our permanent debt-paying Program.

The enormous savings made have not been at the expense of any legitimate public need. The Government plant has been kept up and many improvements are tinder way, while its service is fully manned and the general efficiency of operation has increased. We have been enabled to undertake many new enterprises. Among these are the adjusted compensation of the veterans of the World War, which is costing us $112,000,000 a year; amortizing our liability to the civil service retirement funds, $20,000,000; increase of expenditures for rivers and harbors including flood control, $43,000,000; public buildings, $47,000,000. In 1928 we spent $50,000,000 in the adjustment of war claims and alien property. These are examples of a large list of items.

FOREIGN RELATIONS

When we turn from our domestic affairs to our foreign relations, we likewise perceive peace and progress. The Sixth International Conference of American States was held at Habana last winter. It contributed to a better understanding and cooperation among the nations'. Eleven important conventions were signed and 71 resolutions passed. Pursuant to the plan then adopted, this Government has invited the other 20 nations of this hemisphere to it conference on conciliation and arbitration, which meets in Washington on December 10. All the nations have accepted and the expectation is justified that important progress will be made in methods for resolving international differences by means of arbitration.

During the year we have signed 11 new arbitration treaties, and 22 more are tinder negotiation.

NICARAGUA

When a destructive and bloody revolution lately broke out in Nicaragua, at the earnest and repeated entreaties of its Government I dispatched our Marine forces there to protect the lives and interests of our citizens. To compose the contending parties, I sent there Col. Henry L. Stimson, former Secretary of War and now Governor General of the Philippine Islands, who secured an agreement that warfare should cease, a national election should be held and peace should be restored. Both parties conscientiously carried out this agreement, with the exception of a few bandits who later mostly surrendered or left the country. President Diaz appointed Brig. Gen. Frank R. McCoy, United States Army, president of the election board, which included also one member of each political party.

Page 2363

A free and fair election has been held and has worked out so successfully that both parties have joined in requesting like cooperation from this country at the election four years hence, to which I have refrained from making any commitments, although our country must be gratified at such an exhibition of success and appreciation.

Nicaragua is regaining its prosperity and has taken a long step in the direction of peaceful self-government.

TACNA-ARICA

The long-standing differences between Chile and Peru have been sufficiently composed so that diplomatic relations have been resumed by the exchange of ambassadors. Negotiations are hopefully proceeding as this is written for the final adjustment of the differences over their disputed territory.

MEXICO

Our relations with Mexico are on a more satisfactory basis than at any time since their revolution. Many misunderstandings have been resolved and the most frank and friendly negotiations promise a final adjustment of all unsettled questions. It is exceedingly gratifying that Ambassador Morrow has been able to bring our two neighboring countries, which have so many interests in common, to a position of confidence in each other and of respect for mutual sovereign rights.

CHINA

The situation in China which a few months ago was so threatening as to call for the dispatch of a large additional force has, been much composed. The Nationalist Government has established itself over the country and promulgated a new organic law announcing a program intended to promote the political and economic welfare of the people. We have recognized this Government, encouraged its progress, and have negotiated a treaty restoring to China complete tariff autonomy and guaranteeing our citizens against discriminations. Our trade in that quarter is increasing and our forces are being reduced.

GREEK AND AUSTRIAN DEBTS

Pending before the Congress is a recommendation for the settlement of the Greek debt and the Austrian debt. Both of these are comparatively small and our country can afford to be generous. The rehabilitation of these countries awaits their settlement. There would also be advantages to our trade. We could scarcely afford to be the only nation

that refuses the relief which Austria seeks. The Congress has already granted Austria a long-time moratorium, which it is understood will be waived and immediate payments begun on her debt on the same basis which we have extended to other countries.

PEACE TREATY

Page 2364

One of the most important treaties ever laid before the Senate of the United States will be that which the 15 nations recently signed at Paris, and to which 44 other nations have declared their intention to adhere, renouncing war as a national policy and agreeing to resort only to peaceful means for the adjustment of international differences. It is the most solemn declaration against war, the most positive adherence to peace, that it is possible for sovereign nations to make. It does not supersede our inalienable sovereign right and duty of national defense or undertake to commit us before the event to any mode of action which the Congress might decide to be wise if ever the treaty should be broken. But it is a new standard in the world around which can rally the informed and enlightened opinion of nations to prevent their governments from being forced into hostile action by the temporary outbreak of international animosities. The observance of this covenant, so simple and so straightforward, promises more for the peace of the world than any other agreement ever negotiated among the nations.

NATIONAL DEFENSE

The first duty of our Government to its own citizens and foreigners within its borders is the preservation of order. Unless and until that duty is met a government is not even eligible for recognition among the family of nations. The advancement of world civilization likewise is dependent upon that order among the people of different countries which we term peace. To insure our citizens against the infringement of their legal rights at home and abroad, to preserve order, liberty, and peace by making the law supreme, we have an Army and a Navy.

Both of these are organized for defensive purposes. Our Army could not be much reduced, but does not need to be increased. Such new housing and repairs as are necessary are tinder way and the 6-year program in aviation is being put into effect in both branches of our service.

Our Navy, according to generally accepted standards, is deficient in cruisers. We have 10 comparatively new vessels, 22 that are old, and 8 to be built. It is evident that renewals and replacements must be provided. This matter was thoroughly canvassed at the last session of the Congress and does not need restatement. The bill before the Senate with the elimination of the time clause should be passed. We have no intention of competing with any other country. This building program is for necessary replacements and to meet our needs for defense.

The cost of national defense is stupendous. It has increased $118,000,000 in the past four years. The estimated expenditure for 1930 is $668,000,000. While this is made up of many items it is, after all, mostly dependent upon numbers. Our defensive needs do not can for any increase in the number of men in the Army or the Navy. We have reached the limit of what we ought to expend for that purpose.

Page 2365

I wish to repeat again for the benefit of the timid and the suspicious that this country is neither militaristic nor imperialistic. Many people at home and abroad, who constantly make this charge, are the same ones who are even more solicitous to have us extend assistance to foreign countries. When such assistance is granted, the inevitable result is that we have foreign interests. For us to refuse the customary support and protection of such interests would be in derogation of the sovereignty of this Nation. Our largest foreign interests are in the British Empire, France, and Italy. Because we are constantly solicitous for those interests, I doubt if anyone would suppose that those countries feel we harbor toward them any militaristic or imperialistic design. As for smaller countries, we certainly do not want any of them. We are more anxious than they are to have their sovereignty respected. Our entire influence is in behalf of their independence. Cuba stands as a witness to our adherence to this principle.

The position of this Government relative to the limitation of armaments, the results already secured, and the developments up to the present time are so well known to the Congress that they do not require any restatement.

VETERANS

The magnitude of our present system of veterans' relief is without precedent, and the results have been far-reaching. For years a service pension has been granted to the Grand Army and lately to the survivors of the Spanish-American War. At the time we entered the World War however, Congress departed from the usual pension system followed by our Government. Eleven years have elapsed since our laws were first enacted, initiating a system of compensation, rehabilitation, hospitalization, and insurance for the disabled of the World War and their dependents. The administration of all the laws concerning relief has been a difficult task, but it can safely be stated that these measures have omitted nothing in their desire to deal generously and humanely. We should continue to foster this system and provide all the facilities necessary for adequate care. It is the conception of our Government that the pension roll is an honor roll. It should include all those who are justly entitled to its benefits, but exclude all others.

Annual expenditures for all forms of veterans' relief now approximate $765,000,000, and are increasing from year to year. It is doubtful if the peak of expenditures will be reached even under present legislation for sonic time yet to come. Further amendments to the existing law will be suggested by the American Legion, the Veterans of Foreign Wars of the United States, the Disabled American Veterans of the World War, and other like organizations, and it may be necessary for administrative purposes, or in order to remove some existing inequalities in the present law, to make further changes. I am sure that such recommendations its may be submitted to the Congress will receive your careful consideration. But because of the vast expenditure now being made, each year, with every assurance that it will increase, and because of the great liberality of the

existing law, the proposal of any additional legislation dealing with this subject should receive most searching scrutiny from the Congress.

Page 2366

You are familiar with the suggestion that the various public agencies now dealing with matters of veterans' relief be consolidated in one Government department. Some advantages to this plan seem apparent, especially in the simplification of administration find in the opportunity of bringing about a greater uniformity in the application of veterans' relief. I recommend that a survey be made by the proper committees of Congress dealing with this subject, in order to determine whether legislation to secure this consolidation is desirable.

AGRICULTURE

The past year has been marked by notable though not uniform improvement in agriculture. The general purchasing power of farm products and the volume of production have advanced. This means not only further progress, in overcoming the price disparity into which agriculture was plunged in 1920-21, but also increased efficiency on the part of farmers and a well-grounded confidence in the future of agriculture.

The livestock industry has attained the best balance for many years and is prospering conspicuously. Dairymen, beef producers, and poultrymen are receiving substantially larger returns than last year. Cotton, although lower in price than at this time last year, was produced in greater volume and the prospect for cotton incomes is favorable. But progress is never uniform in a vast and highly diversified agriculture or industry. Cash grains, hay, tobacco, and potatoes will bring somewhat smaller returns this year than last. Present indications are, however, that the gross farm income will be somewhat larger than in the crop year 1927-28, when the total was $12,253,000,000. The corresponding figure for 1926-27 was $12,127,000,000, and in 1925-26, $12,670,000,000. Still better results would have been secured this year had there not been an undue increase in the production of certain crops. This is particularly true of potatoes, which have sold at an unremunerative price, or at a loss, as a direct result of overexpansion of acreage.

The present status of agriculture, although greatly improved over that of a few years ago, bespeaks the need of further improvement which calls for determined effort of farmers themselves, encouraged and assisted by wise public policy. The Government has been, and must continue to be, alive to the needs of agriculture.

In the past eight years more constructive legislation of direct benefit to agriculture has been adopted than during any other period. The Department of Agriculture has been broadened and reorganized to insure greater efficiency. The department is laying greater stress on the economic and business phases of agriculture. It is lending every possible assistance to cooperative marketing associations. Regulatory and research work have been segregated in order that each field may be served more effectively.

Page 2367

I can not too strongly commend, in the field of fact finding, the research work of the Department of Agriculture and the State experiment stations. The department now receives annually $4,000,000 more for research than in 1921. In addition, the funds paid to the States for experimentation purposes under the Purnell Act constitute an annual increase in Federal payments to State agricultural experiment stations of $2,400,000 over the amount appropriated in 1921. The program of support for research may wisely be continued and expanded. Since 1921 we have appropriated nearly an additional $2,000,000 for extension work, and this sum is to be increased next year under authorization by the Capper-Ketcham Act.

THE SURPLUS PROBLEM

While these developments in fundamental research, regulation, and dissemination of agricultural information are of distinct help to agriculture, additional effort is needed. The surplus problem demands attention. As emphasized in my last message, the Government should assume no responsibility in normal times for crop surplus clearly due to overextended acreage. The Government should, however, provide reliable information as a guide to private effort; and in this connection fundamental research on prospective supply and demand, as a guide to production and marketing, should be encouraged. Expenditure of public funds to bring in more new land should have most searching scrutiny, so long as our farmers face unsatisfactory prices for crops and livestock produced on land already under cultivation.

Every proper effort should be made to put land to uses for which it is adapted. The reforestation of land best suited for timber production is progressing and should be encouraged, and to this end the forest taxation inquiry was instituted to afford a practical guide for public policy. Improvement has been made in grazing regulation in the forest reserves, not only to protect the ranges, but to preserve the soil from erosion. Similar action is urgently needed to protect other public lands which are now overgrazed and rapidly eroding.

Temporary expedients, though sometimes capable of appeasing the demands of the moment, can not permanently solve the surplus problem and might seriously aggravate it. Hence putting the Government directly into business, subsidies, and price fixing, and the alluring promises of political action as a substitute for private initiative, should be avoided.

The Government should aid in promoting orderly marketing and in handling surpluses clearly due to weather and seasonal conditions. As a beginning there should be created a Federal farm board consisting of able and experienced men empowered to advise producers' associations in establishing central agencies or stabilization corporations to handle surpluses, to seek wore economical means of merchandising, and to aid the producer in securing returns according to the a14 of his product. A revolving loan fund

should be provided for the necessary financing until these agencies shall have developed means of financing their operations through regularly constituted credit institutions. Such a bill should carry authority for raising the money, by loans or otherwise, necessary to meet the expense, as the Treasury has no surplus.

Page 2368

Agriculture has lagged behind industry in achieving that unity of effort which modern economic life demands. The cooperative movement, which is gradually building the needed organization, is in harmony with public interest and therefore merits public encouragement.

THE RESPONSIBILITY OF THE STATES

Important phases of public policy related to agriculture lie within the sphere of the States. While successive reductions in Federal taxes have relieved most farmers of direct taxes to the National Government, State and local levies have become a serious burden. This problem needs immediate and thorough study with a view to correction at the earliest possible moment. It will have to be made largely by the States themselves.

COMMERCE

It is desirable that the Government continue its helpful attitude toward American business. The activities of the Department of Commerce have contributed largely to the present satisfactory position in our international trade, which has reached about $9,000,000,000 annually. There should be no slackening of effort in that direction. It is also important that the department's assistance to domestic commerce be continued. There is probably no way in which the Government can aid sound economic progress more effectively than by cooperation with our business men to reduce wastes in distribution.

COMMERCIAL AERONAUTICS

Continued progress in civil aviation is most gratifying. Demands for airplanes and motors have taxed both the industry and the licensing and inspection service of the Department of Commerce to their capacity. While the compulsory licensing provisions of the air commerce act apply only to equipment and personnel engaged in interstate and foreign commerce, a Federal license may be procured by anyone possessing the necessary qualifications. State legislation, local airport regulations, and insurance requirements make such a license practically indispensable. This results in uniformity of regulation and increased safety in operation, which are essential to aeronautical development. Over 17,000 young men and women have now applied for Federal air pilot's licenses or permits. More than 80 per cent of them applied during the past year.

Our national airway system exceeds 14,000 miles in length and has 7,500 miles lighted for night operations. Provision has been made for lighting 4,000 miles more during the current fiscal year and equipping an equal mileage with radio facilities. Three-quarters of our people are now served by these routes. With the rapid growth of air mail,

express, and passenger service, this new transportation medium is daily becoming a more important factor in commerce. It is noteworthy that this development has taken place without governmental subsidies. Commercial passenger flights operating on schedule have reached 13,000 miles per day.

Page 2369

During the next fortnight this Nation will entertain the nations of the world in a celebration of the twenty-fifth anniversary of the first successful airplane flight. The credit for this epoch-making achievement belongs to a citizen of our own country, Orville Wright.

CUBAN PARCEL POST

I desire to repeat my recommendation of an earlier message, that Congress enact the legislation necessary to make permanent the Parcel Post Convention with Cuba, both as a facility to American commerce and as a measure of equity to Cuba in the one class of goods which that country can send here by parcel post without detriment to our own trade.

"*Maine*" *Battleship memorial*

When I attended the Pan American Conference at Habana, the President of Cuba showed me a marble statue made from the original memorial that was overturned by a storm after it was erected on the Cuban shore to the memory of the men who perished in the destruction of the battleship Maine. As a testimony of friendship and appreciation of the Cuban Government and people he most generously offered to present this to the United States, and I assured him of my pleasure in accepting it. There is no location in the White House for placing so large and heavy a structure, and I therefore urge the Congress to provide by law for some locality where it can be set up.

RAILROADS

In previous annual messages I have suggested the enactment of laws to promote railroad consolidation with the view of increasing the efficiency of transportation and lessening its cost to the public. While, consolidations can and should be made under the present law until it is changed, vet the provisions of the act of 1920 have not been found fully adequate to meet the needs of other methods of consolidation. Amendments designed to remedy these defects have been considered at length by the respective committees of Congress and a bill was reported out late in the last session which I understand has the approval in principle of the Interstate Commerce Commission. It is to be hoped that this legislation may be enacted at an early date.

Experience has shown that the interstate commerce law requires definition and clarification in several other respects, some of which have been pointed out by the Interstate Commerce Commission in its annual reports to the Congress. It will promote the public interest to have the Congress give early consideration to the recommendations there made.

MERCHANT MARINE

The cost of maintaining the United States Government merchant fleet has been steadily reduced. We have established American flag lines in foreign trade where they had never before existed as a means of promoting commerce and as a naval auxiliary. There have been sold to private American capital for operation within the past few years 14 of these lines, which, under the encouragement of the recent legislation passed by the Congress, give promise of continued successful operation. Additional legislation from time to time may be necessary to promote future advancement under private control.

Page 2370

Through the cooperation of the Post Office Department and the Shipping Board long-term contracts are being made with American steamship lines for carrying mail, which already promise the construction of 15 to 20 new vessels and the gradual reestablishment of the American merchant marine as a private enterprise. No action of the National Government has been so beneficial to our shipping. The cost is being absorbed to a considerable extent by the disposal of unprofitable lines operated by the Shipping Board, for which the new law has made a market. Meanwhile it should be our policy to maintain necessary strategic lines under the Government operation until they can be transferred to private capital.

INTER-AMERICAN HIGHWAY

In my message last year I expressed the view that we should lend our encouragement for more good roads to all the principal points on this hemisphere South of the Rio Grande. My view has not changed.

The Pan American Union has recently indorsed it. In some of the countries to the south a great deal of progress is being made in road building. In, Others engineering features are often exacting and financing difficult. As those countries enter upon programs for road building we should be ready to contribute from our abundant experience to make their task easier of accomplishment. I prefer not to go into civil life to accomplish this end. We already furnish military and naval advisors, and following this precedent we could draw competent men from these same sources and from the Department of Agriculture.

We should provide our southern neighbors, if they request it, with such engineer advisors for the construction of roads and bridges. Private interests should look with favor upon all reasonable loans sought by these countries to open main lines of travel. Such assistance should be given especially to any project for a highway designed to connect all the countries on this hemisphere and thus facilitate, intercourse and closer relations among, them.

AIR MAIL SERVICE

The friendly relations and the extensive, commercial intercourse with the Western Hemisphere to the south of us are being further cemented by the establishment and extension of air-mail routes. We shall soon have one from Key West, Fla., over Cuba, Haiti, and Santo Domingo to San Juan, P. R., where it will connect with another route to Trinidad. There will be another route from Key West to the Canal Zone, where connection will be made with a route across the northern coast of South America to Paramaribo. This will give us a circle around the Caribbean under our own control. Additional connections will be made at Colon with a route running down the west coast

of South America as far as Conception, Chile, and with the French air mail at Paramaribo running down the eastern coast of South America. The air service already spans our continent, with laterals running to Mexico and Canada, and covering a daily flight of over 28,000 miles, with an average cargo of 15 000 pounds.

Page 2371

WATERWAYS

Our river and harbor improvements are proceeding with vigor. In the past few years Ave have increased the appropriation for this regular work $28,000,000, besides what is to be expended on flood control. The total appropriation for this year was over $91,000,000. The Ohio River is almost ready for opening; work on the Missouri and other rivers is under way. In accordance with the Mississippi flood law Army engineers are making investigations and surveys on other streams throughout the country with a view to flood control, navigation, waterpower, and irrigation. Our barrier lines are being operated under generous appropriations, and negotiations are developing relative to the St. Lawrence waterway. To Secure the largest benefits from all these waterways joint rates must be established with the railroads, preferably by agreement, but otherwise as a result of congressional action.

We have recently passed several river and harbor bills. The work ordered by the Congress not, yet completed, will cost about $243,

000,000, besides the hundreds of millions to be spent on the Mississippi flood way. Until we can see our way out of this expense no further river and harbor legislation should be passed, as expenditures to put it into effect would be four or five years away.

IRRIGATION OF ARID LANDS

For many years the Federal Government has been committed to the wise policy of reclamation and irrigation. While it has met with some failures due to unwise selection of projects and lack of thorough soil surveys, so that they could not be placed on a sound business basis, on the whole the service has been of such incalculable benefit in so many States that no one would advocate its abandonment. The program to which we are already committed, providing for the construction of new projects authorized by Congress and the completion of old projects, will tax the resources of the reclamation fund over a period of years. The high cost of improving and equipping farms adds to the difficulty of securing settlers for vacant farms on federal projects.

Readjustments authorized by the reclamation relief act of May 25, 1926, have given more favorable terms of repayment to settlers. These new financial arrangements and the general prosperity on irrigation projects have resulted in increased collections by the Department of the Interior of charges due the reclamation fund. Nevertheless, the demand for still smaller yearly payments on some projects continues. These conditions should have consideration in connection with any proposed new projects.

COLORADO RIVER

Page 2372

For several years the Congress has considered the erection of a dam on the Colorado River for flood-control, irrigation, and domestic water purposes, all of which ma properly be considered as Government functions. There would be an incidental creation of water power which could be used for generating electricity. As private enterprise can very well fill this field, there is no need for the Government to go into it. It is unfortunate that the States interested in this water have been unable to agree among themselves. Nevertheless, any legislation should give every possible safeguard to the present and prospective rights of each of them.

The Congress will have before it, the detailed report of a special board appointed to consider the engineering and economic feasibility of this project. From the short summary which I have seen of it, 11 judge they consider the engineering problems can be met at somewhat increased cost over previous estimates. They prefer the Black Canyon site. On the economic features they are not so clear and appear to base their conclusions on many conditions which can not be established with certainty. So far as I can judge, however, from the summary, their conclusions appear sufficiently favorable, so that I feel warranted in recommending a measure which will protect the rights of the States, discharge the necessary Government functions, and leave the electrical field to private enterprise.

MUSCLE SHOALS

The development of other methods of producing nitrates will probably render this plant less important for that purpose than formerly. But we have it, and I am told it still provides a practical method of making nitrates for national defense and farm fertilizers. By dividing the property into its two component parts of power and nitrate plants it would be possible to dispose of the power, reserving the right to any concern that wished to make nitrates to use any power that might be needed for that purpose. Such a disposition of the power plant can be made that will return in rental about $2,000,000 per year. If the Congress would giant the Secretary of War authority to lease the nitrate plant on such terms as would insure the largest production of nitrates, the entire property could begin to function. Such a division, I am aware, has never seemed to appeal to the Congress. I should also gladly approve a bill granting authority to lease the entire property for the production of nitrates.

I wish to avoid building another dam at public expense. Future operators should provide for that themselves. But if they were to be required to repay the cost of such dam with the prevailing commercial rates for interest, this difficulty will be considerably lessened. Nor do I think this property should be made a vehicle for putting the United States Government indiscriminately into the private and retail field of power distribution and nitrate sales.

Page 2373

CONSERVATION

The practical application of economy to the resources of the country calls for conservation. This does not mean that every resource should not be developed to its full degree, but it means that none of them should be wasted. We have a conservation board working on our oil problem. This is of the utmost importance to the future well-being of our people in this age of oil-burning engines and the general application of gasoline to transportation. The Secretary of the Interior should not be compelled to lease oil lands of the Osage Indians when the market is depressed and the future supply is in jeopardy.

While the area of lands remaining in public ownership is small, compared with the vast area in private ownership, the natural resources of those in public ownership are of immense present and future value. This is particularly trite as to minerals and water power. The proper bureaus have been classifying these resources to the end that they may be conserved. Appropriate estimates are being submitted, in the Budget, for the further prosecution of this important work.

IMMIGRATION

The policy of restrictive immigration should be maintained. Authority should be granted the Secretary of Labor to give immediate preference to learned professions and experts essential to new industries. The reuniting of families should be expedited. Our immigration and naturalization laws might well be codified.

WAGE EARNER

In its economic life our country has rejected the long accepted law of a limitation of the wage fund, which led to pessimism and despair because it was the doctrine of perpetual poverty, and has substituted for it the American conception that the only limit to profits and wages is production, which is the doctrine of optimism and hope because it leads to prosperity. Here and there the councils of labor are still darkened by the theory that only by limiting individual production can there be any assurance of permanent employment for increasing numbers, but in general, management and wage earner alike have become emancipated from this doom and have entered a new era in industrial thought which has unleashed the productive capacity of the individual worker with an increasing scale of wages and profits, the end of which is not yet. The application of this theory accounts for our widening distribution of wealth. No discovery ever did more to increase the happiness and prosperity of the people.

Since 1922 increasing production has increased wages in general 12.9 per cent, while in certain selected trades they have run as high as 34.9 per cent and 38 per cent. Even

in the boot and shoe shops the increase is over 5 per cent and in woolen mills 8.4 per cent, although these industries have not prospered like others. As the rise in living costs in this period is negligible, these figures represent real wage increases.

Page 2374

The cause of constructive economy requires that the Government should cooperate with private interests to eliminate the waste arising from industrial accidents. This item, with all that has been done to reduce it, still reaches enormous proportions with great suffering to the workman and great loss to the country.

WOMEN AND CHILDREN

The Federal Government should continue its solicitous care for the 8,500,000 women wage earners and its efforts in behalf of public health, which is reducing infant mortality and improving the bodily and mental condition of our citizens.

CIVIL SERVICE

The most marked change made in the civil service of the Government in the past eight years relates to the increase in salaries. The Board of Actuaries on the retirement act shows by its report, that July 1, 1921 the average salary of the 330,047 employees subject to the act was $1,307, while on June 30, 1927, the average salary of the corresponding 405,263 was $1,969. This was an increase in six years of nearly 53 per cent. On top of this was the generous increase made at the last session of the Congress generally applicable to Federal employees and another bill increasing the pay in certain branches of the Postal Service beyond the large increase which was made three years ago. This raised the average level from $1,969 to $2,092, making an increase in seven years of over 63 per cent. While it is well known that in the upper brackets the pay in the Federal service is much smaller than in private employment, in the lower brackets, ranging well up over $3,000, it is much higher. It is higher not only in actual money paid, but in privileges granted, a vacation of 30 actual working days, or 5 weeks each year, with additional time running in some departments as high as 30 days for sick leave and the generous provisions of the retirement act. No other body of public servants ever occupied such a fortunate position.

EDUCATION

Through the Bureau of Education of the Department of the Interior the Federal Government, acting in an informative and advisory capacity, has rendered valuable service. While this province belongs peculiarly to the States, yet the promotion of education and efficiency in educational methods is a general responsibility of the Federal Government. A survey of negro colleges and universities in the United States has just been completed by the Bureau of Education through funds provided by the institutions themselves and through private sources. The present status of negro higher education was determined and recommendations were made for its advancement. This was one of the numerous cooperative undertakings of the bureau. Following the

invitation of the Association of Land Grant Colleges and Universities, he Bureau of Education now has under way the survey of agricultural colleges, authorized by Congress. The purpose of the survey is to ascertain the accomplishments, the status, and the future objectives of this type of educational training. It is now proposed to undertake a survey of secondary schools, which educators insist is timely and essential.

Page 2375

PUBLIC BUILDINGS

We, have laid out a public building program for the District of Columbia and the country at large running into hundreds of millions of dollars. Three important structures and one annex are already, under way and one addition has been completed in the City of Washington. in the country sites have been acquired, many buildings are in course of construction, and some are already completed. Plans for all this work are being prepared in order that it may be carried forward as rapidly as possible. This is the greatest building program ever assumed by this Nation. It contemplates structures of utility and of beauty. When it reaches completion the people will be well served and the Federal city will be supplied with the most beautiful and stately public buildings which adorn any capital in the world.

THE AMERICAN INDIAN

The administration of Indian affairs has been receiving intensive study for several years. The Department of the Interior has been able to provide better supervision of health, education, and industrial advancement of this native race through additional funds provided by the Congress. The present cooperative arrangement existing between the Bureau of Indian Affairs and the Public Health Service should be extended. The Government's responsibility to the American Indian has been acknowledged by annual increases in appropriations to fulfill its obligations to them and to hasten the time when Federal supervision of their affairs may be properly and safely terminated. The movement in Congress and in some of the State legislatures for extending responsibility in Indian affairs to States should be encouraged. A complete participation by the Indian in our economic life is the end to be desired.

THE NEGRO

For 65 years now our negro Population has been under the peculiar care and solicitude of the National Government. The progress which they have made in education and the professions, in wealth and in the arts of civilization, affords one of the most remarkable incidents in this period of world history. They have demonstrated their ability to partake of the advantages of our institutions and to benefit by a free and more and more independent existence. Whatever doubt there may have been of their capacity to assume, the status granted to them by the Constitution of this Union is being rapidly dissipated. Their cooperation in the life of the Nation is constantly enlarging.

Exploiting the Negro problem for political ends is being abandoned and their protection is being increased by those States in which their percentage of population is largest. Every encouragement should be extended for t le development of the race. The colored people have been the victims of the crime of lynching, which has in late years

somewhat decreased. Some parts of the South already have wholesome laws for its restraint and punishment. Their example might well be followed by other States, and by such immediate remedial legislation as the Federal Government can extend under the Constitution.

Page 2376

PHILIPPINE ISLANDS

Under the guidance of Governor General Stimson the economic and political conditions of the Philippine Islands have been raised to a standard never before surpassed. The cooperation between his administration and the people of the islands is complete and harmonious. It would be an advantage if relief from double taxation could be granted by the Congress to our citizens doing business in the islands.

PORTO RICO

Due to the terrific storm that swept Porto Rico last September, the people of that island suffered large losses. The Red Cross and the War Department went to their rescue. The property loss is being, retrieved. Sugar, tobacco, citrus fruit, and coffee, all suffered damage. The first three can largely look after themselves. The coffee growers will need some assistance, which should be extended strictly on a business basis, and only after most careful investigation. The people of Porto Rico are not asking for charity.

DEPARTMENT OF JUSTICE

It is desirable that all the legal activities of the Government be consolidated under the supervision of the Attorney General. In 1870 it was felt necessary to create the Department of Justice for this purpose. During the intervening period, either through legislation creating law officers or departmental action, additional legal positions not under the supervision of the Attorney General have been provided until there are now over 900. Such a condition is as harmful to the interest of the Government now as it was in 1870, and should be corrected by appropriate legislation.

SPECIAL GOVERNMENT COUNSEL

In order to prosecute the oil cases, I suggested and the Congress enacted a law providing for the appointment of two special counsel. They have pursued their work with signal ability, recovering all the leased lands besides nearly $30,000,000 in money, and nearly $17,000,000 in other property. They find themselves hampered by a statute, which the Attorney General construes as applying to them, prohibiting their appearing for private clients before any department. For this reason, one has been compelled to resign. No good result is secured by the application of this rule to these counsel, and as Mr. Roberts has consented to take reappointment if the rule is abrogated I recommend the passage of an amendment to the law creating their office exempting them from the general rule against taking other cases involving the Government.

PROHIBITION

Page 2377

The country has duly adopted the eighteenth amendment. Those who object to it have the right to advocate its modification or repeal. Meantime, it is binding upon the National and State Governments and all our inhabitants. The Federal enforcement bureau is making every effort to prevent violations, especially through smuggling, manufacture, and transportation, and to prosecute generally all violations for which it can secure evidence. It is bound to continue this policy. Under the terms of the Constitution, however, the obligation is equally on the States to exercise the power which they have through the executive, legislative, judicial, and police branches of their governments in behalf of enforcement. The Federal Government is doing and will continue to do all it can in this direction and is entitled to the active cooperation of the States.

CONCLUSION

The country is in the midst of an era of prosperity more extensive and of peace more permanent than it has ever before experienced. But, having reached this position, we should not fail to comprehend that it can easily be lost. It needs more effort for its support than the less exalted places of the world. We shall not be permitted to take our case, but shall continue to be required to spend our days in unremitting toil. The actions of the Government must command the confidence of the country. Without this, our prosperity would be lost. We must extend to other countries the largest measure of generosity, moderation, and patience. In addition to dealing justly, we can well afford to walk humbly.

The end of government is to keep open the opportunity for a more abundant life. Peace and prosperity are not finalities; they are only methods. It is too easy under their influence for a nation to become selfish and degenerate. This test has come to the United States. Our country has been provided with the resources with which it can enlarge its intellectual, moral, and spiritual life. The issue is in the hands of the people. Our faith in man and God is the justification for the belief in our continuing success.

***

State of the Union Address
Herbert Hoover
December 3, 1929

To the Senate and House of Representatives:

The Constitution requires that the President “shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.” In complying with that requirement I wish to emphasize that during the past year the Nation has continued to

grow in strength; our people have advanced in comfort; we have gained in knowledge; the education of youth has been more widely spread; moral and spiritual forces have been maintained; peace has become more assured. The problems with which we are confronted are the problems of growth and of progress. In their solution we have to determine the facts, to develop the relative importance to be assigned to such facts, to formulate a common judgment upon them, and to realize solutions in spirit of conciliation.

Page 2378

FOREIGN RELATIONS

We are not only at peace with all the world, but the foundations for future peace are being substantially strengthened. To promote peace is our long-established policy. Through the Kellogg-Briand pact a great moral standard has been raised in the world. By it fifty-four nations have covenanted to renounce war and to settle all disputes by pacific means. Through it a new world outlook has been inaugurated which has profoundly affected the foreign policies of nations. Since its inauguration we have initiated new efforts not only in the organization of the machinery of peace but also to eliminate dangerous forces which produce controversies amongst nations.

In January, 1926, the Senate gave its consent to adherence to the Court of International Justice with certain reservations. In September of this year the statute establishing the court has, by the action of the nations signatory, been amended to meet the Senate's reservations and to go even beyond those reservations to make clear that the court is a true international court of justice. I believe it will be clear to everyone that no controversy or question in which this country has or claims an interest can be passed on by the court without our consent at the time the question arises. The doubt about advisory opinions has been completely safeguarded. Our adherence to the International Court is, as now constituted, not the slightest step toward entry into the League of Nations. As I have before indicated, I shall direct that our signature be affixed to the protocol of adherence and shall submit it for the approval of the Senate with a special message at some time when it is convenient to deal with it.

In the hope of reducing friction in the world, and with the desire that we may reduce the great economic burdens of naval armament, we have joined in conference with Great Britain, France, Italy, and Japan to be held in London in January to consider the further limitation and reduction of naval arms. We hold high hopes that success may attend this effort.

At the beginning of the present administration the neighboring State of Mexico was best with domestic insurrection. We maintained the embargo upon the shipment of arms to Mexico but permitted the duly constituted Government to procure supplies from our surplus war stocks. Fortunately, the Mexican Government by its own strength successfully withstood the insurrection with but slight damage. Opportunity of further peaceful development is given to that country. At the request of the Mexican Government, we have since lifted the embargo on shipment of arms altogether. The two governments have taken further steps to promote friendly relationships and so solve our differences. Conventions prolonging for a period of two years the life of the general and special claims commissions have been concluded.

In South America we are proud to have had part in the settlement of the long-standing dispute between Chile and Peru in the disposal of the question of Tacna-Arica.

Page 2379

The work of the commission of inquiry and conciliation between Bolivia and Paraguay, in which a representative of this Government participated, has successfully terminated an incident which seemed to threaten war. The proposed plan for final settlement as suggested by the neutral governments is still under consideration.

This Government has continued its efforts to act as a mediator in boundary difficulties between Guatemala and Honduras.

A further instance of profound importance in establishing good will was the inauguration of regular air mail service between the United States and Caribbean, Central American, and South American countries.

We still have marines on foreign soil—in Nicaragua, Haiti, and China. In the large sense we do not wish to be represented abroad in such manner. About 1,600 marines remain in Nicaragua at the urgent request of that government and the leaders of all parties pending the training of a domestic constabulary capable of insuring tranquility. We have already reduced these forces materially and we are anxious to withdraw them further as the situation warrants. In Haiti we have about 700 marines, but it is a much more difficult problem, the solution of which is still obscure. If Congress approves, I shall dispatch a commission to Haiti to review and study the matter in an endeavor to arrive at some more definite policy than at present. Our forces in China constitute 2,605 men, which we hope also further to reduce to the normal legation guard.

It is my desire to establish more firmly our understanding and relationships with the Latin American countries by strengthening the diplomatic missions to those countries. It is my hope to secure men long experienced in our Diplomatic Service, who speak the languages of the peoples to whom they are accredited, as chiefs of our diplomatic missions in these States. I shall send to the Senate at an early date the nominations of several such men.

The Congress has by numerous wise and foresighted acts in the past few years greatly strengthened the character of our representation abroad. It has made liberal provision for the establishment of suitable quarters for our foreign staffs in the different countries. In order, however, that we may further develop the most effective force in this, one of the most responsible functions of our Government, I shall recommend to the Congress more liberal appropriations for the work of the State Department. I know of no expenditure of public money from which a greater economic and moral return can come to us than by assuring the most effective conduct of our foreign relations.

NATIONAL DEFENSE

To preserve internal order and freedom from encroachment is the first purpose of government. Our Army and Navy are being maintained in a most efficient state under

officers of high intelligence and zeal. The extent and expansion of their numbers and equipment as at present authorized are ample for this purpose.

Page 2380

We can well be deeply concerned, however, at the growing expense. From a total expenditure for national defense purposes in 1914 of $267,000,000, it naturally rose with the Great War, but receded again to $612,000,000 in 1924, when again it began to rise until during the current fiscal year the expenditures will reach to over $730,000,000, excluding all civilian services of those departments. Programs now authorized will carry it to still larger figures in future years. While the remuneration paid to our soldiers and sailors is justly at a higher rate than that of any other country in the world, and while the cost of subsistence is higher, yet the total of our expenditures is in excess of those of the most highly militarized nations of the world.

Upon the conference shortly to be held in London will depend such moderation as we can make in naval expenditure. If we shall be compelled to undertake the naval construction implied in the Washington arms treaty as well as other construction which would appear to be necessary if no international agreement can be completed, we shall be committed during the next six years to a construction expenditure of upward of $1,200,000,000 besides the necessary further increase in costs for annual upkeep.

After 1914 the various Army contingents necessarily expanded to the end of the Great War and then receded to the low point in 1924, when expansion again began. In 1914 the officers and men in our regular forces, both Army and Navy, were about 164,000, in 1924 there were about 256,000, and in 1929 there were about 250,000. Our citizens' army, however, including the National Guard and other forms of reserves, increase these totals up to about 299,000 in 1914, about 672,000 in 1924, and about 728,000 in 1929.

Under the Kellogg pact we have undertaken never to use war as an instrument of national policy. We have, therefore, undertaken by covenant to use these equipments solely for defensive purposes. From a defense point of view our forces should be proportioned to national need and should, therefore, to some extent be modified by the prospects of peace, which were never brighter than to-day.

It should be borne in mind that the improvement in the National Guard by Federal support begun in 1920 has definitely strengthened our national security by rendering them far more effective than ever heretofore. The advance of aviation has also greatly increased our effectiveness in defense. In addition to the very large program of air forces which we are maintaining in the Army and Navy, there has been an enormous growth of commercial aviation. This has provided unanticipated reserves in manufacturing capacity and in industrial and air personnel, which again adds to our security.

I recommend that Congress give earnest consideration to the possibilities of prudent action which will give relief from our continuously mounting expenditures.

FINANCES OF THE GOVERNMENT

Page 2381

The finances of the Government are in sound condition. I shall submit the detailed evidences and the usual recommendations in the special Budget message. I may, however, summarize our position. The public debt on June 30 this year stood at $16,931,000,000, compared to the maximum in August, 1919, of $26,596,000,000. Since June 30 it has been reduced by a further $238,000,000. In the Budget to be submitted the total appropriations recommended for the fiscal year 1931 are $3,830,445,231, as compared to $3,976,141,651 for the present fiscal year. The present fiscal year, however, includes $150,000,000 for the Federal Farm Board, as to which no estimate can as yet be determined for 1931.

Owing to the many necessary burdens assumed by Congress in previous years which now require large outlays, it is with extreme difficulty that we shall be able to keep the expenditures for the next fiscal year within the bounds of the present year. Economies in many directions have permitted some accommodation of pressing needs, the net result being an increase, as shown above, of about one-tenth of 1 per cent above the present fiscal year. We can not fail to recognize the obligations of the Government in support of the public welfare but we must coincidentally bear in mind the burden of taxes and strive to find relief through some tax reduction. Every dollar so returned fertilizes the soil of prosperity.

TAX REDUCTION

The estimate submitted to me by the Secretary of the Treasury and the Budget Director indicates that the Government will close the fiscal year 1930 with a surplus of about $225,000,000 and the fiscal year 1931 with a surplus of about $123,000,000. Owing to unusual circumstances, it has been extremely difficult to estimate future revenues with accuracy.

I believe, however, that the Congress will be fully justified in giving the benefits of the prospective surpluses to the taxpayers, particularly as ample provision for debt reduction has been made in both years through the form of debt retirement from ordinary revenues. In view of the uncertainty in respect of future revenues and the comparatively small size of the indicated surplus in 1931, relief should take the form of a provisional revision of tax rates.

I recommend that the normal income tax rates applicable to the incomes of individuals for the calendar year 1929 be reduced from 5, 3, and 1 1/2; per cent, to 4, 2, and 1/2; per cent, and that the tax on the income of corporations for the calendar year 1929 be reduced from 12 to 11 per cent. It is estimated that this will result in a reduction of $160,000,000 in income taxes to be collected during the calendar year 1930. The loss in revenue will be divided approximately equally between the fiscal years 1930 and 1931. Such a program will give a measure of tax relief to the maximum number of taxpayers, with relatively larger benefits to taxpayers with small or moderate incomes.

Page 2382

FOREIGN DEBTS

The past year has brought us near to completion of settlements of the indebtedness of foreign governments to the United States.

The act of Congress approved February 4, 1929, authorized the settlement with the Government of Austria along lines similar to the terms of settlement offered by that Government to its other relief creditors. No agreement has yet been concluded with that government, but the form of agreement has been settled and its execution only awaits the Government of Austria securing the assent by all the other relief creditors of the terms offered. The act of Congress approved February 14, 1929, authorized the settlement with the Government of Greece, and an agreement was concluded on May 10, 1929.

The Government of France ratified the agreement with us on July 27, 1929. This agreement will shortly be before the Congress and I recommend its approval.

The only indebtedness of foreign governments to the United States now unsettled is that of Russia and Armenia.

During the past year a committee of distinguished experts under American leadership submitted a plan looking to a revision of claims against Germany by the various Governments. The United States denied itself any participation in the war settlement of general reparations and our claims are comparatively small in amount. They arise from costs of the army of occupation and claims of our private citizens for losses under awards from the Mixed Claims Commission established under agreement with the German Government. In finding a basis for settlement it was necessary for the committee of experts to request all the Governments concerned to make some contribution to the adjustment and we have felt that we should share a proportion of the concessions made.

The State and Treasury Departments will be in a position shortly to submit for your consideration a draft of an agreement to be executed between the United States and Germany providing for the payments of these revised amounts. A more extensive statement will be submitted at that time.

The total amount of indebtedness of the various countries to the United States now funded is $11,579,465,885. This sum was in effect provided by the issue of United States Government bonds to our own people. The payments of the various Governments to us on account of principal and interest for 1930 are estimated at a total of about $239,000,000, for 1931 at about $236,000,000, for 1932 at about $246,000,000. The measure of American compromise in these settlements may be appreciated from the fact that our taxpayers are called upon to find annually about

$475,000,000 in interest and in addition to redeem the principal of sums borrowed by the United States Government for these purposes.

ALIEN ENEMY PROPERTY

The wise determination that this property seized in war should be returned to its owners has proceeded with considerable rapidity. Of the original seized cash and property (valued at a total of about $625,000,000), all but $111,566,700 has been returned. Most of the remainder should be disposed of during the next year.

Page 2383

GENERAL ECONOMIC SITUATION

The country has enjoyed a large degree of prosperity and sound progress during the past year with a steady improvement in methods of production and distribution and consequent advancement in standards of living. Progress has, of course, been unequal among industries, and some, such as coal, lumber, leather, and textiles, still lag behind. The long upward trend of fundamental progress, however, gave rise to over-optimism as to profits, which translated itself into a wave of uncontrolled speculation in securities, resulting in the diversion of capital from business to the stock market and the inevitable crash. The natural consequences have been a reduction in the consumption of luxuries and semi-necessities by those who have met with losses, and a number of persons thrown temporarily out of employment. Prices of agricultural products dealt in upon the great markets have been affected in sympathy with the stock crash.

Fortunately, the Federal reserve system had taken measures to strengthen the position against the day when speculation would break, which together with the strong position of the banks has carried the whole credit system through the crisis without impairment. The capital which has been hitherto absorbed in stock-market loans for speculative purposes is now returning to the normal channels of business. There has been no inflation in the prices of commodities; there has been no undue accumulation of goods, and foreign trade has expanded to a magnitude which exerts a steadying influence upon activity in industry and employment.

The sudden threat of unemployment and especially the recollection of the economic consequences of previous crashes under a much less secured financial system created unwarranted pessimism and fear. It was recalled that past storms of similar character had resulted in retrenchment of construction, reduction of wages, and laying off of workers. The natural result was the tendency of business agencies throughout the country to pause in their plans and proposals for continuation and extension of their businesses, and this hesitation unchecked could in itself intensify into a depression with widespread unemployment and suffering.

I have, therefore, instituted systematic, voluntary measures of cooperation with the business institutions and with State and municipal authorities to make certain that fundamental businesses of the country shall continue as usual, that wages and therefore consuming power shall not be reduced, and that a special effort shall be made to expand construction work in order to assist in equalizing other deficits in employment. Due to the enlarged sense of cooperation and responsibility which has grown in the business world during the past few years the response has been remarkable and satisfactory. We have canvassed the Federal Government and instituted measures of prudent expansion in such work that should be helpful, and upon which the different departments will make some early recommendations to Congress.

Page 2384

I am convinced that through these measures we have reestablished confidence. Wages should remain stable. A very large degree of industrial unemployment and suffering which would otherwise have occurred has been prevented. Agricultural prices have reflected the returning confidence. The measures taken must be vigorously pursued until normal conditions are restored.

AGRICULTURE

The agricultural situation is improving. The gross farm income as estimated by the Department of Agriculture for the crop season 1926-27 was $12,100,000,000; for 1927-28 it was $12,300,000,000; for 1928-29 it was $12,500,000,000; and estimated on the basis of prices since the last harvest the value of the 1929-30 crop would be over $12,650,000,000. The slight decline in general commodity prices during the past few years naturally assists the farmers' buying power.

The number of farmer bankruptcies is very materially decreased below previous years. The decline in land values now seems to be arrested and rate of movement from the farm to the city has been reduced. Not all sections of agriculture, of course, have fared equally, and some areas have suffered from drought. Responsible farm leaders have assured me that a large measure of confidence is returning to agriculture and that a feeling of optimism pervades that industry.

The most extensive action for strengthening the agricultural industry ever taken by any government was inaugurated through the farm marketing act of June 15 last. Under its provisions the Federal Farm Board has been established, comprised of men long and widely experienced in agriculture and sponsored by the farm organizations of the country. During its short period of existence the board has taken definite steps toward a more efficient organization of agriculture, toward the elimination of waste in marketing, and toward the upbuilding of farmers' marketing organizations on sounder and more efficient lines. Substantial headway has been made in the organization of four of the basic commodities—grain, cotton, livestock, and wool. Support by the board to cooperative marketing organizations and other board activities undoubtedly have served to steady the farmers' market during the recent crisis and have operated also as a great stimulus to the cooperative organization of agriculture. The problems of the industry are most complex, and the need for sound organization is imperative. Yet the board is moving rapidly along the lines laid out for it in the act, facilitating the creation by farmers of farmer-owned and farmer-controlled organizations and federating them into central institutions, with a view to increasing the bargaining power of agriculture, preventing and controlling surpluses, and mobilizing the economic power of agriculture.

THE TARIFF

Page 2385

The special session of Congress was called to expedite the fulfillment of party pledges of agricultural relief and the tariff. The pledge of farm relief has been carried out. At that time I stated the principles upon which I believed action should be taken in respect to the tariff: "An effective tariff upon agricultural products, that will compensate the farmer's higher costs and higher standards of living, has a dual purpose. Such a tariff not only protects the farmer in our domestic market but it also stimulates him to diversify his crops and to grow products that he could not otherwise produce, and thus lessens his dependence upon exports to foreign markets. The great expansion of production abroad under the conditions I have mentioned renders foreign competition in our export markets increasingly serious. It seems but natural, therefore, that the American farmer, having been greatly handicapped in his foreign market by such competition from the younger expanding countries, should ask that foreign access to our domestic market should be regulated by taking into account the differences in our costs of production.

"In considering the tariff for other industries than agriculture, we find that there have been economic shifts necessitating a readjustment of some of the tariff schedules. Seven years of experience under the tariff bill enacted in 1922 have demonstrated the wisdom of Congress in the enactment of that measure. On the whole it has worked well. In the main our wages have been maintained at high levels; our exports and imports have steadily increased; with some exceptions our manufacturing industries have been prosperous. Nevertheless, economic changes have taken place during that time which have placed certain domestic products at a disadvantage and new industries have come into being, all of which create the necessity for some limited changes in the schedules and in the administrative clauses of the laws as written in 1922.

"It would seem to me that the test of necessity for revision is, in the main, whether there has been a substantial slackening of activity in an industry during the past few years, and a consequent decrease of employment due to insurmountable competition in the products of that industry. It is not as if we were setting up a new basis of protective duties. We did that seven years ago. What we need to remedy now is whatever substantial loss of employment may have resulted from shifts since that time.

"In determining changes in our tariff we must not fail to take into account the broad interests of the country as a whole, and such interests include our trade relations with other countries." No condition has arisen in my view to change these principles stated at the opening of the special session. I am firmly of the opinion that their application to the pending revision will give the country the kind of a tariff law it both needs and wants. It would be most helpful if action should be taken at an early moment, more especially at a time when business and agriculture are both cooperating to minimize future uncertainties. It is just that they should know what the rates are to be.

Page 2386

Even a limited revision requires the consideration and readjustment of many items. The exhaustive inquiries and valuable debate from men representative of all parts of the country which is needed to determine the detailed rates must necessarily be accomplished in the Congress. However perfectly this rate structure may be framed at any given time, the shifting of economic forces which inevitably occurs will render changes in some items desirable between the necessarily long intervals of congressional revision. Injustices are bound to develop, such as were experienced by the dairymen, the flaxseed producers, the glass industry, and others, under the 1922 rates. For this reason, I have been most anxious that the broad principle of the flexible tariff as provided in the existing law should be preserved and its delays in action avoided by more expeditious methods of determining the costs of production at home and abroad, with executive authority to promulgate such changes upon recommendation of the Tariff Commission after exhaustive investigation. Changes by the Congress in the isolated items such as those to which I have referred would have been most unlikely both because of the concentrations of oppositions in the country, who could see no advantage to their own industry or State, and because of the difficulty of limiting consideration by the Congress to such isolated cases.

There is no fundamental conflict between the interests of the farmer and the worker. Lowering of the standards of living of either tends to destroy the other. The prosperity of one rests upon the well-being of the other. Nor is there any real conflict between the East and the West or the North and the South in the United States. The complete interlocking of economic dependence, the common striving for social and spiritual progress, our common heritage as Americans, and the infinite web of national sentiment, have created a solidarity in a great people unparalleled in all human history. These invisible bonds should not and can not be shattered by differences of opinion growing out of discussion of a tariff.

PUBLIC BUILDINGS

Under the provisions of various acts of Congress $300,000,000 has been authorized for public buildings and the land upon which to construct them, being $75,000,000 for the District of Columbia and $225,000,000 for the country at large. Excluding $25,000,000 which is for the acquisition of land in the so-called “triangle” in this city, this public building legislation provides for a five-year program for the District of Columbia and between an eight and nine year program for the country at large. Of this sum approximately $27,400,000 was expended up to June 30 last, of which $11,400,000 has been expended in the District and $16,000,000 outside.

Even this generous provision for both the District of Columbia and the country is insufficient For most pressing governmental needs. Expensive rents and inadequate facilities are extravagance and not economy. In the District even after the completion of

these projects we shall have fully 20,000 clerks housed in rented and temporary war buildings which can last but a little longer.

Page 2387

I therefore recommend that consideration should be given to the extension of authorizations both for the country at large and for the District of Columbia again distributed over a term of years. A survey of the need in both categories has been made by the Secretary of the Treasury and the Postmaster General. It would be helpful in the present economic situation if such steps were taken as would enable early construction work.

An expedition and enlargement of the program in the District would bring about direct economies in construction by enabling the erection of buildings in regular sequence. By maintaining a stable labor force in the city, contracts can be made on more advantageous terms.

The earlier completion of this program which is an acknowledged need would add dignity to the celebration in 1932 of the two hundredth anniversary of the birth of President Washington.

In consideration of these projects which contribute so much to dignify the National Capital I should like to renew the suggestion that the Fine Arts Commission should be required to pass upon private buildings which are proposed for sites facing upon public buildings and parks. Without such control much of the effort of the Congress in beautification of the Capital will be minimized.

THE WATERWAYS AND FLOOD CONTROL

The development of inland waterways has received new impulse from the completion during this year of the canalization of the Ohio to a uniform 9-foot depth. The development of the other segments of the Mississippi system should be expedited and with this in view I am recommending an increase in appropriations for rivers and harbors from $50,000,000 to $55,000,000 per annum which, together with about $4,000,000 per annum released by completion of the Ohio, should make available after providing for other river and harbor works a sum of from $25,000,000 to $30,000,000 per annum for the Mississippi system and thus bring it to early completion.

Conflict of opinion which has arisen over the proposed floodway from the Arkansas River to the Gulf of Mexico via the Atchafalaya River has led me to withhold construction upon this portion of the Mississippi flood control plan until it could be again reviewed by the engineers for any further recommendation to Congress. The other portions of the project are being vigorously prosecuted and I have recommended an increase in appropriations for this from $30,000,000 of the present year to $35,000,000 during the next fiscal year.

Expansion of our intracoastal waterways to effective barge depths is well warranted. We are awaiting the action of Canada upon the St. Lawrence waterway project.

HIGHWAYS

There are over 3,000,000 miles of legally established highways in the United States, of which about 10 per cent are included in the State highway systems, the remainder being county and other local roads. About 626,000 miles have been improved with some type of surfacing, comprising some 63 per cent of the State highway systems and 16 per cent of the local roads. Of the improved roads about 102,000 miles are hard surfaced, comprising about 22 per cent of the State highway systems and about 8 per cent of the local roads.

Page 2388

While proper planning should materially reduce the listed mileage of public roads, particularly in the agricultural districts, and turn these roads back to useful purposes, it is evident that road construction must be a long-continued program. Progress in improvement is about 50,000 miles of all types per annum, of which some 12,000 miles are of the more durable types. The total expenditures of Federal, State, and local governments last year for construction and maintenance assumed the huge total of $1,660,000,000.

Federal aid in the construction of the highway systems in conjunction with the States has proved to be beneficial and stimulating. We must ultimately give consideration to the increase of our contribution to these systems, particularly with a view to stimulating the improvement of farm-to-market roads.

POST OFFICE

Our Post Office deficit has now increased to over $80,000,000 a year, of which perhaps $14,000,000 is due to losses on ocean mail and air mail contracts. The department is making an exhaustive study of the sources of the deficit with view to later recommendation to Congress in respect to it.

The Post Office quarters are provided in part by the Federal construction, in part by various forms of rent and lease arrangements. The practice has grown up in recent years of contracting long term leases under which both rent and amortization principal cost of buildings is included. I am advised that fully 40 per cent could be saved from many such rent and lease agreements even after allowing interest on the capital required at the normal Government rate. There are also many objectionable features to some of these practices. The provision of adequate quarters for the Post Office should be put on a sound basis.

A revision of air mail rates upon a more systematic and permanent footing is necessary. The subject is under study, and if legislation should prove necessary the subject will be presented to the Congress. In the meantime I recommend that the Congress should consider the desirability of authorizing further expansion of the South American services.

COMMERCIAL AVIATION

During the past year progress in civil aeronautics has been remarkable. This is to a considerable degree due to the wise assistance of the Federal Government through the establishment and maintenance of airways by the Department of Commerce and the mail contracts from the Post Office Department. The Government-improved airways now exceed 25,000 miles—more than 14,000 miles of which will be lighted and

equipped for night-flying operations by the close of the current year. Airport construction through all the States is extremely active. There are now 1,000 commercial and municipal airports in operation with an additional 1,200 proposed for early development.

Page 2389

Through this assistance the Nation is building a sound aviation system, operated by private enterprise. Over 6,400 planes are in commercial use, and 9,400 pilots are licensed by the Government. Our manufacturing capacity has risen to 7,500 planes per annum. The aviation companies have increased regular air transportation until it now totals 90,000 miles per day—one-fourth of which is flown by night. Mail and express services now connect our principal cities, and extensive services for passenger transportation have been inaugurated, and others of importance are imminent. American air lines now reach into Canada and Mexico, to Cuba, Porto Rico, Central America, and most of the important countries of South America.

RAILWAYS

As a whole, the railroads never were in such good physical and financial condition, and the country has never been so well served by them. The greatest volume of freight traffic ever tendered is being carried at a speed never before attained and with satisfaction to the shippers. Efficiencies and new methods have resulted in reduction in the cost of providing freight transportation, and freight rates show a continuous descending line from the level enforced by the World War.

We have, however, not yet assured for the future that adequate system of transportation through consolidations which was the objective of the Congress in the transportation act. The chief purpose of consolidation is to secure well-balanced systems with more uniform and satisfactory rate structure, a more stable financial structure, more equitable distribution of traffic, greater efficiency, and single-line instead of multiple-line hauls. In this way the country will have the assurance of better service and ultimately at lower and more even rates than would otherwise be attained. Legislation to simplify and expedite consolidation methods and better to protect public interest should be enacted.

Consideration should also be given to relief of the members of the Commission from the necessity of detailed attention to comparatively inconsequential matters which, under the existing law, must receive their direct and personal consideration. It is in the public interest that the members of the Commission should not be so pressed by minor matters that they have inadequate time for investigation and consideration of the larger questions committed to them for solution. As to many of these minor matters, the function of the Commission might well be made revisory, and the primary responsibility delegated to subordinate officials after the practice long in vogue in the executive departments.

MERCHANT MARINE

Page 2390

Under the impulse of the merchant marine act of 1928 the transfer to private enterprise of the Government-owned steamship lines is going forward with increasing success. The Shipping Board now operates about 18 lines, which is less than half the number originally established, and the estimate of expenditures for the coming fiscal year is based upon reduction in losses on Government lines by approximately one-half. Construction loans have been made to the amount of approximately $75,000,000 out of the revolving fund authorized by Congress and have furnished an additional aid to American shipping and further stimulated the building of vessels in American yards.

Desirous of securing the full values to the Nation of the great effort to develop our merchant marine by the merchant marine act soon after the inauguration of the present administration, I appointed an interdepartmental committee, consisting of the Secretary of Commerce, as chairman, the Secretary of the Navy, the Postmaster General, and the chairman of the Shipping Board, to make a survey of the policies being pursued under the act of 1928 in respect of mail contracts; to inquire into its workings and to advise the Postmaster General in the administration of the act.

In particular it seemed to me necessary to determine if the result of the contracts already let would assure the purpose expressed in the act, “to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes,” and to develop a coordinated policy by which these purposes may be translated into actualities.

In review of the mail contracts already awarded it was found that they aggregated 25 separate awards imposing a governmental obligation of a little over $12,000,000 per annum. Provision had been imposed in five of the contracts for construction of new vessels with which to replace and expand services. These requirements come to a total of 12 vessels in the 10-year period, aggregating 122,000 tons. Some other conditions in the contracts had not worked out satisfactorily.

That study has now been substantially completed and the committee has advised the desirability and the necessity of securing much larger undertakings as to service and new construction in future contracts. The committee at this time is recommending the advertising of 14 additional routes, making substantial requirements for the construction of new vessels during the life of each contract recommended. A total of 40 new vessels will be required under the contracts proposed, about half of which will be required to be built during the next three years. The capital cost of this new construction will be approximately $250,000,000, involving approximately 460,000 gross tons. Should bidders be found who will make these undertakings, it will be necessary to recommend to Congress an increase in the authorized expenditure by the Post Office of about $5,500,000 annually. It will be most advantageous to grant such an authority.

Page 2391

A conflict as to the administration of the act has arisen in the contention of persons who have purchased Shipping Board vessels that they are entitled to mail contracts irrespective of whether they are the lowest bidder, the Post Office, on the other hand, being required by law to let contracts in that manner. It is urgent that Congress should clarify this situation.

THE BANKING SYSTEM

It is desirable that Congress should consider the revision of some portions of the banking law.

The development of “group” and “chain” banking presents many new problems. The question naturally arises as to whether if allowed to expand without restraint these methods would dangerously concentrate control of credit, and whether they would not in any event seriously threaten one of the fundamentals of the American credit system—-which is that credit which is based upon banking deposits should be controlled by persons within those areas which furnish these deposits and thus be subject to the restraints of local interest and public opinion in those areas. To some degree, however, this movement of chain or group banking is a groping for stronger support to the banks and a more secure basis for these institutions.

The growth in size and stability of the metropolitan banks is in marked contrast to the trend in the country districts, with its many failures and the losses these failures have imposed upon the agricultural community.

The relinquishment of charters of national banks in great commercial centers in favor of State charters indicates that some conditions surround the national banks which render them unable to compete with State banks; and their withdrawal results in weakening our national banking system.

It has been proposed that permission should be granted to national banks to engage in branch banking of a nature that would preserve within limited regions the local responsibility and the control of such credit institutions.

All these subjects, however, require careful investigation, and it might be found advantageous to create a joint commission embracing Members of the Congress and other appropriate Federal officials for subsequent report.

ELECTRICAL POWER REGULATION

The Federal Power Commission is now comprised of three Cabinet officers, and the duties involved in the competent conduct of the growing responsibilities of this commission far exceed the time and attention which these officials can properly afford

from other important duties. I recommended that authority be given for the appointment of full-time commissioners to replace them.

Page 2392

It is also desirable that the authority of the commission should be extended to certain phases of power regulation. The nature of the electric utilities industry is such that about 90 per cent of all power generation and distribution is intrastate in character, and most of the States have developed their own regulatory systems as to certificates of convenience, rates, and profits of such utilities. To encroach upon their authorities and responsibilities would be an encroachment upon the rights of the States. There are cases, however, of interstate character beyond the jurisdiction of the States. To meet these cases it would be most desirable if a method could be worked out by which initial action may be taken between the commissions of the States whose joint action should be made effective by the Federal Power Commission with a reserve to act on its own motion in case of disagreement or nonaction by the States.

THE RADIO COMMISSION

I recommend the reorganization of the Radio Commission into a permanent body from its present temporary status. The requirement of the present law that the commissioners shall be appointed from specified zones should be abolished and a general provision made for their equitable selection from different parts of the country. Despite the effort of the commissioners, the present method develops a public insistence that the commissioners are specially charged with supervision of radio affairs in the zone from which each is appointed. As a result there is danger that the system will degenerate from a national system into five regional agencies with varying practices, varying policies, competitive tendencies, and consequent failure to attain its utmost capacity for service to the people as a whole.

MUSCLE SHOALS

It is most desirable that this question should be disposed of. Under present conditions the income from these plants is less than could otherwise be secured for its use, and more especially the public is not securing the full benefits which could be obtained from them.

It is my belief that such parts of these plants as would be useful and the revenues from the remainder should be dedicated for all time to the farmers of the United States for investigation and experimentation on a commercial scale in agricultural chemistry. By such means advancing discoveries of science can be systematically applied to agricultural need, and development of the chemical industry of the Tennessee Valley can be assured.

I do not favor the operation by the Government of either power or manufacturing business except as an unavoidable by-product of some other major public purpose.

Page 2393

Any form of settlement of this question will imply entering upon a contract or contracts for the lease of the plants either as a whole or in parts and the reservation of facilities, products, or income for agricultural purposes. The extremely technical and involved nature of such contracts dealing with chemical and electrical enterprises, added to the unusual difficulties surrounding these special plants, and the rapid commercial changes now in progress in power and synthetic nitrogen manufacture, lead me to suggest that Congress create a special commission, not to investigate and report as in the past, but with authority to negotiate and complete some sort of contract or contracts on behalf of the Government, subject, of course, to such general requirements as Congress may stipulate.

BOULDER DAM

The Secretary of the Interior is making satisfactory progress in negotiation of the very complex contracts required for the sale of the power to be generated at this project. These contracts must assure the return of all Government outlays upon the project. I recommend that the necessary funds be appropriated for the initiation of this work as soon as the contracts are in the hands of Congress.

CONSERVATION

Conservation of national resources is a fixed policy of the Government. Three important questions bearing upon conservation of the public lands have become urgent.

Conservation of our oil and gas resources against future need is a national necessity. The working of the oil permit system in development of oil and gas resources on the public domain has been subject to great abuse. I considered it necessary to suspend the issuance of such permits and to direct the review of all outstanding permits as to compliance of the holders with the law. The purpose was not only to end such abuse but to place the Government in position to review the entire subject.

We are also confronted with a major problem in conservation due to the overgrazing on public lands. The effect of overgrazing (which has now become general) is not only to destroy the ranges but by impairing the ground coverage seriously to menace the water supply in many parts of the West through quick run-off, spring floods, and autumn drought.

We have a third problem of major dimensions in the reconsideration of our reclamation policy. The inclusion of most of the available lands of the public domain in existing or planned reclamation projects largely completes the original purpose of the Reclamation Service. There still remains the necessity for extensive storage of water in the arid

States which renders it desirable that we should give a wider vision and purpose to this service.

To provide for careful consideration of these questions and also of better division of responsibilities in them as between the State and Federal Governments, including the possible transfer to the States for school purposes of the lands unreserved for forests, parks, power, minerals, *etc*., I have appointed a Commission on Conservation of the Public Domain, with a membership representing the major public land States and at the same time the public at large. I recommend that Congress should authorize a moderate sum to defray their expenses.

Page 2394

SOCIAL SERVICE

The Federal Government provides for an extensive and valuable program of constructive social service, in education, home building, protection to women and children, employment, public health, recreation, and many other directions.

In a broad sense Federal activity in these directions has been confined to research and dissemination of information and experience, and at most to temporary subsidies to the States in order to secure uniform advancement in practice and methods. Any other attitude by the Federal Government will undermine one of the most precious possessions of the American people; that is, local and individual responsibility. We should adhere to this policy.

Federal officials can, however, make a further and most important contribution by leadership in stimulation of the community and voluntary agencies, and by extending Federal assistance in organization of these forces and bringing about cooperation among them.

As an instance of this character, I have recently, in cooperation with the Secretaries of Interior and Labor, laid the foundations of an exhaustive inquiry into the facts precedent to a nation-wide White House conference on child health and protection. This cooperative movement among interested agencies will impose no expense upon the Government. Similar nation-wide conferences will be called in connection with better housing and recreation at a later date.

In view of the considerable difference of opinion as to the policies which should be pursued by the Federal Government with respect to education, I have appointed a committee representative of the important educational associations and others to investigate and present recommendations. In cooperation with the Secretary of the Interior, I have also appointed a voluntary committee of distinguished membership to assist in a nation-wide movement for abolition of illiteracy.

I have recommended additional appropriations for the Federal employment service in order that it may more fully cover its cooperative work with State and local services. I have also recommended additional appropriations for the Women's and Children's Bureaus for much needed research as to facts which I feel will prove most helpful.

PUBLIC HEALTH

The advance in scientific discovery as to disease and health imposes new considerations upon us. The Nation as a whole is vitally interested in the health of all the people; in protection from spread of contagious disease; in the relation of physical and mental disabilities to criminality; and in the economic and moral advancement

which is fundamentally associated with sound body and mind. The organization of preventive measures and health education in its personal application is the province of public health service. Such organization should be as universal as public education. Its support is a proper burden upon the taxpayer. It can not be organized with success, either in its sanitary or educational phases, except under public authority. It should be based upon local and State responsibility, but I consider that the Federal Government has an obligation of contribution to the establishment of such agencies.

Page 2395

In the practical working out of organization, exhaustive experiment and trial have demonstrated that the base should be competent organization of the municipality, county, or other local unit. Most of our municipalities and some 400 rural counties out of 3,000 now have some such unit organization. Where highly developed, a health unit comprises at least a physician, sanitary engineer, and community nurse with the addition, in some cases, of another nurse devoted to the problems of maternity and children. Such organization gives at once a fundamental control of preventive measures and assists in community instruction. The Federal Government, through its interest in control of contagion, acting through the United States Public Health Service and the State agencies, has in the past and should in the future concern itself with this development, particularly in the many rural sections which are unfortunately far behind in progress. Some parts of the funds contributed under the Sheppard-Towner Act through the Children's Bureau of the Department of Labor have also found their way into these channels.

I recommend to the Congress that the purpose of the Sheppard-Towner Act should be continued through the Children's Bureau for a limited period of years; and that the Congress should consider the desirability of confining the use of Federal funds by the States to the building up of such county or other local units, and that such outlay should be positively coordinated with the funds expended through the United States Public Health Service directed to other phases of the same county or other local unit organization. All funds appropriated should of course be applied through the States, so that the public health program of the county or local unit will be efficiently coordinated with that of the whole State.

FEDERAL PRISONS

Closely related to crime conditions is the administration of the Federal prison system. Our Federal penal institutions are overcrowded, and this condition is daily becoming worse. The parole and probation systems are inadequate. These conditions make it impossible to perform the work of personal reconstruction of prisoners so as to prepare them for return to the duties of citizenship. In order to relieve the pressing evils I have directed the temporary transfer of the Army Disciplinary Barracks at Leavenworth to the Department of Justice for use as a Federal prison. Not only is this temporary but it is inadequate for present needs.

We need some new Federal prisons and a reorganization of our probation and parole systems; and there should be established in the Department of Justice a Bureau of Prisons with a sufficient force to deal adequately with the growing activities of our prison institutions. Authorization for the improvements should be given speedily, with initial appropriations to allow the construction of the new institutions to be undertaken at once. *Immigration*

Page 2396

Restriction of immigration has from every aspect proved a sound national policy. Our pressing problem is to formulate a method by which the limited number of immigrants whom we do welcome shall be adapted to our national setting and our national needs.

I have been opposed to the basis of the quotas now in force and I have hoped that we could find some practical method to secure what I believe should be our real national objective; that is, fitness of the immigrant as to physique, character, training, and our need of service. Perhaps some system of priorities within the quotas could produce these results and at the same time enable some hardships in the present system to be cleared up. I recommend that the Congress should give the subject further study, in which the executive departments will gladly cooperate with the hope of discovering such method as will more fully secure our national necessities. *Veterans*

It has been the policy of our Government almost from its inception to make provision for the men who have been disabled in defense of our country. This policy should be maintained. Originally it took the form of land grants and pensions. This system continued until our entry into the World War. The Congress at that time inaugurated a new plan of compensation, rehabilitation, hospitalization, medical care and treatment, and insurance, whereby benefits were awarded to those veterans and their immediate dependents whose disabilities were attributable to their war service. The basic principle in this legislation is sound.

In a desire to eliminate all possibilities of injustice due to difficulties in establishing service connection of disabilities, these principles have been to some degree extended. Veterans whose diseases or injuries have become apparent within a brief period after the war are now receiving compensation; insurance benefits have been liberalized. Emergency officers are now receiving additional benefits. The doors of the Government's hospitals have been opened to all veterans, even though their diseases or injuries were not the result of their war service. In addition adjusted service certificates have been issued to 3,433,300 veterans. This in itself will mean an expenditure of nearly $3,500,000,000 before 1945, in addition to the $600,000,000 which we are now appropriating annually for our veterans' relief.

The administration of all laws concerning the veterans and their dependents has been upon the basis of dealing generously, humanely, and justly. While some inequalities have arisen, substantial and adequate care has been given and justice administered. Further improvement in administration may require some amendment from time to time to the law, but care should be taken to see that such changes conform to the basic principles of the legislation.

I am convinced that we will gain in efficiency, economy, and more uniform administration and better definition of national policies if the Pension Bureau, the National Home for Volunteer Soldiers, and the Veterans' Bureau are brought together under a single

agency. The total appropriations to these agencies now exceed $800,000,000 per annum.

Page 2397

CIVIL SERVICE

Approximately four-fifths of all the employees in the executive civil service now occupy positions subject to competitive examination under the civil service law.

There are, however, still commanding opportunities for extending the system. These opportunities lie within the province of Congress and not the President. I recommend that a further step be taken by authorization that appointments of third-class postmasters be made under the civil service law.

DEPARTMENTAL REORGANIZATION

This subject has been under consideration for over 20 years. It was promised by both political parties in the recent campaign. It has been repeatedly examined by committees and commissions—congressional, executive, and voluntary. The conclusions of these investigations have been unanimous that reorganization is a necessity of sound administration; of economy; of more effective governmental policies and of relief to the citizen from unnecessary harassment in his relations with a multitude of scattered governmental agencies. But the presentation of any specific plan at once enlivens opposition from every official whose authority may be curtailed or who fears his position is imperiled by such a result; of bureaus and departments which wish to maintain their authority and activities; of citizens and their organizations who are selfishly interested, or who are inspired by fear that their favorite bureau may, in a new setting, be less subject to their influence or more subject to some other influence.

It seems to me that the essential principles of reorganization are two in number. First, all administrative activities of the same major purpose should be placed in groups under single-headed responsibility; second, all executive and administrative functions should be separated from boards and commissions and placed under individual responsibility, while quasi-legislative and quasi-judicial and broadly advisory functions should be removed from individual authority and assigned to boards and commissions. Indeed, these are the fundamental principles upon which our Government was founded, and they are the principles which have been adhered to in the whole development of our business structure, and they are the distillation of the common sense of generations.

For instance, the conservation of national resources is spread among eight agencies in five departments. They suffer from conflict and overlap. There is no proper development and adherence to broad national policies and no central point where the searchlight of public opinion may concentrate itself. These functions should be grouped under the direction of some such official as an assistant secretary of conservation. The particular department or cabinet officer under which such a group should be placed is of secondary importance to the need of concentration. The same may be said of

educational services, of merchant marine aids, of public works, of public health, of veterans' services, and many others, the component parts of which are widely scattered in the various departments and independent agencies. It is desirable that we first have experience with these different groups in action before we create new departments. These may be necessary later on.

Page 2398

With this background of all previous experience I can see no hope for the development of a sound reorganization of the Government unless Congress be willing to delegate its authority over the problem (subject to defined principles) to the Executive, who should act upon approval of a joint committee of Congress or with the reservation of power of revision by Congress within some limited period adequate for its consideration.
Prohibition

The first duty of the President under his oath of office is to secure the enforcement of the laws. The enforcement of the laws enacted to give effect to the eighteenth amendment is far from satisfactory and this is in part due to the inadequate organization of the administrative agencies of the Federal Government. With the hope of expediting such reorganization, I requested on June 6 last that Congress should appoint a joint committee to collaborate with executive agencies in preparation of legislation. It would be helpful if it could be so appointed. The subject has been earnestly considered by the Law Enforcement Commission and the administrative officials of the Government. Our joint conclusions are that certain steps should be taken at once. First, there should be an immediate concentration of responsibility and strengthening of enforcement agencies of the Federal Government by transfer to the Department of Justice of the Federal functions of detection and to a considerable degree of prosecution, which are now lodged in the Prohibition Bureau in the Treasury; and at the same time the control of the distribution of industrial alcohol and legalized beverages should remain in the Treasury. Second, provision should be made for relief of congestion in the Federal courts by modifying and simplifying the procedure for dealing with the large volume of petty prosecutions under various Federal acts. Third, there should be a codification of the laws relating to prohibition to avoid the necessity which now exists of resorting to more than 25 statutes enacted at various times over 40 years. Technical defects in these statutes that have been disclosed should be cured. I would add to these recommendations the desirability of reorganizing the various services engaged in the prevention of smuggling into one border patrol under the Coast Guard. Further recommendations upon the subject as a whole will be developed after further examination by the Law Enforcement Commission, but it is not to be expected that any criminal law will ever be fully enforced so long as criminals exist.

The District of Columbia should be the model of city law enforcement in the Nation. While conditions here are much better than in many other cities, they are far from perfect, and this is due in part to the congestion of criminal cases in the Supreme Court of the District, resulting in long delays. Furthermore, there is need for legislation in the District supplementing the national prohibition act, more sharply defining and enlarging the duties and powers of the District Commissioners and the police of the District, and opening the way for better cooperation in the enforcement of prohibition between the District officials and the prohibition officers of the Federal Government. It is urgent that these conditions be remedied.

Page 2399

LAW ENFORCEMENT AND OBSERVANCE

No one will look with satisfaction upon the volume of crime of all kinds and the growth of organized crime in our country. We have pressing need so to organize our system of administering criminal justice as to establish full vigor and effectiveness. We need to reestablish faith that the highest interests of our country are served by insistence upon the swift and even-handed administration of justice to all offenders, whether they be rich or poor. That we shall effect improvement is vital to the preservation of our institutions. It is the most serious issue before our people.

Under the authority of Congress I have appointed a National Commission on Law Observance and Enforcement, for an exhaustive study of the entire problem of the enforcement of our laws and the improvement of our judicial system, including the special problems and abuses growing out of the prohibition laws. The commission has been invited to make the widest inquiry into the shortcomings of the administration of justice and into the causes and remedies for them. It has organized its work under subcommittees dealing with the many contributory causes of our situation and has enlisted the aid of investigators in fields requiring special consideration. I am confident that as a result of its studies now being carried forward it will make a notable contribution to the solution of our pressing problems.

Pending further legislation, the Department of Justice has been striving to weed out inefficiency wherever it exists, to stimulate activity on the part of its prosecuting officers, and to use increasing care in examining into the qualifications of those appointed to serve as prosecutors. The department is seeking systematically to strengthen the law enforcement agencies week by week and month by month, not by dramatic displays but by steady pressure; by removal of negligent officials and by encouragement and assistance to the vigilant. During the course of these efforts it has been revealed that in some districts causes contributing to the congestion of criminal dockets, and to delays and inefficiency in prosecutions, have been lack of sufficient forces in the offices of United States attorneys, clerks of courts, and marshals. These conditions tend to clog the machinery of justice. The last conference of senior circuit judges has taken note of them and indorsed the department's proposals for improvement. Increases in appropriations are necessary and will be asked for in order to reenforce these offices.

Page 2400

The orderly administration of the law involves more than the mere machinery of law enforcement. The efficient use of that machinery and a spirit in our people in support of law are alike essential. We have need for improvement in both. However much we may perfect the mechanism, still if the citizen who is himself dependent upon some laws for the protection of all that he has and all that he holds dear, shall insist on selecting the particular laws which he will obey, he undermines his own safety and that of his country. His attitude may obscure, but it can not conceal, the ugly truth that the lawbreaker, whoever he may be, is the enemy of society. We can no longer gloss over the unpleasant reality which should be made vital in the consciousness of every citizen, that he who condones or traffics with crime, who is indifferent to it and to the punishment of the criminal, or to the lax performance of official duty, is himself the most effective agency for the breakdown of society.

Law can not rise above its source in good citizenship—in what right-minded men most earnestly believe and desire. If the law is upheld only by Government officials, then all law is at an end. Our laws are made by the people themselves; theirs is the right to work for their repeal; but until repeal it is an equal duty to observe them and demand their enforcement.

I have been gratified at the awakening sense of this responsibility in our citizens during the past few months, and gratified that many instances have occurred which refuted the cynicism which has asserted that our system could not convict those who had defied the law and possessed the means to resist its execution. These things reveal a moral awakening both in the people and in officials which lies at the very foundation of the rule of law.

CONCLUSION

The test of the rightfulness of our decisions must be whether we have sustained and advanced the ideals of the American people; self-government in its foundations of local government; justice whether to the individual or to the group; ordered liberty; freedom from domination; open opportunity and equality of opportunity; the initiative and individuality of our people; prosperity and the lessening of poverty; freedom of public opinion; education; advancement of knowledge; the growth of religious spirit; the tolerance of all faiths; the foundations of the home and the advancement of peace.

The White House,

December 3, 1929

***

State of the Union Address
Herbert Hoover
December 2, 1930

To the Senate and House of Representatives:

I have the honor to comply with the requirement of the Constitution that I should lay before the Congress information as to the state of the Union, and recommend consideration of such measures as are necessary and expedient.

Substantial progress has been made during the year in national peace and security; the fundamental strength of the Nation's economic life is unimpaired; education and scientific discovery have made advances; our country is more alive to its problems of moral and spiritual welfare.

Page 2401

ECONOMIC SITUATION

During the past 12 months we have suffered with other Nations from economic depression.

The origins of this depression lie to some extent within our own borders through a speculative period which diverted capital and energy into speculation rather than constructive enterprise. Had overspeculation in securities been the only force operating, we should have seen recovery many months ago, as these particular dislocations have generally readjusted themselves.

Other deep-seated causes have been in action, however, chiefly the world-wide overproduction beyond even the demand of prosperous times for such important basic commodities as wheat, rubber, coffee, sugar, copper, silver, zinc, to some extent cotton, and other raw materials. The cumulative effects of demoralizing price falls of these important commodities in the process of adjustment of production to world consumption have produced financial crises in many countries and have diminished the buying power of these countries for imported goods to a degree which extended the difficulties farther afield by creating unemployment in all the industrial nations. The political agitation in Asia; revolutions in South America and political unrest in some European States; the methods of sale by Russia of her increasing agricultural exports to European markets; and our own drought—have all contributed to prolong and deepen the depression.

In the larger view the major forces of the depression now lie outside of the United States, and our recuperation has been retarded by the unwarranted degree of fear and apprehension created by these outside forces.

The extent of the depression is indicated by the following approximate percentages of activity during the past three months as compared with the highly prosperous year of 1928:

Value of department-store sales — 93% of 1928

Volume of manufacturing production — 80% of 1928

Volume of mineral production — 90% of 1928

Volume of factory employment — 84% of 1928

Total of bank deposits — 105% of 1928

Wholesale prices—all commodities — 83% of 1928

Cost of living — 94% of 1928

Various other indexes indicate total decrease of activity from 1928 of from 15 to 20 per cent.

There are many factors which give encouragement for the future. The fact that we are holding from 80 to 85 per cent of our normal activities and incomes; that our major financial and industrial institutions have come through the storm unimpaired; that price levels of major commodities have remained approximately stable for some time; that a number of industries are showing signs of increasing demand; that the world at large is readjusting itself to the situation; all reflect grounds for confidence. We should remember that these occasions have been met many times before, that they are but temporary, that our country is to-day stronger and richer in resources, in equipment, in skill, than ever in its history. We are in an extraordinary degree self-sustaining, we will overcome world influences and will lead the march of prosperity as we have always done hitherto.

Page 2402

Economic depression can not be cured by legislative action or executive pronouncement. Economic wounds must be healed by the action of the cells of the economic body—the producers and consumers themselves. Recovery can be expedited and its effects mitigated by cooperative action. That cooperation requires that every individual should sustain faith and courage; that each should maintain his self-reliance; that each and every one should search for methods of improving his business or service; that the vast majority whose income is unimpaired should not hoard out of fear but should pursue their normal living and recreations; that each should seek to assist his neighbors who may be less fortunate; that each industry should assist its own employees; that each community and each State should assume its full responsibilities for organization of employment and relief of distress with that sturdiness and independence which built a great Nation.

Our people are responding to these impulses in remarkable degree. The best contribution of government lies in encouragement of this voluntary cooperation in the community. The Government, National, State, and local, can join with the community in such programs and do its part. A year ago I, together with other officers of the Government, initiated extensive cooperative measures throughout the country.

The first of these measures was an agreement of leading employers to maintain the standards of wages and of labor leaders to use their influence against strife. In a large sense these undertakings have been adhered to and we have not witnessed the usual reductions of wages which have always heretofore marked depressions. The index of union wage scales shows them to be today fully up to the level of any of the previous three years. In consequence the buying power of the country has been much larger than would otherwise have been the case. Of equal importance the Nation has had unusual peace in industry and freedom from the public disorder which has characterized previous depressions.

The second direction of cooperation has been that our governments, National, State, and local, the industries and business so distribute employment as to give work to the maximum number of employees.

The third direction of cooperation has been to maintain and even extend construction work and betterments in anticipation of the future. It has been the universal experience in previous depressions that public works and private construction have fallen off rapidly with the general tide of depression. On this occasion, however, the increased authorization and generous appropriations by the Congress and the action of States and municipalities have resulted in the expansion of public construction to an amount even above that in the most prosperous years. In addition the cooperation of public utilities, railways, and other large organizations has been generously given in construction and betterment work in anticipation of future need. The Department of Commerce advises me that as a result, the volume of this type of construction work, which amounted to roughly $6,300,000,000 in 1929, instead of decreasing will show a

total of about $7,000,000,000 for 1930. There has, of course, been a substantial decrease in the types of construction which could not be undertaken in advance of need.

Page 2403

The fourth direction of cooperation was the organization in such States and municipalities, as was deemed necessary, of committees to organize local employment, to provide for employment agencies, and to effect relief of distress.

The result of magnificent cooperation throughout the country has been that actual suffering has been kept to a minimum during the past 12 months, and our unemployment has been far less in proportion than in other large industrial countries. Some time ago it became evident that unemployment would continue over the winter and would necessarily be added to from seasonal causes and that the savings of workpeople would be more largely depleted. We have as a Nation a definite duty to see that no deserving person in our country suffers from hunger or cold. I therefore set up a more extensive organization to stimulate more intensive cooperation throughout the country. There has been a most gratifying degree of response, from governors, mayors, and other public officials, from welfare organizations, and from employers in concerns both large and small. The local communities through their voluntary agencies have assumed the duty of relieving individual distress and are being generously supported by the public.

The number of those wholly out of employment seeking for work was accurately determined by the census last April as about 2,500,000. The Department of Labor index of employment in the larger trades shows some decrease in employment since that time. The problem from a relief point of view is somewhat less than the published estimates of the number of unemployed would indicate. The intensive community and individual efforts in providing special employment outside the listed industries are not reflected in the statistical indexes and tend to reduce such published figures. Moreover, there is estimated to be a constant figure at all times of nearly 1,000,000 unemployed who are not without annual income but temporarily idle in the shift from one job to another. We have an average of about three breadwinners to each two families, so that every person unemployed does not represent a family without income. The view that the relief problems are less than the gross numbers would indicate is confirmed by the experience of several cities, which shows that the number of families in distress represents from 10 to 20 per cent of the number of the calculated unemployed. This is not said to minimize the very real problem which exists but to weigh its actual proportions.

As a contribution to the situation the Federal Government is engaged upon the greatest program of waterway, harbor, flood control, public building, highway, and airway improvement in all our history. This, together with loans to merchant shipbuilders, improvement of the Navy and in military aviation, and other construction work of the Government will exceed $520,000,000 for this fiscal year. This compares with $253,000,000 in the fiscal year 1928. The construction works already authorized and the continuation of policies in Government aid will require a continual expenditure upwards of half a billion dollars annually.

Page 2404

I favor still further temporary expansion of these activities in aid to unemployment during this winter. The Congress will, however, have presented to it numbers of projects, some of them under the guise of, rather than the reality of, their usefulness in the increase of employment during the depression. There are certain commonsense limitations upon any expansions of construction work. The Government must not undertake works that are not of sound economic purpose and that have not been subject to searching technical investigation, and which have not been given adequate consideration by the Congress. The volume of construction work in the Government is already at the maximum limit warranted by financial prudence as a continuing policy. To increase taxation for purposes of construction work defeats its own purpose, as such taxes directly diminish employment in private industry. Again any kind of construction requires, after its authorization, a considerable time before labor can be employed in which to make engineering, architectural, and legal preparations. Our immediate problem is the increase of employment for the next six months, and new plans which do not produce such immediate result or which extend commitments beyond this period are not warranted.

The enlarged rivers and harbors, public building, and highway plans authorized by the Congress last session, however, offer an opportunity for assistance by the temporary acceleration of construction of these programs even faster than originally planned, especially if the technical requirements of the laws which entail great delays could be amended in such fashion as to speed up acquirements of land and the letting of contracts.

With view, however, to the possible need for acceleration, we, immediately upon receiving those authorities from the Congress five months ago, began the necessary technical work in preparation for such possible eventuality. I have canvassed the departments of the Government as to the maximum amount that can be properly added to our present expenditure to accelerate all construction during the next six months, and I feel warranted in asking the Congress for an appropriation of from $100,000,000 to $150,000,000 to provide such further employment in this emergency. In connection therewith we need some authority to make enlarged temporary advances of Federal-highway aid to the States.

I recommend that this appropriation be made distributable to the different departments upon recommendation of a committee of the Cabinet and approval by the President. Its application to works already authorized by the Congress assures its use in directions of economic importance and to public welfare. Such action will imply an expenditure upon construction of all kinds of over $650,000,000 during the next twelve months.

AGRICULTURE

Page 2405

The world-wide depression has affected agriculture in common with all other industries. The average price of farm produce has fallen to about 80 per cent of the levels of 1928. This average is, however, greatly affected by wheat and cotton, which have participated in world-wide overproduction and have fallen to about 60 per cent of the average price of the year 1928. Excluding these commodities, the prices of all other agricultural products are about 84 per cent of those of 1928. The average wholesale prices of other primary goods, such as nonferrous metals, have fallen to 76 per cent of 1928.

The price levels of our major agricultural commodities are, in fact, higher than those in other principal producing countries, due to the combined result of the tariff and the operations of the Farm Board. For instance, wheat prices at Minneapolis are about 30 per cent higher than at Winnipeg, and at Chicago they are about 20 per cent higher than at Buenos Aires. Corn prices at Chicago are over twice as high as at Buenos Aires. Wool prices average more than 80 per cent higher in this country than abroad, and butter is 30 per cent higher in New York City than in Copenhagen.

Aside from the misfortune to agriculture of the world-wide depression we have had the most severe drought. It has affected particularly the States bordering on the Potomac, Ohio, and Lower Mississippi Rivers, with some areas in Montana, Kansas, Oklahoma, and Texas. It has found its major expression in the shortage of pasturage and a shrinkage in the corn crop from an average of about 2,800,000,000 bushels to about 2,090,000,000 bushels.

On August 14 I called a conference of the governors of the most acutely affected States, and as a result of its conclusions I appointed a national committee comprising the heads of the important Federal agencies under the chairmanship of the Secretary of Agriculture. The governors in turn have appointed State committees representative of the farmers, bankers, business men, and the Red Cross, and subsidiary committees have been established in most of the acutely affected counties. Railway rates were reduced on feed and livestock in and out of the drought areas, and over 50,000 cars of such products have been transported under these reduced rates. The Red Cross established a preliminary fund of $5,000,000 for distress relief purposes and established agencies for its administration in each county. Of this fund less than $500,000 has been called for up to this time as the need will appear more largely during the winter. The Federal Farm Loan Board has extended its credit facilities, and the Federal Farm Board has given financial assistance to all affected cooperatives.

In order that the Government may meet its full obligation toward our countrymen in distress through no fault of their own, I recommend that an appropriation should be made to the Department of Agriculture to be loaned for the purpose of seed and feed for animals. Its application should as hitherto in such loans be limited to a gross amount to any one individual, and secured upon the crop.

Page 2406

The Red Cross can relieve the cases of individual distress by the sympathetic assistance of our people.

FINANCES OF THE GOVERNMENT

I shall submit the detailed financial position of the Government with recommendations in the usual Budget message. I will at this time, however, mention that the Budget estimates of receipts and expenditures for the current year were formulated by the Treasury and the Budget Bureau at a time when it was impossible to forecast the severity of the business depression and have been most seriously affected by it. At that time a surplus of about $123,000,000 was estimated for this fiscal year and tax reduction which affected the fiscal year to the extent of $75,000,000 was authorized by the Congress, thus reducing the estimated surplus to about $48,000,000. Closely revised estimates now made by the Treasury and the Bureau of the Budget of the tax, postal, and other receipts for the current fiscal year indicate a decrease of about $430,000,000 from the estimate of a year ago, of which about $75,000,000 is due to tax reduction, leaving about $355,000,000 due to the depression. Moreover, legislation enacted by Congress subsequent to the submission of the Budget enlarging Federal construction work to expand employment and for increase in veterans' services and other items, have increased expenditures during the current fiscal year by about $225,000,000.

Thus the decrease of $430,000,000 in revenue and the increase of $225,000,000 in expenditure adversely change the original Budget situation by about $655,000,000. This large sum is offset by the original estimated surplus a year ago of about $123,000,000, by the application of $185,000,000 of interest payments upon the foreign debt to current expenditures, by arrangements of the Farm Board through repayments, *etc*., in consequence of which they reduced their net cash demands upon the Treasury by $100,000,000 in this period, and by about $67,000,000 economies and deferments brought about in the Government, thus reducing the practical effect of the change in the situation to an estimated deficit of about $180,000,000 for the present fiscal year. I shall make suggestions for handling the present-year deficit in the Budget message, but I do not favor encroachment upon the statutory reduction of the public debt.

While it will be necessary in public interest to further increase expenditures during the current fiscal year in aid to unemployment by speeding up construction work and aid to the farmers affected by the drought, I can not emphasize too strongly the absolute necessity to defer any other plans for increase of Government expenditures. The Budget for 1932 fiscal year indicates estimated expenditure of about $4,054,000,000, including postal deficit. The receipts are estimated at about $4,085,000,000 if the temporary tax reduction of last year be discontinued, leaving a surplus of only about $30,000,000. Most rigid economy is therefore necessary to avoid increase in taxes.

Page 2407

NATIONAL DEFENSE

Our Army and Navy are being maintained at a high state of efficiency, under officers of high training and intelligence, supported by a devoted personnel of the rank and file. The London naval treaty has brought important economies in the conduct of the Navy. The Navy Department will lay before the committees of the Congress recommendations for a program of authorization of new construction which should be initiated in the fiscal year of 1932.

LEGISLATION

This is the last session of the Seventy-first Congress. During its previous sittings it has completed a very large amount of important legislation, notably: The establishment of the Federal Farm Board; fixing congressional reapportionment; revision of the tariff, including the flexible provisions and a reorganization of the Tariff Commission; reorganization of the Radio Commission; reorganization of the Federal Power Commission; expansion of Federal prisons; reorganization of parole and probation system in Federal prisons; expansion of veterans' hospitals; establishment of disability allowances to veterans; consolidation of veteran activities; consolidation and strengthening of prohibition enforcement activities in the Department of Justice; organization of a Narcotics Bureau; large expansion of rivers and harbors improvements; substantial increase in Federal highways; enlargement of public buildings construction program; and the ratification of the London naval treaty.

The Congress has before it legislation partially completed in the last sitting in respect to Muscle Shoals, bus regulation, relief of congestion in the courts, reorganization of border patrol in prevention of smuggling, law enforcement in the District of Columbia, and other subjects.

It is desirable that these measures should be completed.

The short session does not permit of extensive legislative programs, but there are a number of questions which, if time does not permit action, I recommend should be placed in consideration by the Congress, perhaps through committees cooperating in some instances with the Federal departments, with view to preparation for subsequent action. Among them are the following subjects:

ELECTRICAL POWER

I have in a previous message recommended effective regulation of interstate electrical power. Such regulation should preserve the independence and responsibility of the States.

RAILWAYS

We have determined upon a national policy of consolidation of the railways as a necessity of more stable and more economically operated transportation. Further legislation is necessary to facilitate such consolidation. In the public interest we should strengthen the railways that they may meet our future needs.

Page 2408

ANTITRUST LAWS

I recommend that the Congress institute an inquiry into some aspects of the economic working of these laws. I do not favor repeal of the Sherman Act. The prevention of monopolies is of most vital public importance. Competition is not only the basis of protection to the consumer but is the incentive to progress. However, the interpretation of these laws by the courts, the changes in business, especially in the economic effects upon those enterprises closely related to the use of the natural resources of the country, make such an inquiry advisable. The producers of these materials assert that certain unfortunate results of wasteful and destructive use of these natural resources together with a destructive competition which impoverishes both operator and worker can not be remedied because of the prohibitive interpretation of the antitrust laws. The well-known condition of the bituminous coal industry is an illustration. The people have a vital interest in the conservation of their natural resources; in the prevention of wasteful practices; in conditions of destructive competition which may impoverish the producer and the wage earner; and they have an equal interest in maintaining adequate competition. I therefore suggest that an inquiry be directed especially to the effect of the workings of the antitrust laws in these particular fields to determine if these evils can be remedied without sacrifice of the fundamental purpose of these laws.

CAPITAL-GAINS TAX

It is urged by many thoughtful citizens that the peculiar economic effect of the income tax on so-called capital gains at the present rate is to enhance speculative inflation and likewise impede business recovery. I believe this to be the case and I recommend that a study be made of the economic effects of this tax and of its relation to the general structure of our income tax law.

IMMIGRATION

There is need for revision of our immigration laws upon a more limited and more selective basis, flexible to the needs of the country.

Under conditions of current unemployment it is obvious that persons coming to the United States seeking work would likely become either a direct or indirect public charge. As a temporary measure the officers issuing visas to immigrants have been, in pursuance of the law, instructed to refuse visas to applicants likely to fall into this class. As a result the visas issued have decreased from an average of about 24,000 per month prior to restrictions to a rate of about 7,000 during the last month. These are largely preferred persons under the law. Visas from Mexico are about 250 per month compared to about 4,000 previous to restrictions. The whole subject requires exhaustive reconsideration.

DEPORTATION OF ALIEN CRIMINALS

Page 2409

I urge the strengthening of our deportation laws so as to more fully rid ourselves of criminal aliens. Furthermore, thousands of persons have entered the country in violation of the immigration laws. The very method of their entry indicates their objectionable character, and our law-abiding foreign-born residents suffer in consequence. I recommend that the Congress provide methods of strengthening the Government to correct this abuse.

POST OFFICE

Due to deferment of Government building over many years, previous administrations had been compelled to enter upon types of leases for secondary facilities in large cities, some of which were objectionable as representing too high a return upon the value of the property. To prevent the occasion for further uneconomic leasing I recommend that the Congress authorize the building by the Government of its own facilities.

VETERANS

The Nation has generously expanded its care for veterans. The consolidation of all veterans' activities into the Veterans' Administration has produced substantial administrative economies. The consolidation also brings emphasis to the inequalities in service and allowances. The whole subject is under study by the administrator, and I recommend it should also be examined by the committees of the Congress.

SOCIAL SERVICE

I urge further consideration by the Congress of the recommendations I made a year ago looking to the development through temporary Federal aid of adequate State and local services for the health of children and the further stamping out of communicable disease, particularly in the rural sections. The advance of scientific discovery, methods, and social thought imposes a new vision in these matters. The drain upon the Federal Treasury is comparatively small. The results both economic and moral are of the utmost importance.

GENERAL

It is my belief that after the passing of this depression, when we can examine it in retrospect, we shall need to consider a number of other questions as to what action may be taken by the Government to remove Possible governmental influences which make for instability and to better organize mitigation of the effect of depression. It is as yet too soon to constructively formulate such measures.

There are many administrative subjects, such as departmental reorganization, extension of the civil service, readjustment of the postal rates, *etc*., which at some appropriate time require the attention of the Congress.

FOREIGN RELATIONS

Our relations with foreign countries have been maintained upon a high basis of cordiality and good will.

During the past year the London naval pact was completed, approved by the Senate, and ratified by the governments concerned. By this treaty we have abolished competition in the building of warships, have established the basis of parity of the United States with the strongest of foreign powers, and have accomplished a substantial reduction in war vessels.

Page 2410

During the year there has been an extended political unrest in the world. Asia continues in disturbed condition, and revolutions have taken place in Brazil, Argentina, Peru, and Bolivia. Despite the jeopardy to our citizens and their property which naturally arises in such circumstances, we have, with the cooperation of the governments concerned, been able to meet all such instances without friction.

We have resumed normal relations with the new Governments of Brazil, Argentina, Peru, and Bolivia immediately upon evidence that they were able to give protection to our citizens and their property, and that they recognized their international obligations.

A commission which was supported by the Congress has completed its investigation and reported upon our future policies in respect to Haiti and proved of high value in securing the acceptance of these policies. An election has been held and a new government established. We have replaced our high commissioner by a minister and have begun the gradual withdrawal of our activities with view to complete retirement at the expiration of the present treaty in 1935.

A number of arbitration and conciliation treaties have been completed or negotiated during the year, and will be presented for approval by the Senate.

I shall, in a special message, lay before the Senate the protocols covering the statutes of the World Court which have been revised to accord with the sense of previous Senate reservations.

The White House,

December 2, 1930

***

State of the Union Address
Herbert Hoover
December 8, 1931

To the Senate and House of Representatives:

It is my duty under the Constitution to transmit to the Congress information on the state of the Union and to recommend for its consideration necessary and expedient measures.

The chief influence affecting the state of the Union during the past year has been the continued world-wide economic disturbance. Our national concern has been to meet the emergencies it has created for us and to lay the foundations for recovery.

If we lift our vision beyond these immediate emergencies we find fundamental national gains even amid depression. In meeting the problems of this difficult period, we have witnessed a remarkable development of the sense of cooperation in the community. For the first time in the history of our major economic depressions there has been a notable absence of public disorders and industrial conflict. Above all there is an enlargement of social and spiritual responsibility among the people. The strains and stresses upon business have resulted in closer application, in saner policies, and in better methods. Public improvements have been carried out on a larger scale than even in normal times. The country is richer in physical property, in newly discovered resources, and in productive capacity than ever before. There has been constant

Page 2411

gain in knowledge and education; there has been continuous advance in science and invention; there has been distinct gain in public health. Business depressions have been recurrent in the life of our country and are but transitory. The Nation has emerged from each of them with increased strength and virility because of the enlightenment they have brought, the readjustments and the larger understanding of the realities and obligations of life and work which come from them.

NATIONAL DEFENSE

Both our Army and Navy have been maintained in a high state of efficiency. The ability and devotion of both officers and men sustain the highest traditions of the service. Reductions and postponements in expenditure of these departments to meet the present emergency are being made without reducing existing personnel or impairing the morale of either establishment.

The agreement between the leading naval powers for limitation of naval armaments and establishment of their relative strength and thus elimination of competitive building also implies for ourselves the gradual expansion of the deficient categories in our Navy to the parities provided in those treaties. However, none of the other nations, parties to these agreements, is to-day maintaining the full rate of construction which the treaty size of fleets would imply.

Although these agreements secured the maximum reduction of fleets which it was at that time possible to attain, I am hopeful that the naval powers, party to these agreements, will realize that establishment of relative strength in itself offers opportunity for further reduction without injury to any of them. This would be the more possible if pending negotiations are successful between France and Italy. If the world is to regain its standards of life, it must further decrease both naval and other arms. The subject will come before the General Disarmament Conference which meets in Geneva on February 2.

FOREIGN AFFAIRS

We are at peace with the world. We have cooperated with other nations to preserve peace. The rights of our citizens abroad have been protected.

The economic depression has continued and deepened in every part of the world during the past year. In many countries political instability, excessive armaments, debts, governmental expenditures, and taxes have resulted in revolutions, in unbalanced

budgets and monetary collapse and financial panics, in dumping of goods upon world markets, and in diminished consumption of commodities.

Page 2412

Within two years there have been revolutions or acute social disorders in 19 countries, embracing more than half the population of the world. Ten countries have been unable to meet their external obligations. In 14 countries, embracing a quarter of the world's population, former monetary standards have been temporarily abandoned. In a number of countries there have been acute financial panics or compulsory restraints upon banking. These disturbances have many roots in the dislocations from the World War. Every one of them has reacted upon us. They have sharply affected the markets and prices of our agricultural and industrial products. They have increased unemployment and greatly embarrassed our financial and credit system.

As our difficulties during the past year have plainly originated in large degree from these sources, any effort to bring about our own recuperation has dictated the necessity of cooperation by us with other nations in reasonable effort to restore world confidence and economic stability.

Cooperation of our Federal reserve system and our banks with the central banks in foreign countries has contributed to localize and ameliorate a number of serious financial crises or moderate the pressures upon us and thus avert disasters which would have affected us.

The economic crisis in Germany and Central Europe last June rose to the dimensions of a general panic from which it was apparent that without assistance these nations must collapse. Apprehensions of such collapse had demoralized our agricultural and security markets and so threatened other nations as to impose further dangers upon us. But of highest importance was the necessity of cooperation on our part to relieve the people of Germany from imminent disasters and to maintain their important relations to progress and stability in the world. Upon the initiative of this Government a year's postponement of reparations and other intergovernmental debts was brought about. Upon our further initiative an agreement was made by Germany's private creditors providing for an extension of such credits until the German people can develop more permanent and definite forms of relief.

We have continued our policy of withdrawing our marines from Haiti and Nicaragua.

The difficulties between China and Japan have given us great concern, not alone for the maintenance of the spirit of the Kellogg-Briand Pact, but for the maintenance of the treaties to which we are a party assuring the territorial integrity of China. It is our purpose to assist in finding solutions sustaining the full spirit of those treaties.

I shall deal at greater length with our foreign relations in a later message.

THE DOMESTIC SITUATION

Many undertakings have been organized and forwarded during the past year to meet the new and changing emergencies which have constantly confronted us.

Page 2413

Broadly the community has cooperated to meet the needs of honest distress, and to take such emergency measures as would sustain confidence in our financial system and would cushion the violence of liquidation in industry and commerce, thus giving time for orderly readjustment of costs, inventories, and credits without panic and widespread bankruptcy. These measures have served those purposes and will promote recovery.

In these measures we have striven to mobilize and stimulate private initiative and local and community responsibility. There has been the least possible Government entry into the economic field, and that only in temporary and emergency form. Our citizens and our local governments have given a magnificent display of unity and action, initiative and patriotism in solving a multitude of difficulties and in cooperating with the Federal Government.

For a proper understanding of my recommendations to the Congress it is desirable very briefly to review such activities during the past year.

The emergencies of unemployment have been met by action in many directions. The appropriations for the continued speeding up of the great Federal construction program have provided direct and indirect aid to employment upon a large scale. By organized unity of action, the States and municipalities have also maintained large programs of public improvement. Many industries have been prevailed upon to anticipate and intensify construction. Industrial concerns and other employers have been organized to spread available work amongst all their employees, instead of discharging a portion of them. A large majority have maintained wages at as high levels as the safe conduct of their business would permit. This course has saved us from industrial conflict and disorder which have characterized all previous depressions. Immigration has been curtailed by administrative action. Upon the basis of normal immigration the decrease amounts to about 300,000 individuals who otherwise would have been added to our unemployment. The expansion of Federal employment agencies under appropriations by the Congress has proved most effective. Through the President's organization for unemployment relief, public and private agencies were successfully mobilized last winter to provide employment and other measures against distress. Similar organization gives assurance against suffering during the coming winter. Committees of leading citizens are now active at practically every point of unemployment. In the large majority they have been assured the funds necessary which, together with local government aids, will meet the situation. A few exceptional localities will be further organized. The evidence of the Public Health Service shows an actual decrease of sickness and infant and general mortality below normal years. No greater proof could be adduced that our people have been protected from hunger and cold and that the sense of social responsibility in the Nation has responded to the need of the unfortunate.

Page 2414

To meet the emergencies in agriculture the loans authorized by Congress for rehabilitation in the drought areas have enabled farmers to produce abundant crops in those districts. The Red Cross undertook and magnificently administered relief for over 2,500,000 drought sufferers last winter. It has undertaken this year to administer relief to 100,000 sufferers in the new drought area of certain Northwest States. The action of the Federal Farm Board in granting credits to farm cooperatives saved many of them from bankruptcy and increased their purpose and strength. By enabling farm cooperatives to cushion the fall in prices of farm products in 1930 and 1931 the Board secured higher prices to the farmer than would have been obtained otherwise, although the benefits of this action were partially defeated by continued world overproduction. Incident to this action the failure of a large number of farmers and of country banks was averted which could quite possibly have spread into a major disaster. The banks in the South have cooperated with the Farm Board in creation of a pool for the better marketing of accumulated cotton. Growers have been materially assisted by this action. Constant effort has been made to reduce overproduction in relief of agriculture and to promote the foreign buying of agricultural products by sustaining economic stability abroad.

To meet our domestic emergencies in credit and banking arising from the reaction to acute crisis abroad the National Credit Association was set up by the banks with resources of $500,000,000 to support sound banks against the frightened withdrawals and hoarding. It is giving aid to reopen solvent banks which have been closed. Federal officials have brought about many beneficial unions of banks and have employed other means which have prevented many bank closings. As a result of these measures the hoarding withdrawals which had risen to over $250,000,000 per week after the British crisis have substantially ceased.

FURTHER MEASURES

The major economic forces and weaknesses at home and abroad have now been exposed and can be appraised, and the time is ripe for forward action to expedite our recovery.

Although some of the causes of our depression are due to speculation, inflation of securities and real estate, unsound foreign investments, and mismanagement of financial institutions, yet our self-contained national economy, with its matchless strength and resources, would have enabled us to recover long since but for the continued dislocations, shocks, and setbacks from abroad.

Whatever the causes may be, the vast liquidation and readjustments which have taken place have left us with a large degree of credit paralysis, which together with the situation in our railways and the conditions abroad, are now the outstanding obstacles to recuperation. If we can put our financial resources to work and can ameliorate the

financial situation in the railways, I am confident we can make a large measure of recovery independent of the rest of the world. A strong America is the highest contribution to world stability.

Page 2415

One phase of the credit situation is indicated in the banks. During the past year banks, representing 3 per cent of our total deposits have been closed. A large part of these failures have been caused by withdrawals for hoarding, as distinguished from the failures early in the depression where weakness due to mismanagement was the larger cause of failure. Despite their closing, many of them will pay in full. Although such withdrawals have practically ceased, yet $1,100,000,000 of currency was previously withdrawn which has still to return to circulation. This represents a large reduction of the ability of our banks to extend credit which would otherwise fertilize industry and agriculture. Furthermore, many of our bankers, in order to prepare themselves to meet possible withdrawals, have felt compelled to call in loans, to refuse new credits, and to realize upon securities, which in turn has demoralized the markets. The paralysis has been further augmented by the steady increase in recent years of the proportion of bank assets invested in long-term securities, such as mortgages and bonds. These securities tend to lose their liquidity in depression or temporarily to fall in value so that the ability of the banks to meet the shock of sudden withdrawal is greatly lessened and the restriction of all kinds of credit is thereby increased. The continuing credit paralysis has operated to accentuate the deflation and liquidation of commodities, real estate, and securities below any reasonable basis of values.

All of this tends to stifle business, especially the smaller units, and finally expresses itself in further depression of prices and values, in restriction on new enterprise, and in increased unemployment.

The situation largely arises from an unjustified lack of confidence. We have enormous volumes of idle money in the banks and in hoarding. We do not require more money or working capital—we need to put what we have to work.

The fundamental difficulties which have brought about financial strains in foreign countries do not exist in the United States. No external drain on our resources can threaten our position, because the balance of international payments is in our favor; we owe less to foreign countries than they owe to us; our industries are efficiently organized; our currency and bank deposits are protected by the greatest gold reserve in history.

Our first step toward recovery is to reestablish confidence and thus restore the flow of credit which is the very basis of our economic life. We must put some steel beams in the foundations of our credit structure. It is our duty to apply the full strength of our Government not only to the immediate phases, but to provide security against shocks and the repetition of the weaknesses which have been proven.

The recommendations which I here lay before the Congress are designed to meet these needs by strengthening financial, industrial, and agricultural life through the medium of our existing institutions, and thus to avoid the entry of the Government into competition with private business.

Page 2416

FEDERAL GOVERNMENT FINANCE

The first requirement of confidence and of economic recovery is financial stability of the United States Government. I shall deal with fiscal questions at greater length in the Budget message. But I must at this time call attention to the magnitude of the deficits which have developed and the resulting necessity for determined and courageous policies. These deficits arise in the main from the heavy decrease in tax receipts due to the depression and to the increase in expenditure on construction in aid to unemployment, aids to agriculture, and upon services to veterans.

During the fiscal year ending June 30 last we incurred a deficit of about $903,000,000, which included the statutory reduction of the debt and represented an increase of the national debt by $616,000,000. Of this, however, $153,000,000 is offset by increased cash balances.

In comparison with the fiscal year 1928 there is indicated a fall in Federal receipts for the present fiscal year amounting to $1,683,000,000, of which $1,034,000,000 is in individual and corporate income taxes alone. During this fiscal year there will be an increased expenditure, as compared to 1928, on veterans of $255,000,000, and an increased expenditure on construction work which may reach $520,000,000. Despite large economies in other directions, we have an indicated deficit, including the statutory retirement of the debt, of $2,123,000,000, and an indicated net debt increase of about $1,711,000,000.

The Budget for the fiscal year beginning July 1 next, after allowing for some increase of taxes under the present laws and after allowing for drastic reduction in expenditures, still indicates a deficit of $1,417,000,000. After offsetting the statutory debt retirements this would indicate an increase in the national debt for the fiscal year 1933 of about $921,000,000.

Several conclusions are inevitable. We must have insistent and determined reduction in Government expenses. We must face a temporary increase in taxes. Such increase should not cover the whole of these deficits or it will retard recovery. We must partially finance the deficit by borrowing. It is my view that the amount of taxation should be fixed so as to balance the Budget for 1933 except for the statutory debt retirement. Such Government receipts would assure the balance of the following year's budget including debt retirement. It is my further view that the additional taxation should be imposed solely as an emergency measure terminating definitely two years from July 1 next. Such a basis will give confidence in the determination of the Government to stabilize its finance and will assure taxpayers of its temporary character. Even with increased taxation, the Government will reach the utmost safe limit of its borrowing capacity by the expenditures for which we are already obligated and the recommendations here proposed. To go further than these limits in either expenditures,

taxes, or borrowing will destroy confidence, denude commerce and industry of its resources, jeopardize the financial system, and actually extend unemployment and demoralize agriculture rather than relieve it.

Page 2417

FEDERAL LAND BANKS

I recommend that the Congress authorize the subscription by the Treasury of further capital to the Federal land banks to be retired as provided in the original act, or when funds are available, and that repayments of such capital be treated as a fund available for further subscriptions in the same manner. It is urgent that the banks be supported so as to stabilize the market values of their bonds and thus secure capital for the farmers at low rates, that they may continue their services to agriculture and that they may meet the present situation with consideration to the farmers.

DEPOSITS IN CLOSED BANKS

A method should be devised to make available quickly to depositors some portion of their deposits in closed banks as the assets of such banks may warrant. Such provision would go far to relieve distress in a multitude of families, would stabilize values in many communities, and would liberate working capital to thousands of concerns. I recommend that measures be enacted promptly to accomplish these results and I suggest that the Congress should consider the development of such a plan through the Federal Reserve Banks.

HOME-LOAN DISCOUNT BANKS

I recommend the establishment of a system of home-loan discount banks as the necessary companion in our financial structure of the Federal Reserve Banks and our Federal Land Banks. Such action will relieve present distressing pressures against home and farm property owners. It will relieve pressures upon and give added strength to building and loan associations, savings banks, and deposit banks, engaged in extending such credits. Such action would further decentralize our credit structure. It would revive residential construction and employment. It would enable such loaning institutions more effectually to promote home ownership. I discussed this plan at some length in a statement made public November 14, last. This plan has been warmly indorsed by the recent National Conference upon Home Ownership and Housing, whose members were designated by the governors of the States and the groups interested.

RECONSTRUCTION FINANCE CORPORATION

In order that the public may be absolutely assured and that the Government may be in position to meet any public necessity, I recommend that an emergency Reconstruction Corporation of the nature of the former War Finance Corporation should be established. It may not be necessary to use such an instrumentality very extensively. The very

existence of such a bulwark will strengthen confidence. The Treasury should be authorized to subscribe a reasonable capital to it, and it should be given authority to issue its own debentures. It should be placed in liquidation at the end of two years. Its purpose is that

Page 2418

by strengthening the weak spots to thus liberate the full strength of the Nation's resources. It should be in position to facilitate exports by American agencies; make advances to agricultural credit agencies where necessary to protect and aid the agricultural industry; to make temporary advances upon proper securities to established industries, railways, and financial institutions which can not otherwise secure credit, and where such advances will protect the credit structure and stimulate employment. Its functions would not overlap those of the National Credit Corporation.

FEDERAL RESERVE ELIGIBILITY

On October 6th I issued a statement that I should recommend to the Congress an extension during emergencies of the eligibility provisions in the Federal reserve act. This statement was approved by a representative gathering of the Members of both Houses of the Congress, including members of the appropriate committees. It was approved by the officials of the Treasury Department, and I understand such an extension has been approved by a majority of the governors of the Federal reserve banks. Nothing should be done which would lower the safeguards of the system.

The establishment of the mortgage-discount banks herein referred to will also contribute to further reserve strength in the banks without inflation.

BANKING LAWS

Our people have a right to a banking system in which their deposits shall be safeguarded and the flow of credit less subject to storms. The need of a sounder system is plainly shown by the extent of bank failures. I recommend the prompt improvement of the banking laws. Changed financial conditions and commercial practices must be met. The Congress should investigate the need for separation between different kinds of banking; an enlargement of branch banking under proper restrictions; and the methods by which enlarged membership in the Federal reserve system may be brought about.

POSTAL SAVINGS BANKS

The Postal Savings deposits have increased from about $200,000,000 to about $550,000,000 during the past year. This experience has raised important practical questions in relation to deposits and investments which should receive the attention of the Congress.

RAILWAYS

The railways present one of our immediate and pressing problems. They are and must remain the backbone of our transportation system. Their prosperity is interrelated with the prosperity of all industries. Their fundamental service in transportation, the volume of their employment, their buying power for supplies from other industries, the enormous investment in their securities, particularly their bonds, by insurance companies, savings banks, benevolent and other trusts,

Page 2419

all reflect their partnership in the whole economic fabric. Through these institutions the railway bonds are in a large sense the investment of every family. The well-maintained and successful operation and the stability of railway finances are of primary importance to economic recovery. They should have more effective opportunity to reduce operating costs by proper consolidation. As their rates must be regulated in public interest, so also approximate regulation should be applied to competing services by some authority. The methods of their regulation should be revised. The Interstate Commerce Commission has made important and far-reaching recommendations upon the whole subject, which I commend to the early consideration of the Congress.

ANTITRUST LAWS

In my message of a year ago I commented on the necessity of congressional inquiry into the economic action of the antitrust laws. There is wide conviction that some change should be made especially in the procedure under these laws. I do not favor their repeal. Such action would open wide the door to price fixing, monopoly, and destruction of healthy competition. Particular attention should be given to the industries rounded upon natural resources, especially where destructive competition produces great wastes of these resources and brings great hardships upon operators, employees, and the public. In recent years there has been continued demoralization in the bituminous coal, oil, and lumber industries. I again commend the matter to the consideration of the Congress.

UNEMPLOYMENT

As an aid to unemployment the Federal Government is engaged in the greatest program of public-building, harbor, flood-control, highway, waterway, aviation, merchant and naval ship construction in all history. Our expenditures on these works during this calendar year will reach about $780,000,000 compared with $260,000,000 in 1928. Through this increased construction, through the maintenance of a full complement of Federal employees, and through services to veterans it is estimated that the Federal taxpayer is now directly contributing to the livelihood of 10,000,000 of our citizens.

We must avoid burdens upon the Government which will create more unemployment in private industry than can be gained by further expansion of employment by the Federal Government. We can now stimulate employment and agriculture more effectually and speedily through the voluntary measures in progress, through the thawing out of credit, through the building up of stability abroad, through the home loan discount banks, through an emergency finance corporation and the rehabilitation of the railways and other such directions.

I am opposed to any direct or indirect Government dole. The breakdown and increased unemployment in Europe is due in part to such practices. Our people are providing against distress from unemployment in true American fashion by a magnificent response to public appeal and by action of the local governments.

Page 2420

GENERAL LEGISLATION

There are many other subjects requiring legislative action at this session of the Congress. I may list the following among them:

VETERANS' SERVICES

The law enacted last March authorizing loans of 50 per cent upon adjusted-service certificates has, together with the loans made under previous laws, resulted in payments of about $1,260,000,000. Appropriations have been exhausted. The Administrator of Veterans' Affairs advises that a further appropriation of $200,000,000 is required at once to meet the obligations made necessary by existing legislation.

There will be demands for further veterans' legislation; there are inequalities in our system of veterans' relief; it is our national duty to meet our obligations to those who have served the Nation. But our present expenditure upon these services now exceeds $1,000,000,000 per annum. I am opposed to any extension of these expenditures until the country has recovered from the present situation.

ELECTRICAL-POWER REGULATION

I have recommended in previous messages the effective regulation of interstate electrical power as the essential function of the reorganized Federal Power Commission. I renew the recommendation. It is urgently needed in public protection.

MUSCLE SHOALS

At my suggestion, the Governors and Legislatures of Alabama and Tennessee selected three members each for service on a committee to which I appointed a representative of the farm organizations and two representatives of the War Department for the purpose of recommending a plan for the disposal of these properties which would be in the interest of the people of those States and the agricultural industry throughout the country. I shall transmit the recommendations to the Congress.

REORGANIZATION OF FEDERAL DEPARTMENTS

I have referred in previous messages to the profound need of further reorganization and consolidation of Federal administrative functions to eliminate overlap and waste, and to enable coordination and definition of Government policies now wholly impossible in scattered and conflicting agencies which deal with parts of the same major function. I

shall lay before the Congress further recommendations upon this subject, particularly in relation to the Department of the Interior. There are two directions of such reorganization, however, which have an important bearing upon the emergency problems with which we are confronted.

SHIPPING BOARD

At present the Shipping Board exercises large administrative functions independent of the Executive. These administrative functions should be transferred to the Department of Commerce, in keeping with that single responsibility which has been the basis of our governmental structure since its foundation. There should be created in that department a position of Assistant Secretary for Merchant Marine, under whom this work and the several bureaus having to do with merchant marine may be grouped.

Page 2421

The Shipping Board should be made a regulatory body acting also in advisory capacity on loans and policies, in keeping with its original conception. Its regulatory powers should be amended to include regulation of coastwise shipping so as to assure stability and better service. It is also worthy of consideration that the regulation of rates and services upon the inland waterways should be assigned to such a reorganized board.

REORGANIZATION OF PUBLIC WORKS ADMINISTRATION

I recommend that all building and construction activities of the Government now carried on by many departments be consolidated into an independent establishment under the President to be known as the “Public Works Administration” directed by a Public Works Administrator. This agency should undertake all construction work in service to the different departments of the Government (except naval and military work). The services of the Corps of Army Engineers should be delegated in rotation for military duty to this administration in continuation of their supervision of river and harbor work. Great economies, sounder policies, more effective coordination to employment, and expedition in all construction work would result from this consolidation.

LAW ENFORCEMENT

I shall present some recommendations in a special message looking to the strengthening of criminal-law enforcement and improvement in judicial procedure connected therewith.

INLAND WATERWAY AND HARBOR IMPROVEMENT

These improvements are now proceeding upon an unprecedented scale. Some indication of the volume of work in progress is conveyed by the fact that during the current year over 380,000,000 cubic yards of material have been moved—an amount equal to the entire removal in the construction of the Panama Canal. The Mississippi waterway system, connecting Chicago, Kansas City, Pittsburgh, and New Orleans, will be in full operation during 1933. Substantial progress is being made upon the projects of the upper Missouri, upper Mississippi, *etc*.

Negotiations are now in progress with Canada for the construction of the St. Lawrence Waterway.

THE TARIFF

Wages and standards of living abroad have been materially lowered during the past year. The temporary abandonment of the gold standard by certain countries has also reduced their production costs compared to ours. Fortunately any increases in the tariff which may be necessary to protect agriculture and industry from these lowered foreign costs, or decreases in items which may prove to be excessive, may be undertaken at any time by the Tariff Commission under authority which it possesses by virtue of the tariff act of 1930. The commission during the past year has reviewed the rates upon over 254 items subject to

Page 2422

tariff. As a result of vigorous and industrious action, it is up to date in the consideration of pending references and is prepared to give prompt attention to any further applications. This procedure presents an orderly method for correcting inequalities. I am opposed to any general congressional revision of the tariff. Such action would disturb industry, business, and agriculture. It would prolong the depression.

IMMIGRATION AND DEPORTATION

I recommend that immigration restriction now in force under administrative action be placed upon a more definite basis by law. The deportation laws should be strengthened. Aliens lawfully in the country should be protected by the issuance of a certificate of residence.

PUBLIC HEALTH

I again call attention to my previous recommendations upon this subject, particularly in its relation to children. The moral results are of the utmost importance.

CONCLUSION

It is inevitable that in these times much of the legislation proposed to the Congress and many of the recommendations of the Executive must be designed to meet emergencies. In reaching solutions we must not jeopardize those principles which we have found to be the basis of the growth of the Nation. The Federal Government must not encroach upon nor permit local communities to abandon that precious possession of local initiative and responsibility. Again, just as the largest measure of responsibility in the government of the Nation rests upon local self-government, so does the largest measure of social responsibility in our country rest upon the individual. If the individual surrenders his own initiative and responsibilities, he is surrendering his own freedom and his own liberty. It is the duty of the National Government to insist that both the local governments and the individual shall assume and bear these responsibilities as a fundamental of preserving the very basis of our freedom.

Many vital changes and movements of vast proportions are taking place in the economic world. The effect of these changes upon the future can not be seen clearly as yet. Of this, however, we are sure: Our system, based upon the ideals of individual initiative and of equality of opportunity, is not an artificial thing. Rather it is the outgrowth of the experience of America, and expresses the faith and spirit of our people. It has carried us in a century and a half to leadership of the economic world. If our economic system does not match our highest expectations at all times, it does not

require revolutionary action to bring it into accord with any necessity that experience may prove. It has successfully adjusted itself to changing conditions in the past. It will do so again. The mobility of our institutions, the richness of our resources, and the abilities of our

Page 2423

people enable us to meet them unafraid. It is a distressful time for many of our people, but they have shown qualities as high in fortitude, courage, and resourcefulness as ever in our history. With that spirit, I have faith that out of it will come a sounder life, a truer standard of values, a greater recognition of the results of honest effort, and a healthier atmosphere in which to rear our children. Ours must be a country of such stability and security as can not fail to carry forward and enlarge among all the people that abundant life of material and spiritual opportunity which it has represented among all nations since its beginning.

The White House,

December 8, 1931

***

State of the Union Address
Herbert Hoover
December 6, 1932

To the Senate and House of Representatives:

In accord with my constitutional duty, I transmit herewith to the Congress information upon the state of the Union together with recommendation of measures for its consideration.

Our country is at peace. Our national defense has been maintained at a high state of effectiveness. All of the executive departments of the Government have been conducted during the year with a high devotion to public interest. There has been a far larger degree of freedom from industrial conflict than hitherto known. Education and science have made further advances. The public health is to-day at its highest known level. While we have recently engaged in the aggressive contest of a national election, its very tranquillity and the acceptance of its results furnish abundant proof of the strength of our institutions.

In the face of widespread hardship our people have demonstrated daily a magnificent sense of humanity, of individual and community responsibility for the welfare of the less fortunate. They have grown in their conceptions and organization for cooperative action for the common welfare.

In the provision against distress during this winter, the great private agencies of the country have been mobilized again; the generosity of our people has again come into evidence to a degree in which all America may take great pride. Likewise the local authorities and the States are engaged everywhere in supplemental measures of relief.

The provisions made for loans from the Reconstruction Finance Corporation, to States that have exhausted their own resources, guarantee that there should be no hunger or suffering from cold in the country. The large majority of States are showing a sturdy cooperation in the spirit of the Federal aid.

The Surgeon General, in charge of the Public Health Service, furnishes me with the following information upon the state of public health:

Mortality rate per 1,000 *of population on an annual basis from representative states* — General — Infant

Page 2424

First 9 months of— — —

1928 — 11.9 — 67.8

1929 — 12.0 — 65.8

1930 — 11.4 — 62.0

1931 — 11.2 — 60.0

1932 — 10.6 — 55.0

The sickness rates from data available show the same trends. These facts indicate the fine endeavor of the agencies which have been mobilized for care of those in distress.

ECONOMIC SITUATION

The unparalleled world-wide economic depression has continued through the year. Due to the European collapse, the situation developed during last fall and winter into a series of most acute crises. The unprecedented emergency measures enacted and policies adopted undoubtedly saved the country from economic disaster. After serving to defend the national security, these measures began in July to show their weight and influence toward improvement of conditions in many parts of the country. The following tables of current business indicators show the general economic movement during the past eleven months.

MONTHLY BUSINESS INDICES WITH SEASONAL VARIATIONS ELIMINATED

Year and Month — Industrial Production — Factory Employment — Freight-car loadings — Department Store sales, value — Exports, value — Imports, value - Building Contracts, all types — Industrial Electric power consumption

1931 — — — — — — — —

December — 74 — 69.4 — 69 — 81 — 46 — 48 — 38 — 89.1

1932 — — — — — — — —

January — 72 — 68.1 — 64 — 78 — 39 — 42 — 31 — 93.9

February — 69 — 67.8 — 62 — 78 — 45 — 41 — 27 — 98.8

March — 67 — 66.4 — 61 — 72 — 41 — 37 — 26 — 88.0

April — 63 — 64.3 — 59 — 80 — 38 — 36 — 27 — 82.2

May — 60 — 62.1 — 54 — 73 — 37 — 34 — 26 — 82.0

June — 59 — 60.0 — 52 — 71 — 34 — 36 — 27 — 78.1

July — 58 — 58.3 — 51 — 67 — 32 — 27 — 27 — 79.2

August — 60 — 58.8 — 51 — 66 — 31 — 29 — 30 — 73.5

September — 66 — 60.3 — 54 — 70 — 33 — 32 — 30 — 84.0

October — 66 — 61.1 — 57 — 70 — 33 — 32 — 29 — 84.4

The measures and policies which have procured this turn toward recovery should be continued until the depression is passed, and then the emergency agencies should be promptly liquidated. The expansion of credit facilities by the Federal Reserve System and the Reconstruction Finance Corporation has been of incalculable value. The loans of the latter for reproductive works, and to railways for the creation of employment; its support of the credit structure through loans to banks, insurance companies, railways, building and loan associations, and to agriculture has protected the savings and insurance policies of millions of our citizens and has relieved millions of borrowers from duress; they have enabled industry and business to function and expand. The assistance given to Farm Loan Banks, the establishment of the Home Loan Banks and Agricultural Credit Associations—all in their various ramifications have placed large sums of money at the disposal of the people in protection and aid. Beyond this, the extensive organization of the country in voluntary action has produced profound results.

Page 2425

The following table indicates direct expenditures of the Federal Government in aid to unemployment, agriculture, and financial relief over the past four years. The sums applied to financial relief multiply themselves many fold, being in considerable measure the initial capital supplied to the Reconstruction Finance Corporation, Farm Loan Banks, *etc*., which will be recovered to the Treasury.

- Public works (1) — Agricultural relief and financial loans

Fiscal year ending June 30 — —

1930 — $410,420,000 — $156,100,000

1931 — 574,870,000 — 196,700,000

1932 — 655,880,000 — 772,700,000

1933 — 717,260,000 — 52,000,000 —

***

State of the Union Address
Franklin D. Roosevelt
January 3, 1934

Mr. President, Mr. Speaker, Senators and Representatives in Congress:

I come before you at the opening of the Regular Session of the 73d Congress, not to make requests for special or detailed items of legislation; I come, rather, to counsel with you, who, like myself, have been selected to carry out a mandate of the whole people, in order that without partisanship you and I may cooperate to continue the restoration of our national wellbeing and, equally important, to build on the ruins of the past a new structure designed better to meet the present problems of modern civilization.

Such a structure includes not only the relations of industry and agriculture and finance to each other but also the effect which all of these three have on our individual citizens and on the whole people as a Nation.

Now that we are definitely in the process of recovery, lines have been rightly drawn between those to whom this recovery means a return to old methods—and the number of these people is small—and those for whom recovery means a reform of many old methods, a permanent readjustment of many of our ways of thinking and therefore of many of our social and economic arrangements. . . . .

Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases

to go forward. To consolidate what we are doing, to make our economic and social structure capable of dealing with modern life is the joint task of the legislative, the judicial, and the executive branches of the national Government.

Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility and justice.

In the past few months, as a result of our action, we have demanded of many citizens that they surrender certain licenses to do as they please in their business relationships; but we have asked this in exchange for the protection which the State can give against exploitation by their fellow men or by combinations of their fellow men.

Page 2426

I congratulate this Congress upon the courage, the earnestness and the efficiency with which you met the crisis at the Special Session. It was your fine understanding of the national problem that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

I shall not attempt to set forth either the many phases of the crisis which we experienced last March, or the many measures which you and I undertook during the Special Session that we might initiate recovery and reform.

It is sufficient that I should speak in broad terms of the results of our common counsel. The credit of the Government has been fortified by drastic reduction in the cost of its permanent agencies through the Economy Act.

With the twofold purpose of strengthening the whole financial structure and of arriving eventually at a medium of exchange which over the years will have less variable purchasing and debt paying power for our people than that of the past, I have used the authority granted me to purchase all American-produced gold and silver and to buy additional gold in the world markets. Careful investigation and constant study prove that in the matter of foreign exchange rates certain of our sister Nations find themselves so handicapped by internal and other conditions that they feel unable at this time to enter into stabilization discussion based on permanent and world-wide objectives.

The overwhelming majority of the banks, both national and State, which reopened last spring, are in sound condition and have been brought within the protection of Federal insurance. In the case of those banks which were not permitted to reopen, nearly six hundred million dollars of frozen deposits are being restored to the depositors through the assistance of the national Government.

We have made great strides toward the objectives of the National Industrial Recovery Act, for not only have several millions of our unemployed been restored to work, but industry is organizing itself with a greater understanding that reasonable profits can be earned while at the same time protection can be assured to guarantee to labor adequate pay and proper conditions of work. Child labor is abolished. Uniform standards of hours and wages apply today to 95 percent of industrial employment within the field of the National Industrial Recovery Act. We seek the definite end of preventing combinations in furtherance of monopoly and in restraint of trade, while at the same time we seek to prevent ruinous rivalries within industrial groups which in many cases resemble the gang wars of the underworld and in which the real victim in every case is the public itself.

Under the authority of this Congress, we have brought the component parts of each industry together around a common table, just as we have brought problems affecting labor to a common meeting ground. Though the machinery, hurriedly devised, may

need readjustment from time to time, nevertheless I think you will agree with me that we have created a permanent feature of our modernized industrial structure and that it will continue under the supervision but not the arbitrary dictation of Government itself.

Page 2427

You recognized last spring that the most serious part of the debt burden affected those who stood in danger of losing their farms and their homes. I am glad to tell you that refinancing in both of these cases is proceeding with good success and in all probability within the financial limits set by the Congress.

But agriculture had suffered from more than its debts. Actual experience with the operation of the Agricultural Adjustment Act leads to my belief that thus far the experiment of seeking a balance between production and consumption is succeeding and has made progress entirely in line with reasonable expectations toward the restoration of farm prices to parity. I continue in my conviction that industrial progress and prosperity can only be attained by bringing the purchasing power of that portion of our population which in one form or another is dependent upon agriculture up to a level which will restore a proper balance between every section of the country and between every form of work.

In this field, through carefully planned flood control, power development and land-use policies in the Tennessee Valley and in other, great watersheds, we are seeking the elimination of waste, the removal of poor lands from agriculture and the encouragement of small local industries, thus furthering this principle of a better balanced national life. We recognize the great ultimate cost of the application of this rounded policy to every part off the Union. Today we are creating heavy obligations to start the work because of the great unemployment needs of the moment. I look forward, however, to the time in the not distant future, when annual appropriations, wholly covered by current revenue, will enable the work to proceed under a national plan. Such a national plan will, in a generation or two, return many times the money spent on it; more important, it will eliminate the use of inefficient tools, conserve and increase natural resources, prevent waste, and enable millions of our people to take better advantage of the opportunities which God has given our country.

I cannot, unfortunately, present to you a picture of complete optimism regarding world affairs.

The delegation representing the United States has worked in close cooperation with the other American Republics assembled at Montevideo to make that conference an outstanding success. We have, I hope, made it clear to our neighbors that we seek with them future avoidance of territorial expansion and of interference by one Nation in the internal affairs of another. Furthermore, all of us are seeking the restoration of commerce in ways which will preclude the building up of large favorable trade balances by any one Nation at the expense of trade debits on the part of other Nations.

In other parts of the world, however, fear of immediate or future aggression and with it the spending of vast sums on armament and the continued building up of defensive trade barriers prevent any great progress in peace or trade agreements. I have made it clear that the United States cannot take part in political arrangements in Europe but that

we stand ready to cooperate at any time in practicable measures on a world basis looking to immediate reduction of armaments and the lowering of the barriers against commerce.

Page 2428

I expect to report to you later in regard to debts owed the Government and people of this country by the Governments and peoples of other countries. Several Nations, acknowledging the debt, have paid in small part; other Nations have failed to pay. One Nation—Finland—has paid the installments due this country in full.

Returning to home problems, we have been shocked by many notorious examples of injuries done our citizens by persons or groups who have been living off their neighbors by the use of methods either unethical or criminal.

In the first category—a field which does not involve violations of the letter of our laws—-practices have been brought to light which have shocked those who believed that we were in the past generation raising the ethical standards of business. They call for stringent preventive or regulatory measures. I am speaking of those individuals who have evaded the spirit and purpose of our tax laws, of those high officials of banks or corporations who have grown rich at the expense of their stockholders or the public, of those reckless speculators with their own or other people's money whose operations have injured the values of the farmers' crops and the savings of the poor.

In the other category, crimes of organized banditry, coldblooded shooting, lynching and kidnapping have threatened our security.

These violations of ethics and these violations of law call on the strong arm of Government for their immediate suppression; they call also on the country for an aroused public opinion.

The adoption of the Twenty-first Amendment should give material aid to the elimination of those new forms of crime which came from the illegal traffic in liquor.

I shall continue to regard it as my duty to use whatever means may be necessary to supplement State, local and private agencies for the relief of suffering caused by unemployment. With respect to this question, I have recognized the dangers inherent in the direct giving of relief and have sought the means to provide not mere relief, but the opportunity for useful and remunerative work. We shall, in the process of recovery, seek to move as rapidly as possible from direct relief to publicly supported work and from that to the rapid restoration of private employment.

It is to the eternal credit of the American people that this tremendous readjustment of our national life is being accomplished peacefully, without serious dislocation, with only a minimum of injustice and with a great, willing spirit of cooperation throughout the country.

Disorder is not an American habit. Self-help and self-control are the essence of the American tradition—not of necessity the form of that tradition, but its spirit. The program itself comes from the American people.

Page 2429

It is an integrated program, national in scope. Viewed in the large, it is designed to save from destruction and to keep for the future the genuinely important values created by modern society. The vicious and wasteful parts of that society we could not save if we wished; they have chosen the way of self-destruction. We would save useful mechanical invention, machine production, industrial efficiency, modern means of communication, broad education. We would save and encourage the slowly growing impulse among consumers to enter the industrial market place equipped with sufficient organization to insist upon fair prices and honest sales.

But the unnecessary expansion of industrial plants, the waste of natural resources, the exploitation of the consumers of natural monopolies, the accumulation of stagnant surpluses, child labor, and the ruthless exploitation of all labor, the encouragement of speculation with other people's money, these were consumed in the fires that they themselves kindled; we must make sure that as we reconstruct our life there be no soil in which such weeds can grow again.

We have plowed the furrow and planted the good seed; the hard beginning is over. If we would reap the full harvest, we must cultivate the soil where this good seed is sprouting and the plant is reaching up to mature growth.

A final personal word. I know that each of you will appreciate that. I am speaking no mere politeness when I assure you how much I value the fine relationship that we have shared during these months of hard and incessant work. Out of these friendly contacts we are, fortunately, building a strong and permanent tie between the legislative and executive branches of the Government. The letter of the Constitution wisely declared a separation, but the impulse of common purpose declares a union. In this spirit we join once more in serving the American people.

***

State of the Union Address
Franklin D. Roosevelt
January 7, 1943

Mr. Vice President, Mr. Speaker, Members of the Seventy-eighth Congress:

This Seventy-eighth Congress assembles in one of the great moments in the history of the Nation. The past year was perhaps the most crucial for modern civilization; the coming year will be filled with violent conflicts— yet with high promise of better things.

We must appraise the events of 1942 according to their relative importance; we must exercise a sense of proportion.

First in importance in the American scene has been the inspiring proof of the great qualities of our fighting men. They have demonstrated these qualities in adversity as well as in victory. As long as our flag flies over this Capitol, Americans will honor the soldiers, sailors, and marines who fought our first battles of this war against overwhelming odds the heroes, living and dead, of Wake and Bataan and Guadalcanal, of the Java Sea and Midway and the North Atlantic convoys. Their unconquerable spirit will live forever.

Page 2430

By far the largest and most important developments in the whole world-wide strategic picture of 1942 were the events of the long fronts in Russia: first, the implacable defense of Stalingrad; and, second, the offensives by the Russian armies at various points that started in the latter part of November and which still roll on with great force and effectiveness.

The other major events of the year were: the series of Japanese advances in the Philippines, the East Indies, Malaya, and Burma; the stopping of that Japanese advance in the mid-Pacific, the South Pacific, and the Indian Oceans; the successful defense of the Near East by the British counterattack through Egypt and Libya; the American-British occupation of North Africa. Of continuing importance in the year 1942 were the unending and bitterly contested battles of the convoy routes, and the gradual passing of air superiority from the Axis to the United Nations.

The Axis powers knew that they must win the war in 1942—or eventually lose everything. I do not need to tell you that our enemies did not win the war in 1942.

In the Pacific area, our most important victory in 1942 was the air and naval battle off Midway Island. That action is historically important because it secured for our use communication lines stretching thousands of miles in every direction. In placing this emphasis on the Battle of Midway, I am not unmindful of other successful actions in the Pacific, in the air and on land and afloat—especially those on the Coral Sea and New Guinea and in the Solomon Islands. But these actions were essentially defensive. They were part of the delaying strategy that characterized this phase of the war.

During this period we inflicted steady losses upon the enemy—great losses of Japanese planes and naval vessels, transports and cargo ships. As early as one year ago, we set as a primary task in the war of the Pacific a day-by-day and week-by-week and month-by-month destruction of more Japanese war materials than Japanese industry could replace. Most certainly, that task has been and is being performed by our fighting ships and planes. And a large part of this task has been accomplished by the gallant crews of our American submarines who strike on the other side of the Pacific at Japanese ships—right up at the very mouth of the harbor of Yokohama.

We know that as each day goes by, Japanese strength in ships and planes is going down and down, and American strength in ships and planes is going up and up. And so I sometimes feel that the eventual outcome can now be put on a mathematical basis. That will become evident to the Japanese people themselves when we strike at their own home islands, and bomb them constantly from the air.

And in the attacks against Japan, we shall be joined with the heroic people of China—-that great people whose ideals of peace are so closely akin to our own. Even today we are flying as much lend-lease material into China as ever traversed the Burma Road, flying it over mountains 17,000 feet high, flying blind through sleet and snow. We shall

overcome all the formidable obstacles, and get the battle equipment into China to shatter the power of our common enemy. From this war, China will realize the security, the prosperity and the dignity, which Japan has sought so ruthlessly to destroy.

Page 2431

The period of our defensive attrition in the Pacific is drawing to a close. Now our aim is to force the Japanese to fight. Last year, we stopped them. This year, we intend to advance.

Turning now to the European theater of war, during this past year it was clear that our first task was to lessen the concentrated pressure on the Russian front by compelling Germany to divert part of her manpower and equipment to another theater of war. After months of secret planning and preparation in the utmost detail, an enormous amphibious expedition was embarked for French North Africa from the United States and the United Kingdom in literally hundreds of ships. It reached its objectives with very small losses, and has already produced an important effect upon the whole situation of the war. It has opened to attack what Mr. Churchill well described as “the under-belly of the Axis,” and it has removed the always dangerous threat of an Axis attack through West Africa against the South Atlantic Ocean and the continent of South America itself.

The well-timed and splendidly executed offensive from Egypt by the British Eighth Army was a part of the same major strategy of the United Nations.

Great rains and appalling mud and very limited communications have delayed the final battles of Tunisia. The Axis is reinforcing its strong positions. But I am confident that though the fighting will be tough, when the final Allied assault is made, the last vestige of Axis power will be driven from the whole of the south shores of the Mediterranean.

Any review of the year 1942 must emphasize the magnitude and the diversity of the military activities in which this Nation has become engaged. As I speak to you, approximately one and a half million of our soldiers, sailors, marines, and fliers are in service outside of our continental limits, all through the world. Our merchant seamen, in addition, are carrying supplies to them and to our allies over every sea lane.

Few Americans realize the amazing growth of our air strength, though I am sure our enemy does. Day in and day out our forces are bombing the enemy and meeting him in combat on many different fronts in every part of the world. And for those who question the quality of our aircraft and the ability of our fliers, I point to the fact that, in Africa, we are shooting down two enemy planes to every one we lose, and in the Pacific and the Southwest Pacific we are shooting them down four to one.

We pay great tribute—the tribute of the United States of America—to the fighting men of Russia and China and Britain and the various members of the British Commonwealth—-the millions of men who through the years of this war have fought our common enemies, and have denied to them the world conquest which they sought.

We pay tribute to the soldiers and fliers and seamen of others of the United Nations whose countries have been overrun by Axis hordes.

Page 2432

As a result of the Allied occupation of North Africa, powerful units of the French Army and Navy are going into action. They are in action with the United Nations forces. We welcome them as allies and as friends. They join with those Frenchmen who, since the dark days of June, 1940, have been fighting valiantly for the liberation of their stricken country.

We pay tribute to the fighting leaders of our allies, to Winston Churchill, to Joseph Stalin, and to the Generalissimo Chiang Kai-shek. Yes, there is a very great unanimity between the leaders of the United Nations. This unity is effective in planning and carrying out the major strategy of this war and in building up and in maintaining the lines of supplies.

I cannot prophesy. I cannot tell you when or where the United Nations are going to strike next in Europe. But we are going to strike—and strike hard. I cannot tell you whether we are going to hit them in Norway, or through the Low Countries, or in France, or through Sardinia or Sicily, or through the Balkans, or through Poland—or at several points simultaneously. But I can tell you that no matter where and when we strike by land, we and the British and the Russians will hit them from the air heavily and relentlessly. Day in and day out we shall heap tons upon tons of high explosives on their war factories and utilities and seaports.

Hitler and Mussolini will understand now the enormity of their miscalculations—that the Nazis would always have the advantage of superior air power as they did when they bombed Warsaw, and Rotterdam, and London and Coventry. That superiority has gone—forever.

Yes, the Nazis and the Fascists have asked for it—and they are going to get it.

Our forward progress in this war has depended upon our progress on the production front.

There has been criticism of the management and conduct of our war production. Much of this self-criticism has had a healthy effect. It has spurred us on. It has reflected a normal American impatience to get on with the job. We are the kind of people who are never quite satisfied with anything short of miracles.

But there has been some criticism based on guesswork and even on malicious falsification of fact. Such criticism creates doubts and creates fears, and weakens our total effort.

I do not wish to suggest that we should be completely satisfied with our production progress today, or next month, or ever. But I can report to you with genuine pride on what has been accomplished in 1942.

A year ago we set certain production goals for 1942 and for 1943. Some people, including some experts, thought that we had pulled some big figures out of a hat just to frighten the Axis. But we had confidence in the ability of our people to establish new records. And that confidence has been justified.

Of course, we realized that some production objectives would have to be changed—-some of them adjusted upward, and others downward; some items would be taken out of the program altogether, and others added. This was inevitable as we gained battle experience, and as technological improvements were made.

Page 2433

Our 1942 airplane production and tank production fell short, numerically—stress the word numerically of the goals set a year ago. Nevertheless, we have plenty of reason to be proud of our record for 1942. We produced 48,000 military planes—more than the airplane production of Germany, Italy, and Japan put together. Last month, in December, we produced 5,500 military planes and the rate is rapidly rising. Furthermore, we must remember that as each month passes by, the averages of our types weigh more, take more man-hours to make, and have more striking power.

In tank production, we revised our schedule—and for good and sufficient reasons. As a result of hard experience in battle, we have diverted a portion of our tank-producing capacity to a stepped-up production of new, deadly field weapons, especially self-propelled artillery.

Here are some other production figures:

In 1942, we produced 56,000 combat vehicles, such as tanks and self-propelled artillery.

In 1942, we produced 670,000 machine guns, six times greater than our production in 1941 and three times greater than our total production during the year and a half of our participation in the first World War.

We produced 21,000 anti-tank guns, six times greater than our 1941 production.

We produced ten and a quarter billion rounds of small-arms ammunition, five times greater than our 1941 production and three times greater than our total production in the first World War.

We produced 181 million rounds of artillery ammunition, twelve times greater than our 1941 production and ten times greater than our total production in the first World War.

I think the arsenal of democracy is making good.

These facts and figures that I have given will give no great aid and comfort to the enemy. On the contrary, I can imagine that they will give him considerable discomfort. I suspect that Hitler and Tojo will find it difficult to explain to the German and Japanese people just why it is that “decadent, inefficient democracy” can produce such phenomenal quantities of weapons and munitions—and fighting men.

We have given the lie to certain misconceptions—which is an extremely polite word—-especially the one which holds that the various blocs or groups within a free country cannot forego their political and economic differences in time of crisis and work together toward a common goal.

While we have been achieving this miracle of production, during the past year our armed forces have grown from a little over 2,000,000 to 7,000,000. In other words, we have withdrawn from the labor force and the farms some 5,000,000 of our younger workers. And in spite of this, our farmers have contributed their share to the common effort by producing the greatest quantity of food ever made available during a single year in all our history.

I wonder is there any person among us so simple as to believe that all this could have been done without creating some dislocations in our normal national life, some inconveniences, and even some hardships?

Page 2434

Who can have hoped to have done this without burdensome Government regulations which are a nuisance to everyone—including those who have the thankless task of administering them?

We all know that there have been mistakes—mistakes due to the inevitable process of trial and error inherent in doing big things for the first time. We all know that there have been too many complicated forms and questionnaires. I know about that. I have had to fill some of them out myself.

But we are determined to see to it that our supplies of food and other essential civilian goods are distributed on a fair and just basis—to rich and poor, management and labor, farmer and city dweller alike. We are determined to keep the cost of living at a stable level. All this has required much information. These forms and questionnaires represent an honest and sincere attempt by honest and sincere officials to obtain this information.

We have learned by the mistakes that we have made.

Our experience will enable us during the coming year to improve the necessary mechanisms of wartime economic controls, and to simplify administrative procedures. But we do not intend to leave things so lax that loopholes will be left for cheaters, for chiselers, or for the manipulators of the black market.

Of course, there have been disturbances and inconveniences—and even hardships. And there will be many, many more before we finally win. Yes, 1943 will not be an easy year for us on the home front. We shall feel in many ways in our daily lives the sharp pinch of total war.

Fortunately, there are only a few Americans who place appetite above patriotism. The overwhelming majority realize that the food we send abroad is for essential military purposes, for our own and Allied fighting forces, and for necessary help in areas that we occupy.

We Americans intend to do this great job together. In our common labors we must build and fortify the very foundation of national unity—confidence in one another.

It is often amusing, and it is sometimes politically profitable, to picture the City of Washington as a madhouse, with the Congress and the Administration disrupted with confusion and indecision and general incompetence.

However—what matters most in war is results. And the one pertinent fact is that after only a few years of preparation and only one year of warfare, we are able to engage, spiritually as well as physically, in the total waging of a total war.

Washington may be a madhouse—but only in the sense that it is the Capital City of a Nation which is fighting mad. And I think that Berlin and Rome and Tokyo, which had such contempt for the obsolete methods of democracy, would now gladly use all they could get of that same brand of madness.

And we must not forget that our achievements in production have been relatively no greater than those of the Russians and the British and the Chinese who have developed their own war industries under the incredible difficulties of battle conditions. They have had to continue work through bombings and blackouts. And they have never quit.

Page 2435

We Americans are in good, brave company in this war, and we are playing our own, honorable part in the vast common effort.

As spokesmen for the United States Government, you and I take off our hats to those responsible for our American production—to the owners, managers, and supervisors, to the draftsmen and the engineers, and to the workers— men and women—in factories and arsenals and shipyards and mines and mills and forests—and railroads and on highways.

We take off our hats to the farmers who have faced an unprecedented task of feeding not only a great Nation but a great part of the world.

We take off our hats to all the loyal, anonymous, untiring men and women who have worked in private employment and in Government and who have endured rationing and other stringencies with good humor and good will.

Yes, we take off our hats to all Americans who have contributed so magnificently to our common cause.

I have sought to emphasize a sense of proportion in this review of the events of the war and the needs of the war.

We should never forget the things we are fighting for. But, at this critical period of the war, we should confine ourselves to the larger objectives and not get bogged down in argument over methods and details.

We, and all the United Nations, want a decent peace and a durable peace. In the years between the end of the first World War and the beginning of the second World War, we were not living under a decent or a durable peace.

I have reason to know that our boys at the front are concerned with two broad aims beyond the winning of the war; and their thinking and their opinion coincide with what most Americans here back home are mulling over. They know, and we know, that it would be inconceivable—it would, indeed, be sacrilegious—if this Nation and the world did not attain some real, lasting good out of all these efforts and sufferings and bloodshed and death.

The men in our armed forces want a lasting peace, and, equally, they want permanent employment for themselves, their families, and their neighbors when they are mustered out at the end of the war.

Two years ago I spoke in my Annual Message of four freedoms. The blessings of two of them—freedom of speech and freedom of religion—are an essential part of the very life of this Nation; and we hope that these blessings will be granted to all men everywhere.

’The people at home, and the people at the front, are wondering a little about the third freedom—freedom from want. To them it means that when they are mustered out, when war production is converted to the economy of peace, they will have the right to expect full employment—full employment for themselves and for all able-bodied men and women in America who want to work.

They expect the opportunity to work, to run their farms, their stores, to earn decent wages. They are eager to face the risks inherent in our system of free enterprise.

Page 2436

They do not want a postwar America which suffers from undernourishment or slums—or the dole. They want no get-rich-quick era of bogus “prosperity” which will end for them in selling apples on a street corner, as happened after the bursting of the boom in 1929.

When you talk with our young men and our young women, you will find they want to work for themselves and for their families; they consider that they have the right to work; and they know that after the last war their fathers did not gain that right.

When you talk with our young men and women, you will find that with the opportunity for employment they want assurance against the evils of all major economic hazards—-assurance that will extend from the cradle to the grave. And this great Government can and must provide this assurance.

I have been told that this is no time to speak of a better America after the war. I am told it is a grave error on my part.

I dissent.

And if the security of the individual citizen, or the family, should become a subject of national debate, the country knows where I stand.

I say this now to this Seventy-eighth Congress, because it is wholly possible that freedom from want—the right of employment, the right of assurance against life’s hazards—will loom very large as a task of America during the coming two years.

I trust it will not be regarded as an issue—but rather as a task for all of us to study sympathetically, to work out with a constant regard for the attainment of the objective, with fairness to all and with injustice to none.

In this war of survival we must keep before our minds not only the evil things we fight against but the good things we are fighting for. We fight to retain a great past—and we fight to gain a greater future.

Let us remember, too, that economic safety for the America of the future is threatened unless a greater economic stability comes to the rest of the world. We cannot make America an island in either a military or an economic sense. Hitlerism, like any other form of crime or disease, can grow from the evil seeds of economic as well as military feudalism.

Victory in this war is the first and greatest goal before us. Victory in the peace is the next. That means striving toward the enlargement of the security of man here and throughout the world—and, finally, striving for the fourth freedom—freedom from fear.

It is of little account for any of us to talk of essential human needs, of attaining security, if we run the risk of another World War in ten or twenty or fifty years. That is just plain

common sense. Wars grow in size, in death and destruction, and in the inevitability of engulfing all Nations, in inverse ratio to the shrinking size of the world as a result of the conquest of the air. I shudder to think of what will happen to humanity, including ourselves, if this war ends in an inconclusive peace, and another war breaks out when the babies of today have grown to fighting age.

Page 2437

Every normal American prays that neither he nor his sons nor his grandsons will be compelled to go through this horror again.

Undoubtedly a few Americans, even now, think that this Nation can end this war comfortably and then climb back into an American hole and pull the hole in after them.

But we have learned that we can never dig a hole so deep that it would be safe against predatory animals. We have also learned that if we do not pull the fangs of the predatory animals of this world, they will multiply and grow in strength—and they will be at our throats again once more in a short generation.

Most Americans realize more clearly than ever before that modern war equipment in the hands of aggressor Nations can bring danger overnight to our own national existence or to that of any other Nation—or island—or continent.

It is clear to us that if Germany and Italy and Japan—or any one of them— remain armed at the end of this war, or are permitted to rearm, they will again, and inevitably, embark upon an ambitious career of world conquest. They must be disarmed and kept disarmed, and they must abandon the philosophy, and the teaching of that philosophy, which has brought so much suffering to the world.

After the first World War we tried to achieve a formula for permanent peace, based on a magnificent idealism. We failed. But, by our failure, we have learned that we cannot maintain peace at this stage of human development by good intentions alone.

Today the United Nations are the mightiest military coalition in all history. They represent an overwhelming majority of the population of the world. Bound together in solemn agreement that they themselves will not commit acts of aggression or conquest against any of their neighbors, the United Nations can and must remain united for the maintenance of peace by preventing any attempt to rearm in Germany, in Japan, in Italy, or in any other Nation which seeks to violate the Tenth Commandment—“Thou shalt not covet.”

There are cynics, there are skeptics who say it cannot be done. The American people and all the freedom-loving peoples of this earth are now demanding that it must be done. And the will of these people shall prevail.

The very philosophy of the Axis powers is based on a profound contempt for the human race. If, in the formation of our future policy, we were guided by the same cynical contempt, then we should be surrendering to the philosophy of our enemies, and our victory would turn to defeat.

The issue of this war is the basic issue between those who believe in mankind and those who do not—the ancient issue between those who put their faith in the people

and those who put their faith in dictators and tyrants. There have always been those who did not believe in the people, who attempted to block their forward movement across history, to force them back to servility and suffering and silence.

Page 2438

The people have now gathered their strength. They are moving forward in their might and power—and no force, no combination of forces, no trickery, deceit, or violence, can stop them now. They see before them the hope of the world—a decent, secure, peaceful life for men everywhere.

I do not prophesy when this war will end.

But I do believe that this year of 1943 will give to the United Nations a very substantial advance along the roads that lead to Berlin and Rome and Tokyo.

I tell you it is within the realm of possibility that this Seventy-eighth Congress may have the historic privilege of helping greatly to save the world from future fear.

Therefore, let us all have confidence, let us redouble our efforts.

A tremendous, costly, long-enduring task in peace as well as in war is still ahead of us.

But, as we face that continuing task, we may know that the state of this Nation is good—the heart of this Nation is sound—the spirit of this Nation is strong—the faith of this Nation is eternal.

***

State of the Union Address
Franklin D. Roosevelt
January 11, 1944

To the Congress:

This Nation in the past two years has become an active partner in the world's greatest war against human slavery.

We have joined with like-minded people in order to defend ourselves in a world that has been gravely threatened with gangster rule.

But I do not think that any of us Americans can be content with mere survival. Sacrifices that we and our allies are making impose upon us all a sacred obligation to see to it that out of this war we and our children will gain something better than mere survival.

We are united in determination that this war shall not be followed by another interim which leads to new disaster—that we shall not repeat the tragic errors of ostrich isolationism—that we shall not repeat the excesses of the wild twenties when this Nation went for a joy ride on a roller coaster which ended in a tragic crash.

When Mr. Hull went to Moscow in October, and when I went to Cairo and Teheran in November, we knew that we were in agreement with our allies in our common determination to fight and win this war. But there were many vital questions concerning the future peace, and they were discussed in an atmosphere of complete candor and harmony.

In the last war such discussions, such meetings, did not even begin until the shooting had stopped and the delegates began to assemble at the peace table. There had been no previous opportunities for man-to-man discussions which lead to meetings of minds. The result was a peace which was not a peace.

That was a mistake which we are not repeating in this war.

And right here I want to address a word or two to some suspicious souls who are fearful that Mr. Hull or I have made “commitments” for the future which might pledge this Nation to secret treaties, or to enacting the role of Santa Claus.

Page 2439

To such suspicious souls—using a polite terminology—I wish to say that Mr. Churchill, and Marshal Stalin, and Generalissimo Chiang Kai-shek are all thoroughly conversant with the provisions of our Constitution. And so is Mr. Hull. And so am I.

Of course we made some commitments. We most certainly committed ourselves to very large and very specific military plans which require the use of all Allied forces to bring about the defeat of our enemies at the earliest possible time.

But there were no secret treaties or political or financial commitments.

The one supreme objective for the future, which we discussed for each Nation individually, and for all the United Nations, can be summed up in one word: Security.

And that means not only physical security which provides safety from attacks by aggressors. It means also economic security, social security, moral security—in a family of Nations.

In the plain down-to-earth talks that I had with the Generalissimo and Marshal Stalin and Prime Minister Churchill, it was abundantly clear that they are all most deeply interested in the resumption of peaceful progress by their own peoples—progress toward a better life. All our allies want freedom to develop their lands and resources, to build up industry, to increase education and individual opportunity, and to raise standards of living.

All our allies have learned by bitter experience that real development will not be possible if they are to be diverted from their purpose by repeated wars—or even threats of war.

China and Russia are truly united with Britain and America in recognition of this essential fact:

The best interests of each Nation, large and small, demand that all freedom-loving Nations shall join together in a just and durable system of peace. In the present world situation, evidenced by the actions of Germany, Italy, and Japan, unquestioned military control over disturbers of the peace is as necessary among Nations as it is among citizens in a community. And an equally basic essential to peace is a decent standard of living for all individual men and women and children in all Nations. Freedom from fear is eternally linked with freedom from want.

There are people who burrow through our Nation like unseeing moles, and attempt to spread the suspicion that if other Nations are encouraged to raise their standards of living, our own American standard of living must of necessity be depressed.

The fact is the very contrary. It has been shown time and again that if the standard of living of any country goes up, so does its purchasing power— and that such a rise

encourages a better standard of living in neighboring countries with whom it trades. That is just plain common sense—and it is the kind of plain common sense that provided the basis for our discussions at Moscow, Cairo, and Teheran.

Returning from my journeyings, I must confess to a sense of “let-down” when I found many evidences of faulty perspective here in Washington. The faulty perspective consists in overemphasizing lesser problems and thereby underemphasizing the first and greatest problem.

Page 2440

The overwhelming majority of our people have met the demands of this war with magnificent courage and understanding. They have accepted inconveniences; they have accepted hardships; they have accepted tragic sacrifices. And they are ready and eager to make whatever further contributions are needed to win the war as quickly as possible—if only they are given the chance to know what is required of them.

However, while the majority goes on about its great work without complaint, a noisy minority maintains an uproar of demands for special favors for special groups. There are pests who swarm through the lobbies of the Congress and the cocktail bars of Washington, representing these special groups as opposed to the basic interests of the Nation as a whole. They have come to look upon the war primarily as a chance to make profits for themselves at the expense of their neighbors—profits in money or in terms of political or social preferment.

Such selfish agitation can be highly dangerous in wartime. It creates confusion. It damages morale. It hampers our national effort. It muddies the waters and therefore prolongs the war.

If we analyze American history impartially, we cannot escape the fact that in our past we have not always forgotten individual and selfish and partisan interests in time of war—-we have not always been united in purpose and direction. We cannot overlook the serious dissensions and the lack of unity in our war of the Revolution, in our War of 1812, or in our War Between the States, when the survival of the Union itself was at stake.

In the first World War we came closer to national unity than in any previous war. But that war lasted only a year and a half, and increasing signs of disunity began to appear during the final months of the conflict.

In this war, we have been compelled to learn how interdependent upon each other are all groups and sections of the population of America.

Increased food costs, for example, will bring new demands for wage increases from all war workers, which will in turn raise all prices of all things including those things which the farmers themselves have to buy. Increased wages or prices will each in turn produce the same results. They all have a particularly disastrous result on all fixed income groups.

And I hope you will remember that all of us in this Government represent the fixed income group just as much as we represent business owners, workers, and farmers. This group of fixed income people includes: teachers, clergy, policemen, firemen, widows and minors on fixed incomes, wives and dependents of our soldiers and sailors, and old-age pensioners. They and their families add up to one-quarter of our one

hundred and thirty million people. They have few or no high pressure representatives at the Capitol. In a period of gross inflation they would be the worst sufferers.

If ever there was a time to subordinate individual or group selfishness to the national good, that time is now. Disunity at home—bickerings, self-seeking partisanship, stoppages of work, inflation, business as usual, politics as usual, luxury as usual these are the influences which can undermine the morale of the brave men ready to die at the front for us here.

Page 2441

Those who are doing most of the complaining are not deliberately striving to sabotage the national war effort. They are laboring under the delusion that the time is past when we must make prodigious sacrifices—that the war is already won and we can begin to slacken off. But the dangerous folly of that point of view can be measured by the distance that separates our troops from their ultimate objectives in Berlin and Tokyo—-and by the sum of all the perils that lie along the way.

Overconfidence and complacency are among our deadliest enemies. Last spring—after notable victories at Stalingrad and in Tunisia and against the U-boats on the high seas—overconfidence became so pronounced that war production fell off. In two months, June and July, 1943, more than a thousand airplanes that could have been made and should have been made were not made. Those who failed to make them were not on strike. They were merely saying, “The war’s in the bag—so let’s relax.”

That attitude on the part of anyone—Government or management or labor—can lengthen this war. It can kill American boys.

Let us remember the lessons of 1918. In the summer of that year the tide turned in favor of the allies. But this Government did not relax. In fact, our national effort was stepped up. In August, 1918, the draft age limits were broadened from 21-31 to 18-45. The President called for “force to the utmost,” and his call was heeded. And in November, only three months later, Germany surrendered.

That is the way to fight and win a war—all out—and not with half-an-eye on the battlefronts abroad and the other eye-and-a-half on personal, selfish, or political interests here at home.

Therefore, in order to concentrate all our energies and resources on winning the war, and to maintain a fair and stable economy at home, I recommend that the Congress adopt:

(1) A realistic tax law—which will tax all unreasonable profits, both individual and corporate, and reduce the ultimate cost of the war to our sons and daughters. The tax bill now under consideration by the Congress does not begin to meet this test.

(2) A continuation of the law for the renegotiation of war contracts—which will prevent exorbitant profits and assure fair prices to the Government. For two long years I have pleaded with the Congress to take undue profits out of war.

(3) A cost of food law—which will enable the Government (a) to place a reasonable floor under the prices the farmer may expect for his production; and (b) to place a ceiling on the prices a consumer will have to pay for the food he buys. This should apply to necessities only; and will require public funds to carry out. It will cost in appropriations about one percent of the present annual cost of the war.

(4) Early reenactment of the stabilization statute of October, 1942. This expires June 30, 1944, and if it is not extended well in advance, the country might just as well expect price chaos by summer.

Page 2442

We cannot have stabilization by wishful thinking. We must take positive action to maintain the integrity of the American dollar.

(5) A national service law—which, for the duration of the war, will prevent strikes, and, with certain appropriate exceptions, will make available for war production or for any other essential services every able-bodied adult in this Nation.

These five measures together form a just and equitable whole. I would not recommend a national service law unless the other laws were passed to keep down the cost of living, to share equitably the burdens of taxation, to hold the stabilization line, and to prevent undue profits.

The Federal Government already has the basic power to draft capital and property of all kinds for war purposes on a basis of just compensation.

As you know, I have for three years hesitated to recommend a national service act. Today, however, I am convinced of its necessity. Although I believe that we and our allies can win the war without such a measure, I am certain that nothing less than total mobilization of all our resources of manpower and capital will guarantee an earlier victory, and reduce the toll of suffering and sorrow and blood.

I have received a joint recommendation for this law from the heads of the War Department, the Navy Department, and the Maritime Commission. These are the men who bear responsibility for the procurement of the necessary arms and equipment, and for the successful prosecution of the war in the field. They say:

“When the very life of the Nation is in peril the responsibility for service is common to all men and women. In such a time there can be no discrimination between the men and women who are assigned by the Government to its defense at the battlefront and the men and women assigned to producing the vital materials essential to successful military operations. A prompt enactment of a National Service Law would be merely an expression of the universality of this responsibility.”

I believe the country will agree that those statements are the solemn truth.

National service is the most democratic way to wage a war. Like selective service for the armed forces, it rests on the obligation of each citizen to serve his Nation to his utmost where he is best qualified.

It does not mean reduction in wages. It does not mean loss of retirement and seniority rights and benefits. It does not mean that any substantial numbers of war workers will be disturbed in their present jobs. Let these facts be wholly clear.

Experience in other democratic Nations at war—Britain, Canada, Australia, and New Zealand—has shown that the very existence of national service makes unnecessary the

widespread use of compulsory power. National service has proven to be a unifying moral force based on an equal and comprehensive legal obligation of all people in a Nation at war.

Page 2443

There are millions of American men and women who are not in this war at all. It is not because they do not want to be in it. But they want to know where they can best do their share. National service provides that direction. It will be a means by which every man and woman can find that inner satisfaction which comes from making the fullest possible contribution to victory.

I know that all civilian war workers will be glad to be able to say many years hence to their grandchildren: "Yes, I, too, was in service in the great war. I was on duty in an airplane factory, and I helped make hundreds of fighting planes. The Government told me that in doing that I was performing my most useful work in the service of my country."

It is argued that we have passed the stage in the war where national service is necessary. But our soldiers and sailors know that this is not true. We are going forward on a long, rough road—and, in all journeys, the last miles are the hardest. And it is for that final effort—for the total defeat of our enemies—that we must mobilize our total resources. The national war program calls for the employment of more people in 1944 than in 1943.

It is my conviction that the American people will welcome this win-the-war measure which is based on the eternally just principle of "fair for one, fair for all."

It will give our people at home the assurance that they are standing four-square behind our soldiers and sailors. And it will give our enemies demoralizing assurance that we mean business—that we, 130,000,000 Americans, are on the march to Rome, Berlin, and Tokyo.

I hope that the Congress will recognize that, although this is a political year, national service is an issue which transcends politics. Great power must be used for great purposes.

As to the machinery for this measure, the Congress itself should determine its nature—-but it should be wholly nonpartisan in its make-up.

Our armed forces are valiantly fulfilling their responsibilities to our country and our people. Now the Congress faces the responsibility for taking those measures which are essential to national security in this the most decisive phase of the Nation's greatest war.

Several alleged reasons have prevented the enactment of legislation which would preserve for our soldiers and sailors and marines the fundamental prerogative of citizenship—the right to vote. No amount of legalistic argument can becloud this issue in the eyes of these ten million American citizens. Surely the signers of the Constitution

did not intend a document which, even in wartime, would be construed to take away the franchise of any of those who are fighting to preserve the Constitution itself.

Page 2444

Our soldiers and sailors and marines know that the overwhelming majority of them will be deprived of the opportunity to vote, if the voting machinery is left exclusively to the States under existing State laws—and that there is no likelihood of these laws being changed in time to enable them to vote at the next election. The Army and Navy have reported that it will be impossible effectively to administer forty-eight different soldier voting laws. It is the duty of the Congress to remove this unjustifiable discrimination against the men and women in our armed forces—and to do it as quickly as possible.

It is our duty now to begin to lay the plans and determine the strategy for the winning of a lasting peace and the establishment of an American standard of living higher than ever before known. We cannot be content, no matter how high that general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth or one-tenth—is ill-fed, ill-clothed, ill housed, and insecure.

This Republic had its beginning, and grew to its present strength, under the protection of certain inalienable political rights—among them the right of free speech, free press, free worship, trial by jury, freedom from unreasonable searches and seizures. They were our rights to life and liberty.

As our Nation has grown in size and stature, however—as our industrial economy expanded—these political rights proved inadequate to assure us equality in the pursuit of happiness.

We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence. “Necessitous men are not free men.” People who are hungry and out of a job are the stuff of which dictatorships are made.

In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all regardless of station, race, or creed.

Among these are:

The right to a useful and remunerative job in the industries or shops or farms or mines of the Nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment;

The right to a good education.

All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.

Page 2445

America's own rightful place in the world depends in large part upon how fully these and similar rights have been carried into practice for our citizens. For unless there is security here at home there cannot be lasting peace in the world.

One of the great American industrialists of our day—a man who has rendered yeoman service to his country in this crisis—recently emphasized the grave dangers of "rightist reaction" in this Nation. All clear-thinking businessmen share his concern. Indeed, if such reaction should develop—if history were to repeat itself and we were to return to the so-called "normalcy" of the 1920's—then it is certain that even though we shall have conquered our enemies on the battlefields abroad, we shall have yielded to the spirit of Fascism here at home.

I ask the Congress to explore the means for implementing this economic bill of rights—-for it is definitely the responsibility of the Congress so to do. Many of these problems are already before committees of the Congress in the form of proposed legislation. I shall from time to time communicate with the Congress with respect to these and further proposals. In the event that no adequate program of progress is evolved, I am certain that the Nation will be conscious of the fact.

Our fighting men abroad—and their families at home—expect such a program and have the right to insist upon it. It is to their demands that this Government should pay heed rather than to the whining demands of selfish pressure groups who seek to feather their nests while young Americans are dying.

The foreign policy that we have been following—the policy that guided us at Moscow, Cairo, and Teheran—is based on the common sense principle which was best expressed by Benjamin Franklin on July 4, 1776: "We must all hang together, or assuredly we shall all hang separately."

I have often said that there are no two fronts for America in this war. There is only one front. There is one line of unity which extends from the hearts of the people at home to the men of our attacking forces in our farthest outposts. When we speak of our total effort, we speak of the factory and the field, and the mine as well as of the battleground—we speak of the soldier and the civilian, the citizen and his Government.

Each and every one of us has a solemn obligation under God to serve this Nation in its most critical hour—to keep this Nation great—to make this Nation greater in a better world.

***

State of the Union Address
Franklin D. Roosevelt
January 6, 1945

To the Congress:

In considering the State of the Union, the war and the peace that is to follow are naturally uppermost in the minds of all of us.

This war must be waged—it is being waged—with the greatest and most persistent intensity. Everything we are and have is at stake. Everything we are and have will be given. American men, fighting far from home, have already won victories which the world will never forget.

Page 2446

We have no question of the ultimate victory. We have no question of the cost. Our losses will be heavy.

We and our allies will go on fighting together to ultimate total victory.

We have seen a year marked, on the whole, by substantial progress toward victory, even though the year ended with a setback for our arms, when the Germans launched a ferocious counter-attack into Luxembourg and Belgium with the obvious objective of cutting our line in the center.

Our men have fought with indescribable and unforgettable gallantry under most difficult conditions, and our German enemies have sustained considerable losses while failing to obtain their objectives.

The high tide of this German effort was reached two days after Christmas. Since then we have reassumed the offensive, rescued the isolated garrison at Bastogne, and forced a German withdrawal along the whole line of the salient. The speed with which we recovered from this savage attack was largely possible because we have one supreme commander in complete control of all the Allied armies in France. General Eisenhower has faced this period of trial with admirable calm and resolution and with steadily increasing success. He has my complete confidence.

Further desperate attempts may well be made to break our lines, to slow our progress. We must never make the mistake of assuming that the Germans are beaten until the last Nazi has surrendered.

And I would express another most serious warning against the poisonous effects of enemy propaganda.

The wedge that the Germans attempted to drive in western Europe was less dangerous in actual terms of winning the war than the wedges which they are continually attempting to drive between ourselves and our allies.

Every little rumor which is intended to weaken our faith in our allies is like an actual enemy agent in our midst—seeking to sabotage our war effort. There are, here and there, evil and baseless rumors against the Russians—rumors against the British—-rumors against our own American commanders in the field.

When you examine these rumors closely, you will observe that every one of them bears the same trade-mark—“Made in Germany.”

We must resist this divisive propaganda—we must destroy it—with the same strength and the same determination that our fighting men are displaying as they resist and destroy the panzer divisions.

In Europe, we shall resume the attack and—despite temporary setbacks here or there—we shall continue the attack relentlessly until Germany is completely defeated.

It is appropriate at this time to review the basic strategy which has guided us through three years of war, and which will lead, eventually, to total victory.

The tremendous effort of the first years of this war was directed toward the concentration of men and supplies in the various theaters of action at the points where they could hurt our enemies most.

Page 2447

It was an effort—in the language of the military men—of deployment of our forces. Many battles—essential battles—were fought; many victories—vital victories—were won. But these battles and these victories were fought and won to hold back the attacking enemy, and to put us in positions from which we and our allies could deliver the final, decisive blows.

In the beginning our most important military task was to prevent our enemies—the strongest and most violently aggressive powers that ever have threatened civilization—-from winning decisive victories. But even while we were conducting defensive, delaying actions, we were looking forward to the time when we could wrest the initiative from our enemies and place our superior resources of men and materials into direct competition with them.

It was plain then that the defeat of either enemy would require the massing of overwhelming forces—ground, sea, and air—in positions from which we and our allies could strike directly against the enemy homelands and destroy the Nazi and Japanese war machines.

In the case of Japan, we had to await the completion of extensive preliminary operations—operations designed to establish secure supply lines through the Japanese outer-zone defenses. This called for overwhelming sea power and air power—-supported by ground forces strategically employed against isolated outpost garrisons.

Always—from the very day we were attacked—it was right militarily as well as morally to reject the arguments of those shortsighted people who would have had us throw Britain and Russia to the Nazi wolves and concentrate against the Japanese. Such people urged that we fight a purely defensive war against Japan while allowing the domination of all the rest of the world by Nazism and Fascism.

In the European theater the necessary bases for the massing of ground and air power against Germany were already available in Great Britain. In the Mediterranean area we could begin ground operations against major elements of the German Army as rapidly as we could put troops in the field, first in North Africa and then in Italy.

Therefore, our decision was made to concentrate the bulk of our ground and air forces against Germany until her utter defeat. That decision was based on all these factors; and it was also based on the realization that, of our two enemies, Germany would be more able to digest quickly her conquests, the more able quickly to convert the manpower and resources of her conquered territory into a war potential.

We had in Europe two active and indomitable allies—Britain and the Soviet Union—and there were also the heroic resistance movements in the occupied countries, constantly engaging and harassing the Germans. We cannot forget how Britain held the line, alone, in 1940 and 1941; and at the same time, despite ferocious bombardment from

the air, built up a tremendous armaments industry which enabled her to take the offensive at El Alamein in 1942.

Page 2448

We cannot forget the heroic defense of Moscow and Leningrad and Stalingrad, or the tremendous Russian offensives of 1943 and 1944 which destroyed formidable German armies.

Nor can we forget how, for more than seven long years, the Chinese people have been sustaining the barbarous attacks of the Japanese and containing large enemy forces on the vast areas of the Asiatic mainland.

In the future we must never forget the lesson that we have learned—that we must have friends who will work with us in peace as they have fought at our side in war.

As a result of the combined effort of the Allied forces, great military victories were achieved in 1944: The liberation of France, Belgium, Greece, and parts of The Netherlands, Norway, Poland, Yugoslavia, and Czechoslovakia; the surrender of Rumania and Bulgaria; the invasion of Germany itself and Hungary; the steady march through the Pacific islands to the Philippines, Guam, and Saipan; and the beginnings of a mighty air offensive against the Japanese islands.

Now, as this Seventy-ninth Congress meets, we have reached the most critical phase of the war.

The greatest victory of the last year was, of course, the successful breach on June 6, 1944, of the German “impregnable” seawall of Europe and the victorious sweep of the Allied forces through France and Belgium and Luxembourg—almost to the Rhine itself.

The cross-channel invasion of the Allied armies was the greatest amphibious operation in the history of the world. It overshadowed all other operations in this or any other war in its immensity. Its success is a tribute to the fighting courage of the soldiers who stormed the beaches—to the sailors and merchant seamen who put the soldiers ashore and kept them supplied—and to the military and naval leaders who achieved a real miracle of planning and execution. And it is also a tribute to the ability of two Nations, Britain and America, to plan together, and work together, and fight together in perfect cooperation and perfect harmony.

This cross-channel invasion was followed in August by a second great amphibious operation, landing troops in southern France. In this, the same cooperation and the same harmony existed between the American, French, and other Allied forces based in North Africa and Italy.

The success of the two invasions is a tribute also to the ability of many men and women to maintain silence, when a few careless words would have imperiled the lives of hundreds of thousands, and would have jeopardized the whole vast undertakings.

These two great operations were made possible by success in the Battle of the Atlantic.

Without this success over German submarines, we could not have built up our invasion forces or air forces in Great Britain, nor could we have kept a steady stream of supplies flowing to them after they had landed in France.

The Nazis, however, may succeed in improving their submarines and their crews. They have recently increased their U-boat activity. The Battle of the Atlantic—like all campaigns in this war—demands eternal vigilance. But the British, Canadian, and other Allied navies, together with our own, are constantly on the alert.

Page 2449

The tremendous operations in western Europe have overshadowed in the public mind the less spectacular but vitally important Italian front. Its place in the strategic conduct of the war in Europe has been obscured, and—by some people unfortunately—-underrated.

It is important that any misconception on that score be corrected—now.

What the Allied forces in Italy are doing is a well-considered part in our strategy in Europe, now aimed at only one objective—the total defeat of the Germans. These valiant forces in Italy are continuing to keep a substantial portion of the German Army under constant pressure—including some 20 first-line German divisions and the necessary supply and transport and replacement troops—all of which our enemies need so badly elsewhere.

Over very difficult terrain and through adverse weather conditions, our Fifth Army and the British Eighth Army—reinforced by units from other United Nations, including a brave and well equipped unit of the Brazilian Army—have, in the past year, pushed north through bloody Cassino and the Anzio beachhead, and through Rome until now they occupy heights overlooking the valley of the Po.

The greatest tribute which can be paid to the courage and fighting ability of these splendid soldiers in Italy is to point out that although their strength is about equal to that of the Germans they oppose, the Allies have been continuously on the offensive.

That pressure, that offensive, by our troops in Italy will continue.

The American people—and every soldier now fighting in the Apennines—should remember that the Italian front has not lost any of the importance which it had in the days when it was the only Allied front in Europe.

In the Pacific during the past year, we have conducted the fastest-moving offensive in the history of modern warfare. We have driven the enemy back more than 3,000 miles across the Central Pacific. A year ago, our conquest of Tarawa was a little more than a month old.

A year ago, we were preparing for our invasion of Kwajalein, the second of our great strides across the Central Pacific to the Philippines.

A year ago, General MacArthur was still fighting in New Guinea almost 1,500 miles from his present position in the Philippine Islands.

We now have firmly established bases in the Mariana Islands, from which our Super fortresses bomb Tokyo itself—and will continue to blast Japan in ever-increasing numbers.

Japanese forces in the Philippines have been cut in two. There is still hard fighting ahead—costly fighting. But the liberation of the Philippines will mean that Japan has been largely cut off from her conquests in the East Indies.

The landing of our troops on Leyte was the largest amphibious operation thus far conducted in the Pacific.

Page 2450

Moreover, these landings drew the Japanese Fleet into the first great sea battle which Japan has risked in almost two years. Not since the night engagements around Guadalcanal in November-December, 1942, had our Navy been able to come to grips with major units of the Japanese Fleet. We had brushed against their fleet in the first battle of the Philippine Sea in June, 1944, but not until last October were we able really to engage a major portion of the Japanese Navy in actual combat. The naval engagement which raged for three days was the heaviest blow ever struck against Japanese sea power.

As a result of that battle, much of what is left of the Japanese Fleet has been driven behind the screen of islands that separates the Yellow Sea, the China Sea, and the Sea of Japan from the Pacific.

Our Navy looks forward to any opportunity which the lords of the Japanese Navy will give us to fight them again.

The people of this Nation have a right to be proud of the courage and fighting ability of the men in the armed forces—on all fronts. They also have a right to be proud of American leadership which has guided their sons into battle.

The history of the generalship of this war has been a history of teamwork and cooperation, of skill and daring. Let me give you one example out of last year's operations in the Pacific.

Last September Admiral Halsey led American naval task forces into Philippine waters and north to the East China Sea, and struck heavy blows at Japanese air and sea power.

At that time it was our plan to approach the Philippines by further stages, taking islands which we may call A, C, and E. However, Admiral Halsey reported that a direct attack on Leyte appeared feasible. When General MacArthur received the reports from Admiral Halsey's task forces, he also concluded that it might be possible to attack the Japanese in the Philippines directly—bypassing islands A, C, and E.

Admiral Nimitz thereupon offered to make available to General MacArthur several divisions which had been scheduled to take the intermediate objectives. These discussions, conducted at great distances, all took place in one day.

General MacArthur immediately informed the Joint Chiefs of Staff here in Washington that he was prepared to initiate plans for an attack on Leyte in October. Approval of the change in plan was given on the same day.

Thus, within the space of 24 hours, a major change of plans was accomplished which involved Army and Navy forces from two different theaters of operations—a change

which hastened the liberation of the Philippines and the final day of victory—a change which saved lives which would have been expended in the capture of islands which are now neutralized far behind our lines.

Our over-all strategy has not neglected the important task of rendering all possible aid to China. Despite almost insuperable difficulties, we increased this aid during 1944. At present our aid to China must be accomplished by air transport—there is no other way. By the end of 1944, the Air Transport Command was carrying into China a tonnage of supplies three times as great as that delivered a year ago, and much more, each month, than the Burma Road ever delivered at its peak.

Page 2451

Despite the loss of important bases in China, the tonnage delivered by air transport has enabled General Chennault's Fourteenth Air Force, which includes many Chinese flyers, to wage an effective and aggressive campaign against the Japanese. In 1944 aircraft of the Fourteenth Air Force flew more than 35,000 sorties against the Japanese and sank enormous tonnage of enemy shipping, greatly diminishing the usefulness of the China Sea lanes.

British, Dominion, and Chinese forces together with our own have not only held the line in Burma against determined Japanese attacks but have gained bases of considerable importance to the supply line into China.

The Burma campaigns have involved incredible hardship, and have demanded exceptional fortitude and determination. The officers and men who have served with so much devotion in these far distant jungles and mountains deserve high honor from their countrymen.

In all of the far-flung operations of our own armed forces—on land, and sea and in the air—the final job, the toughest job, has been performed by the average, easy-going, hard-fighting young American, who carries the weight of battle on his own shoulders.

It is to him that we and all future generations of Americans must pay grateful tribute.

But—it is of small satisfaction to him to know that monuments will be raised to him in the future. He wants, he needs, and he is entitled to insist upon, our full and active support—now.

Although unprecedented production figures have made possible our victories, we shall have to increase our goals even more in certain items.

Peak deliveries of supplies were made to the War Department in December, 1943. Due in part to cutbacks, we have not produced as much since then. Deliveries of Army supplies were down by 15 percent by July, 1944, before the upward trend was once more resumed.

Because of increased demands from overseas, the Army Service Forces in the month of October, 1944, had to increase its estimate of required production by 10 percent. But in November, one month later, the requirements for 1945 had to be increased another 10 percent, sending the production goal well above anything we have yet attained. Our armed forces in combat have steadily increased their expenditure of medium and heavy artillery ammunition. As we continue the decisive phases of this war, the munitions that we expend will mount day by day.

In October, 1944, while some were saying the war in Europe was over, the Army was shipping more men to Europe than in any previous month of the war.

One of the most urgent immediate requirements of the armed forces is more nurses. Last April the Army requirement for nurses was set at 50,000. Actual strength in nurses was then 40,000. Since that time the Army has tried to raise the additional 10,000. Active recruiting has been carried on, but the net gain in eight months has been only 2,000. There are now 42,000 nurses in the Army.

Page 2452

Recent estimates have increased the total number needed to 60,000. That means that 18,000 more nurses must be obtained for the Army alone and the Navy now requires 2,000 additional nurses.

The present shortage of Army nurses is reflected in undue strain on the existing force. More than a thousand nurses are now hospitalized, and part of this is due to overwork. The shortage is also indicated by the fact that 11 Army hospital units have been sent overseas without their complement of nurses. At Army hospitals in the United States there is only 1 nurse to 26 beds, instead of the recommended 1 to 15 beds.

It is tragic that the gallant women who have volunteered for service as nurses should be so overworked. It is tragic that our wounded men should ever want for the best possible nursing care.

The inability to get the needed nurses for the Army is not due to any shortage of nurses; 280,000 registered nurses are now practicing in this country. It has been estimated by the War Manpower Commission that 27,000 additional nurses could be made available to the armed forces without interfering too seriously with the needs of the civilian population for nurses.

Since volunteering has not produced the number of nurses required, I urge that the Selective Service Act be amended to provide for the induction of nurses into the armed forces. The need is too pressing to await the outcome of further efforts at recruiting.

The care and treatment given to our wounded and sick soldiers have been the best known to medical science. Those standards must be maintained at all costs. We cannot tolerate a lowering of them by failure to provide adequate nursing for the brave men who stand desperately in need of it.

In the continuing progress of this war we have constant need for new types of weapons, for we cannot afford to fight the war of today or tomorrow with the weapons of yesterday. For example, the American Army now has developed a new tank with a gun more powerful than any yet mounted on a fast-moving vehicle. The Army will need many thousands of these new tanks in 1945.

Almost every month finds some new development in electronics which must be put into production in order to maintain our technical superiority—and in order to save lives. We have to work every day to keep ahead of the enemy in radar. On D-Day, in France, with our superior new equipment, we located and then put out of operation every warning set which the Germans had along the French coast.

If we do not keep constantly ahead of our enemies in the development of new weapons, we pay for our backwardness with the life's blood of our sons.

The only way to meet these increased needs for new weapons and more of them is for every American engaged in war work to stay on his war job—for additional American civilians, men and women, not engaged in essential work, to go out and get a war job. Workers who are released because their production is cut back should get another job where production is being increased. This is no time to quit or change to less essential jobs.

Page 2453

There is an old and true saying that the Lord hates a quitter. And this Nation must pay for all those who leave their essential jobs—or all those who lay down on their essential jobs for nonessential reasons. And—again—that payment must be made with the life's blood of our sons.

Many critical production programs with sharply rising needs are now seriously hampered by manpower shortages. The most important Army needs are artillery ammunition, cotton duck, bombs, tires, tanks, heavy trucks, and even B-29's. In each of these vital programs, present production is behind requirements.

Navy production of bombardment ammunition is hampered by manpower shortages; so is production for its huge rocket program. Labor shortages have also delayed its cruiser and carrier programs, and production of certain types of aircraft.

There is critical need for more repair workers and repair parts; this Jack delays the return of damaged fighting ships to their places in the fleet, and prevents ships now in the fighting line from getting needed overhauling.

The pool of young men under 26 classified as I-A is almost depleted. Increased replacements for the armed forces will take men now deferred who are at work in war industry. The armed forces must have an assurance of a steady flow of young men for replacements. Meeting this paramount need will be difficult, and will also make it progressively more difficult to attain the 1945 production goals.

Last year, after much consideration, I recommended that the Congress adopt a national service act as the most efficient and democratic way of insuring full production for our war requirements. This recommendation was not adopted.

I now again call upon the Congress to enact this measure for the total mobilization of all our human resources for the prosecution of the war. I urge that this be done at the earliest possible moment.

It is not too late in the war. In fact, bitter experience has shown that in this kind of mechanized warfare where new weapons are constantly being created by our enemies and by ourselves, the closer we come to the end of the war, the more pressing becomes the need for sustained war production with which to deliver the final blow to the enemy.

There are three basic arguments for a national service law:

First, it would assure that we have the right numbers of workers in the right places at the right times.

Second, it would provide supreme proof to all our fighting men that we are giving them what they are entitled to, which is nothing less than our total effort.

And, third, it would be the final, unequivocal answer to the hopes of the Nazis and the Japanese that we may become halfhearted about this war and that they can get from us a negotiated peace.

National service legislation would make it possible to put ourselves in a position to assure certain and speedy action in meeting our manpower needs.

Page 2454

It would be used only to the extent absolutely required by military necessities. In fact, experience in Great Britain and in other Nations at war indicates that use of the compulsory powers of national service is necessary only in rare instances.

This proposed legislation would provide against loss of retirement and seniority rights and benefits. It would not mean reduction in wages.

In adopting such legislation, it is not necessary to discard the voluntary and cooperative processes which have prevailed up to this time. This cooperation has already produced great results. The contribution of our workers to the war effort has been beyond measure. We must build on the foundations that have already been laid and supplement the measures now in operation, in order to guarantee the production that may be necessary in the critical period that lies ahead.

At the present time we are using the inadequate tools at hand to do the best we can by such expedients as manpower ceilings, and the use of priority and other powers, to induce men and women to shift from non-essential to essential war jobs.

I am in receipt of a joint letter from the Secretary of War and the Secretary of the Navy, dated January 3, 1945, which says:

“With the experience of three years of war and after the most thorough consideration, we are convinced that it is now necessary to carry out the statement made by the Congress in the joint resolutions declaring that a state of war existed with Japan and Germany: That ’to bring the conflict to a successful conclusion, all of the resources of the country are hereby pledged by the Congress of the United States.’

“In our considered judgment, which is supported by General Marshall and Admiral King, this requires total mobilization of our manpower by the passage of a national war service law. The armed forces need this legislation to hasten the day of final victory, and to keep to a minimum the cost in lives.

“National war service, the recognition by law of the duty of every citizen to do his or her part in winning the war, will give complete assurance that the need for war equipment will be filled. In the coming year we must increase the output of many weapons and supplies on short notice. Otherwise we shall not keep our production abreast of the swiftly changing needs of war. At the same time it will be necessary to draw progressively many men now engaged in war production to serve with the armed forces, and their places in war production must be filled promptly. These developments will require the addition of hundreds of thousands to those already working in war industry. We do not believe that these needs can be met effectively under present methods.

“The record made by management and labor in war industry has been a notable testimony to the resourcefulness and power of America. The needs are so great,

nevertheless, that in many instances we have been forced to recall soldiers and sailors from military duty to do work of a civilian character in war production, because of the urgency of the need for equipment and because of inability to recruit civilian labor."

Page 2455

Pending action by the Congress on the broader aspects of national service, I recommend that the Congress immediately enact legislation which will be effective in using the services of the 4,000,000 men now classified as IV-F in whatever capacity is best for the war effort.

In the field of foreign policy, we propose to stand together with the United Nations not for the war alone but for the victory for which the war is fought.

It is not only a common danger which unites us but a common hope. Ours is an association not of Governments but of peoples—and the peoples' hope is peace. Here, as in England; in England, as in Russia; in Russia, as in China; in France, and through the continent of Europe, and throughout the world; wherever men love freedom, the hope and purpose of the people are for peace—a peace that is durable and secure.

It will not be easy to create this peoples' peace. We delude ourselves if we believe that the surrender of the armies of our enemies will make the peace we long for. The unconditional surrender of the armies of our enemies is the first and necessary step—-but the first step only.

We have seen already, in areas liberated from the Nazi and the Fascist tyranny, what problems peace will bring. And we delude ourselves if we attempt to believe wishfully that all these problems can be solved overnight.

The firm foundation can be built—and it will be built. But the continuance and assurance of a living peace must, in the long run, be the work of the people themselves.

We ourselves, like all peoples who have gone through the difficult processes of liberation and adjustment, know of our own experience how great the difficulties can be. We know that they are not difficulties peculiar to any continent or any Nation. Our own Revolutionary War left behind it, in the words of one American historian, "an eddy of lawlessness and disregard of human life." There were separatist movements of one kind or another in Vermont, Pennsylvania, Virginia, Tennessee, Kentucky, and Maine. There were insurrections, open or threatened, in Massachusetts and New Hampshire. These difficulties we worked out for ourselves as the peoples of the liberated areas of Europe, faced with complex problems of adjustment, will work out their difficulties for themselves.

Peace can be made and kept only by the united determination of free and peace-loving peoples who are willing to work together—willing to help one another—willing to respect and tolerate and try to understand one another's opinions and feelings.

The nearer we come to vanquishing our enemies the more we inevitably become conscious of differences among the victors.

We must not let those differences divide us and blind us to our more important common and continuing interests in winning the war and building the peace.

International cooperation on which enduring peace must be based is not a one-way street.

Page 2456

Nations like individuals do not always see alike or think alike, and international cooperation and progress are not helped by any Nation assuming that it has a monopoly of wisdom or of virtue.

In the future world the misuse of power, as implied in the term “power politics,” must not be a controlling factor in international relations. That is the heart of the principles to which we have subscribed. We cannot deny that power is a factor in world politics any more than we can deny its existence as a factor in national politics. But in a democratic world, as in a democratic Nation, power must be linked with responsibility, and obliged to defend and justify itself within the framework of the general good.

Perfectionism, no less than isolationism or imperialism or power politics, may obstruct the paths to international peace. Let us not forget that the retreat to isolationism a quarter of a century ago was started not by a direct attack against international cooperation but against the alleged imperfections of the peace.

In our disillusionment after the last war we preferred international anarchy to international cooperation with Nations which did not see and think exactly as we did. We gave up the hope of gradually achieving a better peace because we had not the courage to fulfill our responsibilities in an admittedly imperfect world.

We must not let that happen again, or we shall follow the same tragic road again—the road to a third world war.

We can fulfill our responsibilities for maintaining the security of our own country only by exercising our power and our influence to achieve the principles in which we believe and for which we have fought.

In August, 1941, Prime Minister Churchill and I agreed to the principles of the Atlantic Charter, these being later incorporated into the Declaration by United Nations of January 1, 1942. At that time certain isolationists protested vigorously against our right to proclaim the principles—and against the very principles themselves. Today, many of the same people are protesting against the possibility of violation of the same principles.

It is true that the statement of principles in the Atlantic Charter does not provide rules of easy application to each and every one of this war-torn world’s tangled situations. But it is a good and a useful thing— it is an essential thing—to have principles toward which we can aim.

And we shall not hesitate to use our influence—and to use it now—to secure so far as is humanly possible the fulfillment of the principles of the Atlantic Charter. We have not shrunk from the military responsibilities brought on by this war. We cannot and will not shrink from the political responsibilities which follow in the wake of battle.

I do not wish to give the impression that all mistakes can be avoided and that many disappointments are not inevitable in the making of peace. But we must not this time lose the hope of establishing an international order which will be capable of maintaining peace and realizing through the years more perfect justice between Nations.

Page 2457

To do this we must be on our guard not to exploit and exaggerate the differences between us and our allies, particularly with reference to the peoples who have been liberated from Fascist tyranny. That is not the way to secure a better settlement of those differences or to secure international machinery which can rectify mistakes which may be made.

I should not be frank if I did not admit concern about many situations—the Greek and Polish for example. But those situations are not as easy or as simple to deal with as some spokesmen, whose sincerity I do not question, would have us believe. We have obligations, not necessarily legal, to the exiled Governments, to the underground leaders, and to our major allies who came much nearer the shadows than we did.

We and our allies have declared that it is our purpose to respect the right of all peoples to choose the form of government under which they will live and to see sovereign rights and self-government restored to those who have been forcibly deprived of them. But with internal dissension, with many citizens of liberated countries still prisoners of war or forced to labor in Germany, it is difficult to guess the kind of self-government the people really want.

During the interim period, until conditions permit a genuine expression of the people's will, we and our allies have a duty, which we cannot ignore, to use our influence to the end that no temporary or provisional authorities in the liberated countries block the eventual exercise of the peoples' right freely to choose the government and institutions under which, as freemen, they are to live.

It is only too easy for all of us to rationalize what we want to believe, and to consider those leaders we like responsible and those we dislike irresponsible. And our task is not helped by stubborn partisanship, however understandable on the part of opposed internal factions.

It is our purpose to help the peace-loving peoples of Europe to live together as good neighbors, to recognize their common interests and not to nurse their traditional grievances against one another.

But we must not permit the many specific and immediate problems of adjustment connected with the liberation of Europe to delay the establishment of permanent machinery for the maintenance of peace. Under the threat of a common danger, the United Nations joined together in war to preserve their independence and their freedom. They must now join together to make secure the independence and freedom of all peace-loving states, so that never again shall tyranny be able to divide and conquer.

International peace and well-being, like national peace and well-being, require constant alertness, continuing cooperation, and organized effort.

International peace and well-being, like national peace and well-being, can be secured only through institutions capable of life and growth.

Many of the problems of the peace are upon us even now while the conclusion of the war is still before us. The atmosphere of friendship and mutual understanding and determination to find a common ground of common understanding, which surrounded the conversations at Dumbarton Oaks, gives us reason to hope that future discussions will succeed in developing the democratic and fully integrated world security system toward which these preparatory conversations were directed.

Page 2458

We and the other United Nations are going forward, with vigor and resolution, in our efforts to create such a system by providing for it strong and flexible institutions of joint and cooperative action.

The aroused conscience of humanity will not permit failure in this supreme endeavor.

We believe that the extraordinary advances in the means of intercommunication between peoples over the past generation offer a practical method of advancing the mutual understanding upon which peace and the institutions of peace must rest, and it is our policy and purpose to use these great technological achievements for the common advantage of the world.

We support the greatest possible freedom of trade and commerce.

We Americans have always believed in freedom of opportunity, and equality of opportunity remains one of the principal objectives of our national life. What we believe in for individuals, we believe in also for Nations. We are opposed to restrictions, whether by public act or private arrangement, which distort and impair commerce, transit, and trade.

We have house-cleaning of our own to do in this regard. But it is our hope, not only in the interest of our own prosperity but in the interest of the prosperity of the world, that trade and commerce and access to materials and markets may be freer after this war than ever before in the history of the world.

One of the most heartening events of the year in the international field has been the renaissance of the French people and the return of the French Nation to the ranks of the United Nations. Far from having been crushed by the terror of Nazi domination, the French people have emerged with stronger faith than ever in the destiny of their country and in the soundness of the democratic ideals to which the French Nation has traditionally contributed so greatly.

During her liberation, France has given proof of her unceasing determination to fight the Germans, continuing the heroic efforts of the resistance groups under the occupation and of all those Frenchmen throughout the world who refused to surrender after the disaster of 1940.

Today, French armies are again on the German frontier, and are again fighting shoulder to shoulder with our sons.

Since our landings in Africa, we have placed in French hands all the arms and material of war which our resources and the military situation permitted. And I am glad to say that we are now about to equip large new French forces with the most modern weapons for combat duty.

In addition to the contribution which France can make to our common victory, her liberation likewise means that her great influence will again be available in meeting the problems of peace.

We fully recognize France's vital interest in a lasting solution of the German problem and the contribution which she can make in achieving international security. Her formal adherence to the declaration by United Nations a few days ago and the proposal at the Dumbarton Oaks discussions, whereby France would receive one of the five permanent seats in the proposed Security Council, demonstrate the extent to which France has resumed her proper position of strength and leadership.

Page 2459

I am clear in my own mind that, as an essential factor in the maintenance of peace in the future, we must have universal military training after this war, and I shall send a special message to the Congress on this subject.

An enduring peace cannot be achieved without a strong America—strong in the social and economic sense as well as in the military sense.

In the State of the Union message last year I set forth what I considered to be an American economic bill of rights.

I said then, and I say now, that these economic truths represent a second bill of rights under which a new basis of security and prosperity can be established for all—-regardless of station, race, or creed.

Of these rights the most fundamental, and one on which the fulfillment of the others in large degree depends, is the “right to a useful and remunerative job in the industries or shops or farms or mines of the Nation.” In turn, others of the economic rights of American citizenship, such as the right to a decent home, to a good education, to good medical care, to social security, to reasonable farm income, will, if fulfilled, make major contributions to achieving adequate levels of employment.

The Federal Government must see to it that these rights become realities—with the help of States, municipalities, business, labor, and agriculture.

We have had full employment during the war. We have had it because the Government has been ready to buy all the materials of war which the country could produce—and this has amounted to approximately half our present productive capacity.

After the war we must maintain full employment with Government performing its peacetime functions. This means that we must achieve a level of demand and purchasing power by private consumers—farmers, businessmen, workers, professional men, housewives—which is sufficiently high to replace wartime Government demands; and it means also that we must greatly increase our export trade above the prewar level.

Our policy is, of course, to rely as much as possible on private enterprise to provide jobs. But the American people will not accept mass unemployment or mere makeshift work. There will be need for the work of everyone willing and able to work—and that means close to 60,000,000 jobs.

Full employment means not only jobs—but productive jobs. Americans do not regard jobs that pay substandard wages as productive jobs.

We must make sure that private enterprise works as it is supposed to work— on the basis of initiative and vigorous competition, without the stifling presence of monopolies and cartels.

During the war we have guaranteed investment in enterprise essential to the war effort. We should also take appropriate measures in peacetime to secure opportunities for new small enterprises and for productive business expansion for which finance would otherwise be unavailable.

Page 2460

This necessary expansion of our peacetime productive capacity will require new facilities, new plants, and new equipment.

It will require large outlays of money which should be raised through normal investment channels. But while private capital should finance this expansion program, the Government should recognize its responsibility for sharing part of any special or abnormal risk of loss attached to such financing.

Our full-employment program requires the extensive development of our natural resources and other useful public works. The undeveloped resources of this continent are still vast. Our river-watershed projects will add new and fertile territories to the United States. The Tennessee Valley Authority, which was constructed at a cost of $750,000,000—the cost of waging this war for less than 4 days—was a bargain. We have similar opportunities in our other great river basins. By harnessing the resources of these river basins, as we have in the Tennessee Valley, we shall provide the same kind of stimulus to enterprise as was provided by the Louisiana Purchase and the new discoveries in the West during the nineteenth century.

If we are to avail ourselves fully of the benefits of civil aviation, and if we are to use the automobiles we can produce, it will be necessary to construct thousands of airports and to overhaul our entire national highway system.

The provision of a decent home for every family is a national necessity, if this country is to be worthy of its greatness—and that task will itself create great employment opportunities. Most of our cities need extensive rebuilding. Much of our farm plant is in a state of disrepair. To make a frontal attack on the problems of housing and urban reconstruction will require thoroughgoing cooperation between industry and labor, and the Federal, State, and local Governments.

An expanded social security program, and adequate health and education programs, must play essential roles in a program designed to support individual productivity and mass purchasing power. I shall communicate further with the Congress on these subjects at a later date.

The millions of productive jobs that a program of this nature could bring are jobs in private enterprise. They are jobs based on the expanded demand for the output of our economy for consumption and investment. Through a program of this character we can maintain a national income high enough to provide for an orderly retirement of the public debt along with reasonable tax reduction.

Our present tax system geared primarily to war requirements must be revised for peacetime so as to encourage private demand.

While no general revision of the tax structure can be made until the war ends on all fronts, the Congress should be prepared to provide tax modifications at the end of the war in Europe, designed to encourage capital to invest in new enterprises and to provide jobs. As an integral part of this program to maintain high employment, we must, after the war is over, reduce or eliminate taxes which bear too heavily on consumption.

Page 2461

The war will leave deep disturbances in the world economy, in our national economy, in many communities, in many families, and in many individuals. It will require determined effort and responsible action of all of us to find our way back to peacetime, and to help others to find their way back to peacetime—a peacetime that holds the values of the past and the promise of the future.

If we attack our problems with determination we shall succeed. And we must succeed. For freedom and peace cannot exist without security.

During the past year the American people, in a national election, reasserted their democratic faith.

In the course of that campaign various references were made to “strife” between this Administration and the Congress, with the implication, if not the direct assertion, that this Administration and the Congress could never work together harmoniously in the service of the Nation.

It cannot be denied that there have been disagreements between the legislative and executive branches—as there have been disagreements during the past century and a half.

I think we all realize too that there are some people in this Capital City whose task is in large part to stir up dissension, and to magnify normal healthy disagreements so that they appear to be irreconcilable conflicts.

But—I think that the over-all record in this respect is eloquent: The Government of the United States of America—all branches of it—has a good record of achievement in this war.

The Congress, the Executive, and the Judiciary have worked together for the common good.

I myself want to tell you, the Members of the Senate and of the House of Representatives, how happy I am in our relationships and friendships. I have not yet had the pleasure of meeting some of the new Members in each House, but I hope that opportunity will offer itself in the near future.

We have a great many problems ahead of us and we must approach them with realism and courage.

This new year of 1945 can be the greatest year of achievement in human history.

Nineteen forty-five can see the final ending of the Nazi-Fascist reign of terror in Europe.

Nineteen forty-five can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan.

Most important of all—1945 can and must see the substantial beginning of the organization of world peace. This organization must be the fulfillment of the promise for which men have fought and died in this war. It must be the justification of all the sacrifices that have been made—of all the dreadful misery that this world has endured.

We Americans of today, together with our allies, are making history—and I hope it will be better history than ever has been made before.

We pray that we may be worthy of the unlimited opportunities that God has given us.

Page 2462

***

State of the Union Address
Franklin D. Roosevelt
January 4, 1935

Mr. President, Mr. Speaker, Members of the Senate and of the House of Representatives:

The Constitution wisely provides that the Chief Executive shall report to the Congress on the state of the Union, for through you, the chosen legislative representatives, our citizens everywhere may fairly judge the progress of our governing. I am confident that today, in the light of the events of the past two years, you do not consider it merely a trite phrase when I tell you that I am truly glad to greet you and that I look forward to common counsel, to useful cooperation, and to genuine friendships between us.

We have undertaken a new order of things; yet we progress to it under the framework and in the spirit and intent of the American Constitution. We have proceeded throughout the Nation a measurable distance on the road toward this new order. Materially, I can report to you substantial benefits to our agricultural population, increased industrial activity, and profits to our merchants. Of equal moment, there is evident a restoration of that spirit of confidence and faith which marks the American character. Let him, who, for speculative profit or partisan purpose, without just warrant would seek to disturb or dispel this assurance, take heed before he assumes responsibility for any act which slows our onward steps.

Throughout the world, change is the order of the day. In every Nation economic problems, long in the making, have brought crises of many kinds for which the masters of old practice and theory were unprepared. In most Nations social justice, no longer a distant ideal, has become a definite goal, and ancient Governments are beginning to heed the call.

Thus, the American people do not stand alone in the world in their desire for change. We seek it through tested liberal traditions, through processes which retain all of the deep essentials of that republican form of representative government first given to a troubled world by the United States.

As the various parts in the program begun in the Extraordinary Session of the 73rd Congress shape themselves in practical administration, the unity of our program reveals itself to the Nation. The outlines of the new economic order, rising from the disintegration of the old, are apparent. We test what we have done as our measures take root in the living texture of life. We see where we have built wisely and where we can do still better.

The attempt to make a distinction between recovery and reform is a narrowly conceived effort to substitute the appearance of reality for reality itself. When a man is convalescing from illness, wisdom dictates not only cure of the symptoms, but also removal of their cause.

Page 2463

It is important to recognize that while we seek to outlaw specific abuses, the American objective of today has an infinitely deeper, finer and more lasting purpose than mere repression. Thinking people in almost every country of the world have come to realize certain fundamental difficulties with which civilization must reckon. Rapid changes—the machine age, the advent of universal and rapid communication and many other new factors—have brought new problems. Succeeding generations have attempted to keep pace by reforming in piecemeal fashion this or that attendant abuse. As a result, evils overlap and reform becomes confused and frustrated. We lose sight, from time to time, of our ultimate human objectives.

Let us, for a moment, strip from our simple purpose the confusion that results from a multiplicity of detail and from millions of written and spoken words.

We find our population suffering from old inequalities, little changed by vast sporadic remedies. In spite of our efforts and in spite of our talk, we have not weeded out the over privileged and we have not effectively lifted up the underprivileged. Both of these manifestations of injustice have retarded happiness. No wise man has any intention of destroying what is known as the profit motive; because by the profit motive we mean the right by work to earn a decent livelihood for ourselves and for our families.

We have, however, a clear mandate from the people, that Americans must forswear that conception of the acquisition of wealth which, through excessive profits, creates undue private power over private affairs and, to our misfortune, over public affairs as well. In building toward this end we do not destroy ambition, nor do we seek to divide our wealth into equal shares on stated occasions. We continue to recognize the greater ability of some to earn more than others. But we do assert that the ambition of the individual to obtain for him and his a proper security, a reasonable leisure, and a decent living throughout life, is an ambition to be preferred to the appetite for great wealth and great power.

I recall to your attention my message to the Congress last June in which I said: “among our objectives I place the security of the men, women and children of the Nation first.” That remains our first and continuing task; and in a very real sense every major legislative enactment of this Congress should be a component part of it.

In defining immediate factors which enter into our quest, I have spoken to the Congress and the people of three great divisions:

1. The security of a livelihood through the better use of the national resources of the land in which we live.

2. The security against the major hazards and vicissitudes of life.

3. The security of decent homes.

I am now ready to submit to the Congress a broad program designed ultimately to establish all three of these factors of security—a program which because of many lost years will take many future years to fulfill.

Page 2464

A study of our national resources, more comprehensive than any previously made, shows the vast amount of necessary and practicable work which needs to be done for the development and preservation of our natural wealth for the enjoyment and advantage of our people in generations to come. The sound use of land and water is far more comprehensive than the mere planting of trees, building of dams, distributing of electricity or retirement of sub-marginal land. It recognizes that stranded populations, either in the country or the city, cannot have security under the conditions that now surround them.

To this end we are ready to begin to meet this problem—the intelligent care of population throughout our Nation, in accordance with an intelligent distribution of the means of livelihood for that population. A definite program for putting people to work, of which I shall speak in a moment, is a component part of this greater program of security of livelihood through the better use of our national resources.

Closely related to the broad problem of livelihood is that of security against the major hazards of life. Here also, a comprehensive survey of what has been attempted or accomplished in many Nations and in many States proves to me that the time has come for action by the national Government. I shall send to you, in a few days, definite recommendations based on these studies. These recommendations will cover the broad subjects of unemployment insurance and old age insurance, of benefits for children, form others, for the handicapped, for maternity care and for other aspects of dependency and illness where a beginning can now be made.

The third factor—better homes for our people—has also been the subject of experimentation and study. Here, too, the first practical steps can be made through the proposals which I shall suggest in relation to giving work to the unemployed.

Whatever we plan and whatever we do should be in the light of these three clear objectives of security. We cannot afford to lose valuable time in haphazard public policies which cannot find a place in the broad outlines of these major purposes. In that spirit I come to an immediate issue made for us by hard and inescapable circumstance—the task of putting people to work. In the spring of 1933 the issue of destitution seemed to stand apart; today, in the light of our experience and our new national policy, we find we can put people to work in ways which conform to, initiate and carry forward the broad principles of that policy.

The first objectives of emergency legislation of 1933 were to relieve destitution, to make it possible for industry to operate in a more rational and orderly fashion, and to put behind industrial recovery the impulse of large expenditures in Government undertakings. The purpose of the National Industrial Recovery Act to provide work for more people succeeded in a substantial manner within the first few months of its life, and the Act has continued to maintain employment gains and greatly improved working conditions in industry.

Page 2465

The program of public works provided for in the Recovery Act launched the Federal Government into a task for which there was little time to make preparation and little American experience to follow. Great employment has been given and is being given by these works.

More than two billions of dollars have also been expended in direct relief to the destitute. Local agencies of necessity determined the recipients of this form of relief. With inevitable exceptions the funds were spent by them with reasonable efficiency and as a result actual want of food and clothing in the great majority of cases has been overcome.

But the stark fact before us is that great numbers still remain unemployed.

A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government has grown with great rapidity. We have here a human as well as an economic problem. When humane considerations are concerned, Americans give them precedence. The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able-bodied but destitute workers.

The Federal Government must and shall quit this business of relief.

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves or picking up .papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination. This decision brings me to the problem of what the Government should do with approximately five million unemployed now on the relief rolls.

About one million and a half of these belong to the group which in the past was dependent upon local welfare efforts. Most of them are unable for one reason or another to maintain themselves independently—for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts—by States, by counties, by towns, by cities, by churches and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

Page 2466

The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of this type of cases. Local responsibility can and will be resumed, for, after all, common sense tells us that the wealth necessary for this task existed and still exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one. There are, however, an additional three and one half million employable people who are on relief. With them the problem is different and the responsibility is different. This group was the victim of a nation-wide depression caused by conditions which were not local but national. The Federal Government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these three and one half million employable people now on relief, pending their absorption in a rising tide of private employment.

It is my thought that with the exception of certain of the normal public building operations of the Government, all emergency public works shall be united in a single new and greatly enlarged plan.

With the establishment of this new system we can supersede the Federal Emergency Relief Administration with a coordinated authority which will be charged with the orderly liquidation of our present relief activities and the substitution of a national chart for the giving of work.

This new program of emergency public employment should be governed by a number of practical principles.

(1) All work undertaken should be useful—not just for a day, or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth for the Nation.

(2) Compensation on emergency public projects should be in the form of security payments which should be larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in Government work.

(3) Projects should be undertaken on which a large percentage of direct labor can be used.

(4) Preference should be given to those projects which will be self-liquidating in the sense that there is a reasonable expectation that the Government will get its money back at some future time.

(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises. This suggests that if it were not for the necessity of giving useful work to the unemployed now on relief, these projects in most instances would not now be undertaken.

Page 2467

(6) The planning of projects would seek to assure work during the coming fiscal year to the individuals now on relief, or until such time as private employment is available. In order to make adjustment to increasing private employment, work should be planned with a view to tapering it off in proportion to the speed with which the emergency workers are offered positions with private employers.

(7) Effort should be made to locate projects where they will serve the greatest unemployment needs as shown by present relief rolls, and the broad program of the National Resources Board should be freely used for guidance in selection. Our ultimate objective being the enrichment of human lives, the Government has the primary duty to use its emergency expenditures as much as possible to serve those who cannot secure the advantages of private capital.

Ever since the adjournment of the 73d Congress, the Administration has been studying from every angle the possibility and the practicability of new forms of employment. As a result of these studies I have arrived at certain very definite convictions as to the amount of money that will be necessary for the sort of public projects that I have described. I shall submit these figures in my budget message. I assure you now they will be within the sound credit of the Government.

The work itself will cover a wide field including clearance of slums, which for adequate reasons cannot be undertaken by private capital; in rural housing of several kinds, where, again, private capital is unable to function; in rural electrification; in the reforestation of the great watersheds of the Nation; in an intensified program to prevent soil erosion and to reclaim blighted areas; in improving existing road systems and in constructing national highways designed to handle modern traffic; in the elimination of grade crossings; in the extension and enlargement of the successful work of the Civilian Conservation Corps; in non-Federal works, mostly self-liquidating and highly useful to local divisions of Government; and on many other projects which the Nation needs and cannot afford to neglect.

This is the method which I propose to you in order that we may better meet this present-day problem of unemployment. Its greatest advantage is that it fits logically and usefully into the long-range permanent policy of providing the three types of security which constitute as a whole an American plan for the betterment of the future of the American people.

I shall consult with you from time to time concerning other measures of national importance. Among the subjects that lie immediately before us are the consolidation of Federal regulatory administration over all forms of transportation, the renewal and clarification of the general purposes of the National Industrial Recovery Act, the strengthening of our facilities for the prevention, detection and treatment of crime and criminals, the restoration of sound conditions in the public utilities field through abolition

of the evil features of holding companies, the gradual tapering off of the emergency credit activities of Government, and improvement in our taxation forms and methods.

Page 2468

We have already begun to feel the bracing effect upon our economic system of a restored agriculture. The hundreds of millions of additional income that farmers are receiving are finding their way into the channels of trade. The farmers' share of the national income is slowly rising. The economic facts justify the widespread opinion of those engaged in agriculture that our provisions for maintaining a balanced production give at this time the most adequate remedy for an old and vexing problem. For the present, and especially in view of abnormal world conditions, agricultural adjustment with certain necessary improvements in methods should continue.

It seems appropriate to call attention at this time to the fine spirit shown during the past year by our public servants. I cannot praise too highly the cheerful work of the Civil Service employees, and of those temporarily working for the Government. As for those thousands in our various public agencies spread throughout the country who, without compensation, agreed to take over heavy responsibilities in connection with our various loan agencies and particularly in direct relief work, I cannot say too much. I do not think any country could show a higher average of cheerful and even enthusiastic team-work than has been shown by these men and women.

I cannot with candor tell you that general international relationships outside the borders of the United States are improved. On the surface of things many old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads. I hope that calm counsel and constructive leadership will provide the steadying influence and the time necessary for the coming of new and more practical forms of representative government throughout the world wherein privilege and power will occupy a lesser place and world welfare a greater.

I believe, however, that our own peaceful and neighborly attitude toward other Nations is coming to be understood and appreciated. The maintenance of international peace is a matter in which we are deeply and unselfishly concerned. Evidence of our persistent and undeniable desire to prevent armed conflict has recently been more than once afforded.

There is no ground for apprehension that our relations with any Nation will be otherwise than peaceful. Nor is there ground for doubt that the people of most Nations seek relief from the threat and burden attaching to the false theory that extravagant armament cannot be reduced and limited by international accord.

The ledger of the past year shows many more gains than losses. Let us not forget that, in addition to saving millions from utter destitution, child labor has been for the moment outlawed, thousands of homes saved to their owners and most important of all, the morale of the Nation has been restored. Viewing the year 1934 as a whole, you and I can agree that we have a generous measure of reasons for giving thanks.

Page 2469

It is not empty optimism that moves me to a strong hope in the coming year. We can, if we will, make 1935 a genuine period of good feeling, sustained by a sense of purposeful progress. Beyond the material recovery, I sense a spiritual recovery as well. The people of America are turning as never before to those permanent values that are not limited to the physical objectives of life. There are growing signs of this on every hand. In the face of these spiritual impulses we are sensible of the Divine Providence to which Nations turn now, as always, for guidance and fostering care.

***

State of the Union Address
Franklin D. Roosevelt
January 3, 1936

Mr. President, Mr. Speaker, Members of the Senate and of the House of Representatives:

We are about to enter upon another year of the responsibility which the electorate of the United States has placed in our hands. Having come so far, it is fitting that we should pause to survey the ground which we have covered and the path which lies ahead.

On the fourth day of March, 1933, on the occasion of taking the oath of office as President of the United States, I addressed the people of our country. Need I recall either the scene or the national circumstances attending the occasion? The crisis of that moment was almost exclusively a national one. In recognition of that fact, so obvious to the millions in the streets and in the homes of America, I devoted by far the greater part of that address to what I called, and the Nation called, critical days within our own borders.

You will remember that on that fourth of March, 1933, the world picture was an image of substantial peace. International consultation and widespread hope for the bettering of relations between the Nations gave to all of us a reasonable expectation that the barriers to mutual confidence, to increased trade, and to the peaceful settlement of disputes could be progressively removed. In fact, my only reference to the field of world policy in that address was in these words: “I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—a neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.”

In the years that have followed, that sentiment has remained the dedication of this Nation. Among the Nations of the great Western Hemisphere the policy of the good neighbor has happily prevailed. At no time in the four and a half centuries of modern civilization in the Americas has there existed—in any year, in any decade, in any generation in all that time—a greater spirit of mutual understanding, of common

helpfulness, and of devotion to the ideals of serf-government than exists today in the twenty-one American Republics and their neighbor, the Dominion of Canada. This policy of the good neighbor among

Page 2470

the Americas is no longer a hope, no longer an objective remaining to be accomplished. It is a fact, active, present, pertinent and effective. In this achievement, every American Nation takes an understanding part. There is neither war, nor rumor of war, nor desire for war. The inhabitants of this vast area, two hundred and fifty million strong, spreading more than eight thousand miles from the Arctic to the Antarctic, believe in, and propose to follow, the policy of the good neighbor. They wish with all their heart that the rest of the world might do likewise.

The rest of the world—Ah! there is the rub.

Were I today to deliver an Inaugural Address to the people of the United States, I could not limit my comments on world affairs to one paragraph. With much regret I should be compelled to devote the greater part to world affairs. Since the summer of that same year of 1933, the temper and the purposes of the rulers of many of the great populations in Europe and in Asia have not pointed the way either to peace or to good-will among men. Not only have peace and good-will among men grown more remote in those areas of the earth during this period, but a point has been reached where the people of the Americas must take cognizance of growing ill-will, of marked trends toward aggression, of increasing armaments, of shortening tempers—a situation which has in it many of the elements that lead to the tragedy of general war.

On those other continents many Nations, principally the smaller peoples, if left to themselves, would be content with their boundaries and willing to solve within themselves and in cooperation with their neighbors their individual problems, both economic and social. The rulers of those Nations, deep in their hearts, follow these peaceful and reasonable aspirations of their peoples. These rulers must remain ever vigilant against the possibility today or tomorrow of invasion or attack by the rulers of other peoples who fail to subscribe to the principles of bettering the human race by peaceful means.

Within those other Nations—those which today must bear the primary, definite responsibility for jeopardizing world peace—what hope lies? To say the least, there are grounds for pessimism. It is idle for us or for others to preach that the masses of the people who constitute those Nations which are dominated by the twin spirits of autocracy and aggression, are out of sympathy with their rulers, that they are allowed no opportunity to express themselves, that they would change things if they could.

That, unfortunately, is not so clear. It might be true that the masses of the people in those Nations would change the policies of their Governments if they could be allowed full freedom and full access to the processes of democratic government as we understand them. But they do not have that access; lacking it they follow blindly and fervently the lead of those who seek autocratic power.

Page 2471

Nations seeking expansion, seeking the rectification of injustices springing from former wars, or seeking outlets for trade, for population or even for their own peaceful contributions to the progress of civilization, fail to demonstrate that patience necessary to attain reasonable and legitimate objectives by peaceful negotiation or by an appeal to the finer instincts of world justice.

They have therefore impatiently reverted to the old belief in the law of the sword, or to the fantastic conception that they, and they alone, are chosen to fulfill a mission and that all the others among the billion and a half of human beings in the world must and shall learn from and be subject to them.

I recognize and you will recognize that these words which I have chosen with deliberation will not prove popular in any Nation that chooses to fit this shoe to its foot. Such sentiments, however, will find sympathy and understanding in those Nations where the people themselves are honestly desirous of peace but must constantly align themselves on one side or the other in the kaleidoscopic jockeying for position which is characteristic of European and Asiatic relations today. For the peace-loving Nations, and there are many of them, find that their very identity depends on their moving and moving again on the chess board of international politics.

I suggested in the spring of 1933 that 85 or 90 percent of all the people in the world were content with the territorial limits of their respective Nations and were willing further to reduce their armed forces if every other Nation in the world would agree to do likewise.

That is equally true today, and it is even more true today that world peace and world good-will are blocked by only 10 or 15 percent of the world's population. That is why efforts to reduce armies have thus far not only failed, but have been met by vastly increased armaments on land and in the air. That is why even efforts to continue the existing limits on naval armaments into the years to come show such little current success.

But the policy of the United States has been clear and consistent. We have sought with earnestness in every possible way to limit world armaments and to attain the peaceful solution of disputes among all Nations.

We have sought by every legitimate means to exert our moral influence against repression, against intolerance, against autocracy and in favor of freedom of expression, equality before the law, religious tolerance and popular rule.

In the field of commerce we have undertaken to encourage a more reasonable interchange of the world's goods. In the field of international finance we have, so far as we are concerned, put an end to dollar diplomacy, to money grabbing, to speculation for the benefit of the powerful and the rich, at the expense of the small and the poor.

Page 2472

As a consistent part of a clear policy, the United States is following a twofold neutrality toward any and all Nations which engage in wars that are not of immediate concern to the Americas. First, we decline to encourage the prosecution of war by permitting belligerents to obtain arms, ammunition or implements of war from the United States. Second, we seek to discourage the use by belligerent Nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports of them in time of peace.

I trust that these objectives thus clearly and unequivocally stated will be carried forward by cooperation between this Congress and the President.

I realize that I have emphasized to you the gravity of the situation which confronts the people of the world. This emphasis is justified because of its importance to civilization and therefore to the United States. Peace is jeopardized by the few and not by the many. Peace is threatened by those who seek selfish power. The world has witnessed similar eras—as in the days when petty kings and feudal barons were changing the map of Europe every fortnight, or when great emperors and great kings were engaged in a mad scramble for colonial empire. We hope that we are not again at the threshold of such an era. But if face it we must, then the United States and the rest of the Americas can play but one role: through a well-ordered neutrality to do naught to encourage the contest, through adequate defense to save ourselves from embroilment and attack, and through example and all legitimate encouragement and assistance to persuade other Nations to return to the ways of peace and good-will.

The evidence before us clearly proves that autocracy in world affairs endangers peace and that such threats do not spring from those Nations devoted to the democratic ideal. If this be true in world affairs, it should have the greatest weight in the determination of domestic policies.

Within democratic Nations the chief concern of the people is to prevent the continuance or the rise of autocratic institutions that beget slavery at home and aggression abroad. Within our borders, as in the world at large, popular opinion is at war with a power-seeking minority.

That is no new thing. It was fought out in the Constitutional Convention of 1787. From time to time since then, the battle has been continued, under Thomas Jefferson, Andrew Jackson, Theodore Roosevelt and Woodrow Wilson.

In these latter years we have witnessed the domination of government by financial and industrial groups, numerically small but politically dominant in the twelve years that succeeded the World War. The present group of which I speak is indeed numerically small and, while it exercises a large influence and has much to say in the world of business, it does not, I am confident, speak the true sentiments of the less articulate but more important elements that constitute real American business.

Page 2473

In March, 1933, I appealed to the Congress of the United States and to the people of the United States in a new effort to restore power to those to whom it rightfully belonged. The response to that appeal resulted in the writing of a new chapter in the history of popular government. You, the members of the Legislative branch, and I, the Executive, contended for and established a new relationship between Government and people.

What were the terms of that new relationship? They were an appeal from the clamor of many private and selfish interests, yes, an appeal from the clamor of partisan interest, to the ideal of the public interest. Government became the representative and the trustee of the public interest. Our aim was to build upon essentially democratic institutions, seeking all the while the adjustment of burdens, the help of the needy, the protection of the weak, the liberation of the exploited and the genuine protection of the people's property.

It goes without saying that to create such an economic constitutional order, more than a single legislative enactment was called for. We, you in the Congress and I as the Executive, had to build upon a broad base. Now, after thirty-four months of work, we contemplate a fairly rounded whole. We have returned the control of the Federal Government to the City of Washington.

To be sure, in so doing, we have invited battle. We have earned the hatred of entrenched greed. The very nature of the problem that we faced made it necessary to drive some people from power and strictly to regulate others. I made that plain when I took the oath of office in March, 1933. I spoke of the practices of the unscrupulous money-changers who stood indicted in the court of public opinion. I spoke of the rulers of the exchanges of mankind's goods, who failed through their own stubbornness and their own incompetence. I said that they had admitted their failure and had abdicated.

Abdicated? Yes, in 1933, but now with the passing of danger they forget their damaging admissions and withdraw their abdication.

They seek the restoration of their selfish power. They offer to lead us back round the same old corner into the same old dreary street.

Yes, there are still determined groups that are intent upon that very thing. Rigorously held up to popular examination, their true character presents itself. They steal the livery of great national constitutional ideals to serve discredited special interests. As guardians and trustees for great groups of individual stockholders they wrongfully seek to carry the property and the interests entrusted to them into the arena of partisan politics. They seek—this minority in business and industry—to control and often do control and use for their own purposes legitimate and highly honored business associations; they engage in vast propaganda to spread fear and discord among the people—they would "gang up" against the people's liberties.

Page 2474

The principle that they would instill into government if they succeed in seizing power is well shown by the principles which many of them have instilled into their own affairs: autocracy toward labor, toward stockholders, toward consumers, toward public sentiment. Autocrats in smaller things, they seek autocracy in bigger things. "By their fruits ye shall know them."

If these gentlemen believe, as they say they believe, that the measures adopted by this Congress and its predecessor, and carried out by this Administration, have hindered rather than promoted recovery, let them be consistent. Let them propose to this Congress the complete repeal of these measures. The way is open to such a proposal.

Let action be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays. Shall we say that values are restored and that the Congress will, therefore, repeal the laws under which we have been bringing them back? Shall we say that because national income has grown with rising prosperity, we shall repeal existing taxes and thereby put off the day of approaching a balanced budget and of starting to reduce the national debt? Shall we abandon the reasonable support and regulation of banking? Shall we restore the dollar to its former gold content?

Shall we say to the farmer, "The prices for your products are in part restored. Now go and hoe your own row?"

Shall we say to the home owners, "We have reduced your rates of interest. We have no further concern with how you keep your home or what you pay for your money. That is your affair?"

Shall we say to the several millions of unemployed citizens who face the very problem of existence, of getting enough to eat, "We will withdraw from giving you work. We will turn you back to the charity of your communities and those men of selfish power who tell you that perhaps they will employ you if the Government leaves them strictly alone?"

Shall we say to the needy unemployed, "Your problem is a local one except that perhaps the Federal Government, as an act of mere generosity, will be willing to pay to your city or to your county a few grudging dollars to help maintain your soup kitchens?"

Shall we say to the children who have worked all day in the factories, "Child labor is a local issue and so are your starvation wages; something to be solved or left unsolved by the jurisdiction of forty-eight States?"

Shall we say to the laborer, "Your right to organize, your relations with your employer have nothing to do with the public interest; if your employer will not even meet with you to discuss your problems and his, that is none of our affair?"

Shall we say to the unemployed and the aged, “Social security lies not within the province of the Federal Government; you must seek relief elsewhere?”

Shall we say to the men and women who live in conditions of squalor in country and in city, “The health and the happiness of you and your children are no concern of ours?”

Page 2475

Shall we expose our population once more by the repeal of laws which protect them against the loss of their honest investments and against the manipulations of dishonest speculators? Shall we abandon the splendid efforts of the Federal Government to raise the health standards of the Nation and to give youth a decent opportunity through such means as the Civilian Conservation Corps?

Members of the Congress, let these challenges be met. If this is what these gentlemen want, let them say so to the Congress of the United States. Let them no longer hide their dissent in a cowardly cloak of generality. Let them define the issue. We have been specific in our affirmative action. Let them be specific in their negative attack.

But the challenge faced by this Congress is more menacing than merely a return to the past—bad as that would be. Our resplendent economic autocracy does not want to return to that individualism of which they prate, even though the advantages under that system went to the ruthless and the strong. They realize that in thirty-four months we have built up new instruments of public power. In the hands of a people's Government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people. Give them their way and they will take the course of every autocracy of the past—power for themselves, enslavement for the public.

Their weapon is the weapon of fear. I have said, "The only thing we have to fear is fear itself." That is as true today as it was in 1933. But such fear as they instill today is not a natural fear, a normal fear; it is a synthetic, manufactured, poisonous fear that is being spread subtly, expensively and cleverly by the same people who cried in those other days, "Save us, save us, lest we perish."

I am confident that the Congress of the United States well understands the facts and is ready to wage unceasing warfare against those who seek a continuation of that spirit of fear. The carrying out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal of the land. The Congress has the right and can find the means to protect its own prerogatives.

We are justified in our present confidence. Restoration of national income, which shows continuing gains for the third successive year, supports the normal and logical policies under which agriculture and industry are returning to full activity. Under these policies we approach a balance of the national budget. National income increases; tax receipts, based on that income, increase without the levying of new taxes. That is why I am able to say to this, the Second Session of the 74th Congress, that it is my belief based on existing laws that no new taxes, over and above the present taxes, are either advisable or necessary.

National income increases; employment increases. Therefore, we can look forward to a reduction in the number of those citizens who are in need. Therefore, also, we can anticipate a reduction in our appropriations for relief.

Page 2476

In the light of our substantial material progress, in the light of the increasing effectiveness of the restoration of popular rule, I recommend to the Congress that we advance; that we do not retreat. I have confidence that you will not fail the people of the Nation whose mandate you have already so faithfully fulfilled.

I repeat, with the same faith and the same determination, my words of March 4, 1933: “We face the arduous days that lie before us in the warm courage of national unity; with a clear consciousness of seeking old and precious moral values; with a clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life. We do not distrust the future of essential democracy.”

I cannot better end this message on the state of the Union than by repeating the words of a wise philosopher at whose feet I sat many, many years ago.

“What great crises teach all men whom the example and counsel of the brave inspire is the lesson: Fear not, view all the tasks of life as sacred, have faith in the triumph of the ideal, give daily all that you have to give, be loyal and rejoice whenever you find yourselves part of a great ideal enterprise. You, at this moment, have the honor to belong to a generation whose lips are touched by fire. You live in a land that now enjoys the blessings of peace. But let nothing human be wholly alien to you. The human race now passes through one of its great crises. New ideas, new issues—a new call for men to carry on the work of righteousness, of charity, of courage, of patience, and of loyalty. . . . However memory bring back this moment to your minds, let it be able to say to you: That was a great moment. It was the beginning of a new era. . . . This world in its crisis called for volunteers, for men of faith in life, of patience in service, of charity and of insight. I responded to the call however I could. I volunteered to give myself to my Master—the cause of humane and brave living. I studied, I loved, I labored, unsparingly and hopefully, to be worthy of my generation.”

***

State of the Union Address
Franklin D. Roosevelt
January 6, 1937

Mr. President, Mr. Speaker, Members of the Congress of the United States:

For the first time in our national history a President delivers his Annual Message to a new Congress within a fortnight of the expiration of his term of office. While there is no change in the Presidency this year, change will occur in future years. It is my belief that under this new constitutional practice, the President should in every fourth year, in so far as seems reasonable, review the existing state of our national affairs and outline broad

future problems, leaving specific recommendations for future legislation to be made by the President about to be inaugurated.

At this time, however, circumstances of the moment compel me to ask your immediate consideration of: First, measures extending the life of certain authorizations and powers which, under present statutes, expire within a few weeks; second, an addition to the existing Neutrality Act to cover specific points raised by the unfortunate civil strife in Spain; and, third, a deficiency appropriation bill for which I shall submit estimates this week.

Page 2477

In March, 1933, the problems which faced our Nation and which only our national Government had the resources to meet were more serious even than appeared on the surface.

It was not only that the visible mechanism of economic life had broken down. More disturbing was the fact that long neglect of the needs of the underprivileged had brought too many of our people to the verge of doubt as to the successful adaptation of our historic traditions to the complex modern world. In that lay a challenge to our democratic form of Government itself.

Ours was the task to prove that democracy could be made to function in the world of today as effectively as in the simpler world of a hundred years ago. Ours was the task to do more than to argue a theory. The times required the confident answer of performance to those whose instinctive faith in humanity made them want to believe that in the long run democracy would prove superior to more extreme forms of Government as a process of getting action when action was wisdom, without the spiritual sacrifices which those other forms of Government exact.

That challenge we met. To meet it required unprecedented activities under Federal leadership to end abuses, to restore a large measure of material prosperity, to give new faith to millions of our citizens who had been traditionally taught to expect that democracy would provide continuously wider opportunity and continuously greater security in a world where science was continuously making material riches more available to man.

In the many methods of attack with which we met these problems, you and I, by mutual understanding and by determination to cooperate, helped to make democracy succeed by refusing to permit unnecessary disagreement to arise between two of our branches of Government. That spirit of cooperation was able to solve difficulties of extraordinary magnitude and ramification with few important errors, and at a cost cheap when measured by the immediate necessities and the eventual results.

I look forward to a continuance of that cooperation in the next four years. I look forward also to a continuance of the basis of that cooperation— mutual respect for each other's proper sphere of functioning in a democracy which is working well, and a common-sense realization of the need for play in the joints of the machine.

On that basis, it is within the right of the Congress to determine which of the many new activities shall be continued or abandoned, increased or curtailed.

On that same basis, the President alone has the responsibility for their administration. I find that this task of Executive management has reached the point where our administrative machinery needs comprehensive overhauling. I shall, therefore, shortly

address the Congress more fully in regard to modernizing and improving the Executive branch of the Government.

That cooperation of the past four years between the Congress and the President has aimed at the fulfillment of a twofold policy: first, economic recovery through many kinds of assistance to agriculture, industry and banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.

Page 2478

The recovery we sought was not to be merely temporary. It was to be a recovery protected from the causes of previous disasters. With that aim in view—to prevent a future similar crisis—you and I joined in a series of enactments—safe banking and sound currency, the guarantee of bank deposits, protection for the investor in securities, the removal of the threat of agricultural surpluses, insistence on collective bargaining, the outlawing of sweat shops, child labor and unfair trade practices, and the beginnings of security for the aged and the worker.

Nor was the recovery we sought merely a purposeless whirring of machinery. It is important, of course, that every man and woman in the country be able to find work, that every factory run, that business and farming as a whole earn profits. But Government in a democratic Nation does not exist solely, or even primarily, for that purpose.

It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average man. The deeper purpose of democratic government is to assist as many of its citizens as possible, especially those who need it most, to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that deeper purpose. There are far-reaching problems still with us for which democracy must find solutions if it is to consider itself successful.

For example, many millions of Americans still live in habitations which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the very large cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But many thousands of tenant farmers, indeed most of them, with some financial assistance and with some advice and training, can be made self-supporting on land which can eventually belong to them. The Nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with neither future security as tenants nor hope of ownership of their homes nor expectation of bettering the lot of their children.

Another national problem is the intelligent development of our social security system, the broadening of the services it renders, and practical improvement in its operation. In many Nations where such laws are in effect, success in meeting the expectations of the community has come through frequent amendment of the original statute.

Page 2479

And, of course, the most far-reaching and the most inclusive problem of all is that of unemployment and the lack of economic balance of which unemployment is at once the result and the symptom. The immediate question of adequate relief for the needy unemployed who are capable of performing useful work, I shall discuss with the Congress during the coming months. The broader task of preventing unemployment is a matter of long-range evolutionary policy. To that we must continue to give our best thought and effort. We cannot assume that immediate industrial and commercial activity which mitigates present pressures justifies the national Government at this time in placing the unemployment problem in a filing cabinet of finished business.

Fluctuations in employment are tied to all other wasteful fluctuations in our mechanism of production and distribution. One of these wastes is speculation. In securities or commodities, the larger the volume of speculation, the wider become the upward and downward swings and the more certain the result that in the long run there will be more losses than gains in the underlying wealth of the community.

And, as is now well known to all of us, the same net loss to society comes from reckless overproduction and monopolistic underproduction of natural and manufactured commodities.

Overproduction, underproduction and speculation are three evil sisters who distill the troubles of unsound inflation and disastrous deflation. It is to the interest of the Nation to have Government help private enterprise to gain sound general price levels and to protect those levels from wide perilous fluctuations. We know now that if early in 1931 Government had taken the steps which were taken two and three years later, the depression would never have reached the depths of the beginning of 1933.

Sober second thought confirms most of us in the belief that the broad objectives of the National Recovery Act were sound. We know now that its difficulties arose from the fact that it tried to do too much. For example, it was unwise to expect the same agency to regulate the length of working hours, minimum wages, child labor and collective bargaining on the one hand and the complicated questions of unfair trade practices and business controls on the other.

The statute of N.R.A. has been outlawed. The problems have not. They are still with us.

That decent conditions and adequate pay for labor, and just return for agriculture, can be secured through parallel and simultaneous action by forty-eight States is a proven impossibility. It is equally impossible to obtain curbs on monopoly, unfair trade practices and speculation by State action alone. There are those who, sincerely or insincerely, still cling to State action as a theoretical hope. But experience with actualities makes it clear that Federal laws supplementing State laws are needed to help solve the

problems which result from modern invention applied in an industrialized Nation which conducts its business with scant regard to State lines.

Page 2480

During the past year there has been a growing belief that there is little fault to be found with the Constitution of the United States as it stands today. The vital need is not an alteration of our fundamental law, but an increasingly enlightened view with reference to it. Difficulties have grown out of its interpretation; but rightly considered, it can be used as an instrument of progress, and not as a device for prevention of action.

It is worth our while to read and reread the preamble of the Constitution, and Article I thereof which confers the legislative powers upon the Congress of the United States. It is also worth our while to read again the debates in the Constitutional Convention of one hundred and fifty years ago. From such reading, I obtain the very definite thought that the members of that Convention were fully aware that civilization would raise problems for the proposed new Federal Government, which they themselves could not even surmise; and that it was their definite intent and expectation that a liberal interpretation in the years to come would give to the Congress the same relative powers over new national problems as they themselves gave to the Congress over the national problems of their day.

In presenting to the Convention the first basic draft of the Constitution, Edmund Randolph explained that it was the purpose “to insert essential principles only, lest the operation of government should be clogged by rendering those provisions permanent and unalterable which ought to be accommodated to times and events.”

With a better understanding of our purposes, and a more intelligent recognition of our needs as a Nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony. Means must be found to adapt our legal forms and our judicial interpretation to the actual present national needs of the largest progressive democracy in the modern world.

That thought leads to a consideration of world problems. To go no further back than the beginning of this century, men and women everywhere were seeking conditions of life very different from those which were customary before modern invention and modern industry and modern communications had come into being. The World war, for all of its tragedy, encouraged these demands, and stimulated action to fulfill these new desires.

Many national Governments seemed unable adequately to respond; and, often with the improvident assent of the masses of the people themselves, new forms of government were set up with oligarchy taking the place of democracy. In oligarchies, militarism has leapt forward, while in those Nations which have retained democracy, militarism has waned.

I have recently visited three of our sister Republics in South America. The very cordial receptions with which I was greeted were in tribute to democracy. To me the outstanding observation of that visit was that the masses of the peoples of all the Americas are convinced that the democratic form of government can be made to

succeed and do not wish to substitute for it any other form of government. They believe that democracies are best able to cope with the changing problems of modern civilization within themselves, and that democracies are best able to maintain peace among themselves.

Page 2481

The Inter-American Conference, operating on these fundamental principles of democracy, did much to assure peace in this Hemisphere. Existing peace machinery was improved. New instruments to maintain peace and eliminate causes of war were adopted. Wider protection of the interests of the American Republics in the event of war outside the Western Hemisphere was provided. Respect for, and observance of, international treaties and international law were strengthened. Principles of liberal trade policies, as effective aids to the maintenance of peace, were reaffirmed. The intellectual and cultural relationships among American Republics were broadened as a part of the general peace program.

In a world unhappily thinking in terms of war, the representatives of twenty-one Nations sat around a table, in an atmosphere of complete confidence and understanding, sincerely discussing measures for maintaining peace. Here was a great and a permanent achievement directly affecting the lives and security of the two hundred and fifty million human beings who dwell in this Western Hemisphere. Here was an example which must have a wholesome effect upon the rest of the world.

In a very real sense, the Conference in Buenos Aires sent forth a message on behalf of all the democracies of the world to those Nations which live otherwise. Because such other Governments are perhaps more spectacular, it was high time for democracy to assert itself.

Because all of us believe that our democratic form of government can cope adequately with modern problems as they arise, it is patriotic as well as logical for us to prove that we can meet new national needs with new laws consistent with an historic constitutional framework clearly intended to receive liberal and not narrow interpretation.

The United States of America, within itself, must continue the task of making democracy succeed.

In that task the Legislative branch of our Government will, I am confident, continue to meet the demands of democracy whether they relate to the curbing of abuses, the extension of help to those who need help, or the better balancing of our interdependent economies.

So, too, the Executive branch of the Government must move forward in this task, and, at the same time, provide better management for administrative action of all kinds.

The Judicial branch also is asked by the people to do its part in making democracy successful. We do not ask the Courts to call non-existent powers into being, but we have a right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good.

The process of our democracy must not be imperiled by the denial of essential powers of free government.

Your task and mine is not ending with the end of the depression. The people of the United States have made it clear that they expect us to continue our active efforts in behalf of their peaceful advancement.

Page 2482

In that spirit of endeavor and service I greet the 75th Congress at the beginning of this auspicious New Year.

***

State of the Union Address
Franklin D. Roosevelt
January 3, 1938

Mr. President, Mr. Speaker, Members of the Senate and of the House of Representatives:

In addressing the Congress on the state of the Union present facts and future hazards demand that I speak clearly and earnestly of the causes which underlie events of profound concern to all.

In spite of the determination of this Nation for peace, it has become clear that acts and policies of nations in other parts of the world have far-reaching effects not only upon their immediate neighbors but also on us.

I am thankful that I can tell you that our Nation is at peace. It has been kept at peace despite provocations which in other days, because of their seriousness, could well have engendered war. The people of the United States and the Government of the United States have shown capacity for restraint and a civilized approach to the purposes of peace, while at the same time we maintain the integrity inherent in the sovereignty of 130,000,000 people, lest we weaken or destroy our influence for peace and jeopardize the sovereignty itself.

It is our traditional policy to live at peace with other nations. More than that, we have been among the leaders in advocating the use of pacific methods of discussion and conciliation in international differences. We have striven for the reduction of military forces.

But in a world of high tension and disorder, in a world where stable civilization is actually threatened, it becomes the responsibility of each nation which strives for peace at home and peace with and among others to be strong enough to assure the observance of those fundamentals of peaceful solution of conflicts which are the only ultimate basis for orderly existence.

Resolute in our determination to respect the rights of others, and to command respect for the rights of ourselves, we must keep ourselves adequately strong in self-defense.

There is a trend in the world away from the observance both of the letter and the spirit of treaties. We propose to observe, as we have in the past, our own treaty obligations to the limit; but we cannot be certain of reciprocity on the part of others.

Disregard for treaty obligations seems to have followed the surface trend away from the democratic representative form of government. It would seem, therefore, that world peace through international agreements is most safe in the hands of democratic representative governments—or, in other words, peace is most greatly jeopardized in and by those nations where democracy has been discarded or has never developed.

I have used the words “surface trend,” for I still believe that civilized man increasingly insists and in the long run will insist on genuine participation in his own government. Our people believe that over the years democracies of the world will survive, and that democracy will be restored or established in those nations which today know it not. In that faith lies the future peace of mankind.

Page 2483

At home, conditions call for my equal candor. Events of recent months are new proof that we cannot conduct a national government after the practice of 1787, or 1837 or 1887, for the obvious reason that human needs and human desires are infinitely greater, infinitely more difficult to meet than in any previous period in the life of our Republic. Hitherto it has been an acknowledged duty of government to meet these desires and needs: nothing has occurred of late to absolve the Congress, the Courts or the President from that task. It faces us as squarely, as insistently, as in March, 1933.

Much of trouble in our own lifetime has sprung from a long period of inaction—from ignoring what fundamentally was happening to us, and from a time-serving unwillingness to face facts as they forced themselves upon us.

Our national life rests on two nearly equal producing forces, agriculture and industry, each employing about one-third of our citizens. The other third transports and distributes the products of the first two, or performs special services for the whole.

The first great force, agriculture—and with it the production of timber, minerals and other natural resources—went forward feverishly and thoughtlessly until nature rebelled and we saw deserts encroach, floods destroy, trees disappear and soil exhausted.

At the same time we have been discovering that vast numbers of our farming population live in a poverty more abject than that of many of the farmers of Europe whom we are wont to call peasants; that the prices of our products of agriculture are too often dependent on speculation by non-farming groups; and that foreign nations, eager to become self-sustaining or ready to put virgin land under the plough are no longer buying our surpluses of cotton and wheat and lard and tobacco and fruit as they had before.

Since 1933 we have knowingly faced a choice of three remedies. First, to cut our cost of farm production below that of other nations—an obvious impossibility in many crops today unless we revert to human slavery or its equivalent.

Second, to make the government the guarantor of farm prices and the underwriter of excess farm production without limit—a course which would bankrupt the strongest government in the world in a decade.

Third, to place the primary responsibility directly on the farmers themselves, under the principle of majority rule, so that they may decide, with full knowledge of the facts of surpluses, scarcities, world markets and domestic needs, what the planting of each crop should be in order to maintain a reasonably adequate supply which will assure a minimum adequate price under the normal processes of the law of supply and demand.

That means adequacy of supply but not glut. It means adequate reserves against the day of drought. It is shameless misrepresentation to call this a policy of scarcity. It is in truth insurance before the fact, instead of government subsidy after the fact.

Page 2484

Any such plan for the control of excessive surpluses and the speculation they bring has two enemies. There are those well meaning theorists who harp on the inherent right of every free born American to do with his land what he wants—to cultivate it well—or badly; to conserve his timber by cutting only the annual increment thereof—or to strip it clean, let fire burn the slash, and erosion complete the ruin; to raise only one crop—and if that crop fails, to look for food and support from his neighbors or his government.

That, I assert is not an inherent right of citizenship. For if a man farms his land to the waste of the soil or the trees, he destroys not only his own assets but the Nation's assets as well. Or if by his methods he makes himself, year after year, a financial hazard of the community and the government, he becomes not only a social problem but an economic menace. The day has gone by when it could be claimed that government has no interest in such ill-considered practices and no right through representative methods to stop them.

The other group of enemies is perhaps less well-meaning. It includes those who for partisan purposes oppose each and every practical effort to help the situation, and also those who make money from undue fluctuations in crop prices.

I gladly note that measures which seek to initiate a government program for a balanced agriculture are now in conference between the two Houses of the Congress. In their final consideration, I hope for a sound consistent measure which will keep the cost of its administration within the figure of current government expenditures in aid of agriculture. The farmers of this Nation know that a balanced output can be put into effect without excessive cost and with the cooperation of the great majority of them.

If this balance can be created by an all-weather farm program, our farm population will soon be assured of relatively constant purchasing power. From this will flow two other practical results: the consuming public will be protected against excessive food and textile prices, and the industries of the Nation and their workers will find a steadier demand for wares sold to the agricultural third of our people.

To raise the purchasing power of the farmer is, however, not enough. It will not stay raised if we do not also raise the purchasing power of that third of the Nation which receives its income from industrial employment. Millions of industrial workers receive pay so low that they have little buying power. Aside from the undoubted fact that they thereby suffer great human hardship, they are unable to buy adequate food and shelter, to maintain health or to buy their share of manufactured goods.

We have not only seen minimum wage and maximum hour provisions prove their worth economically and socially under government auspices in 1933, 1934 and 1935, but the people of this country, by an overwhelming vote, are in favor of having the Congress—-this Congress—put a floor below which industrial wages shall not fall, and a ceiling beyond which the hours of industrial labor shall not rise.

Page 2485

Here again let us analyze the opposition. A part of it is sincere in believing that an effort thus to raise the purchasing power of lowest paid industrial workers is not the business of the Federal Government. Others give “lip service” to a general objective, but do not like any specific measure that is proposed. In both cases it is worth our while to wonder whether some of these opponents are not at heart opposed to any program for raising the wages of the underpaid or reducing the hours of the overworked.

Another group opposes legislation of this type on the ground that cheap labor will help their locality to acquire industries and outside capital, or to retain industries which today are surviving only because of existing low wages and long hours. It has been my thought that, especially during these past five years, this Nation has grown away from local or sectional selfishness and toward national patriotism and unity. I am disappointed by some recent actions and by some recent utterances which sound like the philosophy of half a century ago.

There are many communities in the United States where the average family income is pitifully low. It is in those communities that we find the poorest educational facilities and the worst conditions of health. Why? It is not because they are satisfied to live as they do. It is because those communities have the lowest per capita wealth and income; therefore, the lowest ability to pay taxes; and, therefore, inadequate functioning of local government.

Such communities exist in the East, in the Middle West, in the Far West, and in the South. Those who represent such areas in every part of the country do their constituents ill service by blocking efforts to raise their incomes, their property values and, therefore, their whole scale of living. In the long run, the profits from Child labor, low pay and overwork enure not to the locality or region where they exist but to the absentee owners who have sent their capital into these exploited communities to gather larger profits for themselves. Indeed, new enterprises and new industries which bring permanent wealth will come more readily to those communities which insist on good pay and reasonable hours, for the simple reason that there they will find a greater industrial efficiency and happier workers.

No reasonable person seeks a complete uniformity in wages in every part of the United States; nor does any reasonable person seek an immediate and drastic change from the lowest pay to the highest pay. We are seeking, of course, only legislation to end starvation wages and intolerable hours; more desirable wages are and should continue to be the product of collective bargaining.

Many of those who represent great cities have shown their understanding of the necessity of helping the agricultural third of the Nation. I hope that those who represent constituencies primarily agricultural will not underestimate the importance of extending like aid to the industrial third.

Page 2486

Wage and hour legislation, therefore, is a problem which is definitely before this Congress for action. It is an essential part of economic recovery. It has the support of an overwhelming majority of our people in every walk of life. They have expressed themselves through the ballot box.

Again I revert to the increase of national purchasing power as an underlying necessity of the day. If you increase that purchasing power for the farmers and for the industrial workers, especially for those in both groups who have least of it today, you will increase the purchasing power of the final third of our population—those who transport and distribute the products of farm and factory, and those of the professions who serve all groups. I have tried to make clear to you, and through you to the people of the United States, that this is an urgency which must be met by complete and not by partial action.

If it is met, if the purchasing power of the Nation as a whole—in other words, the total of the Nation's income—can be still further increased, other happy results will flow from such increase.

We have raised the Nation's income from thirty-eight billion dollars in the year 1932 to about sixty-eight billion dollars in the year 1937. Our goal, our objective is to raise it to ninety or one hundred billion dollars.

We have heard much about a balanced budget, and it is interesting to note that many of those who have pleaded for a balanced budget as the sole need now come to me to plead for additional government expenditures at the expense of unbalancing the budget. As the Congress is fully aware, the annual deficit, large for several years, has been declining the last fiscal year and this. The proposed budget for 1939, which I shall shortly send to the Congress, will exhibit a further decrease in the deficit, though not a balance between income and outgo.

To many who have pleaded with me for an immediate balancing of the budget, by a sharp curtailment or even elimination of government functions, I have asked the question: "What present expenditures would you reduce or eliminate?" And the invariable answer has been "that is not my business—I know nothing of the details, but I am sure that it could be done." That is not what you or I would call helpful citizenship.

On only one point do most of them have a suggestion. They think that relief for the unemployed by the giving of work is wasteful, and when I pin them down I discover that at heart they are actually in favor of substituting a dole in place of useful work. To that neither I nor, I am confident, the Senators and Representatives in the Congress will ever consent.

I am as anxious as any banker or industrialist or business man or investor or economist that the budget of the United States Government be brought into balance as quickly as

possible. But I lay down certain conditions which seem reasonable and which I believe all should accept.

Page 2487

The first condition is that we continue the policy of not permitting any needy American who can and is willing to work to starve because the Federal Government does not provide the work.

The second is that the Congress and the Executive join hands in eliminating or curtailing any Federal activity which can be eliminated or curtailed or even postponed without harming necessary government functions or the safety of the Nation from a national point of view.

The third is to raise the purchasing power of the Nation to the point that the taxes on this purchasing power—or, in other words, on the Nation's income—will be sufficient to meet the necessary expenditures of the national government.

I have hitherto stated that, in my judgment, the expenditures of the national government cannot be cut much below seven billion dollars a year without destroying essential functions or letting people starve. That sum can be raised and will be cheerfully provided by the American people, if we can increase the Nation's income to a point well beyond the present level.

This does not mean that as the Nation's income goes up the Federal expenditures should rise in proportion. On the contrary, the Congress and the Executive should use every effort to hold the normal Federal expenditures to approximately the present level, thus making it possible, with an increase in the Nation's income and the resulting increase in tax receipts, not only to balance future budgets but to reduce the debt.

In line with this policy fall my former recommendations for the reorganization and improvement of the administrative structure of the government, both for immediate Executive needs and for the planning of future national needs. I renew those recommendations.

In relation to tax changes, three things should be kept in mind. First, the total sum to be derived by the Federal Treasury must not be decreased as a result of any changes in schedules. Second, abuses by individuals or corporations designed to escape tax-paying by using various methods of doing business, corporate and otherwise—abuses which we have sought, with great success, to end—must not be restored. Third, we should rightly change certain provisions where they are proven to work definite hardship, especially on the small business men of the Nation. But, speculative income should not be favored over earned income.

It is human nature to argue that this or that tax is responsible for every ill. It is human nature on the part of those who pay graduated taxes to attack all taxes based on the principle of ability to pay. These are the same complainants who for a generation blocked the imposition of a graduated income tax. They are the same complainants

who would impose the type of flat sales tax which places the burden of government more on those least able to pay and less on those most able to pay.

Our conclusion must be that while proven hardships should be corrected, they should not be corrected in such a way as to restore abuses already terminated or to shift a greater burden to the less fortunate.

Page 2488

This subject leads naturally into the wider field of the public attitude toward business. The objective of increasing the purchasing power of the farming third, the industrial third and the service third of our population presupposes the cooperation of what we call capital and labor.

Capital is essential; reasonable earnings on capital are essential; but misuse of the powers of capital or selfish suspension of the employment of capital must be ended, or the capitalistic system will destroy itself through its own abuses.

The overwhelming majority of business men and bankers intend to be good citizens. Only a small minority have displayed poor citizenship by engaging in practices which are dishonest or definitely harmful to society. This statement is straightforward and true. No person in any responsible place in the Government of the United States today has ever taken any position contrary to it.

But, unfortunately for the country, when attention is called to, or attack is made on specific misuses of capital, there has been a deliberate purpose on the part of the condemned minority to distort the criticism into an attack on all capital. That is wilful deception but it does not long deceive.

If attention is called to, or attack made on, certain wrongful business practices, there are those who are eager to call it “an attack on all business.” That, too, is wilful deception that will not long deceive. Let us consider certain facts:

There are practices today which most people believe should be ended. They include tax avoidance through corporate and other methods, which I have previously mentioned; excessive capitalization, investment write-ups and security manipulations; price rigging and collusive bidding in defiance of the spirit of the antitrust laws by methods which baffle prosecution under the present statutes. They include high-pressure salesmanship which creates cycles of overproduction within given industries and consequent recessions in production until such time as the surplus is consumed; the use of patent laws to enable larger corporations to maintain high prices and withhold from the public the advantages of the progress of science; unfair competition which drives the smaller producer out of business locally, regionally or even on a national scale; intimidation of local or state government to prevent the enactment of laws for the protection of labor by threatening to move elsewhere; the shifting of actual production from one locality or region to another in pursuit of the cheapest wage scale.

The enumeration of these abuses does not mean that business as a whole is guilty of them. Again, it is deception that will not long deceive to tell the country that an attack on these abuses is an attack on business.

Another group of problems affecting business, which cannot be termed specific abuses, gives us food for grave thought about the future. Generically such problems arise out of

the concentration of economic control to the detriment of the body politic—control of other people's money, other people's labor, other people's lives.

Page 2489

In many instances such concentrations cannot be justified on the ground of operating efficiency, but have been created for the sake of securities profits, financial control, the suppression of competition and the ambition for power over others. In some lines of industry a very small numerical group is in such a position of influence that its actions are of necessity followed by the other units operating in the same field.

That such influences operate to control banking and finance is equally true, in spite of the many efforts, through Federal legislation, to take such control out of the hands of a small group. We have but to talk with hundreds of small bankers throughout the United States to realize that irrespective of local conditions, they are compelled in practice to accept the policies laid down by a small number of the larger banks in the Nation. The work undertaken by Andrew Jackson and Woodrow Wilson is not finished yet.

The ownership of vast properties or the organization of thousands of workers creates a heavy obligation of public service. The power should not be sought or sanctioned unless the responsibility is accepted as well. The man who seeks freedom from such responsibility in the name of individual liberty is either fooling himself or trying to cheat his fellow men. He wants to eat the fruits of orderly society without paying for them.

As a Nation we have rejected any radical revolutionary program. For a permanent correction of grave weaknesses in our economic system we have relied on new applications of old democratic processes. It is not necessary to recount what has been accomplished in preserving the homes and livelihood of millions of workers on farms and in cities, in reconstructing a sound banking and credit system, in reviving trade and industry, in reestablishing security of life and property. All we need today is to look upon the fundamental, sound economic conditions to know that this business recession causes more perplexity than fear on the part of most people and to contrast our prevailing mental attitude with the terror and despair of five years ago.

Furthermore, we have a new moral climate in America. That means that we ask business and finance to recognize that fact, to cure such inequalities as they can cure without legislation but to join their government in the enactment of legislation where the ending of abuses and the steady functioning of our economic system calls for government assistance. The Nation has no obligation to make America safe either for incompetent business men or for business men who fail to note the trend of the times and continue the use of machinery of economics and practices of finance as outworn as the cotton spindle of 1870.

Government can be expected to cooperate in every way with the business of the Nation provided the component parts of business abandon practices which do not belong to this day and age, and adopt price and production policies appropriate to the times.

Page 2490

In regard to the relationship of government to certain processes of business, to which I have referred, it seems clear to me that existing laws undoubtedly require reconstruction. I expect, therefore, to address the Congress in a special message on this subject, and I hope to have the help of business in the efforts of government to help business.

I have spoken of labor as another essential in the three great groups of the population in raising the Nation's income. Definite strides in collective bargaining have been made and the right of labor to organize has been nationally accepted. Nevertheless in the evolution of the process difficult situations have arisen in localities and among groups. Unfortunate divisions relating to jurisdiction among the workers themselves have retarded production within given industries and have, therefore, affected related industries. The construction of homes and other buildings has been hindered in some localities not only by unnecessarily high prices for materials but also by certain hourly wage scales.

For economic and social reasons our principal interest for the near future lies along two lines: first, the immediate desirability of increasing the wages of the lowest paid groups in all industry; and, second, in thinking in terms of regularizing the work of the individual worker more greatly through the year—in other words, in thinking more in terms of the worker's total pay for a period of a whole year rather than in terms of his remuneration by the hour or by the day.

In the case of labor as in the case of capital, misrepresentation of the policy of the government of the United States is deception which will not long deceive. In both cases we seek cooperation. In every case power and responsibility must go hand in hand.

I have spoken of economic causes which throw the Nation's income out of balance; I have spoken of practices and abuses which demand correction through the cooperation of capital and labor with the government. But no government can help the destinies of people who insist in putting sectional and class consciousness ahead of general weal. There must be proof that sectional and class interests are prepared more greatly than they are today to be national in outlook.

A government can punish specific acts of spoliation; but no government can conscript cooperation. We have improved some matters by way of remedial legislation. But where in some particulars that legislation has failed we cannot be sure whether it fails because some of its details are unwise or because it is being sabotaged. At any rate, we hold our objectives and our principles to be sound. We will never go back on them.

Government has a final responsibility for the well-being of its citizenship. If private cooperative endeavor fails to provide work for willing hands and relief for the unfortunate, those suffering hardship from no fault of their own have a right to call upon

the Government for aid; and a government worthy of its name must make fitting response.

Page 2491

It is the opportunity and the duty of all those who have faith in democratic methods as applied in industry, in agriculture and in business, as well as in the field of politics, to do their utmost to cooperate with government—without regard to political affiliation, special interests or economic prejudices—in whatever program may be sanctioned by the chosen representatives of the people.

That presupposes on the part of the representatives of the people, a program, its enactment and its administration.

Not because of the pledges of party programs alone, not because of the clear policies of the past five years, but chiefly because of the need of national unity in ending mistakes of the past and meeting the necessities of today, we must carry on. I do not propose to let the people down.

I am sure the Congress of the United States will not let the people down.

***

State of the Union Address
Franklin D. Roosevelt
January 4, 1939

Mr. Vice President, Mr. Speaker, Members of the Senate and the Congress:

In Reporting on the state of the nation, I have felt it necessary on previous occasions to advise the Congress of disturbance abroad and of the need of putting our own house in order in the face of storm signals from across the seas. As this Seventy-sixth Congress opens there is need for further warning.

A war which threatened to envelop the world in flames has been averted; but it has become increasingly clear that world peace is not assured.

All about us rage undeclared wars—military and economic. All about us grow more deadly armaments—military and economic. All about us are threats of new aggression military and economic.

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two—democracy and international good faith.

Religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors.

Democracy, the practice of self-government, is a covenant among free men to respect the rights and liberties of their fellows.

International good faith, a sister of democracy, springs from the will of civilized nations of men to respect the rights and liberties of other nations of men.

In a modern civilization, all three—religion, democracy and international good faith—-complement and support each other.

Where freedom of religion has been attacked, the attack has come from sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force.

An ordering of society which relegates religion, democracy and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith.

Page 2492

There comes a time in the affairs of men when they must prepare to defend, not their homes alone, but the tenets of faith and humanity on which their churches, their governments and their very civilization are founded. The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must now make up our minds to save all.

We know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That Hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches.

This by no means implies that the American Republics disassociate themselves from the nations of other continents. It does not mean the Americas against the rest of the world. We as one of the Republics reiterate our willingness to help the cause of world peace. We stand on our historic offer to take counsel with all other nations of the world to the end that aggression among them be terminated, that the race of armaments cease and that commerce be renewed.

But the world has grown so small and weapons of attack so swift that no nation can be safe in its will to peace so long as any other powerful nation refuses to settle its grievances at the council table.

For if any government bristling with implements of war insists on policies of force, weapons of defense give the only safety.

In our foreign relations we have learned from the past what not to do. From new wars we have learned what we must do.

We have learned that effective timing of defense, and the distant points from which attacks may be launched are completely different from what they were twenty years ago.

We have learned that survival cannot be guaranteed by arming after the attack begins —for there is new range and speed to offense.

We have learned that long before any overt military act, aggression begins with preliminaries of propaganda, subsidized penetration, the loosening of ties of good will, the stirring of prejudice and the incitement to disunion.

We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. They cannot forever let pass, without effective protest, acts of aggression against sister nations—acts which automatically undermine all of us.

Page 2493

Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more.

And we have learned something else—the old, old lesson that probability of attack is mightily decreased by the assurance of an ever ready defense. Since 1931, nearly eight years ago, world events of thunderous import have moved with lightning speed. During these eight years many of our people clung to the hope that the innate decency of mankind would protect the unprepared who showed their innate trust in mankind. Today we are all wiser—and sadder.

Under modern conditions what we mean by “adequate defense”—a policy subscribed to by all of us—must be divided into three elements. First, we must have armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities essential to ensure sustained resistance and ultimate victory. Secondly, we must have the organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.

In the course of a few days I shall send you a special message making recommendations for those two essentials of defense against danger which we cannot safely assume will not come.

If these first two essentials are reasonably provided for, we must be able confidently to invoke the third element, the underlying strength of citizenship—the self-confidence, the ability, the imagination and the devotion that give the staying power to see things through.

A strong and united nation may be destroyed if it is unprepared against sudden attack. But even a nation well armed and well organized from a strictly military standpoint may, after a period of time, meet defeat if it is unnerved by self-distrust, endangered by class prejudice, by dissension between capital and labor, by false economy and by other unsolved social problems at home.

In meeting the troubles of the world we must meet them as one people—with a unity born of the fact that for generations those who have come to our shores, representing many kindreds and tongues, have been welded by common opportunity into a united patriotism. If another form of government can present a united front in its attack on a democracy, the attack must and will be met by a united democracy. Such a democracy can and must exist in the United States.

Page 2494

A dictatorship may command the full strength of a regimented nation. But the united strength of a democratic nation can be mustered only when its people, educated by modern standards to know what is going on and where they are going, have conviction that they are receiving as large a share of opportunity for development, as large a share of material success and of human dignity, as they have a right to receive.

Our nation's program of social and economic reform is therefore a part of defense, as basic as armaments themselves.

Against the background of events in Europe, in Africa and in Asia during these recent years, the pattern of what we have accomplished since 1933 appears in even clearer focus.

For the first time we have moved upon deep-seated problems affecting our national strength and have forged national instruments adequate to meet them.

Consider what the seemingly piecemeal struggles of these six years add up to in terms of realistic national preparedness.

We are conserving and developing natural resources—land, water power, forests.

We are trying to provide necessary food, shelter and medical care for the health of our population.

We are putting agriculture—our system of food and fibre supply—on a sounder basis.

We are strengthening the weakest spot in our system of industrial supply— its long smouldering labor difficulties.

We have cleaned up our credit system so that depositor and investor alike may more readily and willingly make their capital available for peace or war.

We are giving to our youth new opportunities for work and education.

We have sustained the morale of all the population by the dignified recognition of our obligations to the aged, the helpless and the needy.

Above all, we have made the American people conscious of their interrelationship and their interdependence. They sense a common destiny and a common need of each other. Differences of occupation, geography, race and religion no longer obscure the nation's fundamental unity in thought and in action.

We have our difficulties, true—but we are a wiser and a tougher nation than we were in 1929, or in 1932.

Never have there been six years of such far-flung internal preparedness in our history. And this has been done without any dictator's power to command, without conscription of labor or confiscation of capital, without concentration camps and without a scratch on freedom of speech, freedom of the press or the rest of the Bill of Rights.

We see things now that we could not see along the way. The tools of government which we had in 1933 are outmoded. We have had to forge new tools for a new role of government operating in a democracy—a role of new responsibility for new needs and increased responsibility for old needs, long neglected.

Some of these tools had to be roughly shaped and still need some machining down. Many of those who fought bitterly against the forging of these new tools welcome their use today. The American people, as a whole, have accepted them. The Nation looks to the Congress to improve the new machinery which we have permanently installed, provided that in the process the social usefulness of the machinery is not destroyed or impaired.

Page 2495

All of us agree that we should simplify and improve laws if experience and operation clearly demonstrate the need. For instance, all of us want better provision for our older people under our social security legislation. For the medically needy we must provide better care.

Most of us agree that for the sake of employer and employee alike we must find ways to end factional labor strife and employer-employee disputes.

Most of us recognize that none of these tools can be put to maximum effectiveness unless the executive processes of government are revamped—reorganized, if you will—into more effective combination. And even after such reorganization it will take time to develop administrative personnel and experience in order to use our new tools with a minimum of mistakes. The Congress, of course, needs no further information on this.

With this exception of legislation to provide greater government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things.

We have now passed the period of internal conflict in the launching of our program of social reform. Our full energies may now be released to invigorate the processes of recovery in order to preserve our reforms, and to give every man and woman who wants to work a real job at a living wage.

But time is of paramount importance. The deadline of danger from within and from without is not within our control. The hour-glass may be in the hands of other nations. Our own hour-glass tells us that we are off on a race to make democracy work, so that we may be efficient in peace and therefore secure in national defense.

This time element forces us to still greater efforts to attain the full employment of our labor and our capital.

The first duty of our statesmanship is to bring capital and man-power together.

Dictatorships do this by main force. By using main force they apparently succeed at it—for the moment. However we abhor their methods, we are compelled to admit that they have obtained substantial utilization of all their material and human resources. Like it or not, they have solved, for a time at least, the problem of idle men and idle capital. Can we compete with them by boldly seeking methods of putting idle men and idle capital together and, at the same time, remain within our American way of life, within the Bill of Rights, and within the bounds of what is, from our point of view, civilization itself?

We suffer from a great unemployment of capital. Many people have the idea that as a nation we are overburdened with debt and are spending more than we can afford. That is not so. Despite our Federal Government expenditures the entire debt of our national economic system, public and private together, is no larger today than it was in 1929, and the interest thereon is far less than it was in 1929.

Page 2496

The object is to put capital—private as well as public—to work.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least eighty billion dollars a year. At that figure we shall have a substantial reduction of unemployment; and the Federal Revenues will be sufficient to balance the current level of cash expenditures on the basis of the existing tax structure. That figure can be attained, working within the framework of our traditional profit system.

The factors in attaining and maintaining that amount of national income are many and complicated.

They include more widespread understanding among business men of many changes which world conditions and technological improvements have brought to our economy over the last twenty years—changes in the interrelationship of price and volume and employment, for example—changes of the kind in which business men are now educating themselves through excellent opportunities like the so-called “monopoly investigation.”

They include a perfecting of our farm program to protect farmers’ income and consumers’ purchasing power from alternate risks of crop gluts and crop shortages.

They include wholehearted acceptance of new standards of honesty in our financial markets.

They include reconcilement of enormous, antagonistic interests—some of them long in litigation—in the railroad and general transportation field.

They include the working out of new techniques—private, state and federal—to protect the public interest in and to develop wider markets for electric power.

They include a revamping of the tax relationships between federal, state and local units of government, and consideration of relatively small tax increases to adjust inequalities without interfering with the aggregate income of the American people.

They include the perfecting of labor organization and a universal ungrudging attitude by employers toward the labor movement, until there is a minimum of interruption of production and employment because of disputes, and acceptance by labor of the truth that the welfare of labor itself depends on increased balanced out-put of goods.

To be immediately practical, while proceeding with a steady evolution in the solving of these and like problems, we must wisely use instrumentalities, like Federal investment, which are immediately available to us.

Here, as elsewhere, time is the deciding factor in our choice of remedies.

Therefore, it does not seem logical to me, at the moment we seek to increase production and consumption, for the Federal Government to consider a drastic curtailment of its own investments.

The whole subject of government investing and government income is one which may be approached in two different ways.

The first calls for the elimination of enough activities of government to bring the expenses of government immediately into balance with income of government. This school of thought maintains that because our national income this year is only sixty billion dollars, ours is only a sixty billion dollar country; that government must treat it as such; and that without the help of government, it may some day, somehow, happen to become an eighty billion dollar country.

Page 2497

If the Congress decides to accept this point of view, it will logically have to reduce the present functions or activities of government by one-third. Not only will the Congress have to accept the responsibility for such reduction; but the Congress will have to determine which activities are to be reduced.

Certain expenditures we cannot possibly reduce at this session, such as the interest on the public debt. A few million dollars saved here or there in the normal or in curtailed work of the old departments and commissions will make no great saving in the Federal budget. Therefore, the Congress would have to reduce drastically some of certain large items, very large items, such as aids to agriculture and soil conservation, veterans' pensions, flood control, highways, waterways and other public works, grants for social and health security, Civilian Conservation Corps activities, relief for the unemployed, or national defense itself.

The Congress alone has the power to do all this, as it is the appropriating branch of the government.

The other approach to the question of government spending takes the position that this Nation ought not to be and need not be only a sixty billion dollar nation; that at this moment it has the men and the resources sufficient to make it at least an eighty billion dollar nation. This school of thought does not believe that it can become an eighty billion dollar nation in the near future if government cuts its operations by one-third. It is convinced that if we were to try it, we would invite disaster—and that we would not long remain even a sixty billion dollar nation. There are many complicated factors with which we have to deal, but we have learned that it is unsafe to make abrupt reductions at any time in our net expenditure program.

By our common sense action of resuming government activities last spring, we have reversed a recession and started the new rising tide of prosperity and national income which we are now just beginning to enjoy.

If government activities are fully maintained, there is a good prospect of our becoming an eighty billion dollar country in a very short time. With such a national income, present tax laws will yield enough each year to balance each year's expenses.

It is my conviction that down in their hearts the American public—industry, agriculture, finance—want this Congress to do whatever needs to be done to raise our national income to eighty billion dollars a year.

Investing soundly must preclude spending wastefully. To guard against opportunist appropriations, I have on several occasions addressed the Congress on the importance of permanent long-range planning. I hope, therefore, that following my recommendation of last year, a permanent agency will be set up and authorized to report on the urgency and desirability of the various types of government investment.

Investment for prosperity can be made in a democracy.

Page 2498

I hear some people say, “This is all so complicated. There are certain advantages in a dictatorship. It gets rid of labor trouble, of unemployment, of wasted motion and of having to do your own thinking.”

My answer is, “Yes, but it also gets rid of some other things which we Americans intend very definitely to keep—and we still intend to do our own thinking.”

It will cost us taxes and the voluntary risk of capital to attain some of the practical advantages which other forms of government have acquired.

Dictatorship, however, involves costs which the American people will never pay: The cost of our spiritual values. The cost of the blessed right of being able to say what we please. The cost of freedom of religion. The cost of seeing our capital confiscated. The cost of being cast into a concentration camp. The cost of being afraid to walk down the street with the wrong neighbor. The cost of having our children brought up, not as free and dignified human beings, but as pawns molded and enslaved by a machine.

If the avoidance of these costs means taxes on my income; if avoiding these costs means taxes on my estate at death, I would bear those taxes willingly as the price of my breathing and my children breathing the free air of a free country, as the price of a living and not a dead world.

Events abroad have made it increasingly clear to the American people that dangers within are less to be feared than dangers from without. If, therefore, a solution of this problem of idle men and idle capital is the price of preserving our liberty, no formless selfish fears can stand in the way.

Once I prophesied that this generation of Americans had a rendezvous with destiny. That prophecy comes true. To us much is given; more is expected.

This generation will “nobly save or meanly lose the last best hope of earth. . . . The way is plain, peaceful, generous, just—a way which if followed the world will forever applaud and God must forever bless.”

***

State of the Union Address
Franklin D. Roosevelt
January 3, 1940

Mr. Vice President, Mr. Speaker, Members of the Senate and the House of Representatives:

I wish each and every one of you a very happy New Year.

As the Congress reassembles, the impact of war abroad makes it natural to approach “the state of the union” through a discussion of foreign affairs.

But it is important that those who hear and read this message should in no way confuse that approach with any thought that our Government is abandoning, or even overlooking, the great significance of its domestic policies.

The social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship and war are the same as those which we here are struggling to adjust peacefully at home.

You are well aware that dictatorships—and the philosophy of force that justifies and accompanies dictatorships—have originated in almost every case in the necessity for drastic action to improve internal conditions in places where democratic action for one reason or another has failed to respond to modern needs and modern demands.

Page 2499

It was with far-sighted wisdom that the framers of our Constitution brought together in one magnificent phrase three great concepts—“common defense,” “general welfare” and “domestic tranquility.”

More than a century and a half later we, who are here today, still believe with them that our best defense is the promotion of our general welfare and domestic tranquillity.

In previous messages to the Congress I have repeatedly warned that, whether we like it or not, the daily lives of American citizens will, of necessity, feel the shock of events on other continents. This is no longer mere theory; because it has been definitely proved to us by the facts of yesterday and today.

To say that the domestic well-being of one hundred and thirty million Americans is deeply affected by the well-being or the ill-being of the populations of other nations is only to recognize in world affairs the truth that we all accept in home affairs.

If in any local unit—a city, county, State or region—low standards of living are permitted to continue, the level of the civilization of the entire nation will be pulled downward.

The identical principle extends to the rest of the civilized world. But there are those who wishfully insist, in innocence or ignorance or both, that the United States of America as a self-contained unit can live happily and prosperously, its future secure, inside a high wall of isolation while, outside, the rest of Civilization and the commerce and culture of mankind are shattered.

I can understand the feelings of those who warn the nation that they will never again consent to the sending of American youth to fight on the soil of Europe. But, as I remember, nobody has asked them to consent—for nobody expects such an undertaking.

The overwhelming majority of our fellow citizens do not abandon in the slightest their hope and their expectation that the United States will not become involved in military participation in these wars.

I can also understand the wishfulness of those who oversimplify the whole situation by repeating that all we have to do is to mind our own business and keep the nation out of war. But there is a vast difference between keeping out of war and pretending that this war is none of our business.

We do not have to go to war with other nations, but at least we can strive with other nations to encourage the kind of peace that will lighten the troubles of the world, and by so doing help our own nation as well.

I ask that all of us everywhere think things through with the single aim of how best to serve the future of our own nation. I do not mean merely its future relationship with the

outside world. I mean its domestic future as well—the work, the security, the prosperity, the happiness, the life of all the boys and girls in the United States, as they are inevitably affected by such world relationships. For it becomes clearer and clearer that the future world will be a shabby and dangerous place to live in—yes, even for Americans to live in—if it is ruled by force in the hands of a few.

Page 2500

Already the crash of swiftly moving events over the earth has made us all think with a longer view. Fortunately, that thinking cannot be controlled by partisanship. The time is long past when any political party or any particular group can curry or capture public favor by labeling itself the “peace party” or the “peace bloc.” That label belongs to the whole United States and to every right thinking man, woman and child within it.

For out of all the military and diplomatic turmoil, out of all the propaganda, and counter-propaganda of the present conflicts, there are two facts which stand out, and which the whole world acknowledges.

The first is that never before has the Government of the United States of America done so much as in our recent past to establish and maintain the policy of the Good Neighbor with its sister nations.

The second is that in almost every nation in the world today there is a true public belief that the United States has been, and will continue to be, a potent and active factor in seeking the reestablishment of world peace.

In these recent years we have had a clean record of peace and good-will. It is an open book that cannot be twisted or defamed. It is a record that must be continued and enlarged.

So I hope that Americans everywhere will work out for themselves the several alternatives which lie before world civilization, which necessarily includes our own.

We must look ahead and see the possibilities for our children if the rest of the world comes to be dominated by concentrated force alone—even though today we are a very great and a very powerful nation.

We must look ahead and see the effect on our own future if all the small nations of the world have their independence snatched from them or become mere appendages to relatively vast and powerful military systems.

We must look ahead and see the kind of lives our children would have to lead if a large part of the rest of the world were compelled to worship a god imposed by a military ruler, or were forbidden to worship God at all; if the rest of the world were forbidden to read and hear the facts—the daily news of their own and other nations—if they were deprived of the truth that makes men free.

We must look ahead and see the effect on our future generations if world trade is controlled by any nation or group of nations which sets up that control through military force.

It is, of course, true that the record of past centuries includes destruction of many small nations, the enslavement of peoples, and the building of empires on the foundation of

force. But wholly apart from the greater international morality which we seek today, we recognize the practical fact that with modern weapons and modern conditions, modern man can no longer lead a civilized life if we are to go back to the practice of wars and conquests of the seventeenth and eighteenth centuries.

Page 2501

Summing up this need of looking ahead, and in words of common sense and good American citizenship. I hope that we shall have fewer American ostriches in our midst. It is not good for the ultimate health of ostriches to bury their heads in the sand.

Only an ostrich would look upon these wars through the eyes of cynicism or ridicule.

Of course, the peoples of other nations have the right to choose their own form of Government. But we in this nation still believe that such choice should be predicated on certain freedoms which we think are essential everywhere. We know that we ourselves shall never be wholly safe at home unless other governments recognize such freedoms.

Twenty-one American Republics, expressing the will of two hundred and fifty million people to preserve peace and freedom in this Hemisphere, are displaying a unanimity of ideals and practical relationships which gives hope that what is being done here can be done on other continents. We in all the Americas are coming to the realization that we can retain our respective nationalities without, at the same time, threatening the national existence of our neighbors.

Such truly friendly relationships, for example, permit us to follow our own domestic policies with reference to our agricultural products, while at the same time we have the privilege of trying to work out mutual assistance arrangements for a world distribution of world agricultural surpluses.

And we have been able to apply the same simple principle to many manufactured products—surpluses of which must be sold in the world export markets if we intend to continue a high level of production and employment.

For many years after the World War blind economic selfishness in most countries, including our own, resulted in a destructive mine-field of trade restrictions which blocked the channels of commerce among nations. Indeed, this policy was one of the contributing causes of existing wars. It dammed up vast unsalable surpluses, helping to bring about unemployment and suffering in the United States and everywhere else.

To point the way to break up that log-jam our Trade Agreements Act was passed—-based upon a policy of equality of treatment among nations and of mutually profitable arrangements of trade.

It is not correct to infer that legislative powers have been transferred from the Congress to the Executive Branch of the Government. Everyone recognizes that general tariff legislation is a Congressional function; but we know that, because of the stupendous task involved in the fashioning and the passing of a general tariff law, it is advisable to provide at times of emergency some flexibility to make the general law adjustable to quickly changing conditions.

We are in such a time today. Our present trade agreement method provides a temporary flexibility and is, therefore, practical in the best sense. It should be kept alive to serve our trade interests—agricultural and industrial—in many valuable ways during the existing wars.

Page 2502

But what is more important, the Trade Agreements Act should be extended as an indispensable part of the foundation of any stable and enduring peace.

The old conditions of world trade made for no enduring peace; and when the time comes, the United States must use its influence to open up the trade channels of the world, in all nations, in order that no one nation need feel compelled in later days to seek by force of arms what it can well gain by peaceful conference. For that purpose, too, we need the Trade Agreements Act even more today than when it was passed.

I emphasize the leadership which this nation can take when the time comes for a renewal of world peace. Such an influence will be greatly weakened if this Government becomes a dog in the manger of trade selfishness.

The first President of the United States warned us against entangling foreign alliances. The present President of the United States subscribes to and follows that precept.

I hope that most of you will agree that trade cooperation with the rest of the world does not violate that precept in any way.

Even as through these trade agreements we prepare to cooperate in a world that wants peace, we must likewise be prepared to take care of ourselves if the world cannot attain peace.

For several years past we have been compelled to strengthen our own national defense. That has created a very large portion of our Treasury deficits. This year in the light of continuing world uncertainty, I am asking the Congress for Army and Navy increases which are based not on panic but on common sense. They are not as great as enthusiastic alarmists seek. They are not as small as unrealistic persons claiming superior private information would demand.

As will appear in the annual budget tomorrow, the only important increase in any part of the budget is the estimate for national defense. Practically all other important items show a reduction. But you know, you can't eat your cake and have it too. Therefore, in the hope that we can continue in these days of increasing economic prosperity to reduce the Federal deficit, I am asking the Congress to levy sufficient additional taxes to meet the emergency spending for national defense.

Behind the Army and Navy, of course, lies our ultimate line of defense—"the general welfare" of our people. We cannot report, despite all the progress that we have made in our domestic problems—despite the fact that production is back to 1929 levels—that all our problems are solved. The fact of unemployment of millions of men and women remains a symptom of a number of difficulties in our economic system not yet adjusted.

While the number of the unemployed has decreased very greatly, while their immediate needs for food and clothing—as far as the Federal Government is concerned—have been largely met, while their morale has been kept alive by giving them useful public work, we have not yet found a way to employ the surplus of our labor which the efficiency of our industrial processes has created.

Page 2503

We refuse the European solution of using the unemployed to build up excessive armaments which eventually result in dictatorships and war. We encourage an American way—through an increase of national income which is the only way we can be sure will take up the slack. Much progress has been made; much remains to be done.

We recognize that we must find an answer in terms of work and opportunity.

The unemployment problem today has become very definitely a problem of youth as well as of age. As each year has gone by hundreds of thousands of boys and girls have come of working age. They now form an army of unused youth. They must be an especial concern of democratic Government.

We must continue, above all things, to look for a solution of their special problem. For they, looking ahead to life, are entitled to action on our part and not merely to admonitions of optimism or lectures on economic laws.

Some in our midst have sought to instill a feeling of fear and defeatism in the minds of the American people about this problem.

To face the task of finding jobs faster than invention can take them away—is not defeatism. To warble easy platitudes that if we would only go back to ways that have failed, everything would be all right—is not courage.

In 1933 we met a problem of real fear and real defeatism. We faced the facts—with action and not with words alone.

The American people will reject the doctrine of fear, confident that in the ’thirties we have been building soundly a new order of things, different from the order of the ’twenties. In this dawn of the decade of the ’forties, with our program of social improvement started, we will continue to carry on the processes of recovery, so as to preserve our gains and provide jobs at living wages.

There are, of course, many other items of great public interest which could be enumerated in this message—the continued conservation of our natural resources, the improvement of health and of education, the extension of social security to larger groups, the freeing of large areas from restricted transportation discriminations, the extension of the merit system and many others.

Our continued progress in the social and economic field is important not only for the significance of each part of it but for the total effect which our program of domestic betterment has upon that most valuable asset of a nation in dangerous times—its national unity.

The permanent security of America in the present crisis does not lie in armed force alone. What we face is a set of world-wide forces of disintegration—vicious, ruthless, destructive of all the moral, religious and political standards which mankind, after centuries of struggle, has come to cherish most.

In these moral values, in these forces which have made our nation great, we must actively and practically reassert our faith.

Page 2504

These words—“national unity”—must not be allowed to be come merely a high-sounding phrase, a vague generality, a pious hope, to which everyone can give lip-service. They must be made to have real meaning in terms of the daily thoughts and acts of every man, woman and child in our land during the coming year and during the years that lie ahead.

For national unity is, in a very real and a very deep sense, the fundamental safeguard of all democracy.

Doctrines that set group against group, faith against faith, race against race, class against class, fanning the fires of hatred in men too despondent, too desperate to think for themselves, were used as rabble-rousing slogans on which dictators could ride to power. And once in power they could saddle their tyrannies on whole nations and on their weaker neighbors.

This is the danger to which we in America must begin to be more alert. For the apologists for foreign aggressors, and equally those selfish and partisan groups at home who wrap themselves in a false mantle of Americanism to promote their own economic, financial or political advantage, are now trying European tricks upon us, seeking to muddy the stream of our national thinking, weakening us in the face of danger, by trying to set our own people to fighting among themselves. Such tactics are what have helped to plunge Europe into war. We must combat them, as we would the plague, if American integrity and American security are to be preserved. We cannot afford to face the future as a disunited people.

We must as a united people keep ablaze on this continent the flames of human liberty, of reason, of democracy and of fair play as living things to be preserved for the better world that is to come.

Overstatement, bitterness, vituperation, and the beating of drums have contributed mightily to ill-feeling and wars between nations. If these unnecessary and unpleasant actions are harmful in the international field, if they have hurt in other parts of the world, they are also harmful in the domestic scene. Peace among ourselves would seem to have some of the advantage of peace between us and other nations. In the long run history amply demonstrates that angry controversy surely wins less than calm discussion.

In the spirit, therefore, of a greater unselfishness, recognizing that the world—including the United States of America—passes through perilous times, I am very hopeful that the closing session of the Seventy-sixth Congress will consider the needs of the nation and of humanity with calmness, with tolerance and with cooperative wisdom.

May the year 1940 be pointed to by our children as another period when democracy justified its existence as the best instrument of government yet devised by mankind.

***

State of the Union Address
Franklin D. Roosevelt
January 6, 1941

Mr. President, Mr. Speaker, Members of the Seventy-seventh Congress:

Page 2505

I address you, the Members of the Seventy-seventh Congress, at a moment unprecedented in the history of the Union. I use the word “unprecedented,” because at no previous time has American security been as seriously threatened from without as it is today.

Since the permanent formation of our Government under the Constitution, in 1789, most of the periods of crisis in our history have related to our domestic affairs. Fortunately, only one of these—the four-year War Between the States—ever threatened our national unity. Today, thank God, one hundred and thirty million Americans, in forty-eight States, have forgotten points of the compass in our national unity.

It is true that prior to 1914 the United States often had been disturbed by events in other Continents. We had even engaged in two wars with European nations and in a number of undeclared wars in the West Indies, in the Mediterranean and in the Pacific for the maintenance of American rights and for the principles of peaceful commerce. But in no case had a serious threat been raised against our national safety or our continued independence.

What I seek to convey is the historic truth that the United States as a nation has at all times maintained clear, definite opposition, to any attempt to lock us in behind an ancient Chinese wall while the procession of civilization went past. Today, thinking of our children and of their children, we oppose enforced isolation for ourselves or for any other part of the Americas.

That determination of ours, extending over all these years, was proved, for example, during the quarter century of wars following the French Revolution.

While the Napoleonic struggles did threaten interests of the United States because of the French foothold in the West Indies and in Louisiana, and while we engaged in the War of 1812 to vindicate our right to peaceful trade, it is nevertheless clear that neither France nor Great Britain, nor any other nation, was aiming at domination of the whole world.

In like fashion from 1815 to 1914—ninety-nine years—no single war in Europe or in Asia constituted a real threat against our future or against the future of any other American nation.

Except in the Maximilian interlude in Mexico, no foreign power sought to establish itself in this Hemisphere; and the strength of the British fleet in the Atlantic has been a friendly strength. It is still a friendly strength.

Even when the World War broke out in 1914, it seemed to contain only small threat of danger to our own American future. But, as time went on, the American people began to visualize what the downfall of democratic nations might mean to our own democracy.

We need not overemphasize imperfections in the Peace of Versailles. We need not harp on failure of the democracies to deal with problems of world reconstruction. We should remember that the Peace of 1919 was far less unjust than the kind of "pacification" which began even before Munich, and which is being carried on under the new order of tyranny that seeks to spread over every continent today. The American people have unalterably set their faces against that tyranny.

Page 2506

Every realist knows that the democratic way of life is at this moment being directly assailed in every part of the world—assailed either by arms, or by secret spreading of poisonous propaganda by those who seek to destroy unity and promote discord in nations that are still at peace.

During sixteen long months this assault has blotted out the whole pattern of democratic life in an appalling number of independent nations, great and small. The assailants are still on the march, threatening other nations, great and small.

Therefore, as your President, performing my constitutional duty to "give to the Congress information of the state of the Union," I find it, unhappily, necessary to report that the future and the safety of our country and of our democracy are overwhelmingly involved in events far beyond our borders.

Armed defense of democratic existence is now being gallantly waged in four continents. If that defense fails, all the population and all the resources of Europe, Asia, Africa and Australasia will be dominated by the conquerors. Let us remember that the total of those populations and their resources in those four continents greatly exceeds the sum total of the population and the resources of the whole of the Western Hemisphere—many times over.

In times like these it is immature—and incidentally, untrue—for anybody to brag that an unprepared America, single-handed, and with one hand tied behind its back, can hold off the whole world.

No realistic American can expect from a dictator's peace international generosity, or return of true independence, or world disarmament, or freedom of expression, or freedom of religion—or even good business.

Such a peace would bring no security for us or for our neighbors. "Those, who would give up essential liberty to purchase a little temporary safety, deserve neither liberty nor safety."

As a nation, we may take pride in the fact that we are softhearted; but we cannot afford to be soft-headed.

We must always be wary of those who with sounding brass and a tinkling cymbal preach the "ism" of appeasement.

We must especially beware of that small group of selfish men who would clip the wings of the American eagle in order to feather their own nests.

I have recently pointed out how quickly the tempo of modern warfare could bring into our very midst the physical attack which we must eventually expect if the dictator nations win this war.

There is much loose talk of our immunity from immediate and direct invasion from across the seas. Obviously, as long as the British Navy retains its power, no such danger exists. Even if there were no British Navy, it is not probable that any enemy would be stupid enough to attack us by landing troops in the United States from across thousands of miles of ocean, until it had acquired strategic bases from which to operate.

But we learn much from the lessons of the past years in Europe—particularly the lesson of Norway, whose essential seaports were captured by treachery and surprise built up over a series of years.

Page 2507

The first phase of the invasion of this Hemisphere would not be the landing of regular troops. The necessary strategic points would be occupied by secret agents and their dupes—and great numbers of them are already here, and in Latin America.

As long as the aggressor nations maintain the offensive, they—not we—will choose the time and the place and the method of their attack.

That is why the future of all the American Republics is today in serious danger.

That is why this Annual Message to the Congress is unique in our history.

That is why every member of the Executive Branch of the Government and every member of the Congress faces great responsibility and great accountability.

The need of the moment is that our actions and our policy should be devoted primarily—almost exclusively—to meeting this foreign peril. For all our domestic problems are now a part of the great emergency.

Just as our national policy in internal affairs has been based upon a decent respect for the rights and the dignity of all our fellow men within our gates, so our national policy in foreign affairs has been based on a decent respect for the rights and dignity of all nations, large and small. And the justice of morality must and will win in the end.

Our national policy is this:

First, by an impressive expression of the public will and without regard to partisanship, we are committed to all-inclusive national defense.

Second, by an impressive expression of the public will and without regard to partisanship, we are committed to full support of all those resolute peoples, everywhere, who are resisting aggression and are thereby keeping war away from our Hemisphere. By this support, we express our determination that the democratic cause shall prevail; and we strengthen the defense and the security of our own nation.

Third, by an impressive expression of the public will and without regard to partisanship, we are committed to the proposition that principles of morality and considerations for our own security will never permit us to acquiesce in a peace dictated by aggressors and sponsored by appeasers. We know that enduring peace cannot be bought at the cost of other people's freedom.

In the recent national election there was no substantial difference between the two great parties in respect to that national policy. No issue was fought out on this line before the American electorate. Today it is abundantly evident that American citizens everywhere are demanding and supporting speedy and complete action in recognition of obvious danger.

Therefore, the immediate need is a swift and driving increase in our armament production.

Leaders of industry and labor have responded to our summons. Goals of speed have been set. In some cases these goals are being reached ahead of time; in some cases we are on schedule; in other cases there are slight but not serious delays; and in some cases—and I am sorry to say very important cases—we are all concerned by the slowness of the accomplishment of our plans.

Page 2508

The Army and Navy, however, have made substantial progress during the past year. Actual experience is improving and speeding up our methods of production with every passing day. And today's best is not good enough for tomorrow.

I am not satisfied with the progress thus far made. The men in charge of the program represent the best in training, in ability, and in patriotism. They are not satisfied with the progress thus far made. None of us will be satisfied until the job is done.

No matter whether the original goal was set too high or too low, our objective is quicker and better results. To give you two illustrations:

We are behind schedule in turning out finished airplanes; we are working day and night to solve the innumerable problems and to catch up.

We are ahead of schedule in building warships but we are working to get even further ahead of that schedule.

To change a whole nation from a basis of peacetime production of implements of peace to a basis of wartime production of implements of war is no small task. And the greatest difficulty comes at the beginning of the program, when new tools, new plant facilities, new assembly lines, and new ship ways must first be constructed before the actual materiel begins to flow steadily and speedily from them.

The Congress, of course, must rightly keep itself informed at all times of the progress of the program. However, there is certain information, as the Congress itself will readily recognize, which, in the interests of our own security and those of the nations that we are supporting, must of needs be kept in confidence.

New circumstances are constantly begetting new needs for our safety. I shall ask this Congress for greatly increased new appropriations and authorizations to carry on what we have begun.

I also ask this Congress for authority and for funds sufficient to manufacture additional munitions and war supplies of many kinds, to be turned over to those nations which are now in actual war with aggressor nations.

Our most useful and immediate role is to act as an arsenal for them as well as for ourselves. They do not need man power, but they do need billions of dollars worth of the weapons of defense.

The time is near when they will not be able to pay for them all in ready cash. We cannot, and we will not, tell them that they must surrender, merely because of present inability to pay for the weapons which we know they must have.

I do not recommend that we make them a loan of dollars with which to pay for these weapons—a loan to be repaid in dollars.

I recommend that we make it possible for those nations to continue to obtain war materials in the United States, fitting their orders into our own program. Nearly all their materiel would, if the time ever came, be useful for our own defense.

Taking counsel of expert military and naval authorities, considering what is best for our own security, we are free to decide how much should be kept here and how much should be sent abroad to our friends who by their determined and heroic resistance are giving us time in which to make ready our own defense.

Page 2509

For what we send abroad, we shall be repaid within a reasonable time following the close of hostilities, in similar materials, or, at our option, in other goods of many kinds, which they can produce and which we need.

Let us say to the democracies: "We Americans are vitally concerned in your defense of freedom. We are putting forth our energies, our resources and our organizing powers to give you the strength to regain and maintain a free world. We shall send you, in ever-increasing numbers, ships, planes, tanks, guns. This is our purpose and our pledge."

In fulfillment of this purpose we will not be intimidated by the threats of dictators that they will regard as a breach of international law or as an act of war our aid to the democracies which dare to resist their aggression. Such aid is not an act of war, even if a dictator should unilaterally proclaim it so to be.

When the dictators, if the dictators, are ready to make war upon us, they will not wait for an act of war on our part. They did not wait for Norway or Belgium or the Netherlands to commit an act of war.

Their only interest is in a new one-way international law, which lacks mutuality in its observance, and, therefore, becomes an instrument of oppression.

The happiness of future generations of Americans may well depend upon how effective and how immediate we can make our aid felt. No one can tell the exact character of the emergency situations that we may be called upon to meet. The Nation's hands must not be tied when the Nation's life is in danger.

We must all prepare to make the sacrifices that the emergency—almost as serious as war itself—demands. Whatever stands in the way of speed and efficiency in defense preparations must give way to the national need.

A free nation has the right to expect full cooperation from all groups. A free nation has the right to look to the leaders of business, of labor, and of agriculture to take the lead in stimulating effort, not among other groups but within their own groups.

The best way of dealing with the few slackers or trouble makers in our midst is, first, to shame them by patriotic example, and, if that fails, to use the sovereignty of Government to save Government.

As men do not live by bread alone, they do not fight by armaments alone. Those who man our defenses, and those behind them who build our defenses, must have the stamina and the courage which come from unshakable belief in the manner of life which they are defending. The mighty action that we are calling for cannot be based on a disregard of all things worth fighting for.

The Nation takes great satisfaction and much strength from the things which have been done to make its people conscious of their individual stake in the preservation of democratic life in America. Those things have toughened the fibre of our people, have renewed their faith and strengthened their devotion to the institutions we make ready to protect.

Page 2510

Certainly this is no time for any of us to stop thinking about the social and economic problems which are the root cause of the social revolution which is today a supreme factor in the world.

For there is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:

Equality of opportunity for youth and for others.

Jobs for those who can work.

Security for those who need it.

The ending of special privilege for the few.

The preservation of civil liberties for all.

The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living.

These are the simple, basic things that must never be lost sight of in the turmoil and unbelievable complexity of our modern world. The inner and abiding strength of our economic and political systems is dependent upon the degree to which they fulfill these expectations.

Many subjects connected with our social economy call for immediate improvement.

As examples:

We should bring more citizens under the coverage of old-age pensions and unemployment insurance.

We should widen the opportunities for adequate medical care.

We should plan a better system by which persons deserving or needing gainful employment may obtain it.

I have called for personal sacrifice. I am assured of the willingness of almost all Americans to respond to that call.

A part of the sacrifice means the payment of more money in taxes. In my Budget Message I shall recommend that a greater portion of this great defense program be paid for from taxation than we are paying today. No person should try, or be allowed, to get

rich out of this program; and the principle of tax payments in accordance with ability to pay should be constantly before our eyes to guide our legislation.

If the Congress maintains these principles, the voters, putting patriotism ahead of pocketbooks, will give you their applause.

In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

The first is freedom of speech and expression—everywhere in the world.

The second is freedom of every person to worship God in his own way—everywhere in the world.

The third is freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants—everywhere in the world.

The fourth is freedom from fear—which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere in the world.

Page 2511

That is no vision of a distant millennium. It is a definite basis for a kind of world attainable in our own time and generation. That kind of world is the very antithesis of the so-called new order of tyranny which the dictators seek to create with the crash of a bomb.

To that new order we oppose the greater conception—the moral order. A good society is able to face schemes of world domination and foreign revolutions alike without fear.

Since the beginning of our American history, we have been engaged in change—in a perpetual peaceful revolution—a revolution which goes on steadily, quietly adjusting itself to changing conditions—without the concentration camp or the quick-lime in the ditch. The world order which we seek is the cooperation of free countries, working together in a friendly, civilized society.

This nation has placed its destiny in the hands and heads and hearts of its millions of free men and women; and its faith in freedom under the guidance of God. Freedom means the supremacy of human rights everywhere. Our support goes to those who struggle to gain those rights or keep them. Our strength is our unity of purpose. To that high concept there can be no end save victory.

***

State of the Union Address
Franklin D. Roosevelt
January 6, 1942

In fulfilling my duty to report upon the State of the Union, I am proud to say to you that the spirit of the American people was never higher than it is today—the Union was never more closely knit together—this country was never more deeply determined to face the solemn tasks before it.

The response of the American people has been instantaneous, and it will be sustained until our security is assured.

Exactly one year ago today I said to this Congress: “When the dictators. . . are ready to make war upon us, they will not wait for an act of war on our part. . . . They—not we—-will choose the time and the place and the method of their attack.”

We now know their choice of the time: a peaceful Sunday morning—December 7, 1941.

We know their choice of the place: an American outpost in the Pacific.

We know their choice of the method: the method of Hitler himself.

Japan's scheme of conquest goes back half a century. It was not merely a policy of seeking living room: it was a plan which included the subjugation of all the peoples in the Far East and in the islands of the Pacific, and the domination of that ocean by Japanese military and naval control of the western coasts of North, Central, and South America.

The development of this ambitious conspiracy was marked by the war against China in 1894; the subsequent occupation of Korea; the war against Russia in 1904; the illegal fortification of the mandated Pacific islands following 1920; the seizure of Manchuria in 1931; and the invasion of China in 1937.

A similar policy of criminal conquest was adopted by Italy. The Fascists first revealed their imperial designs in Libya and Tripoli. In 1935 they seized Abyssinia. Their goal was the domination of all North Africa, Egypt, parts of France, and the entire Mediterranean world.

Page 2512

But the dreams of empire of the Japanese and Fascist leaders were modest in comparison with the gargantuan aspirations of Hitler and his Nazis. Even before they came to power in 1933, their plans for that conquest had been drawn. Those plans provided for ultimate domination, not of any one section of the world, but of the whole earth and all the oceans on it.

When Hitler organized his Berlin-Rome-Tokyo alliance, all these plans of conquest became a single plan. Under this, in addition to her own schemes of conquest, Japan's role was obviously to cut off our supply of weapons of war to Britain, and Russia and China—weapons which increasingly were speeding the day of Hitler's doom. The act of Japan at Pearl Harbor was intended to stun us—to terrify us to such an extent that we would divert our industrial and military strength to the Pacific area, or even to our own continental defense.

The plan has failed in its purpose. We have not been stunned. We have not been terrified or confused. This very reassembling of the Seventy-seventh Congress today is proof of that; for the mood of quiet, grim resolution which here prevails bodes ill for those who conspired and collaborated to murder world peace.

That mood is stronger than any mere desire for revenge. It expresses the will of the American people to make very certain that the world will never so suffer again.

Admittedly, we have been faced with hard choices. It was bitter, for example, not to be able to relieve the heroic and historic defenders of Wake Island. It was bitter for us not to be able to land a million men in a thousand ships in the Philippine Islands.

But this adds only to our determination to see to it that the Stars and Stripes will fly again over Wake and Guam. Yes, see to it that the brave people of the Philippines will be rid of Japanese imperialism; and will live in freedom, security, and independence.

Powerful and offensive actions must and will be taken in proper time. The consolidation of the United Nations' total war effort against our common enemies is being achieved.

That was and is the purpose of conferences which have been held during the past two weeks in Washington, and Moscow and Chungking. That is the primary objective of the declaration of solidarity signed in Washington on January 1, 1942, by 26 Nations united against the Axis powers.

Difficult choices may have to be made in the months to come. We do not shrink from such decisions. We and those united with us will make those decisions with courage and determination.

Plans have been laid here and in the other capitals for coordinated and cooperative action by all the United Nations—military action and economic action. Already we have

established, as you know, unified command of land, sea, and air forces in the southwestern Pacific theater of war. There will be a continuation of conferences and consultations among military staffs, so that the plans and operations of each will fit into the general strategy designed to crush the enemy. We shall not fight isolated wars—-each Nation going its own way. These 26 Nations are united—not in spirit and determination alone, but in the broad conduct of the war in all its phases.

Page 2513

For the first time since the Japanese and the Fascists and the Nazis started along their blood-stained course of conquest they now face the fact that superior forces are assembling against them. Gone forever are the days when the aggressors could attack and destroy their victims one by one without unity of resistance. We of the United Nations will so dispose our forces that we can strike at the common enemy wherever the greatest damage can be done him.

The militarists of Berlin and Tokyo started this war. But the massed, angered forces of common humanity will finish it.

Destruction of the material and spiritual centers of civilization—this has been and still is the purpose of Hitler and his Italian and Japanese chessmen. They would wreck the power of the British Commonwealth and Russia and China and the Netherlands—and then combine all their forces to achieve their ultimate goal, the conquest of the United States.

They know that victory for us means victory for freedom.

They know that victory for us means victory for the institution of democracy—the ideal of the family, the simple principles of common decency and humanity.

They know that victory for us means victory for religion. And they could not tolerate that. The world is too small to provide adequate “living room” for both Hitler and God. In proof of that, the Nazis have now announced their plan for enforcing their new German, pagan religion all over the world—a plan by which the Holy Bible and the Cross of Mercy would be displaced by Mein Kampf and the swastika and the naked sword.

Our own objectives are clear; the objective of smashing the militarism imposed by war lords upon their enslaved peoples the objective of liberating the subjugated Nations—-the objective of establishing and securing freedom of speech, freedom of religion, freedom from want, and freedom from fear everywhere in the world.

We shall not stop short of these objectives—nor shall we be satisfied merely to gain them and then call it a day. I know that I speak for the American people—and I have good reason to believe that I speak also for all the other peoples who fight with us—-when I say that this time we are determined not only to win the war, but also to maintain the security of the peace that will follow.

But we know that modern methods of warfare make it a task, not only of shooting and fighting, but an even more urgent one of working and producing.

Victory requires the actual weapons of war and the means of transporting them to a dozen points of combat.

It will not be sufficient for us and the other United Nations to produce a slightly superior supply of munitions to that of Germany, Japan, Italy, and the stolen industries in the countries which they have overrun.

The superiority of the United Nations in munitions and ships must be overwhelming—so overwhelming that the Axis Nations can never hope to catch up with it. And so, in order to attain this overwhelming superiority the United States must build planes and tanks and guns and ships to the utmost limit of our national capacity. We have the ability and capacity to produce arms not only for our own forces, but also for the armies, navies, and air forces fighting on our side.

Page 2514

And our overwhelming superiority of armament must be adequate to put weapons of war at the proper time into the hands of those men in the conquered Nations who stand ready to seize the first opportunity to revolt against their German and Japanese oppressors, and against the traitors in their own ranks, known by the already infamous name of “Quislings.” And I think that it is a fair prophecy to say that, as we get guns to the patriots in those lands, they too will fire shots heard ’round the world.

This production of ours in the United States must be raised far above present levels, even though it will mean the dislocation of the lives and occupations of millions of our own people. We must raise our sights all along the production line. Let no man say it cannot be done. It must be done—and we have undertaken to do it.

I have just sent a letter of directive to the appropriate departments and agencies of our Government, ordering that immediate steps be taken:

First, to increase our production rate of airplanes so rapidly that in this year, 1942, we shall produce 60,000 planes, 10,000 more than the goal that we set a year and a half ago. This includes 45,000 combat planes—bombers, dive bombers, pursuit planes. The rate of increase will be maintained and continued so that next year, 1943, we shall produce 125,000 airplanes, including 100,000 combat planes.

Second, to increase our production rate of tanks so rapidly that in this year, 1942, we shall produce 45,000 tanks; and to continue that increase so that next year, 1943, we shall produce 75,000 tanks.

Third, to increase our production rate of anti-aircraft guns so rapidly that in this year, 1942, we shall produce 20,000 of them; and to continue that increase so that next year, 1943, we shall produce 35,000 anti-aircraft guns.

And fourth, to increase our production rate of merchant ships so rapidly that in this year, 1942, we shall build 6,000,000 deadweight tons as compared with a 1941 completed production of 1,100,000. And finally, we shall continue that increase so that next year, 1943, we shall build 10,000,000 tons of shipping.

These figures and similar figures for a multitude of other implements of war will give the Japanese and the Nazis a little idea of just what they accomplished in the attack at Pearl Harbor.

And I rather hope that all these figures which I have given will become common knowledge in Germany and Japan.

Our task is hard—our task is unprecedented—and the time is short. We must strain every existing armament-producing facility to the utmost. We must convert every

available plant and tool to war production. That goes all the way from the greatest plants to the smallest—from the huge automobile industry to the village machine shop.

Production for war is based on men and women—the human hands and brains which collectively we call Labor. Our workers stand ready to work long hours; to turn out more in a day's work; to keep the wheels turning and the fires burning twenty-four hours a day, and seven days a week. They realize well that on the speed and efficiency of their work depend the lives of their sons and their brothers on the fighting fronts.

Page 2515

Production for war is based on metals and raw materials—steel, copper, rubber, aluminum, zinc, tin. Greater and greater quantities of them will have to be diverted to war purposes. Civilian use of them will have to be cut further and still further—and, in many cases, completely eliminated.

War costs money. So far, we have hardly even begun to pay for it. We have devoted only 15 percent of our national income to national defense. As will appear in my Budget Message tomorrow, our war program for the coming fiscal year will cost 56 billion dollars or, in other words, more than half of the estimated annual national income. That means taxes and bonds and bonds and taxes. It means cutting luxuries and other non-essentials. In a word, it means an “all-out” war by individual effort and family effort in a united country.

Only this all-out scale of production will hasten the ultimate all-out victory. Speed will count. Lost ground can always be regained—lost time never. Speed will save lives; speed will save this Nation which is in peril; speed will save our freedom and our civilization—and slowness has never been an American characteristic.

As the United States goes into its full stride, we must always be on guard against misconceptions which will arise, some of them naturally, or which will be planted among us by our enemies.

We must guard against complacency. We must not underrate the enemy. He is powerful and cunning—and cruel and ruthless. He will stop at nothing that gives him a chance to kill and to destroy. He has trained his people to believe that their highest perfection is achieved by waging war. For many years he has prepared for this very conflict—planning, and plotting, and training, arming, and fighting. We have already tasted defeat. We may suffer further setbacks. We must face the fact of a hard war, a long war, a bloody war, a costly war.

We must, on the other hand, guard against defeatism. That has been one of the chief weapons of Hitler’s propaganda machine—used time and again with deadly results. It will not be used successfully on the American people.

We must guard against divisions among ourselves and among all the other United Nations. We must be particularly vigilant against racial discrimination in any of its ugly forms. Hitler will try again to breed mistrust and suspicion between one individual and another, one group and another, one race and another, one Government and another. He will try to use the same technique of falsehood and rumor-mongering with which he divided France from Britain. He is trying to do this with us even now. But he will find a unity of will and purpose against him, which will persevere until the destruction of all his black designs upon the freedom and safety of the people of the world.

We cannot wage this war in a defensive spirit. As our power and our resources are fully mobilized, we shall carry the attack against the enemy—we shall hit him and hit him again wherever and whenever we can reach him.

Page 2516

We must keep him far from our shores, for we intend to bring this battle to him on his own home grounds.

American armed forces must be used at any place in all the world where it seems advisable to engage the forces of the enemy. In some cases these operations will be defensive, in order to protect key positions. In other cases, these operations will be offensive, in order to strike at the common enemy, with a view to his complete encirclement and eventual total defeat.

American armed forces will operate at many points in the Far East.

American armed forces will be on all the oceans—helping to guard the essential communications which are vital to the United Nations.

American land and air and sea forces will take stations in the British Isles—which constitute an essential fortress in this great world struggle.

American armed forces will help to protect this hemisphere—and also help to protect bases outside this hemisphere, which could be used for an attack on the Americas.

If any of our enemies, from Europe or from Asia, attempt long-range raids by “suicide” squadrons of bombing planes, they will do so only in the hope of terrorizing our people and disrupting our morale. Our people are not afraid of that. We know that we may have to pay a heavy price for freedom. We will pay this price with a will. Whatever the price, it is a thousand times worth it. No matter what our enemies, in their desperation, may attempt to do to us—we will say, as the people of London have said, “We can take it.” And what’s more we can give it back and we will give it back—with compound interest.

When our enemies challenged our country to stand up and fight, they challenged each and every one of us. And each and every one of us has accepted the challenge—for himself and for his Nation.

There were only some 400 United States Marines who in the heroic and historic defense of Wake Island inflicted such great losses on the enemy. Some of those men were killed in action; and others are now prisoners of war. When the survivors of that great fight are liberated and restored to their homes, they will learn that a hundred and thirty million of their fellow citizens have been inspired to render their own full share of service and sacrifice.

We can well say that our men on the fighting fronts have already proved that Americans today are just as rugged and just as tough as any of the heroes whose exploits we celebrate on the Fourth of July.

Many people ask, “When will this war end?” There is only one answer to that. It will end just as soon as we make it end, by our combined efforts, our combined strength, our combined determination to fight through and work through until the end—the end of militarism in Germany and Italy and Japan. Most certainly we shall not settle for less.

That is the spirit in which discussions have been conducted during the visit of the British Prime Minister to Washington. Mr. Churchill and I understand each other, our motives and our purposes. Together, during the past two weeks, we have faced squarely the major military and economic problems of this greatest world war.

Page 2517

All in our Nation have been cheered by Mr. Churchill's visit. We have been deeply stirred by his great message to us. He is welcome in our midst, and we unite in wishing him a safe return to his home.

For we are fighting on the same side with the British people, who fought alone for long, terrible months, and withstood the enemy with fortitude and tenacity and skill.

We are fighting on the same side with the Russian people who have seen the Nazi hordes swarm up to the very gates of Moscow, and who with almost superhuman will and courage have forced the invaders back into retreat.

We are fighting on the same side as the brave people of China—those millions who for four and a half long years have withstood bombs and starvation and have whipped the invaders time and again in spite of the superior Japanese equipment and arms. Yes, we are fighting on the same side as the indomitable Dutch. We are fighting on the same side as all the other Governments in exile, whom Hitler and all his armies and all his Gestapo have not been able to conquer.

But we of the United Nations are not making all this sacrifice of human effort and human lives to return to the kind of world we had after the last world war.

We are fighting today for security, for progress, and for peace, not only for ourselves but for all men, not only for one generation but for all generations. We are fighting to cleanse the world of ancient evils, ancient ills.

Our enemies are guided by brutal cynicism, by unholy contempt for the human race. We are inspired by a faith that goes back through all the years to the first chapter of the Book of Genesis: "God created man in His own image."

We on our side are striving to be true to that divine heritage. We are fighting, as our fathers have fought, to uphold the doctrine that all men are equal in the sight of God. Those on the other side are striving to destroy this deep belief and to create a world in their own image—a world of tyranny and cruelty and serfdom.

That is the conflict that day and night now pervades our lives.

No compromise can end that conflict. There never has been—there never can be—-successful compromise between good and evil. Only total victory can reward the champions of tolerance, and decency, and freedom, and faith.

***

State of the Union Address
Harry S. Truman
January 21, 1946

To the Congress of the United States:

A quarter century ago the Congress decided that it could no longer consider the financial programs of the various departments on a piecemeal basis. Instead it has called on the President to present a comprehensive Executive Budget. The Congress has shown its satisfaction with that method by extending the budget system and tightening its controls. The bigger and more complex the Federal Program, the more necessary it is for the Chief Executive to submit a single budget for action by the Congress.

Page 2518

At the same time, it is clear that the budgetary program and the general program of the Government are actually inseparable. The president bears the responsibility for recommending to the Congress a comprehensive set of proposals on all Government activities and their financing. In formulating policies, as in preparing budgetary estimates, the Nation and the Congress have the right to expect the President to adjust and coordinate the views of the various departments and agencies to form a unified program. And that program requires consideration in connection with the Budget, which is the annual work program of the Government.

Since our programs for this period which combines war liquidation with reconversion to a peacetime economy are inevitably large and numerous it is imperative that they be planned and executed with the utmost efficiency and the utmost economy. We have cut the war program to the maximum extent consistent with national security. We have held our peacetime programs to the level necessary to our national well-being and the attainment of our postwar objectives. Where increased programs have been recommended, the increases have been held as low as is consistent with these goals. I can assure the Congress of the necessity of these programs. I can further assure the Congress that the program as a whole is well within our capacity to finance it. All the programs I have recommended for action are included in the Budget figures.

For these reasons I have chosen to combine the customary Message on the State of the Union with the annual Budget Message, and to include in the Budget not only estimates for functions authorized by the Congress, but also for those which I recommend for its action.

I am also transmitting herewith the Fifth Quarterly Report of the Director of War Mobilization and Reconversion.[1] It is a comprehensive discussion of the present state of the reconversion program and of the immediate and long-range needs and recommendations.

[Footnote 1: The report dated January 1, 1946, and entitled “Battle for Production” is printed in House Document 398 (79th Cong., 2d sess.).]

This constitutes, then, as complete a report as I find it possible to prepare now. It constitutes a program of government in relation to the Nation’s needs.

With the growing responsibility of modern government to foster economic expansion and to promote conditions that assure full and steady employment opportunities, it has become necessary to formulate and determine the Government program in the light of national economic conditions as a whole. In both the executive and the legislative branches we must make arrangements which will permit us to formulate the Government program in that light. Such an approach has become imperative if the American political and economic system is to succeed under the conditions of economic instability and uncertainty which we have to face. The Government needs to assure

business, labor, and agriculture that Government policies will take due account of the requirements of a full employment economy. The lack of that assurance would, I believe, aggravate the economic instability.

Page 2519

With the passage of a full employment bill which I confidently anticipate for the very near future, the executive and legislative branches of government will be empowered to devote their best talents and resources in subsequent years to preparing and acting on such a program.

I. FROM WAR TO PEACE—THE YEAR

OF DECISION

In his last Message on the State of the Union, delivered one year ago, President Roosevelt said:

“This new year of 1945 can be the greatest year of achievement in human history.

“1945 can see the final ending of the Nazi-Fascist reign of terror in Europe.

“1945 can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan.

“Most important of all—1945 can and must see the substantial beginning of the organization of world peace.”

All those hopes, and more, were fulfilled in the year 1945. It was the greatest year of achievement in human history. It saw the end of the Nazi-Fascist terror in Europe, and also the end of the malignant power of Japan. And it saw the substantial beginning of world organization for peace. These momentous events became realities because of the steadfast purpose of the United Nations and of the forces that fought for freedom under their flags. The plain fact is that civilization was saved in 1945 by the United Nations.

Our own part in this accomplishment was not the product of any single service. Those who fought on land, those who fought on the sea, and those who fought in the air deserve equal credit. They were supported by other millions in the armed forces who through no fault of their own could not go overseas and who rendered indispensable service in this country. They were supported by millions in all levels of government, including many volunteers, whose devoted public service furnished basic organization and leadership. They were also supported by the millions of Americans in private life—-men and women in industry, in commerce, on the farms, and in all manner of activity on the home front—who contributed their brains and their brawn in arming, equipping, and feeding them. The country was brought through four years of peril by an effort that was truly national in character.

Everlasting tribute and gratitude will be paid by all Americans to those brave men who did not come back, who will never come back—the 330,000 who died that the Nation

might live and progress. All Americans will also remain deeply conscious of the obligation owed to that larger number of soldiers, sailors, and marines who suffered wounds and sickness in their service. They may be certain that their sacrifice will never be forgotten or their needs neglected.

Page 2520

The beginning of the year 1946 finds the United States strong and deservedly confident. We have a record of enormous achievements as a democratic society in solving problems and meeting opportunities as they developed. We find ourselves possessed of immeasurable advantages—vast and varied natural resources; great plants, institutions, and other facilities; unsurpassed technological and managerial skills; an alert, resourceful, and able citizenry. We have in the United States Government rich resources in information, perspective, and facilities for doing whatever may be found necessary to do in giving support and form to the widespread and diversified efforts of all our people.

And for the immediate future the business prospects are generally so favorable that there is danger of such feverish and opportunistic activity that our grave postwar problems may be neglected. We need to act now with full regard for pitfalls; we need to act with foresight and balance. We should not be lulled by the immediate alluring prospects into forgetting the fundamental complexity of modern affairs, the catastrophe that can come in this complexity, or the values that can be wrested from it.

But the long-range difficulties we face should no more lead to despair than our immediate business prospects should lead to the optimism which comes from the present short-range prospect. On the foundation of our victory we can build a lasting peace, with greater freedom and security for mankind in our country and throughout the world. We will more certainly do this if we are constantly aware of the fact that we face crucial issues and prepare now to meet them.

To achieve success will require both boldness in setting our sights and caution in steering our way on an uncharted course. But we have no luxury of choice. We must move ahead. No return to the past is possible.

Our Nation has always been a land of great opportunities for those people of the world who sought to become part of us. Now we have become a land of great responsibilities to all the people of all the world. We must squarely recognize and face the fact of those responsibilities. Advances in science, in communication, in transportation, have compressed the world into a community. The economic and political health of each member of the world community bears directly on the economic and political health of each other member.

The evolution of centuries has brought us to a new era in world history in which manifold relationships between nations must be formalized and developed in new and intricate ways.

The United Nations Organization now being established represents a minimum essential beginning. It must be developed rapidly and steadily. Its work must be amplified to fill in the whole pattern that has been outlined. Economic collaboration, for

example, already charted, now must be carried on as carefully and as comprehensively as the political and security measures.

Page 2521

It is important that the nations come together as States in the Assembly and in the Security Council and in the other specialized assemblies and councils that have been and will be arranged. But this is not enough. Our ultimate security requires more than a process of consultation and compromise.

It requires that we begin now to develop the United Nations Organization as the representative of the world as one society. The United Nations Organization, if we have the will adequately to staff it and to make it work as it should, will provide a great voice to speak constantly and responsibly in terms of world collaboration and world well-being.

There are many new responsibilities for us as we enter into this new international era. The whole power and will and wisdom of our Government and of our people should be focused to contribute to and to influence international action. It is intricate, continuing business. Many concessions and adjustments will be required.

The spectacular progress of science in recent years makes these necessities more vivid and urgent. That progress has speeded internal development and has changed world relationships so fast that we must realize the fact of a new era. It is an era in which affairs have become complex and rich in promise. Delicate and intricate relationships, involving us all in countless ways, must be carefully considered.

On the domestic scene, as well as on the international scene, we must lay a new and better foundation for cooperation. We face a great peacetime venture; the challenging venture of a free enterprise economy making full and effective use of its rich resources and technical advances. This is a venture in which business, agriculture, and labor have vastly greater opportunities than heretofore. But they all also have vastly greater responsibilities. We will not measure up to those responsibilities by the simple return to “normalcy” that was tried after the last war.

The general objective, on the contrary, is to move forward to find the way in time of peace to the full utilization and development of our physical and human resources that were demonstrated so effectively in the war.

To accomplish this, it is not intended that the Federal Government should do things that can be done as well for the Nation by private enterprise, or by State and local governments. On the contrary, the war has demonstrated how effectively we can organize our productive system and develop the potential abilities of our people by aiding the efforts of private enterprise.

As we move toward one common objective there will be many and urgent problems to meet.

Industrial peace between management and labor will have to be achieved—through the process of collective bargaining—with Government assistance but not Government compulsion. This is a problem which is the concern not only of management, labor, and the Government, but also the concern of every one of us.

Page 2522

Private capital and private management are entitled to adequate reward for efficiency, but business must recognize that its reward results from the employment of the resources of the Nation. Business is a public trust and must adhere to national standards in the conduct of its affairs. These standards include as a minimum the establishment of fair wages and fair employment practices.

Labor also has its own new peacetime responsibilities. Under our collective bargaining system, which must become progressively more secure, labor attains increasing political as well as economic power, and this, as with all power, means increased responsibility.

The lives of millions of veterans and war workers will be greatly affected by the success or failure of our program of war liquidation and reconversion. Their transition to peacetime pursuits will be determined by our efforts to break the bottlenecks in key items of production, to make surplus property immediately available where it is needed, to maintain an effective national employment service, and many other reconversion policies. Our obligations to the people who won the war will not be paid if we fail to prevent inflation and to maintain employment opportunities.

While our peacetime prosperity will be based on the private enterprise the government can and must assist in many ways. It is the Government's responsibility to see that our economic system remains competitive, that new businesses have adequate opportunities, and that our national resources are restored and improved. Government must realize the effect of its operations on the whole economy. It is the responsibility of Government to gear its total program to the achievement of full production and full employment.

Our basic objective—toward which all others lead—is to improve the welfare of the American people. In addition to economic prosperity, this means that we use social security in the fullest sense of the word. And people must be protected from excessive want during old age, sickness, and unemployment. Opportunities for a good economy and adequate medical care must be readily available. Every family should build a decent home. The new economic rights to which I have referred on previous occasions is a charter of economic freedom which seeks to assure that all who will may work toward their own security and the general advancement; that we become a well-housed people, a well-nourished people, an educated people, a people socially and economically secure, an alert and responsible people.

These and other problems which may face us can be met by the cooperation of all of us in furthering a positive and well-balanced Government program—a program which will further national and international well-being.

II. THE FEDERAL PROGRAM

INTERNATIONAL AFFAIRS

I. FOREIGN POLICY

Page 2523

The year 1945 brought with it the final defeat of our enemies. There lies before us now the work of building a just and enduring peace.

Our most immediate task toward that end is to deprive our enemies completely and forever of their power to start another war. Of even greater importance to the preservation of international peace is the need to preserve the wartime agreement of the United Nations and to direct it into the ways of peace.

Long before our enemies surrendered, the foundations had been laid on which to continue this unity in the peace to come. The Atlantic meeting in 1941 and the conferences at Casablanca, Quebec, Moscow, Cairo, Tehran, and Dumbarton Oaks each added a stone to the structure.

Early in 1945, at Yalta, the three major powers broadened and solidified this base of understanding. There fundamental decisions were reached concerning the occupation and control of Germany. There also a formula was arrived at for the interim government of the areas in Europe which were rapidly being wrested from Nazi control. This formula was based on the policy of the United States that people be permitted to choose their own form of government by their own freely expressed choice without interference from any foreign source.

At Potsdam, in July 1945, Marshal Stalin, Prime Ministers Churchill and Attlee, and I met to exchange views primarily with respect to Germany. As a result, agreements were reached which outlined broadly the policy to be executed by the Allied Control Council. At Potsdam there was also established a Council of Foreign Ministers which convened for the first time in London in September. The Council is about to resume its primary assignment of drawing up treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland.

In addition to these meetings, and, in accordance with the agreement at Yalta, the Foreign Ministers of Great Britain, the Soviet Union, and the United States conferred together in San Francisco last spring, in Potsdam in July, in London in September, and in Moscow in December. These meetings have been useful in promoting understanding and agreement among the three governments.

Simply to name all the international meetings and conferences is to suggest the size and complexity of the undertaking to prevent international war in which the United States has now enlisted for the duration of history.

It is encouraging to know that the common effort of the United Nations to learn to live together did not cease with the surrender of our enemies.

When difficulties arise among us, the United States does not propose to remove them by sacrificing its ideals or its vital interests. Neither do we propose, however, to ignore the ideals and vital interests of our friends.

Page 2524

Last February and March an Inter-American Conference on Problems of War and Peace was held in Mexico City. Among the many significant accomplishments of that Conference was an understanding that an attack by any country against any one of the sovereign American republics would be considered an act of aggression against all of them; and that if such an attack were made or threatened, the American republics would decide jointly, through consultations in which each republic has equal representation, what measures they would take for their mutual protection. This agreement stipulates that its execution shall be in full accord with the Charter of the United Nations Organization.

The first meeting of the General Assembly of the United Nations now in progress in London marks the real beginning of our bold adventure toward the preservation of world peace, to which is bound the dearest hope of men.

We have solemnly dedicated ourselves and all our will to the success of the United Nations Organization. For this reason we have sought to insure that in the peacemaking the smaller nations shall have a voice as well as the larger states. The agreement reached at Moscow last month preserves this opportunity in the making of peace with Italy, Rumania, Bulgaria, Hungary, and Finland. The United States intends to preserve it when the treaties with Germany and Japan are drawn.

It will be the continuing policy of the United States to use all its influence to foster, support, and develop the United Nations Organization in its purpose of preventing international war. If peace is to endure it must rest upon justice no less than upon power. The question is how justice among nations is best achieved. We know from day-to-day experience that the chance for a just solution is immeasurably increased when everyone directly interested is given a voice. That does not mean that each must enjoy an equal voice, but it does mean that each must be heard.

Last November, Prime Minister Attlee, Prime Minister MacKenzie King, and I announced our proposal that a commission be established within the framework of the United Nations to explore the problems of effective international control of atomic energy.

The Soviet Union, France, and China have joined us in the purpose of introducing in the General Assembly a resolution for the establishment of such a commission. Our earnest wish is that the work of this commission go forward carefully and thoroughly, but with the greatest dispatch. I have great hope for the development of mutually effective safeguards which will permit the fullest international control of this new atomic force.

I believe it possible that effective means can be developed through the United Nations Organization to prohibit, outlaw, and prevent the use of atomic energy for destructive purposes.

The power which the United States demonstrated during the war is the fact that underlies every phase of our relations with other countries. We cannot escape the responsibility which it thrusts upon us. What we think, plan, say, and do is of profound significance to the future of every corner of the world.

Page 2525

The great and dominant objective of United States foreign policy is to build and preserve a just peace. The peace we seek is not peace for twenty years. It is permanent peace. At a time when massive changes are occurring with lightning speed throughout the world, it is often difficult to perceive how this central objective is best served in one isolated complex situation or another. Despite this very real difficulty, there are certain basic propositions to which the United States adheres and to which we shall continue to adhere.

One proposition is that lasting peace requires genuine understanding and active cooperation among the most powerful nations. Another is that even the support of the strongest nations cannot guarantee a peace unless it is infused with the quality of justice for all nations.

On October 27, 1945, I made, in New York City, the following public statement of my understanding of the fundamental foreign policy of the United States. I believe that policy to be in accord with the opinion of the Congress and of the people of the United States. I believe that that policy carries out our fundamental objectives.

1. We seek no territorial expansion or selfish advantage. We have no plans for aggression against any other state, large or small. We have no objective which need clash with the peaceful aims of any other nation.

2. We believe in the eventual return of sovereign rights and self-government to all peoples who have been deprived of them by force.

3. We shall approve no territorial changes in any friendly part of the world unless they accord with the freely expressed wishes of the people concerned.

4. We believe that all peoples who are prepared for self-government should be permitted to choose their own form of government by their own freely expressed choice, without interference from any foreign source. That is true in Europe, in Asia, in Africa, as well as in the Western Hemisphere.

5. By the combined and cooperative action of our war allies, we shall help the defeated enemy states establish peaceful democratic governments of their own free choice. And we shall try to attain a world in which nazism, fascism, and military aggression cannot exist.

6. We shall refuse to recognize any government imposed upon any nation by the force of any foreign power. In some cases it may be impossible to prevent forceful imposition of such a government. But the United States will not recognize any such government.

7. We believe that all nations should have the freedom of the seas and equal rights to the navigation of boundary rivers and waterways and of rivers and waterways which pass through more than one country.

8. We believe that all states which are accepted in the society of nations should have access on equal terms to the trade and the raw materials of the world.

9. We believe that the sovereign states of the Western Hemisphere, without interference from outside the Western Hemisphere, must work together as good neighbors in the solution of their common problems.

Page 2526

10. We believe that full economic collaboration between all nations, great and small, is essential to the improvement of living conditions all over the world, and to the establishment of freedom from fear and freedom from want.

11. We shall continue to strive to promote freedom of expression and freedom of religion throughout the peace-loving areas of the world.

12. We are convinced that the preservation of peace between nations requires a United Nations Organization composed of all the peace-loving nations of the world who are willing jointly to use force, if necessary, to insure peace.

That is our foreign policy.

We may not always fully succeed in our objectives. There may be instances where the attainment of those objectives is delayed. But we will not give our full sanction and approval to actions which fly in the face of these ideals.

The world has a great stake in the political and economic future of Germany. The Allied Control Council has now been in operation there for a substantial period of time. It has not met with unqualified success. The accommodation of varying views of four governments in the day-to-day civil administration of occupied territory is a challenging task. In my judgment, however, the Council has made encouraging progress in the face of most serious difficulties. It is my purpose at the earliest practicable date to transfer from military to civilian personnel the execution of United States participation in the government of occupied territory in Europe. We are determined that effective control shall be maintained in Germany until we are satisfied that the German people have regained the right to a place of honor and respect.

On the other side of the world, a method of international cooperation has recently been agreed upon for the treatment of Japan. In this pattern of control, the United States, with the full approval of its partners, has retained primary authority and primary responsibility. It will continue to do so until the Japanese people, by their own freely expressed choice, choose their own form of government.

Our basic policy in the Far East is to encourage the development of a strong, independent, united, and democratic China. That has been the traditional policy of the United States.

At Moscow the United States, the Union of Soviet Socialist Republics, and Great Britain agreed to further this development by supporting the efforts of the national government and nongovernmental Chinese political elements in bringing about cessation of civil strife and in broadening the basis of representation in the Government. That is the policy which General Marshall is so ably executing today.

It is the purpose of the Government of the United States to proceed as rapidly as is practicable toward the restoration of the sovereignty of Korea and the establishment of a democratic government by the free choice of the people of Korea.

Page 2527

At the threshold of every problem which confronts us today in international affairs is the appalling devastation, hunger, sickness, and pervasive human misery that mark so many areas of the world.

By joining and participating in the work of the United Nations Relief and Rehabilitation Administration the United States has directly recognized and assumed an obligation to give such relief assistance as is practicable to millions of innocent and helpless victims of the war. The Congress has earned the gratitude of the world by generous financial contributions to the United Nations Relief and Rehabilitation Administration.

We have taken the lead, modest though it is, in facilitating under our existing immigration quotas the admission to the United States of refugees and displaced persons from Europe.

We have joined with Great Britain in the organization of a commission to study the problem of Palestine. The Commission is already at work and its recommendations will be made at an early date.

The members of the United Nations have paid us the high compliment of choosing the United States as the site of the United Nations headquarters. We shall be host in spirit as well as in fact, for nowhere does there abide a fiercer determination that this peace shall live than in the hearts of the American people.

It is the hope of all Americans that in time future historians will speak not of World War I and World War II, but of the first and last world wars.

2. *Foreign economic policy*

The foreign economic policy of the United States is designed to promote our own prosperity, and at the same time to aid in the restoration and expansion of world markets and to contribute thereby to world peace and world security. We shall continue our efforts to provide relief from the devastation of war, to alleviate the sufferings of displaced persons, to assist in reconstruction and development, and to promote the expansion of world trade.

We have already joined the International Monetary Fund and the International Bank for Reconstruction and Development. We have expanded the Export-Import Bank and provided it with additional capital. The Congress has renewed the Trade Agreements Act which provides the necessary framework within which to negotiate a reduction of trade barriers on a reciprocal basis. It has given our support to the United Nations Relief and Rehabilitation Administration.

In accordance with the intentions of the Congress, lend-lease, except as to continuing military lend-lease in China, was terminated upon the surrender of Japan. The first of

the lend-lease settlement agreements has been completed with the United Kingdom. Negotiations with other lend-lease countries are in progress. In negotiating these agreements, we intend to seek settlements which will not encumber world trade through war debts of a character that proved to be so detrimental to the stability of the world economy after the last war.

Page 2528

We have taken steps to dispose of the goods which on VJ-day were in the lend-lease pipe line to the various lend-lease countries and to allow them long-term credit for the purpose where necessary. We are also making arrangements under which those countries may use the lend-lease inventories in their possession and acquire surplus property abroad to assist in their economic rehabilitation and reconstruction. These goods will be accounted for at fair values.

The proposed loan to the United Kingdom, which I shall recommend to the Congress in a separate message, will contribute to easing the transition problem of one of our major partners in the war. It will enable the whole sterling area and other countries affiliated with it to resume trade on a multilateral basis. Extension of this credit will enable the United Kingdom to avoid discriminatory trade arrangements of the type which destroyed freedom of trade during the 1930's. I consider the progress toward multilateral trade which will be achieved by this agreement to be in itself sufficient warrant for the credit.

The view of this Government is that, in the longer run, our economic prosperity and the prosperity of the whole world are best served by the elimination of artificial barriers to international trade, whether in the form of unreasonable tariffs or tariff preferences or commercial quotas or embargoes or the restrictive practices of cartels.

The United States Government has issued proposals for the expansion of world trade and employment to which the Government of the United Kingdom has given its support on every important issue. These proposals are intended to form the basis for a trade and employment conference to be held in the middle of this year. If that conference is a success, I feel confident that the way will have been adequately prepared for an expanded and prosperous world trade.

We shall also continue negotiations looking to the full and equitable development of facilities for transportation and communications among nations.

The vast majority of the nations of the world have chosen to work together to achieve, on a cooperative basis, world security and world prosperity. The effort cannot succeed without full cooperation of the United States. To play our part, we must not only resolutely carry out the foreign policies we have adopted but also follow a domestic policy which will maintain full production and employment in the United States. A serious depression here can disrupt the whole fabric of the world economy.

3. *Occupied countries*

The major tasks of our Military Establishment in Europe following *Ve*-day, and in the Pacific since the surrender of Japan, have been those of occupation and military government. In addition we have given much needed aid to the peoples of the liberated countries.

The end of the war in Europe found Germany in a chaotic condition. Organized government had ceased to exist, transportation systems had been wrecked, cities and industrial facilities had been bombed into ruins. In addition to the tasks of occupation we had to assume all of the functions of government. Great progress has been made in the repatriation of displaced persons and of prisoners of war. Of the total of 3,500,000 displaced persons found in the United States zone only 460,000 now remain.

Page 2529

The extensive complications involved by the requirement of dealing with three other governments engaged in occupation and with the governments of liberated countries require intensive work and energetic cooperation. The influx of some 2 million German refugees into our zone of occupation is a pressing problem, making exacting demands upon an already overstrained internal economy.

Improvements in the European economy during 1945 have made it possible for our military authorities to relinquish to the governments of all liberated areas, or to the United Nations Relief and Rehabilitation Administration, the responsibility for the provision of food and other civilian relief supplies. The Army's responsibilities in Europe extend now only to our zones of occupation in Germany and Austria and to two small areas in northern Italy.

By contrast with Germany, in Japan we have occupied a country still possessing an organized and operating governmental system. Although severely damaged, the Japanese industrial and transportation systems have been able to insure at least a survival existence for the population. The repatriation of Japanese military and civilian personnel from overseas is proceeding as rapidly as shipping and other means permit.

In order to insure that neither Germany nor Japan will again be in a position to wage aggressive warfare, the armament making potential of these countries is being dismantled and fundamental changes in their social and political structures are being effected. Democratic systems are being fostered to the end that the voice of the common man may be heard in the councils of his government.

For the first time in history the legal culpability of war makers is being determined. The trials now in progress in Nurnberg-and those soon to begin in Tokyo—bring before the bar of international justice those individuals who are charged with the responsibility for the sufferings of the past six years. We have high hope that this public portrayal of the guilt of these evildoers will bring wholesale and permanent revulsion on the part of the masses of our former enemies against war, militarism, aggression, and notions of race superiority.

4. *Demobilization of our armed forces*

The cessation of active campaigning does not mean that we can completely disband our fighting forces. For their sake and for the sake of their loved ones at home, I wish that we could. But we still have the task of clinching the victories we have won—of making certain that Germany and Japan can never again wage aggressive warfare, that they will not again have the means to bring on another world war. The performance of that task requires that, together with our allies, we occupy the hostile areas, complete the disarmament of our enemies, and take the necessary measures to see to it that they do not rearm.

As quickly as possible, we are bringing about the reduction of our armed services to the size required for these tasks of occupation and disarmament. The Army and the Navy are following both length-of-service and point systems as far as possible in releasing men and women from the service. The points are based chiefly on length and character of service, and on the existence of dependents.

Page 2530

Over 5 million from the Army have already passed through the separation centers.

The Navy, including the Marine Corps and the Coast Guard, has discharged over one and a half million.

Of the 12 million men and women serving in the Army and Navy at the time of the surrender of Germany, one-half have already been released. The greater part of these had to be brought back to this country from distant parts of the world.

Of course there are cases of individual hardship in retention of personnel in the service. There will be in the future. No system of such size can operate to perfection. But the systems are rounded on fairness and justice, and they are working at full speed. We shall try to avoid mistakes, injustices, and hardship—as far as humanly possible.

We have already reached the point where shipping is no longer the bottleneck in the return of troops from the European theater. The governing factor now has become the requirement for troops in sufficient strength to carry out their missions.

In a few months the same situation will exist in the Pacific. By the end of June, 9 out of 10 who were serving in the armed forces on *Ve*-day will have been released. Demobilization will continue thereafter, but at a slower rate, determined by our military responsibilities.

Our national safety and the security of the world will require substantial armed forces, particularly in overseas service. At the same time it is imperative that we relieve those who have already done their duty, and that we relieve them as fast as we can. To do that, the Army and the Navy are conducting recruiting drives with considerable success.

The Army has obtained nearly 400,000 volunteers in the past four months, and the Navy has obtained 80,000. Eighty percent of these volunteers for the regular service have come from those already with the colors. The Congress has made it possible to offer valuable inducements to those who are eligible for enlistment. Every effort will be made to enlist the required number of young men.

The War and Navy Departments now estimate that by a year from now we still will need a strength of about 2 million including officers, for the armed forces—Army, Navy, and Air. I have reviewed their estimates and believe that the safety of the Nation will require the maintenance of an armed strength of this size for the calendar year that is before us.

In case the campaign for volunteers does not produce that number, it will be necessary by additional legislation to extend the Selective Service Act beyond May 16, the date of expiration under existing law. That is the only way we can get the men and bring back

our veterans. There is no other way. Action along this line should not be postponed beyond March, in order to avoid uncertainty and disruption.

DOMESTIC AFFAIRS

Page 2531

I. THE ECONOMIC OUTLOOK

Prophets of doom predicted that the United States could not escape a runaway inflation during the war and an economic collapse after the war. These predictions have not been borne out. On the contrary, the record of economic stabilization during the war and during the period of reconversion has been an outstanding accomplishment.

We know, however, that nothing is as dangerous as overconfidence, in war or in peace. We have had to fight hard to hold the line. We have made strenuous efforts to speed reconversion. But neither the danger of a postwar inflation nor of a subsequent collapse in production and employment is yet overcome. We must base our policies not on unreasoning optimism or pessimism but upon a candid recognition of our objectives and upon a careful analysis of foreseeable trends.

Any precise appraisal of the economic outlook at this time is particularly difficult. The period of demobilization and reconversion is fraught with uncertainties. There are also serious gaps in our statistical information. Certain tendencies are, however, fairly clear and recognition of them should serve as background for the consideration of next year's Federal Program. In general, the outlook for business is good, and it is likely to continue to be good—provided we control inflation and achieve peace in management labor relations.

Civilian production and employment can be expected to increase throughout the next year. This does not mean, however, that continuing full employment is assured. It is probable that demobilization of the armed forces will proceed faster than the increase in civilian employment opportunities. Even if substantial further withdrawals from the labor market occur, unemployment will increase temporarily. The extent to which this unemployment will persist depends largely on the speed of industrial expansion and the effectiveness of the policies of the Federal Government.

Along with extraordinary demand there are still at this time many critical shortages resulting from the war. These extraordinary demands and shortages may lead to a speculative boom, especially in the price of securities, real estate, and inventories.

Therefore, our chief worry still is inflation. While we control this inflationary pressure we must look forward to the time when this extraordinary demand will subside. It will be years before we catch up with the demand for housing. The extraordinary demand for other durable goods, for the replenishment of inventories, and for exports may be satisfied earlier. No backlog of demand can exist very long in the face of our tremendous productive capacity. We must expect again to face the problem of shrinking demand and consequent slackening in sales, production, and employment. This possibility of a deflationary spiral in the future will exist unless we now plan and adopt an effective full employment program.

Page 2532

2. *General policies—immediate and long-range*

During the war, production for civilian use was limited by war needs and available manpower. Economic stabilization required measures, to spread limited supplies equitably by rationing, price controls, increased taxes, savings bond campaigns, and credit controls. Now, with the surrender of our enemies, economic stabilization requires that policies be directed toward promoting an increase in supplies at low unit prices.

We must encourage the development of resources and enterprises in all parts of the country, particularly in underdeveloped areas. For example, the establishment of new peacetime industries in the Western States and in the South would, in my judgment, add to existing production and markets rather than merely bring about a shifting of production. I am asking the Secretaries of Agriculture, Commerce, and Labor to explore jointly methods for stimulating new industries, particularly in areas with surplus agricultural labor.

We must also aid small businessmen and particularly veterans who are competent to start their own businesses. The establishment and development of efficient small business ventures, I believe, will not take away from, but rather will add to, the total business of all enterprises.

Even with maximum encouragement of Production, we cannot hope to remove scarcities within a short time. The most serious deficiencies will persist in the fields of residential housing, building materials, and consumers' durable goods. The critical situation makes continued rent control, price control, and priorities, allocations, and inventory controls absolutely essential. Continued control of consumer credit will help to reduce the pressure on prices of durable goods and will also prolong the period during which the backlog demand will be effective.

While we are meeting these immediate needs we must look forward to a long-range program of security and increased standard of living.

The best protection of purchasing power is a policy of full production and full employment opportunities. Obviously, an employed worker is a better customer than an unemployed worker. There always will be, however, some frictional unemployment. In the present period of transition we must deal with such temporary unemployment as results from the fact that demobilization will proceed faster than reconversion or industrial expansion. Such temporary unemployment is probably unavoidable in a period of rapid change. The unemployed worker is a victim of conditions beyond his control. He should be enabled to maintain a reasonable standard of living for himself and his family.

The most serious difficulty in the path of reconversion and expansion is the establishment of a fair wage structure.

The ability of labor and management to work together, and the wage and price policies which they develop, are social and economic issues of first importance.

Page 2533

Both labor and management have a special interest. Labor's interest is very direct and personal because working conditions, wages, and prices affect the very life and happiness of the worker and his family.

Management has a no less direct interest because on management rests the responsibility for conducting a growing and prosperous business.

But management and labor have identical interests in the long run. Good wages mean good markets. Good business means more jobs and better wages. In this age of cooperation and in our highly organized economy the problems of one very soon become the problems of all.

Better human relationships are an urgent need to which organized labor and management should address themselves. No government policy can make men understand each other, agree, and get along unless they conduct themselves in a way to foster mutual respect and good will.

The Government can, however, help to develop machinery which, with the backing of public opinion, will assist labor and management to resolve their disagreements in a peaceful manner and reduce the number and duration of strikes.

All of us realize that productivity—increased output per man—is in the long run the basis of our standard of living. Management especially must realize that if labor is to work wholeheartedly for an increase in production, workers must be given a just share of increased output in higher wages.

Most industries and most companies have adequate leeway within which to grant substantial wage increases. These increases will have a direct effect in increasing consumer demand to the high levels needed. Substantial wage increases are good business for business because they assure a large market for their products; substantial wage increases are good business for labor because they increase labor's standard of living; substantial wage increases are good business for the country as a whole because capacity production means an active, healthy, friendly citizenry enjoying the benefits of democracy under our free enterprise system.

Labor and management in many industries have been operating successfully under the Government's wage-price policy. Upward revisions of wage scales have been made in thousands of establishments throughout the Nation since VJ-day. It is estimated that about 6 million workers, or more than 20 percent of all employees in nonagricultural and nongovernmental establishments, have received wage increases since August 18, 1945. The amounts of increases given by individual employers concentrate between 10 and 15 percent, but range from less than 5 percent to over 30 percent.

The United States Conciliation Service since VJ-day has settled over 3,000 disputes affecting over 1,300,000 workers without a strike threat and has assisted in settling about 1,300 disputes where strikes were threatened which involved about 500,000 workers. Only workers directly involved, and not those in related industries who might have been indirectly affected, are included in these estimates.

Page 2534

Many of these adjustments have occurred in key industries and would have seemed to us major crises if they had not been settled peaceably.

Within the framework of the wage-price policy there has been definite success, and it is to be expected that this success will continue in a vast majority of the cases arising in the months ahead.

However, everyone who realizes the extreme need for a swift and orderly reconversion must feel a deep concern about the number of major strikes now in progress. If long continued, these strikes could put a heavy brake on our program.

I have already made recommendations to the Congress as to the procedure best adapted to meeting the threat of work stoppages in Nation-wide industries without sacrificing the fundamental rights of labor to bargain collectively and ultimately to strike in support of their position.

If we manage our economy properly, the future will see us on a level of production half again as high as anything we have ever accomplished in peacetime. Business can in the future pay higher wages and sell for lower prices than ever before. This is not true now for all companies, nor will it ever be true for all, but for business generally it is true.

We are relying on all concerned to develop, through collective bargaining, wage structures that are fair to labor, allow for necessary business incentives, and conform with a policy designed to “hold the line” on prices.

Production and more production was the byword during the war and still is during the transition from war to peace. However, when deferred demand slackens, we shall once again face the deflationary dangers which beset this and other countries during the 1930’s. Prosperity can be assured only by a high level of demand supported by high current income; it cannot be sustained by deferred needs and use of accumulated savings.

If we take the right steps in time we can certainly avoid the disastrous excesses of runaway booms and headlong depressions. We must not let a year or two of prosperity lull us into a false feeling of security and a repetition of the mistakes of the 1920’s that culminated in the crash of 1929.

During the year ahead the Government will be called upon to act in many important fields of economic policy from taxation and foreign trade to social security and housing. In every case there will be alternatives. We must choose the alternatives which will best measure up to our need for maintaining production and employment in the future. We must never lose sight of our long-term objectives: the broadening of markets—the maintenance of steadily rising demand. This demand can come from only three sources: consumers, businesses, or government.

In this country the job of production and distribution is in the hands of businessmen, farmers, workers, and professional people-in the hands of our citizens. We want to keep it that way. However, it is the Government's responsibility to help business, labor, and farmers do their jobs.

Page 2535

There is no question in my mind that the Government, acting on behalf of all the people, must assume the ultimate responsibility for the economic health of the Nation. There is no other agency that can. No other organization has the scope or the authority, nor is any other agency accountable, to all the people. This does not mean that the Government has the sole responsibility, nor that it can do the job alone, nor that it can do the job directly.

All of the policies of the Federal Government must be geared to the objective of sustained full production and full employment-to raise consumer purchasing power and to encourage business investment. The programs we adopt this year and from now on will determine our ability to achieve our objectives. We must continue to pay particular attention to our fiscal, monetary, and tax policy, programs to aid business—especially small business—and transportation, labor-management relations and wage-price policy, social security and health, education, the farm program, public works, housing and resource development, and economic foreign policy.

For example, the kinds of tax measures we have at different times—whether we raise our revenue in a way to encourage consumer spending and business investment or to discourage it—have a vital bearing on this question. It is affected also by regulations on consumer credit and by the money market, which is strongly influenced by the rate of interest on Government securities. It is affected by almost every step we take.

In short, the way we handle the proper functions of government, the way we time the exercise of our traditional and legitimate governmental functions, has a vital bearing on the economic health of the Nation.

These policies are discussed in greater detail in the accompanying Fifth Quarterly Report of the Director of War Mobilization and Reconversion.

3. *Legislation heretofore recommended*

AND STILL PENDING

To attain some of these objectives and to meet the other needs of the United States in the reconversion and postwar period, I have from time to time made various recommendations to the Congress.

In making these recommendations I have indicated the reasons why I deemed them essential for progress at home and abroad. A few—a very few—of these recommendations have been enacted into law by the Congress. Most of them have not. I here reiterate some of them, and discuss others later in this Message. I urge upon the Congress early consideration of them. Some are more urgent than others, but all are necessary.

(1) Legislation to authorize the President to create fact-finding boards for the prevention of stoppages of work in Nationwide industries after collective bargaining and conciliation and voluntary arbitration have failed—as recommended by me on December 3, 1945.

Page 2536

(2) Enactment of a satisfactory full employment bill such as the Senate bill now in conference between the Senate and the House—as recommended by me on September 6, 1945.

(3) Legislation to supplement the unemployment insurance benefits for unemployed workers now provided by the different States—as recommended by me on May 1945.

(4) Adoption of a permanent Fair Employment Practice Act—as recommended by me on September 6, 1945.

(5) Legislation substantially raising the amount of minimum wages now provided by law—as recommended by me on September 6, 1945.

(6) Legislation providing for a comprehensive program for scientific research—as recommended by me on September 6, 1945.

(7) Legislation enacting a health and medical care program—as recommended by me on November 19, 1945.

(8) Legislation adopting the program of universal training—as recommended by me on October 23, 1945.

(9) Legislation providing an adequate salary scale for all Government employees in all branches of the Government—as recommended by me on September 6, 1945.

(10) Legislation making provision for succession to the Presidency in the event of the death or incapacity or disqualification of the President and Vice President—as recommended by me on June 19, 1945.

(11) Legislation for the unification of the armed services—as recommended by me on December 19, 1945.

(12) Legislation for the domestic use and control of atomic energy—as recommended by me on October 3, 1945.

(13) Retention of the United States Employment Service in the Federal Government for a period at least up to June 30, 1947—as recommended by me on September 6, 1945.

(14) Legislation to increase unemployment allowances for veterans in line with increases for civilians—as recommended by me on September 6, 1945.

(15) Social security coverage for veterans for their period of military service—as recommended by me on September 6, 1945.

(16) Extension of crop insurance—as recommended by me on September 6, 1945.

(17) Legislation permitting the sale of ships by the Maritime Commission at home and abroad—as recommended by me on September 6, 1945. I further recommend that this legislation include adequate authority for chartering vessels both here and abroad.

(18) Legislation to take care of the stock piling of materials in which the United States is naturally deficient—as recommended by me on September 6, 1945.

(19) Enactment of Federal airport legislation-as recommended by me on September 6, 1945.

(20) Legislation repealing the Johnson Act on foreign loans—as recommended by me on September 6, 1945.

(21) Legislation for the development of the Great Lakes-St. Lawrence River Basin-as recommended by me on October 3, 1945.

4. *Policies in specific fields*

Page 2537

(a) Extension of Price Control Act.

Today inflation is our greatest immediate domestic problem. So far the fight against inflation has been waged successfully. Since May 1943, following President Roosevelt's "hold the line" order and in the face of the greatest pressures which this country has ever seen, the cost of living index has risen only three percent. Wholesale prices in this same period have been held to an increase of two and one-half percent.

This record has been made possible by the vigorous efforts of the agencies responsible for this program. But their efforts would have been fruitless if they had not had the solid support of the great masses of our people. The Congress is to be congratulated for its role in providing the legislation under which this work has been carried out.

On VJ-day it was clear to all thinking people that the danger of inflation was by no means over. Many of us can remember vividly our disastrous experience following World War I. Then the very restricted wartime controls were lifted too quickly, and as a result prices and rents moved more rapidly upward. In the year and a half following the armistice, rents, food, and clothing shot to higher and still higher levels.

When the inevitable crash occurred less than two years after the end of the war, business bankruptcies were widespread. Profits were wiped out. Inventory losses amounted to billions of dollars. Farm income dropped by one-half. Factory pay rolls dropped 40 percent, and nearly one-fifth of all our industrial workers were walking the streets in search of jobs. This was a grim greeting, indeed, to offer our veterans who had just returned from overseas.

When I addressed the Congress in September, I emphasized that we must continue to hold the price line until the production of goods caught up with the tremendous demands. Since then we have seen demonstrated the strength of the inflationary pressures which we have to face.

Retail sales in the closing months of 1945 ran 12 percent above the previous peak for that season, which came in 1944. Prices throughout the entire economy have been pressing hard against the price ceilings. The prices of real estate, which cannot now be controlled under the law, are rising rapidly. Commercial rents are not included in the present price control law and, where they are not controlled by State law, have been increasing, causing difficulties to many businessmen.

It will be impossible to maintain a high purchasing power or an expanding production unless we can keep prices at levels which can be met by the vast majority of our people. Full production is the greatest weapon against inflation, but until we can produce enough goods to meet the threat of inflation the Government will have to exercise its wartime control over prices.

I am sure that the people of the United States are disturbed by the demands made by several business groups with regard to price and rent control.

Page 2538

I am particularly disturbed at the effect such thinking may have on production and employment. If manufacturers continue to hold back goods and decline to submit bids when invited—as I am informed some are doing—in anticipation of higher prices which would follow the end of price controls, we shall inevitably slow down production and create needless unemployment. On the other hand, there are the vast majority of American businessmen who are not holding back goods, but who need certainty about the Government pricing policy in order to fix their own long-range pricing policies.

Businessmen are entitled therefore to a dear statement of the policy of the Government on the subject. Tenants and housewives, farmers and workers—consumers in general—have an equal right.

We are all anxious to eliminate unnecessary controls just as rapidly as we can do so. The steps that we have already taken in many directions toward that end are a clear indication of our policy.

The present Price Control Act expires on June 30, 1946. If we expect to maintain a steady economy we shall have to maintain price and rent control for many months to come. The inflationary pressures on prices and rents, with relatively few exceptions, are now at an all-time peak. Unless the Price Control Act is renewed there will be no limit to which our price levels would soar. Our country would face a national disaster.

We cannot wait to renew the act until immediately before it expires. Inflation results from psychological as well as economic conditions. The country has a clear right to know where the Congress stands on this all-important problem. Any uncertainty now as to whether the act will be extended gives rise to price speculation, to withholding of goods from the market in anticipation of rising prices, and to delays in achieving maximum production.

I do not doubt that the Congress will be beset by many groups who will urge that the legislation that I have proposed should either be eliminated or modified to the point where it is nearly useless. The Congress has a clear responsibility to meet this challenge with courage and determination. I have every confidence that it will do so.

I strongly urge that the Congress now resolve all doubts and as soon as possible adopt legislation continuing rent and price control in effect for a full year from June 30, 1946.

(b) Food subsidies.

If the price line is to be held, if our people are to be protected against the inflationary dangers which confront us, we must do more than extend the Price Control Act. In September we were hopeful that the inflationary pressures would by this time have begun to diminish. We were particularly hopeful on food. Indeed, it was estimated that

food prices at retail would drop from 3 to 5 percent in the first six months following the end of the war.

In anticipation of this decline in food prices, it was our belief that food subsidies could be removed gradually during the winter and spring months, and eliminated almost completely by June 30 of this year. It was our feeling that the food subsidies could be dropped without an increase to the consumer in the present level of food prices or in the over-all cost of living.

Page 2539

As matters stand today, however, food prices are pressing hard against the ceilings. The expected decline in food prices has not occurred, nor is it likely to occur for many months to come. This brings me to the reluctant conclusion that food subsidies must be continued beyond June 30, 1946.

If we fail to take this necessary step, meat prices on July 1 will be from 3 to 5 cents higher than their average present levels; butter will be at least 12 cents a pound higher, in addition to the 5 cents a pound increase of last fall; milk will increase from 1 to 2 cents a quart; bread will increase about 1 cent a loaf; sugar will increase over 1 cent a pound; cheese, in addition to the increase of 4 cents now planned for the latter part of this month, will go up an additional 8 cents. In terms of percentages we may find the cost-of-living index for food increased by more than 8 percent, which in turn would result in more than a 3-percent increase in the cost of living.

If prices of food were allowed to increase by these amounts, I must make it clear to the Congress that, in my opinion, it would become extremely difficult for us to control the forces of inflation.

None of us likes subsidies. Our farmers, in particular, have always been opposed to them.

But I believe our farmers are as deeply conscious as any group in the land of the havoc which inflation can create. Certainly in the past eighteen months there has been no group which has fought any harder in support of the Government's price control program. I am confident that, if the facts are placed before them and if they see clearly the evils between which we are forced to choose, they will understand the reasons why subsidies must be continued.

The legislation continuing the use of food subsidies into the new fiscal year should be tied down specifically to certain standards. A very proper requirement, in my opinion, would be that subsidies be removed as soon as it is indicated that the cost of living will decline below the present levels.

(c) Extension of War Powers Act.

The Second War Powers Act has recently been extended by the Congress for six months instead of for a year. It will now expire, unless further extended, on June 30, 1946. This act is the basis for priority and inventory controls governing the use of scarce materials, as well as for other powers essential to orderly reconversion.

I think that this Administration has given adequate proof of the fact that it desires to eliminate wartime controls as quickly and as expeditiously as possible. However, we know that there will continue to be shortages of certain materials caused by the war even after June 30, 1946. It is important that businessmen know now that materials in

short supply are going to be controlled and distributed fairly as long as these war-born shortages continue.

I, therefore, urge the Congress soon to extend the Second War Powers Act. We cannot afford to wait until just before the act expires next June. To wait would cause the controls to break down in a short time, and would hamper our production and employment program.

Page 2540

(d) Small business and competition.

A rising birth rate for small business, and a favorable environment for its growth, are not only economic necessities but also important practical demonstrations of opportunity in a democratic free society. A great many veterans and workers with new skills and experience will want to start in for themselves. The opportunity must be afforded them to do so. They are the small businessmen of the future.

Actually when we talk about small business we are talking about almost all of the Nation's individual businesses. Nine out of every ten concerns fall into this category, and 45 percent of all workers are employed by them. Between 30 and 40 percent of the total value of all business transactions are handled by small business.

It is obvious national policy to foster the sound development of small business. It helps to maintain high levels of employment and national income and consumption of the goods and services that the Nation can produce. It encourages the competition that keeps our free enterprise economy vigorous and expanding. Small business, because of its flexibility, assists in the rapid exploitation of scientific and technological discoveries. Investment in small business can absorb a large volume of savings that might otherwise not be tapped.

The Government should encourage and is encouraging small-business initiative and originality to stimulate progress through competition.

During the war, the Smaller War Plants Corporation assisted small concerns to make a maximum contribution to victory. The work of the Smaller War Plants Corporation is being carried on in peacetime by the Federal Loan Agency and the Department of Commerce. The fundamental approach to the job of encouraging small concerns must be based on:

1. Arrangements for making private and public financial resources available on reasonable terms.

2. Provision of technical advice and assistance to business as a whole on production, research, and management problems. This will help equalize competitive relationships between large and small companies, for many of the small companies cannot afford expensive technical research, accounting, and tax advice.

3. Elimination of trade practices and agreements which reduce competition and discriminate against new or small enterprises.

We speak a great deal about the free enterprise economy of our country. It is competition that keeps it free. It is competition that keeps it growing and developing.

The truth is that we need far more competition in the future than we have had in the immediate past.

By strangling competition, monopolistic activity prevents or deters investment in new or expanded production facilities. This lessens the opportunity for employment and chokes off new outlets for idle savings. Monopoly maintains prices at artificially high levels and reduces consumption which, with lower prices, would rise and support larger production and higher employment. Monopoly, not being subject to competitive pressure, is slow to take advantage of technical advances which would lower prices or improve quality. All three of these monopolistic activities very directly lower the standard of living—through higher prices and lower quality of product—which free competition would improve.

Page 2541

The Federal Government must protect legitimate business and consumers from predatory and monopolistic practices by the vigilant enforcement of regulatory legislation. The program will be designed to have a maximum impact upon monopolistic bottlenecks and unfair competitive practices hindering expansion in employment.

During the war, enforcement of antimonopoly laws was suspended in a number of fields. The Government must now take major steps not only to maintain enforcement of antitrust laws but to encourage new and competing enterprises in every way. The deferred demand of the war years and the large accumulations of liquid assets provide ample incentive for expansion. Equalizing of business opportunity, under full and free competition, must be a prime responsibility in the reconversion period and in the years that follow. Many leading businessmen have recognized the importance of such action both to themselves and to the economy as a whole.

But we must do more than break up trusts and monopolies after they have begun to strangle competition. We must take positive action to foster new, expanding enterprises. By legislation and by administration we must take specific steps to discourage the formation or the strengthening of competition-restricting business. We must have an over-all antimonopoly policy which can be applied by all agencies of the Government in exercising the functions assigned to them—a policy designed to encourage the formation and growth of new and freely competitive enterprises.

Among the many departments and agencies which have parts in the program affecting business and competition, the Department of Commerce has a particularly important role. That is why I have recommended a substantial increase in appropriations for the next fiscal year for this Department.

In its assistance to industry, the Department of Commerce will concentrate its efforts on these primary objectives: Promotion of a large and well-balanced foreign trade; provision of improved technical assistance and management aids, especially for small enterprises; and strengthening of basic statistics on business operations, both by industries and by regions. To make new inventions and discoveries available more promptly to all businesses, small and large, the Department proposes to expand its own research activities, promote research by universities, improve Patent Office procedures, and develop a greatly expanded system of field offices readily accessible to the businesses they serve.

Many gaps exist in the private financial mechanism, especially in the provision of long-term funds for small- and medium sized enterprises. In the peacetime economy the Reconstruction Finance Corporation will take the leadership in assuring adequate financing for small enterprises which cannot secure funds from other sources. Most of the funds should and will be provided by private lenders; but the Reconstruction Finance Corporation will share any unusual risks through guarantees of private loans,

with direct loans only when private capital is unwilling to participate on a reasonable basis.

Page 2542

(e) Minimum wage.

Full employment and full production may be achieved only by maintaining a level of consumer income far higher than that of the prewar period. A high level of consumer income will maintain the market for the output of our mills, farms, and factories, which we have demonstrated during the war years that we can produce. One of the basic steps which the Congress can take to establish a high level of consumer income is to amend the Fair Labor Standards Act to raise substandard wages to a decent minimum and to extend similar protection to additional workers who are not covered by the present act.

Substandard wages are bad for business and for the farmer. Substandard wages provide only a substandard market for the goods and services produced by American industry and agriculture.

At the present time the Fair Labor Standards Act prescribes a minimum wage of 40 cents an hour for those workers who are covered by the act. The present minimum wage represents an annual income of about $800 to those continuously employed for 50 weeks—clearly a wholly inadequate budget for an American family. I am in full accord with the proposal now pending in the Congress that the statutory minimum be raised immediately to 65 cents an hour, with further increases to 70 cents after one year and to 75 cents after two years. I also favor the proposal that the industry committee procedure be used to set rates higher than 65 cents per hour during the two-year interval before the 75-cent basic wage would otherwise become applicable.

The proposed minimum wage of 65 cents an hour would assure the worker an annual income of about $1,300 a year in steady employment. This amount is clearly a modest goal. After considering cost-of-living increases in recent years, it is little more than a 10-cent increase over the present legal minimum. In fact, if any large number of workers earn less than this amount, we will find it impossible to maintain the levels of purchasing power needed to sustain the stable prosperity which we desire. Raising the minimum to 75 cents an hour will provide the wage earner with an annual income of $1,500 if he is fully employed.

The proposed higher minimum wage levels are feasible without involving serious price adjustments or serious geographic dislocations.

Today about 20 percent of our manufacturing wage earners—or about 2 million-earn less than 65 cents an hour. Because wages in most industries have risen during the war, this is about the same as the proportion-17 percent—who were earning less than 40 cents an hour in 1941.

I also recommend that minimum wage protection be extended to several groups of workers not now covered. The need for a decent standard of living is by no means

limited to those workers who happen to be covered by the act as it now stands. It is particularly vital at this period of readjustment in the national economy and readjustment in employment of labor to extend minimum wage protection as far as possible.

Page 2543

Lifting the basic minimum wage is necessary, it is justified as a matter of simple equity to workers, and it will prove not only feasible but also directly beneficial to the Nation's employers.

(f) Agricultural programs.

The farmers of America generally are entering the crop year of 1946 in better financial condition than ever before. Farm mortgage debt is the lowest in 30 years. Farmers' savings are the largest in history. Our agricultural plant is in much better condition than after World War I. Farm machinery and supplies are expected to be available in larger volume, and farm labor problems will be less acute.

The demand for farm products will continue strong during the next year or two because domestic purchases will be supplemented by a high level of exports and foreign relief shipments. It is currently estimated that from 7 to 10 percent of the total United States food supply may be exported in the calendar year 1946.

Farm prices are expected to remain at least at their present levels in the immediate future, and for at least the next 12 months they are expected to yield a net farm income double the 1935-39 average and higher than in any year prior to 1943.

We can look to the future of agriculture with greater confidence than in many a year in the past. Agriculture itself is moving confidently ahead, planning for another year of big production, taking definite and positive steps to lead the way toward an economy of abundance.

Agricultural production goals for 1946 call for somewhat greater acreage than actually was planted in 1945. Agriculture is prepared to demonstrate that it can make a peacetime contribution as great as its contribution toward the winning of the war.

In spite of supplying our armed forces and our allies during the war with a fifth to a fourth of our total food output, farmers were still able to provide our civilians with 8 percent more food per capita than the average for the five years preceding the war. Since the surrender of Japan, civilian food consumption has risen still further. By the end of 1945 the amount of the increase in food consumption was estimated to be as high as 15 percent over the prewar average. The record shows that the people of this country want and need more food and that they will buy more food if only they have the jobs and the purchasing power. The first essential therefore in providing fully for the welfare of agriculture is to maintain full employment and a high level of purchasing power throughout the Nation.

For the period immediately ahead we shall still have the problem of supplying enough food. If we are to do our part in aiding the war-stricken and starving countries some of the food desires of our own people will not be completely satisfied, at least until these

nations have had an opportunity to harvest another crop. During the next few months the need for food in the world will be more serious than at any time during the war. And, despite the large shipments we have already made, and despite what we shall send, there remain great needs abroad.

Page 2544

Beyond the relief feeding period, there will still be substantial foreign outlets for our farm commodities. The chief dependence of the farmer, however, as always, must be upon the buying power of our own people.

The first obligation of the Government to agriculture for the reconversion period is to make good on its price-support commitments. This we intend to do, with realistic consideration for the sound patterns of production that will contribute most to the long-time welfare of agriculture and the whole Nation. The period during which prices are supported will provide an opportunity for farmers individually to strengthen their position in changing over from a wartime to a peacetime basis of production. It will provide an opportunity for the Congress to review the needs of agriculture and make changes in national legislation where experience has shown changes to be needed. In this connection, the Congress will wish to consider legislation to take the place of the 1937 Sugar Act which expires at the end of this year. During this period we must do a thorough job of basic planning to the end that agriculture shall be able to contribute its full share toward a healthy national economy.

Our long-range agricultural policies should have two main objectives: First, to assure the people on the farms a fair share of the national income; and, second, to encourage an agricultural production pattern that is best fitted to the Nation's needs. To accomplish this second objective we shall have to take into consideration changes that have taken place and will continue to take place in the production of farm commodities—changes that affect costs and efficiency and volume.

What we seek ultimately is a high level of food production and consumption that will provide good nutrition for everyone. This cannot be accomplished by agriculture alone. We can be certain of our capacity to produce food, but we have often failed to distribute it as well as we should and to see that our people can afford to buy it. The way to get good nutrition for the whole Nation is to provide employment opportunities and purchasing power for all groups that will enable them to buy full diets at market prices.

Wherever purchasing power fails to reach this level we should see that they have some means of getting adequate food at prices in line with their ability to buy. Therefore, we should have available supplementary programs that will enable all our people to have enough of the right kind of food.

For example, one of the best possible contributions toward building a stronger, healthier Nation would be a permanent school-lunch program on a scale adequate to assure every school child a good lunch at noon. The Congress, of course, has recognized this need for a continuing school-lunch program and legislation to that effect has been introduced and hearings held. The plan contemplates the attainment of this objective with a minimum of Federal expenditures. I hope that the legislation will be enacted in time for a permanent program to start with the beginning of the school year next fall.

Page 2545

We have the technical knowledge and the productive capacity to provide plenty of good food for every man, woman, and child in the United States. It is time we made that possibility a reality.

(g) Resource development.

The strength of our Nation and the welfare of the people rest upon the natural resources of the country. We have learned that proper conservation of our lands, including our forests and minerals, and wise management of our waters will add immensely to our national wealth.

The first step in the Government's conservation program must be to find out just what are our basic resources, and how they should be used. We need to take, as soon as possible, an inventory of the lands, the minerals, and the forests of the Nation.

During the war it was necessary to curtail some of our long-range plans for development of our natural resources, and to emphasize programs vital to the prosecution of the war. Work was suspended on a number of flood control and reclamation projects and on the development of our national forests and parks. This work must now be resumed, and new projects must be undertaken to provide essential services and to assist in the process of economic development.

The rivers of America offer a great opportunity to our generation in the management of the national wealth. By a wise use of Federal funds, most of which will be repaid into the Treasury, the scourge of floods and drought can be curbed, water can be brought to arid lands, navigation can be extended, and cheap power can be brought alike to the farms and to the industries of our land.

Through the use of the waters of the Columbia River, for example, we are creating a rich agricultural area as large as the State of Delaware. At the same time, we are producing power at Grand Coulee and at Bonneville which played a mighty part in winning the war and which will found a great peacetime industry in the Northwest. The Tennessee Valley Authority will resume its peacetime program of promoting full use of the resources of the Valley. We shall continue our plans for the development of the Missouri Valley, the Arkansas Valley, and the Central Valley of California.

The Congress has shown itself alive to the practical requirements for a beneficial use of our water resources by providing that preference in the sale of power be given to farmers' cooperatives and public agencies. The public power program thus authorized must continue to be made effective by building the necessary generating and transmission facilities to furnish the maximum of firm power needed at the wholesale markets, which are often distant from the dam sites.

These great developmental projects will open the frontiers of agriculture, industry, and commerce. The employment opportunities thus offered will also go far to ease the transition from war to peace.

(h) Public works.

Page 2546

During the war even urgently needed Federal, State, and local construction projects were deferred in order to release sources for war production. In resuming public works construction, it is desirable to proceed only at a moderate rate, since demand for private construction will be abnormally high for some time. Our public works program should be timed to reach its peak after demand for private construction has begun to taper off. Meanwhile, however, plans should be prepared if we are to act promptly when the present extraordinary private demand begins to run out.

The Congress made money available to Federal agencies for their public works planning in the fiscal year 1946. I strongly recommend that this policy be continued and extended in the fiscal year 1947.

State and local governments also have an essential role to play in a national public works program. In my message of September 6, 1945, I recommended that the Congress vote such grants to State and local governments as will insure that each level of government makes its proper contribution to a balanced public construction program. Specifically, the Federal Government should aid State and local governments in planning their own public works programs, in undertaking projects related to Federal programs of regional development, and in constructing such public works as are necessary to carry out the various policies of the Federal Government.

Early in 1945 the Congress made available advances to State and local governments for planning public works projects, and recently made additional provision to continue these advances through the fiscal year 1946. I believe that further appropriations will be needed for the same purpose for the fiscal year 1947.

The Congress has already made provision for highway programs. It is now considering legislation which would expand Federal grants and loans in several other fields, including construction of airports, hospital and health centers, housing, water pollution control facilities, and educational plant facilities. I hope that early action will be taken to authorize these Federal programs.

With respect to public works of strictly local importance, State and local governments should proceed without Federal assistance except in planning. This rule should be subject to review when and if the prospect of highly adverse general economic developments warrants it.

All loans and grants for public works should be planned and administered in such a way that they are brought into accord with the other elements of the Federal Program.

Our long-run objective is to achieve a program of direct Federal and Federally assisted public works which is planned in advance and synchronized with business conditions. In this way it can make its greatest contribution to general economic stability.

(1) National housing program.

Last September I stated in my message to the Congress that housing was high on the list of matters calling for decisive action.

Page 2547

Since then the housing shortage in countless communities, affecting millions of families, has magnified this call to action.

Today we face both an immediate emergency and a major postwar problem.

Since VJ-day the wartime housing shortage has been growing steadily worse and pressure on real estate values has increased. Returning veterans often cannot find a satisfactory place for their families to live, and many who buy have to pay exorbitant prices. Rapid demobilization inevitably means further overcrowding.

A realistic and practical attack on the emergency will require aggressive action by local governments, with Federal aid, to exploit all opportunities and to give the veterans as far as possible first chance at vacancies. It will require continuation of rent control in shortage areas as well as legislation to permit control of sales prices. It will require maximum conversion of temporary war units for veterans' housing and their transportation to communities with the most pressing needs; the Congress has already appropriated funds for this purpose.

The inflation in the price of housing is growing daily.

As a result of the housing shortage, it is inevitable that the present dangers of inflation in home values will continue unless the Congress takes action in the immediate future.

Legislation is now pending in the Congress which would provide for ceiling prices for old and new houses. The authority to fix such ceilings is essential. With such authority, our veterans and other prospective home owners would be protected against a skyrocketing of home prices. The country would be protected from the extension of the present inflation in home values which, if allowed to continue, will threaten not only the stabilization program but our opportunities for attaining a sustained high level of home construction.

Such measures are necessary stopgaps-but only stopgaps. This emergency action, taken alone, is good—but not enough. The housing shortage did not start with the war or with demobilization; it began years before that and has steadily accumulated. The speed with which the Congress establishes the foundation for a permanent, long-range housing program will determine how effectively we grasp the immense opportunity to achieve our goal of decent housing and to make housing a major instrument of continuing prosperity and full employment in the years ahead. It will determine whether we move forward to a stable and healthy housing enterprise and toward providing a decent home for every American family.

Production is the only fully effective answer. To get the wheels turning, I have appointed an emergency housing expediter. I have approved establishment of priorities designed to assure an ample share of scarce materials to builders of houses for which veterans

will have preference. Additional price and wage adjustments will be made where necessary, and other steps will be taken to stimulate greater production of bottleneck items. I recommend consideration of every sound method for expansion in facilities for insurance of privately financed housing by the Federal Housing Administration and resumption of previously authorized low-rent public housing projects suspended during the war.

Page 2548

In order to meet as many demands of the emergency situation as possible, a program of emergency measures is now being formulated for action. These will include steps in addition to those already taken. As quickly as this program can be formulated, announcement will be made.

Last September I also outlined to the Congress the basic principles for the kind of decisive, permanent legislation necessary for a long-range housing program.

These principles place paramount the fact that housing construction and financing for the overwhelming majority of our citizens should be done by private enterprise. They contemplate also that we afford governmental encouragement to privately financed house construction for families of moderate income, through extension of the successful system of insurance of housing investment; that research be undertaken to develop better and cheaper methods of building homes; that communities be assisted in appraising their housing needs; that we commence a program of Federal aid, with fair local participation, to stimulate and promote the rebuilding and redevelopment of slums and blighted areas—with maximum use of private capital. It is equally essential that we use public funds to assist families of low income who could not otherwise enjoy adequate housing, and that we quicken our rate of progress in rural housing.

Legislation now under consideration by the Congress provides for a comprehensive attack jointly by private enterprise, State and local authorities, and the Federal Government. This legislation would make permanent the National Housing Agency and give it authority and funds for much needed technical and economic research. It would provide additional stimulus for privately financed housing construction. This stimulus consists of establishing a new system of yield insurance to encourage large-scale investment in rental housing and broadening the insuring powers of the Federal Housing Administration and the lending powers of the Federal savings and loan associations.

Where private industry cannot build, the Government must step in to do the job. The bill would encourage expansion in housing available for the lowest income groups by continuing to provide direct subsidies for low-rent housing and rural housing. It would facilitate land assembly for urban redevelopment by loans and contributions to local public agencies where the localities do their share.

Prompt enactment of permanent housing legislation along these lines will not interfere with the emergency action already under way. On the contrary, it would lift us out of a potentially perpetual state of housing emergency. It would offer the best hope and prospect to millions of veterans and other American families that the American system can offer more to them than temporary makeshifts.

I have said before that the people of the United States can be the best housed people in the world. I repeat that assertion, and I welcome the cooperation of the Congress in achieving that goal.

Page 2549

(j) Social security and health.

Our Social Security System has just celebrated its tenth anniversary. During the past decade this program has supported the welfare and morale of a large part of our people by removing some of the hazards and hardships of the aged, the unemployed, and widows and dependent children.

But, looking back over 10 years' experience and ahead to the future, we cannot fail to see defects and serious inadequacies in our system as it now exists. Benefits are in many cases inadequate; a great many persons are excluded from coverage; and provision has not been made for social insurance to cover the cost of medical care and the earnings lost by the sick and the disabled.

In the field of old-age security, there seems to be no adequate reason for excluding such groups as the self-employed, agricultural and domestic workers, and employees of nonprofit organizations. Since many of these groups earn wages too low to permit significant savings for old age, they are in special need of the assured income that can be provided by old-age insurance.

We must take urgent measures for the readjustment period ahead. The Congress for some time has been considering legislation designed to supplement at Federal expense, during the immediate reconversion period, compensation payments to the unemployed. Again I urge the Congress to enact legislation liberalizing unemployment compensation benefits and extending the coverage. Providing for the sustained consumption by the unemployed persons and their families is more than a welfare policy; it is sound economic policy. A sustained high level of consumer purchases is a basic ingredient of a prosperous economy.

During the war, nearly 5 million men were rejected for military service because of physical or mental defects which in many cases might have been prevented or corrected. This is shocking evidence that large sections of the population are at substandard levels of health. The need for a program that will give everyone opportunity for medical care is obvious. Nor can there be any serious doubt of the Government's responsibility for helping in this human and social problem.

The comprehensive health program which I recommended on November 19, 1945, will require substantial additions to the Social Security System and, in conjunction with other changes that need to be made, will require further consideration of the financial basis for social security. The system of prepaid medical care which I have recommended is expected eventually to require amounts equivalent to 4 percent of earnings up to $3,600 a year, which is about the average of present expenditures by individuals for medical care. The pooling of medical costs, under a plan which permits each individual to make a free choice of doctor and hospital, would assure that individuals receive adequate treatment and hospitalization when they are faced with emergencies for which they

cannot budget individually. In addition, I recommended insurance benefits to replace part of the earnings lost through temporary sickness and permanent disability.

Page 2550

Even without these proposed major additions, it would now be time to undertake a thorough reconsideration of our social security laws. The structure should be expanded and liberalized. Provision should be made for extending coverage credit to veterans for the period of their service in the armed forces. In the financial provisions we must reconcile the actuarial needs of social security, including health insurance, with the requirements of a revenue system that is designed to promote a high level of consumption and full employment.

(k) Education.

Although the major responsibility for financing education rests with the States, some assistance has long been given by the Federal Government. Further assistance is desirable and essential. There are many areas and some whole States where good schools cannot be provided without imposing an undue local tax burden on the citizens. It is essential to provide adequate elementary and secondary schools everywhere, and additional educational opportunities for large numbers of people beyond the secondary level. Accordingly, I repeat the proposal of last year's Budget Message that the Federal Government provide financial aid to assist the States in assuring more nearly equal opportunities for a good education. The proposed Federal grants for current educational expenditures should be made for the purpose of improving the educational system where improvement is most needed. They should not be used to replace existing non-Federal expenditures, or even to restore merely the situation which existed before the war.

In the future we expect incomes considerably higher than before the war. Higher incomes should make it possible for State and local governments and for individuals to support higher and more nearly adequate expenditures for education. But inequality among the States will still remain, and Federal help will still be needed.

As a part of our total public works program, consideration should be given to the need for providing adequate buildings for schools and other educational institutions. In view of current arrears in the construction of educational facilities, I believe that legislation to authorize grants for educational facilities, to be matched by similar expenditures by State and local authorities, should receive the favorable consideration of the Congress.

The Federal Government has not sought, and will not seek, to dominate education in the States. It should continue its historic role of leadership and advice and, for the purpose of equalizing educational opportunity, it should extend further financial support to the cause of education in areas where this is desirable.

(l) Federal Government personnel.

The rapid reconversion of the Federal Government from war to peace is reflected in the demobilization of its civilian personnel. The number of these employees in continental

United States has been reduced by more than 500,000 from the total of approximately 2,900,000 employed in the final months of the war. I expect that by next June we shall have made a further reduction of equal magnitude and that there will be continuing reductions during the next fiscal year. Of the special wartime agencies now remaining, only a few are expected to continue actively into the next fiscal year.

Page 2551

At the same time that we have curtailed the number of employees, we have shortened the workweek by one-sixth or more throughout the Government and have restored holidays. The process of readjustment has been complicated and costs have been increased by a heavy turn-over in the remaining personnel—particularly by the loss of some of our best administrators. Thousands of war veterans have been reinstated or newly employed in the civil service. Many civilians have been transferred from war agencies to their former peacetime agencies. Recruitment standards, which had to be relaxed during the war, are now being tightened.

The elimination last autumn of overtime work for nearly all Federal employees meant a sharp cut in their incomes. For salaried workers, the blow was softened but by no means offset by the increased rates of pay which had become effective July 1. Further adjustments to compensate for increased living costs are required. Moreover, we have long needed a general upward revision of Federal Government salary scales at all levels in all branches—legislative, judicial, and executive. Too many in Government have had to sacrifice too much in economic advantage to serve the Nation.

Adequate salaries will result in economies and improved efficiency in the conduct of Government business—gains that will far outweigh the immediate costs. I hope the Congress will expedite action on salary legislation for all Federal employees in all branches of the Government. The only exception I would make is in the case of workers whose pay rates are established by wage boards; a blanket adjustment would destroy the system by which their wages are kept aligned with prevailing rates in particular localities. The wage boards should be sensitive now, as they were during the war, to changes in local prevailing wage rates and should make adjustments accordingly.

I hope also that the Congress may see fit to enact legislation for the adequate protection of the health and safety of Federal employees, for their coverage under a system of unemployment compensation, and for their return at Government expense to their homes after separation from wartime service.

(m) Territories, insular possessions, and the District of Columbia.

The major governments of the world face few problems as important and as perplexing as those relating to dependent peoples. This Government is committed to the democratic principle that it is for the dependent peoples themselves to decide what their status shall be. To this end I asked the Congress last October to provide a means by which the people of Puerto Rico might choose their form of government and ultimate status with respect to the United States. I urge, too, that the Congress promptly accede to the wishes of the people of Hawaii that the Territory be admitted to statehood in our Union, and that similar action be taken with respect to Alaska as soon as it is certain that this is the desire of the people of that great Territory. The people of the Virgin Islands should be given an increasing measure of self-government.

Page 2552

We have already determined that the Philippine Islands are to be independent on July 4, 1946. The ravages of war and enemy occupation, however, have placed a heavy responsibility upon the United States. I urge that the Congress complete, as promptly and as generously as may be possible, legislation which will aid economic rehabilitation for the Philippines. This will be not only a just acknowledgment of the loyalty of the people of the Philippines, but it will help to avoid the economic chaos which otherwise will be their heritage from our common war. Perhaps no event in the long centuries of colonialism gives more hope for the pattern of the future than the independence of the Philippines.

The District of Columbia, because of its special relation to the Federal Government, has been treated since 1800 as a dependent area. We should move toward a greater measure of local self-government consistent with the constitutional status of the District. We should take adequate steps to assure that citizens of the United States are not denied their franchise merely because they reside at the Nation's Capital.

III. THE BUDGET FOR THE FEDERAL PROGRAM

FOR THE FISCAL YEAR 1947

SUMMARY OF THE BUDGET

For the first time since the fiscal year 1930 the Budget for the next fiscal year will require no increase in the national debt.

Expenditures of all kinds, authorized and recommended, in the next year are estimated at just above 35.8 billion dollars. Net receipts are estimated at 31.5 billion dollars. The estimated difference of 4.3 billion dollars will be met by a reduction in the very substantial balance which will be in the Treasury during the next fiscal year.

A large part of the activities outside defense and war liquidation, aftermath of war, and international finance, classified as "other activities" in a following table, is still due to repercussions of the war. These "other activities" include more than 2 billion dollars for aids to agriculture and net outlays for the Commodity Credit Corporation-almost double the expenditures for the same purposes in prewar years. This increase is due mainly to expenditures for purposes of price stabilization and price support resulting from the war food production program. Other increases in this category are due to the fact that certain wartime agencies now in the process of liquidation are included in this group of activities. If all expenditures for those activities which are directly or indirectly related to the war are excluded, the residual expenditures are below those for corresponding activities in prewar years. In making this comparison account should be taken of the fact that, while prewar expenditures were affected by direct relief and work relief for the

unemployed, the postwar budgets are affected by the considerable increase in pay rates and other increases in costs and prices.

Page 2553

To elaborate, the Budget, as I have remarked above, reflects on both sides of the ledger the Government's program as recommended by the Executive. It includes estimates not only of expenditures and receipts for which legislative authority already exists, but also of expenditures and receipts for which authorization is recommended.

The Budget total for the next fiscal year, the year that ends on June 30, 1947, is estimated at just above 35.8 billion dollars-about a third of the budgets for global war, although nearly four times the prewar budgets. This estimate is based on the assumption that a rapid liquidation of the war program will be associated with rapid reconversion and expansion of peacetime production. The total includes net outlays of Government corporations.

The estimated expenditures in the next and current fiscal year compare as follows with those of a year of global war and a prewar year:

Total Budget expenditures

Fiscal year: (in millions)

1947 $35, 860

1946 67,229

1945 100, 031

1940 9,252

Although allowances for occupation, demobilization, and defense are drastically reduced in the fiscal year 1947, they will still amount to 42 percent of the total Budget. The so-called "aftermath of war" expenditures account for a further 30 percent of the total. The total of all other programs, which was drastically cut during the war, is increasing again as liquidation of the war program proceeds and renewed emphasis is placed on the peacetime objectives of the Government.

On the other side of the ledger, net receipts are estimated at 31.5 billion dollars. This estimate assumes that all existing taxes will continue all through the fiscal year 1947. Included are the extraordinary receipts from the disposal of surplus property.

As a result, estimated expenditures will exceed estimated receipts by 4.3 billion dollars. This amount can be provided by a reduction in the cash balance in the Treasury. Thus, after a long period of increasing public debt resulting from depression budgets and war budgets, it is anticipated that no increase in the Federal debt will be required next year.

FEDERAL BUDGET EXPENDITURES AND BUDGET RECEIPTS

Including net outlays of Government corporations and credit agencies (based on existing and proposed legislation)

Fiscal year

Expenditures: 1946 1947

Defense, war, and war liquidation $49,000 $15,000

Aftermath of war: Veterans, interest, refunds 10,813 10,793

International finance (including proposed legislation) 2,614 2,754

Other activities 4,552 5,813

Activities based on proposed legislation

(excluding international finance) 2501,500

Total expenditures 67, 229 35, 860

Receipts (net) 38, 60931,513

Page 2554

Excess of expenditures 28,620 4,347

The current fiscal year, 1946, is a year of transition. When the year opened, in July 1945, we were still fighting a major war, and Federal expenditures were running at an annual rate of about 100 billion dollars. By June 1946 that rate will be more than cut in half. The Budget total for the current fiscal year is now estimated at 67.2 billion dollars, of which more than two-thirds provides for war and war liquidation. Since net receipts are estimated at 38.6 billion dollars, there will be an excess of expenditures of 28.6 billion dollars for the current fiscal year.

For all programs discussed in this Message I estimate the total of Budget appropriations and authorizations (including reappropriations and permanent appropriations) at 30,982 million dollars for the fiscal year 1947. Of this amount, present permanent appropriations are expected to provide 5,755 million dollars, principally for interest. This leaves 24,224 million dollars to be made available through new appropriations, exclusive of appropriations to liquidate contract authorizations; 900 million dollars in new contract authorizations; and 103 million dollars through the reappropriation of unliquidated balances of previous appropriations. The appropriations needed to liquidate contract authorizations are estimated at 1,113 million dollars.

In the Budget for the year ahead only over-all estimates are included at this time for the major war agencies and for net outlays of Government corporations. Detailed recommendations will be transmitted in the spring for the war agencies; and the business-type budgets of Government corporations will likewise be transmitted in accordance with the recently adopted Government Corporation Control Act.

Similarly, only over-all estimates are provided for new programs recommended in this Message; detailed recommendations will be transmitted after authorizing legislation has been enacted. It should be recognized that many of the estimates for new programs recommended in this Message are initial year figures. These figures will be affected by the date the legislation is enacted and by the time needed for getting a program under way. New programs, such as that for a national research agency, will require larger amounts in later years. The estimates exclude major elements of the proposed national health program since the greater part of these will be covered by expenditures from trust funds.

The Budget total includes expenditures for capital outlay as well as for current operations. An estimated 1,740 million dollars will be expended in the fiscal year 1947 for direct Federal public works and for loans and grants for public works.

The economic impact Of *the liquidation*

OF THE WAR PROGRAM

Government programs are of such importance in the development of production and employment opportunities—domestic and international—that it has become essential to formulate and consider the Federal Budget in the light of the Nation's budget as a whole. The relationship between the receipts, expenditures, and savings of consumers, business, and government is shown in the accompanying table.

Page 2555

Considering the whole Nation, total expenditures must equal the total receipts, because what any individual or group spends becomes receipts of other individuals or groups. Such equality can be achieved on either a high level of incomes or on a low or depression level of incomes.

Tremendous orders for munitions during the war shifted production and employment into high gear. Total goods produced and services rendered for private as well as for Government purposes—the Nation's budget-reached about 200 billion dollars in the calendar year 1944. Federal, State, and local government expenditures represented half of this total.

Corresponding estimates for the past 3 months depict the national economy in the process of demobilization and reconversion.

The wartime annual rate of Federal expenditures has been reduced by 32 billion dollars, while the Nation's budget total has dropped only half as much. The drop in total value of production and services has been less drastic because increasing private activities have absorbed in large measure the manpower and materials released from war production and war services.

The largest increase in private activities has occurred in business investments, which include residential and other construction, producers' durable equipment, accumulation of inventories, and net exports. Under conditions of global war, expenditures for private construction and equipment were held to a minimum and inventories were depleted. With the beginning of reconversion these developments have been reversed. Residential construction and outlays for plant and equipment are on the increase; inventories, too, are being replenished. International transactions (excluding lend-lease and international relief which are included under war expenditures) showed an import surplus under conditions of global war. In the past 3 months private exports have been slightly in excess of imports, for the first time since 1941.

Consumers' budgets show a significant change. On the income side, their total has declined but little because the reduction in "take-home" pay of war workers is, to a large extent, offset for the time being by the mustering-out payments received by war veterans and by unemployment compensation received by the unemployed. On the expenditure side, however, consumers' budgets, restricted during the war, have in creased substantially as a result of the fact that scarce goods are beginning to appear on the market and wartime restraints are disappearing. Thus, consumers' current savings are declining substantially from the extraordinarily high wartime rate and some wartime savings are beginning to be used for long-delayed purchases.

THE GOVERNMENT'S BUDGET AND THE NATION'S BUDGET

Calendar year 1944 and October-December 1945

Oct.-Dec. 1945 (start of

reconversion) (in seasonally

Page 2556

Calendar Year 1944 (global war) adjusted annual rates)

_____ _____

Excess Excess

Expendi- (+), def- Expendi- (+),def-

Economic Group Receipts tures icit(-) Receipts tures icit(-) *consumers*

Income after taxes $134 .... $132 ....

Expenditures .....$98.....$107 .....

Excess of receipts, savings (+) .... +$35 .... +$25
Business
Undistributed profits and reserves $13 .... $9 ....

Gross capital formation:

Domestic ..... $4 .... $15 .....

Net exports1 .....--2.....1.....

Total, gross capital formation .....2.....16.....

Excess of receipts (+) or capital

formation (--) .... +$11 .... --$7

STATE AND LOCAL GOVERNMENT

Receipts from the public, other

than borrowing $10 .... $11 ....

Payments to the public ..... $8.....$9.....

Excess of receipts (+) .....+$2.....+$2

FEDERAL GOVERNMENT

Receipts from the public, other

than borrowing $48 .... $44 ....

Payments to the public .....$96 .....$64.....

Excess of payments (--) .....--$48..... --$20

Less: Adjustments2 $7 $7 ..... $14 $14 .....

TOTAL: GROSS NATIONAL PRODUCT

Receipts $198 .... $182 ....

Expenditures .....$198..... $182.....

Balance .... 0 ....

1 Excludes exports for lend-lease and relief which are included in Federal Government expenditures.

2 Mainly government expenditures for other than goods and services, such as mustering-out pay and unemployment compensation.

Unemployment has increased less than was expected during this first period of demobilization and reconversion. It is true that 6 million men and women have been discharged from the armed forces since May 1945 and more than 5 million have been laid off from war work. On the other hand, more than a million civilians have been enlisted in the armed forces, a considerable number of war veterans have not immediately sought jobs, and many war workers, especially women, have withdrawn from the labor force. In addition, many industries, and especially service trades which were undermanned during the war, are beginning now, for the first time in years, to recruit an adequate labor force. The reduced workweek has also contributed to the absorption of those released from war service and war work.

In general, the drastic cut in war programs has thrown the economy into lower gear; it has not thrown it out of gear. Our economic machine demonstrates remarkable resiliency, although there are many difficulties that must still be overcome. The rapid termination of war contracts, prompt clearance of unneeded Government-owned equipment from private plants, and other reconversion policies have greatly speeded up the beginning of peacetime work in reconverted plants.

Page 2557

Although the first great shock of demobilization and war-work termination has thus been met better than many observers expected, specific industries and specific regions show much unevenness in the progress of reconversion.

The Quarterly Report of the Director of War Mobilization and Reconversion analyzes the difficulties in recruiting personnel and obtaining materials that hamper reconversion in certain industries and proposes policies to deal with these situations. The lack of adequate housing is one of the main factors checking the flow of workers into areas where job opportunities exist.

FEDERAL REVENUE, BORROWING, AND THE

PUBLIC DEBT

I. FINANCIAL REQUIREMENTS AND TAX POLICY

Recommendations for tax legislation should be considered not only in the light of the financial requirements of the ensuing year, but also in the light of future years' financial requirements and a full consideration of economic conditions.

Expenditures are estimated at nearly 36 billion dollars in the fiscal year 1947; they can hardly be expected to be reduced to less than 25 billion dollars in subsequent years. Net receipts in the fiscal year 1947 are estimated at 31.5 billion dollars.

Included in this estimate are 2 billion dollars of receipts from disposal and rental of surplus property and 190 million dollars of receipts from renegotiation of wartime contracts. These sources of receipts will disappear in future years. Tax collections for the fiscal year 1947 also will not yet fully reflect the reduction in corporate tax liabilities provided in the Revenue Act of 1945. If the extraordinary receipts from the disposal of surplus property and renegotiation of contracts be disregarded, and if the tax reductions adopted in the Revenue Act of 1945 were fully effective, present tax rates would yield about 27 billion dollars.

These estimates for the fiscal year 1947 are based on the assumption of generally favorable business conditions but not on an income reflecting full employment and the high productivity that we hope to achieve. In future years the present tax system, in conjunction with a full employment level of national income, could be expected to yield more than 30 billion dollars, which is substantially above the anticipated peacetime level of expenditures.

In view of the still extraordinarily large expenditures in the coming year and continuing inflationary pressures, I am making no recommendation for tax reduction at this time.

We have already had a substantial reduction in taxes from wartime peaks. The Revenue Act of 1945 was a major tax-reduction measure. It decreased the total tax load by more than one-sixth, an amount substantially in excess of the reductions proposed by the Secretary of the Treasury to congressional tax committees in October 1945. These proposed reductions were designed to encourage reconversion and peacetime business expansion.

Page 2558

The possibility of further tax reductions must depend on the budgetary situation and the economic situation. The level of anticipated expenditures for the fiscal year 1947 and the volume of outstanding public debt require the maintenance of large revenues.

Moreover, inflationary pressures still appear dangerously powerful, and ill-advised tax reduction would operate to strengthen them still further.

My decision not to recommend additional tax reductions at this time is made in the light of existing economic conditions and prospects.

2. *Borrowing and the public debt*

The successful conclusion of the Victory loan marked the end of war borrowing and the beginning of the transition to postwar debt management.

Because of the success of the Victory loan, I am happy to report that the Treasury will not need to borrow any new money from the public during the remainder of the present fiscal year except through regular sales of savings bonds and savings notes. Furthermore, a part of the large cash balance now in the Treasury will be used for debt redemption so that the public debt which now amounts to about 278 billion dollars will decrease by several billion dollars during the next 18 months. The present statutory debt limit of 300 billion dollars will provide an ample margin for all of the public-debt transactions through the fiscal year 1947. The net effect of the excess of expenditures and debt redemption on the Treasury cash balance, as compared with selected previous years, is shown in the following table:

Excess Of *budget expenditures*, *the public debt*, *and the treasury cash balance in selected years*

Excess of At end of period

Budget ex- _____

penditures Public Cash bal-

Fiscal Year over receipts debt ance

1940 $3. 9 $43. 0 $1. 9

1945 53. 6 258. 7 24. 7 1946:

July-Dec. 1945 18. 1 278. 1 26. 0

Jan.-June 1946 10. 5 275. 0 11. 9

1947 4. 3 271. 0 3. 2

Although the public debt is expected to decline, a substantial volume of refinancing will be required, because of the large volume of maturing obligations. Redemptions of savings bonds also have been running high in recent months and are expected to remain large for some time. The issuance of savings bonds will be continued. These bonds represent a convenient method of investment for small savers, and also an anti-inflationary method of refinancing. Government agencies and trust funds are expected to buy about 2.5 billion dollars of Government securities during the next 6 months, and 2.8 billion dollars more during the fiscal year 1947. Through these and other debt operations, the distribution of the Federal debt among the various types of public and private owners will change, even though the total is expected to decline.

Page 2559

The interest policies followed in the refinancing operations will have a major impact not only on the provision for interest payments in future budgets, but also on the level of interest rates prevailing in private financing. The average rate of interest on the debt is now a little under 2 percent. Low interest rates will be an important force in promoting the full production and full employment in the postwar period for which we are all striving. Close wartime cooperation between the Treasury Department and the Federal Reserve System has made it possible to finance the most expensive war in history at low and stable rates of interest. This cooperation will continue.

No less important than the level of interest rates paid on the debt is the distribution of its ownership. Of the total debt, more than half represents direct savings of individuals or investments of funds received from individual savings by life insurance companies, mutual savings banks, savings and loan associations, private or Government trust funds, and other agencies.

Most of the remaining debt—more than 100 billion dollars—is held by the commercial banks and the Federal Reserve banks. Heavy purchases by the banks were necessary to provide adequate funds to finance war expenditures. A considerable portion of these obligations are short-term in character and hence will require refinancing in the coming months and years. Since they have been purchased out of newly created bank funds, continuance of the present low rates of interest is entirely appropriate. To do otherwise would merely increase bank profits at the expense of the taxpayer.

The 275-billion dollar debt poses a problem that requires careful consideration in the determination of financial and economic policies. We have learned that the problem, serious as it is, can be managed. Its management will require determined action to keep our Federal Budget in order and to relate our fiscal policies to the requirements of an expanding economy. The more successful we are in achieving full production and full employment the easier it will be to manage the debt and pay for the debt service. Large though the debt is, it is within our economic capacity. The interest charges on it amount to but a small proportion of our national income. The Government is determined, by a resolute policy of economic stabilization, to protect the interests of the millions of American citizens who have invested in its securities.

During the past 6 months the net revenue receipts of the Federal Government have been about 20 billion dollars, almost as much as during the closing 6 months of 1944 when the country was still engaged in all-out warfare. The high level of these receipts reflects the smoothness of the reconversion and particularly the strength of consumer demand. But the receipts so far collected, it must be remembered, do not reflect any of the tax reductions made by the Revenue Act of 1945. These reductions will not have their full effect on the revenue collected until the fiscal year 1948.

Page 2560

It is good to move toward a balanced budget and a start on the retirement of the debt at a time when demand for goods is strong and the business outlook is good. These conditions prevail today. Business is good and there are still powerful forces working in the direction of inflation. This is not the time for tax reduction.

RECOMMENDATIONS FOR SPECIFIC FEDERAL ACTIVITIES

1. *War liquidation and national defense*

(a) War expenditures.

The fiscal year 1947 will see a continuance of war liquidation and occupation. During this period we shall also lay the foundation for our peacetime system of national defense.

In the fiscal year that ended on June 30, 1945, almost wholly a period of global warfare, war expenditures amounted to 90.5 billion dollars. For the fiscal year 1946 war expenditures were originally estimated at 70 billion dollars. That estimate was made a year ago while we were still engaged in global warfare. After victory over Japan this estimate was revised to 50.5 billion dollars. Further cut-backs and accelerated demobilization have made possible an additional reduction in the rate of war spending. During the first 6 months 32.9 billion dollars were spent. It is now estimated that 16.1 billion dollars will be spent during the second 6 months, or a total of 49 billion dollars during the whole fiscal year.

For the fiscal year 1947 it is estimated, tentatively, that expenditures for war liquidation, for occupation, and for national defense will be reduced to 15 billion dollars. The War and Navy Departments are expected to spend 13 billion dollars; expenditures of other agencies, such as the United States Maritime Commission, the War Shipping Administration, and the Office of Price Administration, and payments to the United Nations Relief and Rehabilitation Administration are estimated at 3 billion dollars. Allowing for estimated net receipts of 1 billion dollars arising from war activities of the Reconstruction finance Corporation, the estimated total of war expenditures is 15 billion dollars. At this time only a tentative break-down of the total estimate for war and defense activities can be indicated.

An expenditure of 15 billion dollars for war liquidation, occupation, and national defense is a large sum for a year which begins 10 months after fighting has ended. It is 10 times our expenditures for defense before the war; it amounts to about 10 percent of our expected national income. This estimate reflects the immense job that is involved in winding up a global war effort and stresses the great responsibility that victory has placed upon this country. The large expenditures needed for our national defense

emphasize the great scope for effective organization in furthering economy and efficiency. To this end I have recently recommended to the Congress adoption of legislation combining the War and Navy Departments into a single Department of National Defense.

Page 2561

A large part of these expenditures is still to be attributed to the costs of the war. Assuming, somewhat arbitrarily, that about one-half of the 15-billion-dollar outlay for the fiscal year 1947 is for war liquidation, aggregate expenditures by this Government for the second World War are now estimated at 347 billion dollars through June 30, 1947. Of this, about 9 billion dollars will have been recovered through renegotiation and sale of surplus property by June 30, 1947; this has been reflected in the estimates of receipts.

Demobilization and strength of armed forces.—Demobilization of our armed forces is proceeding rapidly. At the time of victory in Europe, about 12.3 million men and women were in the armed forces; 7.6 million were overseas. By the end of December 1945 our armed forces had been reduced to below 7 million. By June 30, 1946, they will number about 2.9 million, of whom 1.8 million will be individuals enlisted and inducted after *Ve*-day. Mustering-out pay is a large item of our war liquidation expense; it will total 2.5 billion dollars in the fiscal year 1946, and about 500 million dollars in the fiscal year 1947.

In the fiscal year 1947 the strength of our armed forces will still be above the ultimate peacetime level. As I have said, War and Navy Department requirements indicate a strength of about 2 million in the armed forces a year from now. This is necessary to enable us to do our share in the occupation of enemy territories and in the preservation of peace in a troubled world. Expenditures for pay, subsistence, travel, and miscellaneous expenses of the armed forces, excluding mustering-out pay, are estimated at 5 billion dollars.

Contract settlement and surplus property disposal.—The winding up of war procurement is the second most important liquidation job. By the end of November a total of 301,000 prime contracts involving commitments of 64 billion dollars had been terminated. Of this total, 67,000 contracts with commitments of 35 billion dollars remained to be settled. Termination payments on these contracts are estimated at about 3.5 billion dollars. It is expected that more than half of these terminated contracts will be settled during the current fiscal year, leaving payments of about 1.5 billion dollars for the fiscal year 1947.

Another important aspect of war supply liquidation is the disposal of surplus property. Munitions, ships, plants, installations, and supplies, originally costing 50 billion dollars or more, will ultimately be declared surplus. The sale value of this property will be far less than original cost and disposal expenses are estimated at 10 to 15 cents on each dollar realized. Disposal units within existing agencies have been organized to liquidate surplus property under the direction of the Surplus Property Administration. Overseas disposal activities have been centralized in the State Department to permit this program to be carried on

Page 2562

in line with over-all foreign policy. Thus far only about 13 billion dollars of the ultimate surplus, including 5 billion dollars of unsalable aircraft, has been declared. Of this amount, 2.3 billion dollars have been disposed of, in sales yielding 600 million dollars. The tremendous job of handling surplus stocks will continue to affect Federal expenditures and receipts for several years. The speed and effectiveness of surplus disposal operations will be of great importance for the domestic economy as well as for foreign economic policies.

War supplies, maintenance, and relief.-Adequate provision for the national defense requires that we keep abreast of scientific and technical advances. The tentative estimates for the fiscal year 1947 make allowance for military research, limited procurement of weapons in the developmental state, and some regular procurement of munitions which were developed but not mass-produced when the war ended. Expenditures for procurement and construction will constitute one-third or less of total defense outlays, compared to a ratio of two-thirds during the war years.

The estimates also provide for the maintenance of our war-expanded naval and merchant fleets, military installations, and stocks of military equipment and supplies. Our naval combatant fleet is three times its pre-Pearl Harbor tonnage. Our Merchant Marine is five times its prewar size. The War Department has billions of dollars worth of equipment and supplies. Considerable maintenance and repair expense is necessary for the equipment which we desire to retain in active status or in war reserve. Expenses will be incurred for winnowing the stocks of surpluses, for preparing lay-up facilities for the reserve fleets, and for storage of reserve equipment and supplies.

Military expenditures .in the current fiscal year include 650 million dollars for civilian supplies for the prevention of starvation and disease in occupied areas. Expenditures on this account will continue in the fiscal year 1947. The war expenditures also cover the expenses of civilian administration in occupied areas.

During the war, 15 cents of each dollar of our war expenditures was for lend-lease aid. With lend-lease terminated, I expect the direct operations under this program to be substantially completed in the current fiscal year. The expenditures estimated for the fiscal year 1947 under this program are mainly interagency reimbursements for past transactions.

Relief and rehabilitation expenditures are increasing. It is imperative that we give all necessary aid within our means to the people who have borne the ravages of war. I estimate that in the fiscal year 1946 expenditures for the United Nations Relief and Rehabilitation Administration will total 1.3 billion dollars and in the following year 1.2 billion dollars. Insofar as possible, procurement for this purpose will be from war surpluses.

(b) Authorizations for war and national defense.

Page 2563

During the war, authorizations and appropriations had to be enacted well in advance of obligation and spending to afford ample time for planning of production by the procurement services and by industry. Thus our cumulative war program authorized in the period between July 1, 1940, and July 1, 1945, was 431 billion dollars, including net war commitments of Government corporations. Expenditures against those authorizations totaled 290 billion dollars. This left 141 billion dollars in unobligated authorizations and unliquidated obligations.

With the end of fighting, it became necessary to adjust war authorizations to the requirements of war liquidation and continuing national defense. Intensive review of the war authorizations by both the executive and the legislative branches has been continued since VJ-day. As a result, the authorized war program is being brought more nearly into line with expenditures.

Recisions and authorizations through the fiscal year 1946.—Readjusting the war program, as the Congress well knows, is not an easy task. Authorizations must not be too tight, lest we hamper necessary operations; they must not be too ample, lest we lose control of spending. Last September, I transmitted to the Congress recommendations on the basis of which the Congress voted H.R. 4407 to repeal 50.3 billion dollars of appropriations and authorizations. I found it necessary to veto this bill because it was used as a vehicle for legislation that would impair the reemployment program. However, in order to preserve the fine work of the Congress on the recisions, I asked the Director of the Bureau of the Budget to place the exact amounts indicated for repeal in a nonexpendable reserve, and to advise the departments and agencies accordingly. This has been done.

In accord with Public Law 132 of the Seventy-ninth Congress, I have transmitted recommendations for additional rescissions for the current fiscal year of appropriations amounting to 5.8 billion dollars and of contract authorizations totaling 420 million dollars. The net reduction in authority to obligate will be 5.0 billion dollars, because, of the appropriations, 1.2 billion dollars will have to be restored in subsequent years to liquidate contract authorizations still on the books.

The appropriations recommended for repeal include 2,827 million dollars for the Navy Department, 1,421 million dollars for the War Department, 850 million dollars for lend-lease, 384 million dollars for the War Shipping Administration, and 260 million dollars for the United States Maritime Commission. The contract authorizations proposed for repeal are for the Maritime Commission.

In addition, there are unused tonnage authorizations for construction of naval vessels now valued at 5.4 billion dollars. In September 1945, I suggested that this authority be reviewed by the appropriate committees of the Congress, and the Congress has moved to bar construction under these authorizations during the remainder of the fiscal year 1946. I propose to continue this prohibition in the Navy budget estimates for the fiscal

year 1947 and now renew my recommendation that legislation be enacted at the earliest time to dear the statute books of these authorizations.

Page 2564

The amounts indicated for repeal in H.R. 4407 and the further rescissions which I have recommended, excluding duplications and deferred cash payments on existing authorizations, represent a cut in the authorized war program of 60.8 billion dollars. The war authorizations will also be reduced 3'7 billion dollars by carrying receipts of revolving accounts to surplus, by lapses, and by cancellation and repayment of commitments of the Government war corporations.

On the other hand, supplemental appropriations of 600 million dollars will be required for the United Nations Relief and Rehabilitation Administration.

In the net, it is estimated that the cumulative authorized war and national defense program will amount to 368 billion dollars on June 30, 1946. Expenditures of 49 billion dollars during the fiscal year 1946 will have pushed cumulative expenditures to 339 billion dollars. The unexpended balances will be down to 28 billion dollars on June 30, 1946.

New authorizations for national defense and war liquidation in the fiscal year 1947.-The expenditures of 15 billion dollars for national defense and war liquidation in the fiscal year 1947 will be partly for payment of contractual obligations incurred in the past, and partly for the payment of new obligations. The unexpended balances on June 30, 1946, will be scattered among hundreds of separate appropriations. Thus, while some appropriation accounts will have unused balances, others will require additional appropriations.

It is estimated that authorizations to incur new obligations of 11,772 million dollars will be needed during the fiscal year 1947, mainly for the War and Navy Departments. Of the required authorizations, 11,365 million dollars will be in new appropriations, 400 million dollars in new contract authority, and 7 million dollars in reappropriations of unobligated balances. In addition, appropriations of 825 million dollars will be needed to liquidate obligations under existing contract authorizations.

Taking into account the tentative authorizations and expenditures estimated for the fiscal year 1947, and offsets of 3 billion dollars in war commitments of Government corporations, the cumulative authorized war and national defense program on June 30, 1947, will be 376 billion dollars; total expenditures, 354 billion dollars; and unexpended balances, 22 billion dollars.

The 22 billion dollars of unexpended balances tentatively indicated as of June 30, 1947, comprise both unobligated authorizations and unliquidated obligations. Most of the unliquidated obligations result from transactions booked during the war years. A large part of the 22 billion dollars would never be spent even if not repealed, for the appropriations will lapse in due course. For example, several billion dollars of these unliquidated obligations represent unsettled inter- and intra-departmental agency accounts for war procurement. Legislation is being requested to facilitate the

adjustment of some of these inter-agency accounts. Another 6 billion dollars is set aside for contract termination payments. If contract settlement costs continue in line with recent experience, it is likely that part of the 6 billion dollars will remain unspent.

Page 2565

On the other hand, some of the 22 billion dollars would be available for obligation and expenditure unless impounded. In certain appropriations, such as those for long-cycle procurement, considerable carry-over of unliquidated obligations into future years is to be expected and is necessary. However, substantial further rescissions can and should be made when the war liquidation program tapers off and budgetary requirements for national defense are clarified. As I have said, I shall continue to review the war authorizations and from time to time recommend excess balances for repeal.

As in recent years, detailed recommendations concerning most appropriations for the national defense program are postponed until the spring. In connection with the war activities of the United States Maritime Commission and certain other agencies, however, I now make specific recommendations for the fiscal year 1947. No additional authorizations or appropriations will be necessary for the Maritime Commission since sufficient balances will be left after the above-mentioned rescissions to carry out the program now contemplated for the fiscal year 1947.

2. *Aftermath of war*

Nearly one-third—11 billion dollars—of estimated Federal expenditures in the fiscal year 1947 will be for purposes that are largely inherited from the war—payments to veterans, interest on the Federal debt, and refunds of taxes.

(a) For veterans.

“Veterans’ pensions and benefits” has become one of the largest single categories in the Federal Budget. I am recommending for this purpose total appropriations of 4,787 million dollars for the fiscal year 1947. Expenditures in the fiscal year are estimated, under present legislation, at 4,208 million dollars. These expenditures will help our veterans through their readjustment period and provide lasting care for those who were disabled.

The Congress has provided unemployment allowances for veterans during their readjustment period. Expenditure of 850 million dollars for this purpose is anticipated for the fiscal year 1947. In addition, readjustment allowances for self-employed veterans are expected to cost 340 million dollars in the fiscal year 1947.

On May 28, 1945, in asking the Congress to raise the ceiling on benefits for civilian unemployed to not less than 25 dollars a week during the immediate reconversion period, I suggested that the Congress also consider liberalizing veterans’ allowances. Elsewhere in this Message I reiterate my recommendation with respect to emergency unemployment compensation. I also recommend increasing veterans’ unemployment allowances from 20 dollars to 25 dollars a week. This would involve additional expenditures estimated at approximately 220 million dollars for the fiscal year.

Included in the 1947 Budget is an expenditure of 535 million dollars for veterans' education under provisions of the Servicemen's Readjustment Act. This amount includes both tuition expenses and maintenance allowances. It is expected that half a million veterans will be enrolled in our schools and colleges during the year.

Page 2566

The ultimate benefit which veterans receive from the loan guarantee provisions of the Servicemen's Readjustment Act depends largely on the success of our stabilization program in restraining building costs and real estate values. Under the revised procedure contained in recent amendments, the administrative workload will be minimized by the almost complete transfer of authority for approving the guarantees to private lending agencies and private appraisers designated by the Veterans Administration. This authority carries with it the responsibility for restricting the guarantees to loans on reasonably valued properties. Costs of the program, other than for administration, are estimated at 21 million dollars in the fiscal year 1947.

Pensions for veterans will require expenditures estimated at 1,748 million dollars for the fiscal year 1947. Two-thirds of this amount will be received by veterans of the war which we have just won. This figure includes 55 million dollars of increased pensions for student-veterans in our vocational rehabilitation program. In addition, 170 million dollars will be expended in transfers to the National Service Life Insurance fund from general and special accounts.

Expenditures under the appropriation for salaries and expenses of the Veterans Administration are estimated at 528 million dollars in the fiscal year 1947. This includes 260 million dollars for medical care and the operation of some 103,000 hospital and domiciliary beds.

A separate appropriation for hospital and domiciliary facilities, additional to the total for veterans' pensions and benefits, covers construction that will provide some 13,000 hospital beds as part of the 500-million dollar hospital construction program already authorized by the Congress. The estimated expenditures of 130 million dollars for this purpose are classified in the Budget as part of the general public works program for the next fiscal year.

(b) For interest.

Interest payments on the public debt are estimated at 5 billion dollars in the fiscal year 1947, an increase of 250 million dollars from the revised estimate for the current fiscal year. This increase reflects chiefly payment of interest on additions to the debt this year. Assuming continuance of present interest rates, the Government's interest bill is now reaching the probable postwar level.

(c) For refunds.

An estimated total of 1,585 million dollars of refunds will be paid to individuals and corporations during the fiscal year 1947. Slightly over half of this amount, or 800 million dollars, will be accessory to the simplified pay-as-you-go method of tax collection, and will be the result of overwithholding and over declaration of expected income. Most of

the remainder will arise from loss and excess-profits credit carrybacks, recomputed amortization on war plants, and special relief from the excess profits tax.

This category of expenditures is thus losing gradually its “aftermath-of-war” character, and by the succeeding year will reflect almost entirely the normal operation of loss carry-backs and current tax collection.

Page 2567

3. *Agricultural programs*

The agricultural programs contemplated for the fiscal year 1947 are those which are essential for the provision of an adequate supply of food and other agricultural commodities with a fair return to American farmers. To support these objectives, expenditures by the Department of Agriculture estimated at 784 million dollars from general and special accounts will be required in the fiscal year 1947. This compares with estimated expenditures of 676 million dollars in 1946. These figures exclude expenditures by the Department of Agriculture on account of lend-lease, the United Nations Relief and Rehabilitation Administration, and other war expenditures. The expenditure for the fiscal year 1947 is composed of 553 million dollars for “aids to agriculture,” 35 million dollars for general public works, and 196 million dollars for other services of the Department.

Net outlays for the price stabilization, price support, and other programs of the Commodity Credit Corporation are expected to increase from about 750 million dollars in the fiscal year 1946 to about 1,500 million dollars in 1947. Cash advances made on loans by the farm Security Administration and the Rural Electrification Administration are expected to amount to 266 million dollars in the fiscal year 1946 and 351 million dollars in 1947; and after receipts from principal and interest are taken into account, net loan expenditures of these two agencies will amount to 120 and 209 million dollars in the two fiscal years.

To provide for the expenditures from general and special accounts, I recommend for the fiscal year 1947 appropriations of million dollars (including the existing permanent appropriation of an amount equal to 30 percent of estimated annual customs receipts) and a reappropriation of 88 million dollars of prior-year balances from customs receipts. In addition there is a recommended authorization of 367.5 million dollars for borrowing from the Reconstruction finance Corporation for the loan programs of the farm Security Administration and the Rural Electrification Administration. It is expected that the operations of the Commodity Credit Corporation will be financed during the coming year through the 500 million dollars of lend-lease funds which the Congress has earmarked for price support purposes, a supplemental appropriation to restore impaired capital of the Corporation, and the borrowing authority of the Corporation.

Some detailed recommendations follow for major agricultural programs.

Conservation and use of land.—I am recommending that 270 million dollars be appropriated for “conservation and use of agricultural land resources”—the so-called AAA program—for the fiscal year 1947, compared with 356 million dollars in the current year. This reduction of 86 million dollars is in large part accounted for by elimination of the wartime flax production incentive project and other nonrecurring items; the proposed reduction in normal activities is less than 33 million dollars.

Page 2568

For the past several years, this program has consisted largely of payments to farmers for application of fertilizer and other approved soil management practices. I am convinced that farmers generally are now fully alert to the benefits, both immediate and long-term, which they derive from the practices encouraged by this program. I believe, therefore, that this subsidization should continue to be reduced.

Rural electrification.—It is proposed that the loan authorization for the Rural Electrification Administration for the fiscal year 1947 be increased from 200 million dollars to 250 million dollars. During the war period, *Rea* was limited by the scarcity of materials and manpower. But that situation is rapidly changing, and the *Rea* program, which was materially stepped up for the fiscal year 1946, can be increased still more. It is my belief that a feasible and practical rural electrification program should be carried forward as rapidly as possible. This will involve total loans of approximately 1,800 million dollars over the next 10 years, much of which will be repaid during that period.

Other programs.—It is recommended that the continuing forest land-acquisition program be resumed at the rate of 3 million dollars annually, which is about the minimum rate at which this program can be economically carried on. The lands involved in this program can contribute fully to the national welfare only when brought into the national forest system for protection and development.

Such programs as those of the farm Security Administration and the farm Credit Administration are estimated to be continued during the fiscal year 1947 at about the same level as in the fiscal year 1946. Recent action by the Congress has Permitted some expansion of the school lunch program. I hope it will be continued and expanded. The budgets of the Federal Crop Insurance Corporation and the federal farm Mortgage Corporation will be transmitted in the spring under the terms of the Government Corporation Control Act.

4. *Transportation*

Transportation is one of the major fields for both public and private investment. Our facilities for transportation and communication must be constantly improved to serve better the convenience of the public and to facilitate the sound growth and development of the whole economy.

Federal capital outlays for transportation facilities are expected to approximate 519 million dollars in the fiscal year 1947. State and local governments may spend 400 million dollars. Private investment, over half of it by railways, may approach 1,150 million dollars.

The Congress has already taken steps for the resumption of work on improvement of rivers and harbors and on the construction of new Federal-aid highways. Much needed

work on airports can begin when the Congress enacts legislation now in conference between the two Houses.

Page 2569

The Federal expenditure estimates for the fiscal year 1947 include 53 million dollars for new construction in rivers, harbors, and the Panama Canal and 291 million dollars for highways and grade-crossing elimination, assuming that the States expend some 275 million dollars on the Federal-aid system. Additional expenditures for highways totaling 36 million dollars are anticipated by the forest Service, National Park Service, and the Territory of Alaska. Civil airways and airports will involve expenditures of 35 million dollars under existing authority. Additional Federal expenditures exceeding 20 million dollars (to be matched by States and municipalities) may be made during the fiscal year 1947 under the airport legislation now in conference between the two Houses of the Congress.

The United States now controls almost two-thirds of the world's merchant shipping, most of it Government-owned, compared with little more than one-seventh of the world's tonnage in 1939. This places a heavy responsibility upon the Nation to provide for speedy and efficient world commerce as a contribution to general economic recovery.

The estimates for the United States Maritime Commission and War Shipping Administration provide for the transition of shipping operation from a war to a peace basis; the sale, chartering, or lay-up of much of the war-built fleet; and for a program of ship construction of some 84 million dollars in the fiscal year 1947 to round out the merchant fleet for peacetime use.

Federal aids, subsidies, and regulatory controls for transportation should follow the general principle of benefiting the national economy as a whole. They should seek to improve the transportation system and increase its efficiency with resulting lower rates and superior service. Differential treatment which benefits one type of transportation to the detriment of another should be avoided save when it is demonstrated clearly to be in the public interest.

5. *Resource development*

Total capital outlays for resource development are estimated at 653 million dollars in the fiscal year 1947 as compared with 452 million dollars in 1946. These include capital expenditures by the Rural Electrification Administration and expenditures for resource development by other organizational units in the Department of Agriculture which are also mentioned above under "agricultural programs."

The reclamation and flood control projects which I am recommending for the fiscal year 1947 will involve capital outlays of approximately 319 million dollars as compared with 245 million dollars in the fiscal year 1946. These expenditures cover programs of the Corps of Engineers, the Bureau of Reclamation, the Bureau of Indian Affairs, the Department of Agriculture, and the International Boundary and Water Commission, United States and Mexico. A number of these projects are multiple-purpose projects,

providing not only for reclamation and irrigation of barren land and flood control, but also for the production of power needed for industrial development of the areas.

Page 2570

Expenditures for power transmission and distribution facilities by the Bonneville Power Administration are expected to increase from 12 million dollars in the fiscal year 1946 to 15 million dollars in the next fiscal year. In addition, the Southwestern Power Administration will undertake a new program involving expenditures of about 16 million dollars in the fiscal year 1947. The Rural Electrification Administration will require expenditures during the current fiscal year estimated at 156 million dollars; in the fiscal year 1947, at 241 million dollars.

The TVA program includes completion of major multiple-purpose projects—navigation, flood control, and power facilities—and additions to chemical plants and related facilities. Expenditures for these capital improvement programs are estimated at 30 million dollars in the fiscal year 1946 and 39 million dollars in the fiscal year 1947.

Expenditures for construction of roads and other developmental works in the national forests, parks, and other public lands, and for capital outlays for fish and wildlife development will increase from below 9 million dollars in the fiscal year 1946 to 24 million dollars in the fiscal year 1947.

6. *Social security and health*

Benefit payments out of the Old-Age and Survivors Insurance Trust fund during 1947 are estimated at 407 million dollars, while withdrawals by the States from the Unemployment Trust fund for compensation payments are expected to total 1 billion dollars. These disbursements are financed out of social security contributions.

The appropriations from general and special accounts for the social security program, which cover Federal administrative expenses and grants to States for assistance programs, are estimated at 593 million dollars for the fiscal year 1947, an increase of 57 million dollars over the current year. The increase anticipates greater administrative workload and higher grants to match increasing State payments. The social security program does not include all the Federal health services under existing legislation. For the other health services classified under general government and national defense, appropriations are estimated at 102 million dollars for the fiscal year 1947.

Some expansion in peacetime medical research and other programs of the Public Health Service is provided for in the appropriation estimates for these purposes totaling approximately 87 million dollars for the fiscal year 1947 which are submitted under provisions of existing law. Part of this will be provided through the social security appropriations, the remainder through other appropriations. About 28 million dollars is recommended for maternity care and health services for children under existing law, mainly under the emergency provision for the wives and infants of servicemen. While we should avoid duplication of maternity and child health services which will be provided through the proposed general system of prepaid medical care, legislation is needed to supplement such services. For medical education, I have recommended legislation

authorizing grants-in-aid to public and nonprofit institutions. The existing sources of support for medical schools require supplementation to sustain the expansion that is needed.

Page 2571

Hospitals, sanitation works, and additional facilities at medical schools will be required for an adequate national health program. Legislation is now pending in the Congress to authorize grants for the construction of hospitals and health centers and grants and loans for water-pollution control. I hope the Congress will act favorably on generous authorizing legislation.

7. *Research and education*

The Budget provides for continuation and desirable expansion of the research activities that are carried on throughout the Federal establishment and through previously authorized grants to the States. Additional appropriations will be required for the proposed central Federal research agency which I recommended last September 6. That agency will coordinate existing research activities and administer funds for new research activities wherever they are needed; it will not itself conduct research. The plan contemplates expenditures through the new research agency of approximately 40 million dollars for the first year.

These amounts are small in relation to the important contribution they can make to the national income, the welfare of our people, and the common defense. Expenditures must be limited for the time being by the capacity of research agencies to make wise use of funds. The maintenance of our position as a nation, however, will require more emphasis on research expenditures in the future than in the past.

Educational expenditures will require a significant share of the national income in the fiscal year 1947. State, local, and private expenditures for the current support of elementary, secondary, and higher education are expected to be substantially above 3 billion dollars in that year. These nonfederal expenditures will be supplemented by Federal expenditures estimated at 625 million dollars in the present Budget. Of this amount, the estimate for veterans' education, as previously mentioned, is 535 million dollars. Other amounts include 21 million dollars for the support of vocational education in public schools, 5 million dollars for the land-grant colleges, 50 million dollars for the present school-lunch and milk program, 1 million dollars for the Office of Education, and approximately 13 million dollars for various other items. In view of the major policy issues which are still under study by the Congress and the Administration, no specific amount has been determined for the Federal grants, previously recommended in this Message, which would assist the States generally in assuring more nearly equal opportunities for a good education.

Notwithstanding the urgent need for additional school and college buildings, careful planning will be required for the expenditures to be made under the proposed legislation to aid the States in providing educational facilities. A major share of the grants for the first year would be for surveys and plans.

I have already outlined the broad objectives of our foreign economic policy. In the present section I shall indicate the Federal outlays which the execution of these programs may require in the fiscal years 1946 and 1947.

Page 2572

(a) On the termination of lend-lease, the lend-lease countries were required to pay for goods in the lend-lease pipe line either in cash or by borrowing from the United States or by supplying goods and services to the United States. Credits for this purpose have already been extended to Soviet Union, France, the Netherlands, and Belgium amounting to 675 million dollars. The settlement credit of 650 million dollars to the United Kingdom includes an amount preliminarily fixed at 118 million dollars which represents the excess of purchases by the United Kingdom from the pipe line over goods and services supplied by the United Kingdom to the United States since VJ-day and the balance of various claims by one government against the other.

Credits are also being negotiated with lend-lease countries to finance the disposition of lend-lease inventories and installations and property declared to be surplus. For instance, 532 million dollars of the settlement credit to the United Kingdom is for this purpose. These credits will involve no new expenditures by this Government, since they merely provide for deferred repayment by other governments for good: services which have been financed from war appropriations.

(b) Expenditures from the appropriations to United Nations Relief and Rehabilitation Administration, which were discarded under war expenditures above, are estimated to be 1.3 billion dollars in the fiscal year 1946 and 1.2 billion dollars in the fiscal year 1947.

(c) To assist other countries in the restoration of their economies the Export-Import Bank has already negotiated loans in the fiscal year 1946 amounting in total to about 1,010 million dollars and an additional 195 million dollars will probably be committed shortly. The Bank is also granting loans to carry out its original purpose of directly expanding the foreign trade of the United States. In this connection the Bank has established a fund of 100 million dollars to finance the export of cotton from the United States. The Export-Import Bank has thus loaned or committed approximately 1,300 million dollars during the current fiscal year and it is expected that demands on its resources will increase in the last 6 months of the fiscal year 1946. Requests for loans are constantly being received by the Bank from countries desiring to secure goods and services in this country for the reconstruction or development of their economies. On July 31, 1945, the lending authority of the Expert-Import Bank was increased to a total of 3,500 million dollars. I anticipate that during the period covered by this Budget the Bank will reach this limit. The bulk of the expenditures from the loans already granted will fall in the fiscal year 1946 while the bulk of the expenditures from loans yet to be negotiated will fall in the fiscal year 1947. In view of the urgent need for the Bank's credit, I may find it necessary to request a further increase in its lending authority at a later date.

Page 2573

(d) The proposed line of credit of 3,750 million dollars to the United Kingdom will be available up to the end of 1951 and will be used to assist the United Kingdom in financing the deficit in its balance of payments during the transition period. The rate at which the United Kingdom will draw on the credit will depend on the rapidity with which it can reconvert its economy and adapt its trade to the postwar world. The anticipated rate of expenditure is likely to be heaviest during the next 2 years.

(e) Since the Bretton Woods Agreements have now been approved by the required number of countries, both the International Monetary fund and the International Bank for Reconstruction and Development will commence operations during 1946. The organization of these institutions will undoubtedly take some time, and it is unlikely that their operations will reach any appreciable scale before the beginning of the fiscal year 1947.

Of the 2,750 million dollars required for the fund, 1,800 million dollars will be provided in cash or notes from the exchange stabilization fund established under the Gold Reserve Act of 1934. The remaining 950 million dollars will be paid initially in the form of non-interest-bearing notes issued by the Secretary of the Treasury. It is not anticipated that the fund will require in cash any of the 950 million dollars during the fiscal years 1946 and 1947. Consequently, no cash withdrawals from the Treasury will be required in connection with the fund in these years.

The subscription to the Bank amounts to 3,175 million dollars. Of this total, 2 percent must be paid immediately and the Bank is required to call a further 8 percent of the subscription during its first year of operations. The balance of the subscription is payable when required by the Bank either for direct lending or to make good its guarantees. It is likely that the United States will be required to pay little if any more than the initial 10 percent before the end of the fiscal year 1947.

I anticipate that net expenditures of the Export-Import Bank and expenditures arising from the British credit and the Bretton Woods Agreements will amount to 2,614 million dollars, including the noncash item of 950 million dollars for the fund, in the fiscal year 1946, and 2,754 million dollars in the fiscal year 1947.

GENERAL GOVERNMENT

The responsibilities of the Government, in both domestic and international affairs, have increased greatly in the past decade. Consequently, the Government is larger than it was before the war, and its general operating costs are higher. We cannot shrink the Government to prewar dimensions unless we slough off these new responsibilities—and we cannot do that without paying an excessive price in terms of our national welfare. We can, however, enhance its operating efficiency through improved organization. I

expect to make such improvements under the authority of the Reorganization Act of 1945.

Page 2574

The appropriations which I am recommending for general government for the fiscal year 1947 are 1,604 million dollars under existing legislation. This is an increase of 458 million dollars over the total of enacted appropriations for the current fiscal year, but a substantial part of this increase is due to the fact that the appropriations for the fiscal year 1946 were made prior to the general increase of employees' salaries last July 1, for which allowance is made in the anticipated supplemental appropriations for 1946. The recommended total for 1947 for general government, like the estimates for national defense and other specific programs, does not allow for the further salary increases for Government employees which, I hope, will be authorized by pending legislation, but-the tentative lump-sum estimates under proposed legislation contemplate that such salary increases will be effective almost at once.

Expenditures for general government in the fiscal year 1947 are expected to continue the slowly rising trend which began in 1943. This category includes a great variety of items—not merely the overhead costs of the Government. It includes all the expenditures of the Cabinet departments, other than for national defense, aids to agriculture, general public works, and the social security program. It includes also expenditures of the legislative branch, the Judiciary, and many of the independent agencies of the executive branch. Consequently, the estimated increase in 1947 in the total of general government expenditures reflects a variety of influences.

Now included in general government are certain activities formerly classified under national defense. Some of these, such as certain functions of the former foreign Economic Administration and the War Manpower Commission, are still needed during the period of reconversion; others are in the process of liquidation. A few wartime activities, for example, the international information and foreign intelligence services and some of the wartime programs for controlling disease and crime, have become part of our regular government establishment. Expenditures for these former wartime functions explain about 40 percent of the increase in expenditures for general government.

Other increases are for civil aeronautics promotion, the business and manufacturing censuses, and other expanded business services of the Department of Commerce which have been referred to above; the forest and Soil Conservation Services and other committees of the Department of certain conservation activities of the Department of the Interior; and the collection of internal revenue in the Treasury Department.

The necessity for reestablishing postal services curtailed during the war and advances in the rates of pay for postal employees have increased substantially the estimated expenditures for postal service for both the current and the next fiscal year. It is not expected that this increase will cause expenditures to exceed postal revenues in either year, although an excess of expenditures may occur in the fiscal year 1947 if salaries are increased further.

Page 2575

Expenditures for our share of the administrative budgets of the United Nations and other permanent international bodies will increase sharply in the fiscal year 1947, yet will remain a small part of our total Budget. The budget for the United Nations has not yet been determined; an estimate for our contribution will be submitted later. Our contributions to the food and Agriculture Organization, the International Labor Office, the Pan American Union, and other similar international agencies will aggregate about 3 million dollars for the fiscal year 1947. The administrative expenses of the International Monetary fund and the International Bank will be met from their general funds.

We have won a great war—we, the nations of plain people who hate war. In the test of that war we found a strength of unity that brought us through—a strength that crushed the power of those who sought by force to deny our faith in the dignity of man.

During this trial the voices of disunity among us were silent or were subdued to an occasional whine that warned us that they were still among us. Those voices are beginning to cry aloud again. We must learn constantly to turn deaf ears to them. They are voices which foster fear and suspicion and intolerance and hate. They seek to destroy our harmony, our understanding of each other, our American tradition of “live and let live.” They have become busy again, trying to set race against race, creed against creed, farmer against city dweller, worker against employer, people against their own governments. They seek only to do us mischief. They must not prevail.

It should be impossible for any man to contemplate without a sense of personal humility the tremendous events of the 12 months since the last annual Message, the great tasks that confront us, the new and huge problems of the coming months and years. Yet these very things justify the deepest confidence in the future of this Nation of free men and women.

The plain people of this country found the courage and the strength, the self-discipline, and the mutual respect to fight and to win, with the help of our allies, under God. I doubt if the tasks of the future are more difficult. But if they are, then I say that our strength and our knowledge and our understanding will be equal to those tasks.

As printed above, references to tables appearing in the budget document have been omitted.

***

State of the Union Address
Harry S. Truman
January 6, 1947

Mr. President, Mr. Speaker, Members of the Congress of the United States:

It looks like a good many of you have moved over to the left since I was here last!

I come before you today to report on the State of the Union and, in the words of the Constitution, to recommend such measures as I judge necessary and expedient.

I come also to welcome you as you take up your duties and to discuss with you the manner in which you and I should fulfill our obligations to the American people during the next 2 years.

Page 2576

The power to mold the future of this Nation lies in our hands—yours and mine, and they are joined together by the Constitution.

If in this year, and in the next, we can find the right course to take as each issue arises, and if, in spite of all difficulties, we have the courage and the resolution to take that course, then we shall achieve a state of well-being for our people without precedent in history. And if we continue to work with the other nations of the world earnestly, patiently, and wisely, we can—granting a will for peace on the part of our neighbors-make a lasting peace for the world.

But, if we are to realize these ends, the Congress and the President, during the next 2 years, must work together. It is not unusual in our history that the majority of the Congress represents a party in opposition to the President's party. I am the twentieth President of the United States who, at some time during his term of office, has found his own party to be in the minority in one or both Houses of Congress. The first one was George Washington. Wilson was number eighteen, and Hoover was number nineteen.

I realize that on some matters the Congress and the President may have honest differences of opinion. Partisan differences, however, did not cause material disagreements as to the conduct of the war. Nor, in the conduct of our international relations, during and since the war, have such partisan differences been material.

On some domestic issues we may, and probably shall, disagree. That in itself is not to be feared. It is inherent in our form of Government. But there are ways of disagreeing; men who differ can still work together sincerely for the common good. We shall be risking the Nation's safety and destroying our opportunities for progress if we do not settle any disagreements in this spirit, without thought of partisan advantage.

THE GENERAL DOMESTIC ECONOMY

As the year 1947 begins, the state of our national economy presents great opportunities for all. We have virtually full employment. Our national production of goods and services is 50 percent higher than in any year prior to the war emergency. The national income in 1946 was higher than in any peacetime year. Our food production is greater than it has ever been. During the last 5 years our productive facilities have been expanded in almost every field. The American standard of living is higher now than ever before, and when the housing shortage can be overcome it will be even higher.

During the past few months we have removed at a rapid rate the emergency controls that the Federal Government had to exercise during the war. The remaining controls will be retained only as long as they are needed to protect the public. Private enterprise must be given the greatest possible freedom to continue the expansion of economy.

In my proclamation of December 31, 1946 I announced the termination of hostilities. This automatically ended certain temporary legislation and certain executive powers.

Page 2577

Two groups of temporary laws still remain: the first are those which by Congressional mandate are to last during the “emergency”; the second are those which are to continue until the “termination of the war,”

I shall submit to the Congress recommendations for the repeal of certain of the statutes which by their terms continue for the duration of the “emergency.” I shall at the same time recommend that others within this classification be extended until the state of war has been ended by treaty or by legislative action. As to those statutes which continue until the state of war has been terminated, I urge that the Congress promptly consider each statute individually, and repeal such emergency legislation where it is advisable.

Now that nearly all wartime controls have been removed, the operation of our industrial system depends to a greater extent on the decisions of businessmen, farmers, and workers. These decisions must be wisely made with genuine concern for public welfare. The welfare of businessmen, farmers, and workers depends upon the economic well-being of those who buy their products.

An important present source of danger to our economy is the possibility that prices might be raised to such an extent that the consuming public could not purchase the tremendous volume of goods and services which will be produced during 1947.

We all know that recent price increases have denied to many of our workers much of the value of recent wage increases. Farmers have found that a large part of their increased income has been absorbed by increased prices. While some of our people have received raises in income which exceed price increases, the great majority have not. Those persons who live on modest fixed incomes—retired persons living on pensions, for example—and workers whose incomes are relatively inflexible, such as teachers and other civil servants—have suffered hardship.

In the effort to bring about a sound and equitable price structure, each group of our population has its own responsibilities.

It is up to industry not only to hold the line on existing prices, but to make reductions whenever profits justify such action.

It is up to labor to refrain from pressing for unjustified wage increases that will force increases in the price level.

And it is up to Government to do everything in its power to encourage high-volume Production, for that is what makes possible good wages, low prices, and reasonable profits.

In a few days there will be submitted to the Congress the Economic Report of the President, and also the Budget Message. Those messages will contain many

recommendations. Today I shall outline five major economic policies which I believe the Government should pursue during 1947. These policies are designed to meet our immediate needs and, at the same time, to provide for the long-range welfare of our free enterprise system:

Page 2578

First, the promotion of greater harmony between labor and management.

Second, restriction of monopoly and unfair business practices; assistance to small business; and the promotion of the free competitive system of private enterprise.

Third, continuation of an aggressive program of home construction.

Fourth, the balancing of the budget in the next fiscal year and the achieving of a substantial surplus to be applied to the reduction of the public debt.

Fifth, protection of a fair level of return to farmers in post-war agriculture.

LABOR AND MANAGEMENT

The year just past—like the year after the first World War—was marred by labor management strife.

Despite this outbreak of economic warfare in 1946, we are today producing goods and services in record volume. Nevertheless, it is essential to improve the methods for reaching agreement between labor and management and to reduce the number of strikes and lockouts.

We must not, however, adopt punitive legislation. We must not in order to punish a few labor leaders, pass vindictive laws which will restrict the proper rights of the rank and file of labor. We must not, under the stress of emotion, endanger our American freedoms by taking ill-considered action which will lead to results not anticipated or desired.

We must remember, in reviewing the record of disputes in 1946, that management shares with labor the responsibility for failure to reach agreements which would have averted strikes. For that reason, we must realize that industrial peace cannot be achieved merely by laws directed against labor unions.

During the last decade and a half, we have established a national labor policy in this country based upon free collective bargaining as the process for determining wages and working conditions.

That is still the national policy.

And it should continue to be the national policy!

But as yet, not all of us have learned what it means to bargain freely and fairly. Nor have all of us learned to carry the mutual responsibilities that accompany the right to bargain. There have been abuses and harmful practices which limit the effectiveness of

our system of collective bargaining. Furthermore, we have lacked sufficient governmental machinery to aid labor and management in resolving their differences.

Certain labor-management problems need attention at once and certain others, by reason of their complexity, need exhaustive investigation and study.

We should enact legislation to correct certain abuses and to provide additional governmental assistance in bargaining. But we should also concern ourselves with the basic causes of labor-management difficulties.

In the light of these considerations, I propose to you and urge your cooperation in effecting the following four-point program to reduce industrial strife:

Page 2579

Point number one is the early enactment of legislation to prevent certain unjustifiable practices.

First, under this point, are jurisdictional strikes. In such strikes the public and the employer are innocent bystanders who are injured by a collision between rival unions. This type of dispute hurts production, industry, and the public—and labor itself. I consider jurisdictional strikes indefensible.

The National Labor Relations Act provides procedures for determining which union represents employees of a particular employer. In some jurisdictional disputes, however, minority unions strike to compel employers to deal with them despite a legal duty to bargain with the majority union. Strikes to compel an employer to violate the law are inexcusable. Legislation to prevent such strikes is clearly desirable.

Another form of inter-union disagreement is the jurisdictional strike involving the question of which labor union is entitled to perform a particular task. When rival unions are unable to settle such disputes themselves, provision must be made for peaceful and binding determination of the issues.

A second unjustifiable practice is the secondary boycott, when used to further jurisdictional disputes or to compel employers to violate the National Labor Relations Act.

Not all secondary boycotts are unjustified. We must judge them on the basis of their objectives. For example, boycotts intended to protect wage rates and working conditions should be distinguished from those in furtherance of jurisdictional disputes. The structure of industry sometimes requires unions, as a matter of self-preservation, to extend the conflict beyond a particular employer. There should be no blanket prohibition against boycotts. The appropriate goal is legislation which prohibits secondary boycotts in pursuance of unjustifiable objectives, but does not impair the union's right to preserve its own existence and the gains made in genuine collective bargaining.

A third practice that should be corrected is the use of economic force, by either labor or management, to decide issues arising out of the interpretation of existing contracts.

Collective bargaining agreements, like other contracts, should be faithfully adhered to by both parties. In the most enlightened union-management relationships, disputes over the interpretation of contract terms are settled peaceably by negotiation or arbitration. Legislation should be enacted to provide machinery whereby unsettled disputes concerning the interpretation of an existing agreement may be referred by either party to final and binding arbitration.

Point number two is the extension of facilities within the Department of Labor for assisting collective bargaining.

Page 2580

One of our difficulties in avoiding labor strife arises from a lack of order in the collective bargaining process. The parties often do not have a dear understanding of their responsibility for settling disputes through their own negotiations. We constantly see instances where labor or management resorts to economic force without exhausting the possibilities for agreement through the bargaining process. Neither the parties nor the Government have a definite yardstick for determining when and how Government assistance should be invoked. There is need for integrated governmental machinery to provide the successive steps of mediation, voluntary arbitration, and—ultimately in appropriate cases—ascertainment of the facts of the dispute and the reporting of the facts to the public. Such machinery would facilitate and expedite the settlement of disputes.

Point number three is the broadening of our program of social legislation to alleviate the causes of workers' insecurity.

On June 11, 1946, in my message vetoing the Case Bill, I made a comprehensive statement of my views concerning labor-management relations. I said then, and I repeat now, that the solution of labor-management difficulties is to be found not only in legislation dealing directly with labor relations, but also in a program designed to remove the causes of insecurity felt by many workers in our industrial society. In this connection, for example, the Congress should consider the extension and broadening of our social security system, better housing, a comprehensive national health program, and provision for a fair minimum wage.

Point number four is the appointment of a Temporary Joint Commission to inquire into the entire field of labor-management relations.

I recommend that the Congress provide for the appointment of a Temporary Joint Commission to undertake this broad study.

The President, the Congress, and management and labor have a continuing responsibility to cooperate in seeking and finding the solution of these problems. I therefore recommend that the Commission be composed as follows: twelve to be chosen by the Congress from members of both parties in the House and the Senate, and eight representing the public, management and labor, to be appointed by the President.

The Commission should be charged with investigating and making recommendations upon certain major subjects, among others:

First, the special and unique problem of nationwide strikes in vital industries affecting the public interest. In particular, the Commission should examine into the question of how to settle or prevent such strikes without endangering our general democratic freedoms.

Page 2581

Upon a proper solution of this problem may depend the whole industrial future of the United States. The paralyzing effects of a nationwide strike in such industries as transportation, coal, oil, steel, or communications can result in national disaster. We have been able to avoid such disaster, in recent years, only by the use of extraordinary war powers. All those powers will soon be gone. In their place there must be created an adequate system and effective machinery in these vital fields. This problem will require careful study and a bold approach, but an approach consistent with the preservation of the rights of our people. The need is pressing. The Commission should give this its earliest attention.

Second, the best methods and procedures for carrying out the collective bargaining process. This should include the responsibilities of labor and management to negotiate freely and fairly with each other, and to refrain from strikes or lockouts until all possibilities of negotiation have been exhausted.

Third, the underlying causes of labor management disputes.

Some of the subjects presented here for investigation involve long-range study. Others can be considered immediately by the Commission and its recommendations can be submitted to the Congress in the near future.

I recommend that this Commission make its first report, including specific legislative recommendations, not later than March 15, 1947.

Restriction Of *monopoly and promotion of private enterprise*

The second major policy I desire to lay before you has to do with the growing concentration of economic power and the threat to free competitive private enterprise. In 1941 the Temporary National Economic Committee completed a comprehensive investigation into the workings of the national economy. The Committee's study showed that, despite a half century of anti-trust law enforcement, one of the gravest threats to our welfare lay in the increasing concentration of power in the hands of a small number of giant organizations.

During the war, this long-standing tendency toward economic concentration was accelerated. As a consequence, we now find that to a greater extent than ever before, whole industries are dominated by one or a few large organizations which can restrict production in the interest of higher profits and thus reduce employment and purchasing power.

In an effort to assure full opportunity and free competition to business we will vigorously enforce the anti-trust laws. There is much the Congress can do to cooperate and assist in this program.

To strengthen and enforce the laws that regulate business practices is not enough. Enforcement must be supplemented by positive measures of aid to new enterprises. Government assistance, research programs, and credit powers should be designed and used to promote the growth of new firms and new industries. Assistance to small business is particularly important at this time when thousands of veterans who are potential business and industrial leaders are beginning their careers.

Page 2582

We should also give special attention to the decentralization of industry and the development of areas that are now under-industrialized.

HOUSING

The third major policy is also of great importance to the national economy: an aggressive program to encourage housing construction. The first federal program to relieve the veterans' housing shortage was announced in February 1946. In 1946 one million family housing units have been put under construction and more than 665,000 units have already been completed. The rate of expansion in construction has broken all records.

In the coming year the number of dwelling units built will approach, if not surpass, the top construction year of 1926. The primary responsibility to deliver housing at reasonable prices that veterans can afford rests with private industry and with labor. The Government will continue to expedite the flow of key building materials, to limit nonresidential construction, and to give financial support where it will do the most good. Measures to stimulate rental housing and new types of housing construction will receive special emphasis.

To reach our long-range goal of adequate housing for all our people, comprehensive housing legislation is urgently required, similar to the non-partisan bill passed by the Senate last year. At a minimum, such legislation should open the way for rebuilding the blighted areas of our cities and should establish positive incentives for the investment of billions of dollars of private capital in large-scale rental housing projects. It should provide for improvement of housing in rural areas and for the construction, over a 4-year period, of half a million units of public low-rental housing. It should authorize a single peacetime federal housing agency to assure efficient use of our resources on the vast housing front.

FISCAL AFFAIRS

The fourth major policy has to do with the balancing of the budget. In a prosperous period such as the present one, the budget of the Federal Government should be balanced. Prudent management of public finance requires that we begin the process of reducing the public debt. The budget which I shall submit to you this week has a small margin of surplus. In the Budget Message I am making recommendations which, if accepted, will result in a substantially larger surplus which should be applied to debt retirement. One of these recommendations is that the Congress take early action to continue throughout the next fiscal year the war excise tax rates which, under the present law, will expire on June 30, 1947.

Expenditures relating to the war are still high. Considerable sums are required to alleviate world famine and suffering. Aid to veterans will continue at peak level. The world situation is such that large military expenditures are required. Interest on the public debt and certain other costs are irreducible. For these reasons I have had to practice stringent economy in preparing the budget; and I hope that the Congress will cooperate in this program of economy.

Page 2583

AGRICULTURE

The fifth major policy has to do with the welfare of our farm population.

Production of food reached record heights in 1946. Much of our tremendous grain crop can readily be sold abroad and thus will become no threat to our domestic markets. But in the next few years American agriculture can face the same dangers it did after World War I. In the early twenties the Nation failed to maintain outlets for the new productive capacity of our agricultural plant. It failed to provide means to protect the farmer while he adjusted his acreage to peacetime demands.

The result we all remember too well. Farm production stayed up while demand and prices fell, in contrast with industry where prices stayed up and output declined, farm surpluses piled up, and disaster followed.

We must make sure of meeting the problems which we failed to meet after the first World War. Present laws give considerable stability to farm prices for 1947 and 1948, and these 2 years must be utilized to maintain and develop markets for our great productive power.

The purpose of these laws was to permit an orderly transition from war to peace. The Government plan of support prices was not designed to absorb, at great cost, the unlimited surpluses of a highly productive agriculture.

We must not wait until the guarantees expire to set the stage for permanent farm welfare.

The farmer is entitled to a fair income.

Ways can be found to utilize his new skills and better practices, to expand his markets at home and abroad, and to carry out the objectives of a balanced pattern of peacetime production without either undue sacrifice by farm people or undue expense to the Government.

HEALTH AND GENERAL WELFARE

Of all our national resources, none is of more basic value than the health of our people. Over a year ago I presented to the Congress my views on a national health program. The Congress acted on several of the recommendations in this program-mental health, the health of mothers and children, and hospital construction. I urge this Congress to complete the work begun last year and to enact the most important recommendation of the program—to provide adequate medical care to all who need it, not as charity but on the basis of payments made by the beneficiaries of the program.

One administrative change would help greatly to further our national program in the fields of health, education, and welfare. I again recommend the establishment of a well-integrated Department of Welfare.

VETERANS

Fourteen million World War II servicemen have returned to civil life. The great majority have found their places as citizens of their communities and their Nation. It is a tribute to the fiber of our servicemen and to the flexibility of our economy that these adjustments have been made so rapidly and so successfully.

Page 2584

More than two million of these veterans are attending schools or acquiring job skills through the financial assistance of the Federal Government. Thousands of sick and wounded veterans are daily receiving the best of medical and hospital care. Half a million have obtained loans, with Government guarantees, to purchase homes or farms or to embark upon new businesses. Compensation is being paid in almost two million cases for disabilities or death. More than three million are continuing to maintain their low-cost National Service Life Insurance policies. Almost seven million veterans have been aided by unemployment and self-employment allowances.

Exclusive of mustering-out payments and terminal leave pay, the program for veterans of all wars is costing over seven billion dollars a year—one-fifth of our total federal budget. This is the most far-reaching and complete veterans program ever conceived by any nation.

Except for minor adjustments, I believe that our program of benefits for veterans is now complete. In the long run, the success of the program will not be measured by the number of veterans receiving financial aid or by the number of dollars we spend. History will judge us not by the money we spend, but by the further contribution we enable our veterans to make to their country. In considering any additional legislation, that must be our criterion.

CIVIL RIGHTS

We have recently witnessed in this country numerous attacks upon the constitutional rights of individual citizens as a result of racial and religious bigotry. Substantial segments of our people have been prevented from exercising fully their right to participate in the election of public officials, both locally and nationally. Freedom to engage in lawful callings has been denied.

The will to fight these crimes should be in the hearts of every one of us.

For the Federal Government that fight is now being carried on by the Department of Justice to the full extent of the powers that have been conferred upon it. While the Constitution withholds from the Federal Government the major task of preserving peace in the several States, I am not convinced that the present legislation reached the limit of federal power to protect the civil rights of its citizens.

I have, therefore, by Executive Order,[1] established the President's Committee on Civil Rights to study and report on the whole problem of federally-secured civil rights, with a view to making recommendations to the Congress.

[Footnote 1: Executive Order 9808 (3 CFR, 1943-1948 Comp., p. 590.)]

NATURAL RESOURCES

In our responsibility to promote the general welfare of the people, we have always to consider the natural resources of our country. They are the foundation of our life. In the development of the great river systems of America there is the major opportunity of our generation to contribute to the increase of the national wealth. This program is already well along; it should be pushed with full vigor.

Page 2585

I must advise the Congress that we are rapidly becoming a “have not” Nation as to many of our minerals. The economic progress and the security of our country depend upon an expanding return of mineral discovery and upon improved methods of recovery. The Federal Government must do its part to meet this need.

FOREIGN AFFAIRS

Progress in reaching our domestic goals is closely related to our conduct of foreign affairs. All that I have said about maintaining a sound and prosperous economy and improving the welfare of our people has greater meaning because of the world leadership of the United States. What we do, or fail to do, at home affects not only ourselves but millions throughout the world. If we are to fulfill our responsibilities to ourselves and to other peoples, we must make sure that the United States is sound economically, socially, and politically. Only then will we be able to help bring about the elements of peace in other countries—political stability, economic advancement, and social progress.

Peace treaties for Italy, Bulgaria, Rumania, and Hungary have finally been prepared. Following the signing of these treaties next month in Paris, they will be submitted to the Senate for ratification. This Government does not regard the treaties as completely satisfactory. Whatever their defects, however, I am convinced that they are as good as we can hope to obtain by agreement among the principal wartime Allies. Further dispute and delay would gravely jeopardize political stability in the countries concerned for many years.

During the long months of debate on these treaties, we have made it clear to all nations that the United States will not consent to settlements at the expense of principles we regard as vital to a just and enduring peace. We have made it equally dear that we will not retreat to isolationism. Our policies will be the same during the forthcoming negotiations in Moscow on the German and Austrian treaties, and during the future conferences on the Japanese treaty.

The delay in arriving at the first peace settlements is due partly to the difficulty of reaching agreement with the Soviet Union on the terms of settlement. Whatever differences there may have been between us and the Soviet Union, however, should not be allowed to obscure the fact that the basic interests of both nations lie in the early making of a peace under which the peoples of all countries may return, as free men and women, to the essential tasks of production and reconstruction. The major concern of each of us should be the promotion of collective security, not the advancement of individual security.

Our policy toward the Soviet Union is guided by the same principles which determine our policies toward all nations. We seek only to uphold the principles of international justice which have been embodied in the Charter of the United Nations.

Page 2586

We must now get on with the peace settlements. The occupying powers should recognize the independence of Austria and withdraw their troops. The Germans and the Japanese cannot be left in doubt and fear as to their future; they must know their national boundaries, their resources, and what reparations they must pay. Without trying to manage their internal affairs, we can insure that these countries do not re-arm.

INTERNATIONAL RELIEF AND DISPLACED PERSONS

The United States can be proud of its part in caring for the peoples reduced to want by the ravages of war, and in aiding nations to restore their national economies. We have shipped more supplies to the hungry peoples of the world since the end of the war than all other countries combined!

However, insofar as admitting displaced persons is concerned, I do not feel that the United States has done its part. Only about 5,000 of them have entered this country since May, 1946. The fact is that the executive agencies are now doing all that is reasonably possible under the limitation of the existing law and established quotas. Congressional assistance in the form of new legislation is needed. I urge the Congress to turn its attention to this world problem, in an effort to find ways whereby we can fulfill our responsibilities to these thousands of homeless and suffering refugees of all faiths.

INTERNATIONAL TRADE

World economic cooperation is essential to world political cooperation. We have made a good start on economic cooperation through the International Bank, the International Monetary fund, and the Export-Import Bank. We must now take other steps for the reconstruction of world trade and we should continue to strive for an international trade system as free from obstructions as possible.

ATOMIC ENERGY

The United States has taken the lead in the endeavor to put atomic energy under effective international control. We seek no monopoly for ourselves or for any group of nations. We ask only that there be safeguards sufficient to insure that no nation will be able to use this power for military purposes. So long as all governments are not agreed on means of international control of atomic energy, the shadow of fear will obscure the bright prospects for the peaceful use of this enormous power.

In accordance with the Atomic Energy Act of 1946, the Commission established under that law is assuming full jurisdiction over domestic atomic energy enterprise. The program of the Commission will, of course, be worked out in close collaboration with the military services in conformity with the wish of the Congress, but it is my fervent hope

that the military significance of atomic energy will steadily decline. We look to the Commission to foster the development of atomic energy for industrial use and scientific and medical research. In the vigorous and effective development of peaceful uses of atomic energy rests our hope that this new force may ultimately be turned into a blessing for all nations.

Page 2587

MILITARY POLICY

In 1946 the Army and Navy completed the demobilization of their wartime forces. They are now maintaining the forces which we need for national defense and to fulfill our international obligations.

We live in a world in which strength on the part of peace-loving nations is still the greatest deterrent to aggression. World stability can be destroyed when nations with great responsibilities neglect to maintain the means of discharging those responsibilities.

This is an age when unforeseen attack could come with unprecedented speed. We must be strong enough to defeat, and thus forestall, any such attack. In our steady Progress toward a more rational world order, the need for large armed forces is progressively declining; but the stabilizing force of American military strength must not be weakened until our hopes are fully realized. When a system of collective security under the United Nations has been established, we shall be willing to lead in collective disarmament, but, until such a system becomes a reality, we must not again allow ourselves to become weak and invite attack.

For those reasons, we need well-equipped, well-trained armed forces and we must be able to mobilize rapidly our resources in men and material for our own defense, should the need arise.

The Army will be reduced to 1,070,000 officers and men by July 1, 1947. Half of the Army will be used for occupation duties abroad and most of the remainder will be employed at home in the support of these overseas forces.

The Navy is supporting the occupation troops in Europe and in the Far East. Its fundamental mission—to support our national interests wherever required—is unchanged. The Navy, including the Marine Corps, will average 571,000 officers and men during the fiscal year 1948.

We are encountering serious difficulties in maintaining our forces at even these reduced levels. Occupation troops are barely sufficient to carry out the duties which our foreign policy requires. Our forces at home are at a point where further reduction is impracticable. We should like an Army and a Navy composed entirely of long-term volunteers, but in spite of liberal inducements the basic needs of the Army are not now being met by voluntary enlistments.

The War Department has advised me that it is unable to make an accurate forecast at the present time as to whether it will be possible to maintain the strength of the Army by relying exclusively on volunteers. The situation will be much clearer in a few weeks, when the results of the campaign for volunteers are known. The War Department will

make its recommendations as to the need for the extension of Selective Service in sufficient time to enable the Congress to take action prior to the expiration of the present law on March 31st. The responsibility for maintaining our armed forces at the strength necessary for our national safety rests with the Congress.

Page 2588

The development of a trained citizen reserve is also vital to our national security. This can best be accomplished through universal training. I have appointed an Advisory Commission on Universal Training to study the various plans for a training program, and I expect that the recommendations of the Commission will be of benefit to the Congress and to me in reaching decisions on this problem.

The cost of the military establishment is substantial. There is one certain way by which we can cut costs and at the same time enhance our national security. That is by the establishment of a single Department of National Defense. I shall communicate with the Congress in the near future with reference to the establishment of a single Department of National Defense.

National security does not consist only of an army, a navy, and an air force. It rests on a much broader basis. It depends on a sound economy of prices and wages, on prosperous agriculture, on satisfied and productive workers, on a competitive private enterprise free from monopolistic repression, on continued industrial harmony and production, on civil liberties and human freedoms-on all the forces which create in our men and women a strong moral fiber and spiritual stamina.

But we have a higher duty and a greater responsibility than the attainment of our own national security. Our goal is collective security for all mankind.

If we can work in a spirit of understanding and mutual respect, we can fulfill this solemn obligation which rests upon us.

The spirit of the American people can set the course of world history. If we maintain and strengthen our cherished ideals, and if we share our great bounty with war-stricken people over the world, then the faith of our citizens in freedom and democracy will be spread over the whole earth and free men everywhere will share our devotion to those ideals.

Let us have the will and the patience to this job together.

May the Lord strengthen us in our faith.

May He give us wisdom to lead the peoples of the world in His ways of peace.

***

State of the Union Address
Harry S. Truman
January 7, 1948

Mr. President, Mr. Speaker, and Members of the 80th Congress:

We are here today to consider the state of the Union.

On this occasion, above all others, the Congress and the President should concentrate their attention, not upon party but upon the country; not upon things which divide us but upon those which bind us together—the enduring principles of our American system, and our common aspirations for the future welfare and security of the people of the United States.

The United States has become great because [p.2] we, as a people, have been able to work together for great objectives even while differing about details.

The elements of our strength are many. They include our democratic government, our economic system, our great natural resources. But these are only partial explanations.

Page 2589

The basic source of our strength is spiritual. For we are a people with a faith. We believe in the dignity of man. We believe that he was created in the image of the Father of us all.

We do not believe that men exist merely to strengthen the state or to be cogs in the economic machine. We do believe that governments are created to serve the people and that economic systems exist to minister to their wants. We have a profound devotion to the welfare and rights of the individual as a human being.

The faith of our people has particular meaning at this time in history because of the unsettled and changing state of the world.

The victims of war in many lands are striving to rebuild their lives, and are seeking assurance that the tragedy of war will not occur again. Throughout the world new ideas are challenging the old. Men of all nations are reexamining the beliefs by which they live. Great scientific and industrial changes have released new forces which will affect the future course of civilization.

The state of our Union reflects the changing nature of the modern world. On all sides there is heartening evidence of great energy—of capacity for economic development-and even more important, capacity for spiritual growth. But accompanying this great activity there are equally great questions, great anxieties, and great aspirations. They represent the concern of an enlightened people that conditions should be so arranged as to make life more worthwhile.

We must devote ourselves to finding answers to these anxieties and aspirations. We seek answers which will embody the moral and spiritual elements of tolerance, unselfishness, and brotherhood upon which true freedom and opportunity must rest.

As we examine the state of our Union today, we can benefit from viewing it on a basis of the accomplishments of the last decade and of our goals for the next. How far have we come during the last 10 years and how far can we go in the next 10?

It was 10 years ago that the determination of dictators to wage war upon mankind became apparent. The years that followed brought untold death and destruction.

We shared in the human suffering of the war, but we were fortunate enough to escape most of war's destruction. We were able through these 10 years to expand the productive strength of our farms and factories.

More important, however, is the fact that these years brought us new courage, new confidence in the ideals of our free democracy. Our deep belief in freedom and justice was reinforced in the crucible of war.

On the foundations of our greatly strengthened economy and our renewed confidence in democratic values, we can continue to move forward.

There are some who look with fear and distrust upon planning for the future. Yet our great national achievements have been attained by those with vision. Our Union was formed, our frontiers were pushed back, and our great industries were built by men who looked ahead.

Page 2590

I propose that we look ahead today toward those goals for the future which have the greatest bearing upon the foundations of our democracy and the happiness of our people.

I do so, confident in the thought that with clear objectives and with firm determination, we can, in the next 10 years, build upon the [p.3] accomplishments of the past decade to achieve a glorious future. Year by year, beginning now, we must make a substantial part of this progress.

Our first goal is to secure fully the essential human rights of our citizens.

The United States has always had a deep concern for human rights. Religious freedom, free speech, and freedom of thought are cherished realities in our land. Any denial of human rights is a denial of the basic beliefs of democracy and of our regard for the worth of each individual.

Today, however, some of our citizens are still denied equal opportunity for education, for jobs and economic advancement, and for the expression of their views at the polls. Most serious of all, some are denied equal protection under laws. Whether discrimination is based on race, or creed, or color, or land of origin, it is utterly contrary to American ideals of democracy.

The recent report of the President's Committee on Civil Rights points the way to corrective action by the Federal Government and by State and local governments. Because of the need for effective Federal action, I shall send a special message to the Congress on this important subject.

We should also consider our obligation to assure the fullest possible measure of civil rights to the people of our territories and possessions. I believe that the time has come for Alaska and Hawaii to be admitted to the Union as States.

Our second goal is to protect and develop our human resources.

The safeguarding of the rights of our citizens must be accompanied by an equal regard for their opportunities for development and their protection from economic insecurity. In this Nation the ideals of freedom and equality can be given specific meaning in terms of health, education, social security, and housing.

Over the past 12 years we have erected a sound framework of social security legislation. Many millions of our citizens are now protected against the loss of income which can come with unemployment, old age, or the death of wage earners. Yet our system has gaps and inconsistencies; it is only half finished.

We should now extend unemployment compensation, old age benefits, and survivors' benefits to millions who are not now protected. We should also raise the level of benefits.

The greatest gap in our social security structure is the lack of adequate provision for the Nation's health. We are rightly proud of the high standards of medical care we know how to provide in the United States. The fact is, however, that most of our people cannot afford to pay for the care they need.

Page 2591

I have often and strongly urged that this condition demands a national health program. The heart of the program must be a national system of payment for medical care based on well-tried insurance principles. This great Nation cannot afford to allow its citizens to suffer needlessly from the lack of proper medical care.

Our ultimate aim must be a comprehensive insurance system to protect all our people equally against insecurity and ill health.

Another fundamental aim of our democracy is to provide an adequate education for every person.

Our educational systems face a financial crisis. It is deplorable that in a Nation as rich as ours there are millions of children who do not have adequate schoolhouses or enough teachers for a good elementary or secondary education. If there are educational inadequacies in any State, the whole Nation suffers. The Federal Government has a responsibility for providing financial aid to meet this crisis.

In addition, we must make possible greater equality of opportunity to all our citizens for education. Only by so doing can we insure that our citizens will be capable of understanding and sharing the responsibilities of democracy.

The Government's programs for health, education, and security are of such great importance to our democracy that we should now establish an executive department for their administration.

Health and education have their beginning in the home. No matter what our hospitals or schools are like, the youth of our Nation are handicapped when millions of them live in city slums and country shacks. Within the next decade, we must see that every American family has a decent home. As an immediate step we need the long-range housing program which I have recommended on many occasions to this Congress. This should include financial aids designed to yield more housing at lower prices. It should provide public housing for low-income families, and vigorous development of new techniques to lower the cost of building.

Until we can overcome the present drastic housing shortage, we must extend and strengthen rent control.

We have had, and shall continue to have, a special interest in the welfare of our veterans. Over 14 million men and women who served in the armed forces in World War II have now returned to civilian life. Over 2 million veterans are being helped through school. Millions have been aided while finding jobs, and have been helped in buying homes, in obtaining medical care, and in adjusting themselves to physical handicaps.

All but a very few veterans have successfully made the transition from military life to their home communities. The success of our veterans' program is proved by this fact. This Nation is proud of the eagerness shown by our veterans to become self-reliant and self-supporting citizens.

Our third goal is to conserve and use our natural resources so that they can contribute most effectively to the welfare of our people.

Page 2592

The resources given by nature to this country are rich and extensive. The material foundations of our growth and economic development are the bounty of our fields, the wealth of our mines and forests, and the energy of our waters. As a Nation, we are coming to appreciate more each day the dose relationship between the conservation of these resources and the preservation of our national strength.

We are doing far less than we know how to do to make use of our resources without destroying them. Both the public and private use of these resources must have the primary objective of maintaining and increasing these basic supports for an expanding future.

We must continue to take specific steps toward this goal. We must vigorously defend our natural wealth against those who would misuse it for selfish gain.

We need accurate and comprehensive knowledge of our mineral resources and must intensify our efforts to develop new supplies and to acquire stockpiles of scarce materials.

We need to protect and restore our land-public and private—through combating erosion and rebuilding the fertility of the soil.

We must expand our reclamation program to bring millions of acres of arid land into production, and to improve water supplies for additional millions of acres. This will provide new opportunities for veterans and others, particularly in the West, and aid in providing a rising living standard for a growing population.

We must protect and restore our forests by sustained-yield forestry and by planting [p.5] new trees in areas now slashed and barren.

We must continue to erect multiple-purpose dams on our great rivers—not only to reclaim land, but also to prevent floods, to extend our inland waterways and to provide hydroelectric power. This public power must not be monopolized for private gain. Only through well-established policies of transmitting power directly to its market and thus encouraging widespread use at low rates can the Federal Government assure the people of their full share of its benefits. Additional power—public and private—is needed to raise the ceilings now imposed by power shortages on industrial and agricultural development.

We should achieve the wise use of resources through the integrated development of our great river basins. We can learn much from our Tennessee Valley experience. We should no longer delay in applying the lessons of that vast undertaking to our other great river basins.

Our fourth goal is to lift the standard of living for all our people by strengthening our economic system and sharing more broadly among our people the goods we produce.

The amazing economic progress of the past 10 years points the way for the next 10.

Today 14 million more people have jobs than in 1938.

Our yearly output of goods and services has increased by two-thirds.

The average income of our people, measured in dollars of equal purchasing power, has increased—after taxes—by more than 50 percent.

Page 2593

In no other 10 years have farmers, businessmen, and wage earners made such great gains.

We may not be able to expand as rapidly in the next decade as in the last, because we are now starting from full employment and very high production. But we can increase our annual output by at least one-third above the present level. We can lift our standard of living to nearly double what it was 10 years ago.

If we distribute these gains properly, we can go far toward stamping out poverty in our generation.

To do this, agriculture, business, and labor must move forward together.

Permanent farm prosperity and agricultural abundance will be achieved only as our whole economy grows and prospers. The farmer can sell more food at good prices when the incomes of wage earners are high and when there is full employment. Adequate diets for every American family, and the needs of our industries at full production, will absorb a farm output well above our present levels.

Although the average farmer is now better off than ever before, farm families as a whole have only begun to catch up with the standards of living enjoyed in the cities. In 1946, the average income of farm people was $779, contrasted with an average income of $1,288 for nonfarm people. Within the next decade, we should eliminate elements of inequality in these living standards.

To this end our farm program should enable the farmer to market his varied crops at fair price levels and to improve his standard of living.

We need to continue price supports for major farm commodities on a basis which will afford reasonable protection against fluctuations in the levels of production and demand. The present price support program must be reexamined and modernized.

Crop insurance should be strengthened and its benefits extended in order to protect the farmer against the special hazards to which he is subject.

We also need to improve the means for getting farm products into markets and into the hands of consumers. Cooperatives which [p.6] directly or indirectly serve this purpose must be encouraged—not discouraged. The school lunch program should be continued and adequately financed.

We need to go forward with the rural electrification program to bring the benefits of electricity to all our farm population.

We can, and must, aid and encourage farmers to conserve their soil resources and restore the fertility of the land that has suffered from neglect or unwise use.

All these are practical measures upon which we should act immediately to enable agriculture to make its full contribution to our prosperity.

We must also strengthen our economic system within the next decade by enlarging our industrial capacity within the framework of our free enterprise system.

We are today far short of the industrial capacity we need for a growing future. At least $50 billion should be invested by industry to improve and expand our productive facilities over the next few years. But this is only the beginning. The industrial application of atomic energy and other scientific advances will constantly open up further opportunities for expansion. Farm prosperity and high employment will call for an immensely increased output of goods and services.

Page 2594

Growth and vitality in our economy depend on vigorous private enterprise. Free competition is the key to industrial development, full production and employment, fair prices, and an ever improving standard of living. Competition is seriously limited today in many industries by the concentration of economic power and other elements of monopoly. The appropriation of sufficient funds to permit proper enforcement of the present antitrust laws is essential. Beyond that we should go on to strengthen our legislation to protect competition.

Another basic element of a strong economic system is the well-being of the wage earners.

We have learned that the well-being of workers depends on high production and consequent high employment. We have learned equally well that the welfare of industry and agriculture depends on high incomes for our workers.

The Government has wisely chosen to set a floor under wages. But our 40-cent minimum wage is inadequate and obsolete. I recommend the lifting of the minimum wage to 75 cents an hour.

In general, however, we must continue to rely on our sound system of collective bargaining to set wage scales. Workers' incomes should increase at a rate consistent with the maintenance of sound price, profit, and wage relationships and with increase of productivity.

The Government's part in labor-management relations is now largely controlled by the terms of the Labor-Management Relations Act of 1947. I made my attitude clear on this act in my veto message to the Congress last June. Nothing has occurred since to change my opinion of this law. As long as it remains the law of the land, however, I shall carry out my constitutional duty and administer it.

As we look ahead we can understand the crucial importance of restraint and wisdom in arriving at new labor-management contracts. Work stoppages would result in a loss of production—a loss which could bring higher prices for our citizens and could also deny the necessities of life to the hard-pressed peoples of other lands. It is my sincere hope that the representatives of labor and of industry will bear in mind that the Nation as a whole has a vital stake in the success of their bargaining efforts.

If we surmount our current economic difficulties, we can move ahead to a great increase [p.7] in our national income which will enable all our people to enjoy richer and fuller lives.

All of us must advance together. One-fifth of our families now have average annual incomes of less than $850. We must see that our gains in national income are made more largely available to those with low incomes, whose need is greatest. This will

benefit us all through providing a stable foundation of buying power to maintain prosperity.

Business, labor, agriculture, and Government, working together, must develop the policies which will make possible the realization of the full benefits of our economic system.

Page 2595

Our fifth goal is to achieve world peace based on principles of freedom and justice and the equality of all nations.

Twice within our generation, world wars have taught us that we cannot isolate ourselves from the rest of the world.

We have learned that the loss of freedom in any area of the world means a loss of freedom to ourselves—that the loss of independence by any nation adds directly to the insecurity of the United States and all free nations.

We have learned that a healthy world economy is essential to world peace—that economic distress is a disease whose evil effects spread far beyond the boundaries of the afflicted nation.

For these reasons the United States is vigorously following policies designed to achieve a peaceful and prosperous world.

We are giving, and will continue to give, our full support to the United Nations. While that organization has encountered unforeseen and unwelcome difficulties, I am confident of its ultimate success. We are also devoting our efforts toward world economic recovery and the revival of world trade. These actions are closely related and mutually supporting.

We believe that the United States can be an effective force for world peace only if it is strong. We look forward to the day when nations will decrease their armaments. Yet so long as there remains serious opposition to the ideals of a peaceful world, we must maintain strong armed forces.

The passage of the National Security Act by the Congress at its last session was a notable step in providing for the security of this country. A further step which I consider of even greater importance is the early provision for universal training. There are many elements in a balanced national security program, all interrelated and necessary, but universal training should be the foundation for them all. A favorable decision by the Congress at an early date is of world importance. I am convinced that such action is vital to the security of this Nation and to the maintenance of its leadership.

The United States is engaged today in many international activities directed toward the creation of lasting peaceful relationships among nations.

We have been giving substantial aid to Greece and Turkey to assist those nations in preserving their integrity against foreign pressures. Had it not been for our aid, their situation today might well be radically different. The continued integrity of those countries will have a powerful effect upon other nations in the Middle East and in Europe struggling to maintain their independence while they repair the damages of war.

The United States has special responsibilities with respect to the countries in which we have occupation forces: Germany, Austria, Japan, and Korea. Our efforts to reach agreements on peace settlements for these countries have so far been blocked. But we [p.8] shall continue to exert our utmost efforts to obtain satisfactory settlements for each of these nations.

Page 2596

Many thousands of displaced persons, still living in camps overseas, should be allowed entry into the United States. I again urge the Congress to pass suitable legislation at once so that this Nation may do its share in caring for the homeless and suffering refugees of all faiths. I believe that the admission of these persons will add to the strength and energy of this Nation.

We are moving toward our goal of world peace in many ways. But the most important efforts which we are now making are those which support world economic reconstruction. We are seeking to restore the world trading system which was shattered by the war and to remedy the economic paralysis which grips many countries.

To restore world trade we have recently taken the lead in bringing about the greatest reduction of world tariffs that the world has ever seen. The extension of the provisions of the Reciprocal Trade Agreements Act, which made this achievement possible, is of extreme importance. We must also go on to support the International Trade Organization, through which we hope to obtain worldwide agreement on a code of fair conduct in international trade.

Our present major effort toward economic reconstruction is to support the program for recovery developed by the countries of Europe. In my recent message to the Congress, I outlined the reasons why it is wise and necessary for the United States to extend this support.

I want to reaffirm my belief in the soundness and the promise of this proposal. When the European economy is strengthened, the product of its industry will be of benefit to many other areas of economic distress. The ability of free men to overcome hunger and despair will be a moral stimulus to the entire world.

We intend to work also with other nations in achieving world economic recovery. We shall continue our cooperation with the nations of the Western Hemisphere. A special program of assistance to China, to provide urgent relief needs and to speed reconstruction, will be submitted to the Congress.

Unfortunately, not all governments share the hope of the people of the United States that economic reconstruction in many areas of the world can be achieved through cooperative effort among nations. In spite of these differences we will go forward with our efforts to overcome economic paralysis.

No nation by itself can carry these programs to success; they depend upon the cooperative and honest efforts of all participating countries. Yet the leadership is inevitably ours.

I consider it of the highest importance that the Congress should authorize support for the European recovery program for the period from April 1, 1948, to June 30, 1952, with

an initial amount for the first 15 months of $6.8 billion. I urge the Congress to act promptly on this vital measure of our foreign policy—on this decisive contribution to world peace.

We are following a sound, constructive, and practical course in carrying out our determination to achieve peace.

Page 2597

We are fighting poverty, hunger, and suffering.

This leads to peace—not war.

We are building toward a world where all nations, large and small alike, may live free from the fear of aggression. This leads to peace—not war.

Above all else, we are striving to achieve a concord among the peoples of the world based upon the dignity of the individual and the brotherhood of man.

This leads to peace—not war.

We can go forward with confidence that we are following sound policies, both at home and with other nations, which will lead us toward our great goals for economic, social and moral achievement.

As we enter the new year, we must surmount one major problem which affects all our goals. That is the problem of inflation.

Already inflation in this country is undermining the living standards of millions of families. Food costs too much. Housing has reached fantastic price levels. Schools and hospitals are in financial distress. Inflation threatens to bring on disagreement and strife between labor and management.

Worst of all, inflation holds the threat of another depression, just as we had a depression after the unstable boom following the First World War.

When I announced last October that the Congress was being called into session, I described the price increases which had taken place since June 1946. Wholesale prices had increased 40 percent; retail prices had increased 23 percent.

Since October prices have continued to rise. Wholesale prices have gone up at an annual rate of 18 percent. Retail prices have gone up at an annual rate of 10 percent.

The events which have occurred since I presented my 10-point anti-inflation program to the Congress in November have made it even clearer that all 10 points are essential.

High prices must not be our means of rationing.

We must deal effectively and at once with the high cost of living.

We must stop the spiral of inflation.

I trust that within the shortest possible time the Congress will make available to the Government the weapons that are so desperately needed in the fight against inflation.

One of the most powerful anti-inflationary factors in our economy today is the excess of Government revenues over expenditures.

Government expenditures have been and must continue to be held at the lowest safe levels. Since V-J day Federal expenditures have been sharply reduced. They have been cut from more than $63 billion in the fiscal year 1946 to less than $38 billion in the present fiscal year. The number of civilian employees has been cut nearly in half—from 3 3/4 million down to 2 million.

On the other hand, Government revenues must not be reduced. Until inflation has been stopped there should be no cut in taxes that is not offset by additions at another point in our tax structure.

Page 2598

Certain adjustments should be made within our existing tax structure that will not affect total receipts, yet will adjust the tax burden so that those least able to pay will have their burden lessened by the transfer of a portion of it to those best able to pay.

Many of our families today are suffering hardship because of the high cost of living. At the same time profits of corporations have reached an all-time record in 1947. Corporate profits total $17 billion after taxes. This compared with $12.5 billion in 1946, the previous high year.

Because of this extraordinarily high level of profits, corporations can well afford to carry a larger share of the taxload at this time.

During this period in which the high cost of living is bearing down on so many of our families, tax adjustments should be made to ease their burden. The low-income group particularly is being pressed very hard. To this group a tax adjustment would result in a saving that could be used to buy the necessities of life.

I recommend therefore that, effective January 1, 1948, a cost of living tax credit be extended to our people consisting of a credit of $40 to each individual taxpayer and an additional credit of $40 for each dependent. [p.10] Thus the income tax of a man with a wife and two children would be reduced $160. The credit would be extended to all taxpayers, but it would be particularly helpful to those in the low-income group.

It is estimated that such a tax credit would reduce Federal revenue by $3.2 billion. This reduction should be made up by increasing the tax on corporate profits in an amount that will produce this sum—with appropriate adjustments for small corporations.

This is the proper method of tax relief at this time. It gives relief to those who need it most without cutting the total tax revenue of the Government.

When the present danger of inflation has passed we should consider tax reduction based upon a revision of our entire tax structure.

When we have conquered inflation, we shall be in a position to move forward toward our chosen goals.

As we do so, let us keep ever before us our high purposes. We are determined that every citizen of this Nation shall have an equal right and an equal opportunity to grow in wisdom and in stature and to take his place in the control of his Nation's destiny.

We are determined that the productive resources of this Nation shall be used wisely and fully for the benefit of all.

We are determined that the democratic faith of our people and the strength of our resources shall contribute their full share to the attainment of enduring peace in the world.

It is our faith in human dignity that underlies these purposes. It is this faith that keeps us a strong and vital people.

This is a time to remind ourselves of these fundamentals. For today the whole world looks to us for leadership.

Page 2599

This is the hour to rededicate ourselves to the faith in mankind that makes us strong.

This is the hour to rededicate ourselves to the faith in God that gives us confidence as we face the challenge of the years ahead.

***

State of the Union Address
Harry S. Truman
January 5, 1949

Mr. President, Mr. Speaker, Members of the Congress:

I am happy to report to this 81st Congress that the state of the Union is good. Our Nation is better able than ever before to meet the needs of the American people, and to give them their fair chance in the pursuit of happiness. This great Republic is foremost among the nations of the world in the search for peace.

During the last 16 years, our people have been creating a society which offers new opportunities for every man to enjoy his share of the good things of life.

In this society, we are conservative about the values and principles which we cherish; but we are forward-looking in protecting those values and principles and in extending their benefits. We have rejected the discredited theory that the fortunes of the Nation should be in the hands of a privileged few. We have abandoned the “trickledown” concept of national prosperity. Instead, we believe that our economic system should rest on a democratic foundation and that wealth should be created for the benefit of all.

The recent election shows that the people of the United States are in favor of this kind of society and want to go on improving it.

The American people have decided that poverty is just as wasteful and just as unnecessary as preventable disease. We have pledged our common resources to help one another in the hazards and struggles of individual life. We believe that no unfair prejudice or artificial distinction should bar any citizen of the United States of America from an education, or from good health, or from a job that he is capable of performing.

The attainment of this kind of society demands the best efforts of every citizen in every walk of life, and it imposes increasing responsibilities on the Government.

The Government must work with industry, labor, and the farmers in keeping our economy running at full speed. The Government must see that every American has a chance to obtain his fair share of our increasing abundance. These responsibilities go hand in hand.

We cannot maintain prosperity unless we have a fair distribution of opportunity and a widespread consumption of the products of our factories and farms.

Our Government has undertaken to meet these responsibilities.

We have made tremendous public investments in highways, hydroelectric power projects, soil conservation, and reclamation. We have established a system of social security. We have enacted laws protecting the rights and the welfare of our working people and the income of our farmers. These Federal policies have paid for themselves many times over. They have strengthened the material foundations of our democratic ideals. Without them, our present prosperity would be impossible.

Page 2600

Reinforced by these policies, our private enterprise system has reached new heights of production. Since the boom year of 1929, while our population has increased by only 20 percent, our agricultural production has increased by 45 percent, and our industrial production has increased by 75 percent. We are turning out far more goods and more wealth per worker than we have ever done before.

This progress has confounded the gloomy prophets—at home and abroad who predicted the downfall of American capitalism. The people of the United States, going their own way, confident in their own powers, have achieved the greatest prosperity the world has even seen.

But, great as our progress has been, we still have a long way to go.

As we look around the country, many of our shortcomings stand out in bold relief.

We are suffering from excessively high prices.

Our production is still not large enough to satisfy our demands.

Our minimum wages are far too low.

Small business is losing ground to growing monopoly.

Our farmers still face an uncertain future. And too many of them lack the benefits of our modern civilization.

Some of our natural resources are still being wasted.

We are acutely short of electric power, although the means for developing such power are abundant.

Five million families are still living in slums and firetraps. Three million families share their homes with others.

Our health is far behind the progress of medical science. Proper medical care is so expensive that it is out of the reach of the great majority of our citizens.

Our schools, in many localities, are utterly inadequate.

Our democratic ideals are often thwarted by prejudice and intolerance.

Each of these shortcomings is also an opportunity-an opportunity for the Congress and the President to work for the good of the people.

Our first great opportunity is to protect our economy against the evils of “boom and bust.”

This objective cannot be attained by government alone. Indeed, the greater part of the task must be performed by individual efforts under our system of free enterprise. We can keep our present prosperity, and increase it, only if free enterprise and free government work together to that end.

We cannot afford to float along ceaselessly on a postwar boom until it collapses. It is not enough merely to prepare to weather a recession if it comes. Instead, government and business must work together constantly to achieve more and more jobs and more and more production—which mean more and more prosperity for all the people.

The business cycle is man-made; and men of good will, working together, can smooth it out.

So far as business is concerned, it should plan for steady, vigorous expansion—seeking always to increase its output, lower its prices, and avoid the vices of monopoly and restriction. So long as business does this, it will be contributing to continued prosperity, and it will have the help and encouragement of the Government.

Page 2601

The Employment Act of 1946 pledges the Government to use all its resources to promote maximum employment, production, and purchasing power. This means that the Government is firmly committed to protect business and the people against the dangers of recession and against the evils of inflation. This means that the Government must adapt its plans and policies to meet changing circumstances.

At the present time, our prosperity is threatened by inflationary pressures at a number of critical points in our economy. And the Government must be in a position to take effective action at these danger spots. To that end, I recommend that the Congress enact legislation for the following purposes:

First, to continue the power to control consumer credit and enlarge the power to control bank credit.

Second, to grant authority to regulate speculation on the commodity exchanges.

Third, to continue export control authority and to provide adequate machinery for its enforcement.

Fourth, to continue the priorities and allocation authority in the field of transportation.

Fifth, to authorize priorities and allocations for key materials in short supply.

Sixth, to extend and strengthen rent control.

Seventh, to provide standby authority to impose price ceilings for scarce commodities which basically affect essential industrial production or the cost of living, and to limit unjustified wage adjustments which would force a break in an established price ceiling.

Eighth, to authorize an immediate study of the adequacy of production facilities for materials in critically short supply, such as steel; and, if found necessary, to authorize Government loans for the expansion of production facilities to relieve such shortages, and to authorize the construction of such facilities directly, if action by private industry fails to meet our needs.

The Economic Report, which I shall submit to the Congress shortly, will discuss in detail the economic background for these recommendations.

One of the most important factors in maintaining prosperity is the Government's fiscal policy. At this time, it is essential not only that the Federal budget be balanced, but also that there be a substantial surplus to reduce inflationary pressures, and to permit a sizable reduction in the national debt, which now stands at $252 billion. I recommend, therefore, that the Congress enact new tax legislation to bring in an additional $4 billion of Government revenue. This should come principally from additional corporate taxes.

A portion should come from revised estate and gift taxes. Consideration should be given to raising personal income rates in the middle and upper brackets.

If we want to keep our economy running in high gear, we must be sure that every group has the incentive to make its full contribution to the national welfare. At present, the working men and women of the Nation are unfairly discriminated against by a statute that abridges their rights, curtails their constructive efforts, and hampers our system of free collective bargaining. That statute is the Labor-Management Relations Act of 1947, sometimes called the Taft-Hartley Act.

Page 2602

That act should be repealed!

The Wagner Act should be reenacted. However, certain improvements, which I recommended to the Congress 2 years ago, are needed. Jurisdictional strikes and unjustified secondary boycotts should be prohibited. The use of economic force to decide issues arising out of the interpretation of existing contracts should be prevented. Without endangering our democratic freedoms, means should be provided for setting up machinery for preventing strikes in vital industries which affect the public interest.

The Department of Labor should be rebuilt and strengthened and those units properly belonging within that department should be placed in it.

The health of our economy and its maintenance at high levels further require that the minimum wage fixed by law should be raised to at least 75 cents an hour.

If our free enterprise economy is to be strong and healthy, we must reinvigorate the forces of competition. We must assure small business the freedom and opportunity to grow and prosper. To this purpose, we should strengthen our antitrust laws by closing those loopholes that permit monopolistic mergers and consolidations.

Our national farm program should be improved-not only in the interest of the farmers, but for the lasting prosperity of the whole Nation. Our goals should be abundant farm production and parity income for agriculture. Standards of living on the farm should be just as good as anywhere else in the country.

Farm price supports are an essential part of our program to achieve these ends. Price supports should be used to prevent farm price declines which are out of line with general price levels, to facilitate adjustments in production to consumer demands, and to promote good land use. Our price support legislation must be adapted to these objectives. The authority of the Commodity Credit Corporation to provide adequate storage space for crops should be restored.

Our program for farm prosperity should also seek to expand the domestic market for agricultural products, particularly among low-income groups, and to increase and stabilize foreign markets.

We should give special attention to extending modern conveniences and services to our farms. Rural electrification should be pushed forward. And in considering legislation relating to housing, education, health, and social security, special attention should be given to rural problems.

Our growing population and the expansion of our economy depend upon the wise management of our land, water, forest, and mineral wealth. In our present dynamic economy, the task of conservation is not to lockup our resources but to develop and

improve them. Failure, today, to make the investments which are necessary to support our progress in the future would be false economy.

We must push forward the development of our rivers for power, irrigation, navigation, and flood control. We should apply the lessons of our Tennessee Valley experience to our other great river basins.

Page 2603

I again recommend action be taken by the Congress to approve the St. Lawrence Seaway and Power project. This is about the fifth time I have recommended it.

We must adopt a program for the planned use of the petroleum reserves under the sea, which are—and must remain—vested in the Federal Government. We must extend our programs of soil conservation. We must place our forests on a sustained yield basis, and encourage the development of new sources of vital minerals.

In all this we must make sure that the benefits of these public undertakings are directly available to the people. Public power should be carried to consuming areas by public transmission lines where necessary to provide electricity at the lowest possible rates. Irrigation waters should serve family farms and not land speculators.

The Government has still other opportunities—to help raise the standard of living of our citizens. These opportunities lie in the fields of social security, health, education, housing, and civil rights.

The present coverage of the social security laws is altogether inadequate; the benefit payments are too low. One-third of our workers are not covered. Those who receive old-age and survivors insurance benefits receive an average payment of only $25 a month. Many others who cannot work because they are physically disabled are left to the mercy of charity. We should expand our social security program, both as to the size of the benefits and the extent of coverage, against the economic hazards due to unemployment, old age, sickness, and disability.

We must spare no effort to raise the general level of health in this country. In a nation as rich as ours, it is a shocking fact that tens of millions lack adequate medical care. We are short of doctors, hospitals, nurses. We must remedy these shortages. Moreover, we need—and we must have without further delay—a system of prepaid medical insurance which will enable every American to afford good medical care.

It is equally shocking that millions of our children are not receiving a good education. Millions of them are in overcrowded, obsolete buildings. We are short of teachers, because teachers' salaries are too low to attract new teachers, or to hold the ones we have. All these school problems will become much more acute as a result of the tremendous increase in the enrollment in our elementary schools in the next few years. I cannot repeat too strongly my desire for prompt Federal financial aid to the States to help them operate and maintain their school systems.

The governmental agency which now administers the programs of health, education, and social security should be given full departmental status.

The housing shortage continues to be acute. As an immediate step, the Congress should enact the provisions for low-rent public housing, slum clearance, farm housing,

and housing research which I have repeatedly recommended. The number of low-rent public housing units provided for in the legislation should be increased to 1 million units in the next 7 years. Even this number of units will not begin to meet our need for new housing.

Page 2604

Most of the houses we need will have to be built by private enterprise, without public subsidy. By producing too few rental units and too large a proportion of high-priced houses, the building industry is rapidly pricing itself out of the market. Building costs must be lowered.

The Government is now engaged in a campaign to induce all segments of the building industry to concentrate on the production of lower priced housing. Additional legislation to encourage such housing will be submitted.

The authority which I have requested, to allocate materials in short supply and to impose price ceilings on such materials, could be used, if found necessary, to channel more materials into homes large enough for family life at prices which wage earners can afford.

The driving force behind our progress is our faith in our democratic institutions. That faith is embodied in the promise of equal rights and equal opportunities which the founders of our Republic proclaimed to their countrymen and to the whole world.

The fulfillment of this promise is among the highest purposes of government. The civil rights proposals I made to the 80th Congress, I now repeat to the 81st Congress. They should be enacted in order that the Federal Government may assume the leadership and discharge the obligations dearly placed upon it by the Constitution.

I stand squarely behind those proposals.

Our domestic programs are the foundation of our foreign policy. The world today looks to us for leadership because we have so largely realized, within our borders, those benefits of democratic government for which most of the peoples of the world are yearning.

We are following a foreign policy which is the outward expression of the democratic faith we profess. We are doing what we can to encourage free states and free peoples throughout the world, to aid the suffering and afflicted in foreign lands, and to strengthen democratic nations against aggression.

The heart of our foreign policy is peace. We are supporting a world organization to keep peace and a world economic policy to create prosperity for mankind. Our guiding star is the principle of international cooperation. To this concept we have made a national commitment as profound as anything in history.

To it we have pledged our resources and our honor.

Until a system of world security is established upon which we can safely rely, we cannot escape the burden of creating and maintaining armed forces sufficient to deter aggression. We have made great progress in the last year in the effective organization

of our Armed Forces, but further improvements in our national security legislation are necessary. Universal training is essential to the security of the United States.

During the course of this session I shall have occasion to ask the Congress to consider several measures in the field of foreign policy. At this time, I recommend that we restore the Reciprocal Trade Agreements Act to full effectiveness, and extend it for 3 years. We should also open our doors to displaced persons without unfair discrimination.

Page 2605

It should be clear by now to all citizens that we are not seeking to freeze the status quo. We have no intention of preserving the injustices of the past. We welcome the constructive efforts being made by many nations to achieve a better life for their citizens. In the European recovery program, in our good-neighbor policy and in the United Nations, we have begun to batter down those national walls which block the economic growth and the social advancement of the peoples of the world.

We believe that if we hold resolutely to this course, the principle of international cooperation will eventually command the approval even of those nations which are now seeking to weaken or subvert it.

We stand at the opening of an era which can mean either great achievement or terrible catastrophe for ourselves and for all mankind.

The strength of our Nation must continue to be used in the interest of all our people rather than a privileged few. It must continue to be used unselfishly in the struggle for world peace and the betterment of mankind the world over.

This is the task before us.

It is not an easy one. It has many complications, and there will be strong opposition from selfish interests.

I hope for cooperation from farmers, from labor, and from business. Every segment of our population and every individual has a right to expect from our Government a fair deal.

In 1945, when I came down before the Congress for the first time on April 16, I quoted to you King Solomon's prayer that he wanted wisdom and the ability to govern his people as they should be governed. I explained to you at that time that the task before me was one of the greatest in the history of the world, and that it was necessary to have the complete cooperation of the Congress and the people of the United States.

Well now, we are taking a new start with the same situation. It is absolutely essential that your President have the complete cooperation of the Congress to carry out the great work that must be done to keep the peace in this world, and to keep this country prosperous.

The people of this great country have a right to expect that the Congress and the President will work in closest cooperation with one objective—the welfare of the people of this Nation as a whole.

In the months ahead I know that I shall be able to cooperate with this Congress.

Now, I am confident that the Divine Power which has guided us to this time of fateful responsibility and glorious opportunity will not desert us now.

With that help from Almighty God which we have humbly acknowledged at every turning point in our national life, we shall be able to perform the great tasks which He now sets before us.

***

State of the Union Address
Harry S. Truman
January 4, 1950

Mr. President, Mr. Speaker, Members of the Congress:

Page 2606

A year ago I reported to this Congress that the state of the Union was good. I am happy to be able to report to you today that the state of the Union continues to be good. Our Republic continues to increase in the enjoyment of freedom within its borders, and to offer strength and encouragement to all those who love freedom throughout the world.

During the past year we have made notable progress in strengthening the foundations of peace and freedom, abroad and at home.

We have taken important steps in securing the North Atlantic community against aggression. We have continued our successful support of European recovery. We have returned to our established policy of expanding international trade through reciprocal agreement. We have strengthened our support of the United Nations.

While great problems still confront us, the greatest danger has receded—the possibility which faced us 3 years ago that most of Europe and the Mediterranean area might collapse under totalitarian pressure. Today, the free peoples of the world have new vigor and new hope for the cause of peace.

In our domestic affairs, we have made notable advances toward broader opportunity and a better life for all our citizens.

We have met and reversed the first significant downturn in economic activity since the war. In accomplishing this, Government programs for maintaining employment and purchasing power have been of tremendous benefit. As the result of these programs, and the wisdom and good judgment of our businessmen and workers, major readjustments have been made without widespread suffering.

During the past year, we have also made a good start in providing housing for low-income groups; we have raised minimum wages; we have gone forward with the development of our natural resources; we have given a greater assurance of stability to the farmer; and we have improved the organization and efficiency of our Government.

Today, by the grace of God, we stand a free and prosperous nation with greater possibilities for the future than any people ever had before in the history of the world.

We are now, in this year of 1950, nearing the midpoint of the 20th century.

The first half of this century will be known as the most turbulent and eventful period in recorded history. The swift pace of events promises to make the next 50 years decisive in the history of man on this planet.

The scientific and industrial revolution which began two centuries ago has, in the last 50 years, caught up the peoples of the globe in a common destiny. Two world-shattering wars have proved that no corner of the earth can be isolated from the affairs of mankind.

The human race has reached a turning point. Man has opened the secrets of nature and mastered new powers. If he uses them wisely, he can reach new heights of civilization. If he uses them foolishly, they may destroy him.

Page 2607

Man must create the moral and legal framework for the world which will insure that his new powers are used for good and not for evil. In shaping the outcome, the people of the United States will play a leading role.

Among all the great changes that have occurred in the last 50 years, none is more important than the change in the position of the United States in world affairs. Fifty years ago we were a country devoted largely to our own internal affairs. Our industry was growing, and we had new interests in the Far East and in the Caribbean, but we were primarily concerned with the development of vast areas of our own continental territory.

Today, our population has doubled. Our national production has risen from about $50 billion, in terms of today's prices, to the staggering figure of $255 billion a year. We have a more productive economic system and a greater industrial potential than any other nation on the globe. Our standard of living is an inspiration for all other peoples. Even the slightest changes in our economic and social life have their effect on other countries all around the world.

Our tremendous strength has brought with it tremendous responsibilities. We have moved from the outer edge to the center of world affairs. Other nations look to us for a wise exercise of our economic and military strength, and for vigorous support of the ideals of representative government and a free society. We will not fail them.

Our objective in the world is peace. Our country has joined with others in the task of achieving peace. We know now that this is not an easy task, or a short one. But we are determined to see it through. Both of our great political parties are committed to working together—and I am sure they will continue to work together—to achieve this end. We are prepared to devote our energy and our resources to this task, because we know that our own security and the future of mankind are at stake.

Right here, I want to say that no one appreciates more than I the bipartisan cooperation in foreign affairs which has been enjoyed by this administration.

Our success in working with other nations to achieve peace depends largely on what we do at home. We must preserve our national strength. Strength is not simply a matter of arms and force. It is a matter of economic growth, and social health, and vigorous institutions, public and private. We can achieve peace only if we maintain our productive energy, our democratic institutions, and our firm belief in individual freedom.

Our surest guide in the days that lie ahead will be the spirit in which this great Republic was rounded. We must make our decisions in the conviction that all men are created equal, that they are equally entitled to life, liberty, and the pursuit of happiness, and that the duty of government is to serve these ends.

This country of ours has experienced many blessings, but none greater than its dedication to these principles. At every point in our history, these ideals have served to correct our failures and shortcomings, to spur us on to greater efforts, and to keep clearly before us the primary purpose of our existence as a nation. They have enshrined for us, a principle of government, the moral imperative to do justice, and the divine command to men to love one another.

Page 2608

These principles give meaning to all that we do.

In foreign policy, they mean that we can never be tolerant of oppression or tyranny. They mean that we must throw our weight on the side of greater freedom and a better life for all peoples. These principles confirm us in carrying out the specific programs for peace which we have already begun.

We shall continue to give our wholehearted support to the United Nations. We believe that this organization can ultimately provide the framework of international law and morality without which mankind cannot survive. It has already set up new standards for the conduct of nations in the Declaration of Human Rights and the Convention on Genocide. It is moving ahead to give meaning to the concept of world brotherhood through a wide variety of cultural, economic, and technical activities.

The events of the past year again showed the value of the United Nations in bringing about the peaceful adjustment of tense international controversies. In Indonesia and in Palestine the efforts of the United Nations have put a stop to bloodshed and paved the way to peaceful settlements.

We are working toward the time when the United Nations will control weapons of mass destruction and will have the forces to preserve international law and order. While the world remains unsettled, however, and as long as our own security and the security of the free world require, we will maintain a strong and well-balanced defense organization. The Selective Service System is an essential part of our defense plans, and it must be continued.

Under the principles of the United Nations Charter we must continue to share in the common defense of free nations against aggression. At the last session this Congress laid the basis for this joint effort. We now must put into effect the common defense plans that are being worked out.

We shall continue our efforts for world economic recovery, because world prosperity is the only sure foundation of a permanent peace.

As an immediate means to this end we must continue our support of the European recovery program. This program has achieved great success in the first 2 years of its operation, but it has not yet been completed. If we were to stop this program now, or cripple it, just because it is succeeding, we should be doing exactly what the enemies of democracy want us to do. We should be just as foolish as a man who, for reasons of false economy, failed to put a roof on his house after building the foundation and the walls.

World prosperity also requires that we do all we can to expand world trade. As a major step in this direction we should promptly join the International Trade Organization. The

purpose of this organization, which the United States has been foremost in creating, is to establish a code of fair practice, and an international authority for adjusting differences in international commercial relations. It is an effort to prevent

Page 2609

the kind of anarchy and irresponsibility in world trade which did so much to bring about the world depression of the 1930's. An expanding world economy requires the improvement of living standards and the development of resources in areas where human poverty and misery now prevail. Without such improvement the recovery of Europe and the future of our own economy will not be secure. I urge that the Congress adopt the legislation now before it to provide for increasing the flow of technical assistance and capital investment in underdeveloped regions.

It is more essential now than ever, if the ideals of freedom and representative government are to prevail in these areas, and particularly in the Far East, that their peoples experience, in their own lives, the benefits of scientific and economic advances. This program will require the movement of large amounts of capital from the industrial nations, and particularly from the United States, to productive uses in the underdeveloped areas of the world. Recent world events make prompt action imperative.

This program is in the interest of all peoples-and has nothing in common with either the old imperialism of the last century or the new imperialism of the Communists.

Our aim for a peaceful, democratic world of free peoples will be achieved in the long run, not by force of arms, but by an appeal to the minds and hearts of men. If the peace policy of the democratic nations is to be successful, they must demonstrate that the benefits of their way of life can be increased and extended to all nations and all races.

In the world today we are confronted with the danger that the rising demand of people everywhere for freedom and a better life may be corrupted and betrayed by the false promises of communism. In its ruthless struggle for power, communism seizes upon our imperfections, and takes advantage of the delays and setbacks which the democratic nations experience in their effort to secure a better life for their citizens. This challenge to us is more than a military challenge. It is a challenge to the honesty of our profession of the democratic faith; it is a challenge to the efficiency and stability of our economic system; it is a challenge to the willingness to work with other peoples for world peace and for world prosperity.

For my part I welcome that challenge. I believe that our country, at this crucial point in world history, will meet that challenge successfully. I believe that, in cooperation with the other free nations of the world, we shall extend the full benefits of the democratic way of life to millions who do not now enjoy them, and preserve mankind from dictatorship and tyranny.

I believe that we shall succeed in our struggle for this peace, because I have seen the success we have had in our own country in following the principles of freedom. Over

the last 50 years, the ideals of liberty and equal opportunity to which this Nation is dedicated have been increasingly realized in the lives of our people.

Page 2610

The ideal of equal opportunity no longer means simply the opportunity which a man has to advance beyond his fellows. Some of our citizens do achieve greater success than others as a reward for individual merit and effort, and this is as it should be. At the same time our country must be more than a land of opportunity for a select few. It must be a land of opportunity for all of us. In such a land we can grow and prosper together.

The simple truth that we can all go forward together is often questioned by selfish or shortsighted persons. It is strange that this is so, for this proposition is so clearly demonstrated by our national history. During the last 50 years, for example, our Nation has grown enormously in material well-being. This growth has come about, not by concentrating the benefits of our progress in the hands of a few, but by increasing the wealth of the great body of our Nation and our citizens.

In the last 50 years the income of the average family has increased so greatly that its buying power has doubled. The average hours of work have declined from 60 to 40 a week, the whole hourly production of the average worker has tripled. Average wages, allowing for price changes, have increased from about 45 cents an hour to $1.40 an hour.

We have accomplished what to earlier ages of mankind would have been a miracle—we work shorter hours, we produce more, and we live better.

Increasing freedom from poverty and drudgery has given a fuller meaning to American life. Our people are better educated; we have more opportunities for travel and recreation and enjoyment of the arts. We enjoy more personal liberty in the United States today than ever before.

If we can continue in the spirit of cooperative adventure which has marked the recent years of our progress, we can expect further scientific advances, further increases in our standard of living, and a still wider enjoyment of democratic freedom.

No one, of course, can foretell the future exactly. However, if we assume that we shall grow as fast in the future as we have grown in the past, we can get a good idea of how much our country should grow in the next 50 years.

At present our total national production is $255 billion a year. Our working population and our output per worker are increasing. If our productive power continues to increase at the same rate as it has increased over the past 50 years, our total national production 50 years from now will be nearly four times as much as it is today. Allowing for the expected growth in population, this would mean that the real income of the average family in the year 2000 A.D. would be about three times what it is today.

These are estimates of what we can do in the future, but we can reach these heights only if we follow the right policies. We have learned by bitter experience that progress

is not automatic—that wrong policies lead to depression and disaster. We cannot achieve these gains unless we have a stable economy and avoid the catastrophes of boom and bust that have set us back in the past.

Page 2611

These gains cannot be achieved unless our businessmen maintain their spirit of initiative and enterprise and operate in a competitive economy. They cannot be achieved unless our workingmen and women and their unions help to increase productivity and obtain for labor a fair share of the benefits of our economic system. They cannot be achieved unless we have a stable and prosperous agriculture. They cannot be achieved unless we conserve and develop our natural resources in the public interest. Our system will not work unless our people are healthy, well-educated, and confident of the future. It will not work unless all citizens can participate fully in our national life.

In achieving these gains the Government has a special responsibility to help create and maintain the conditions which will permit the growth we know is possible. Foremost among these conditions is the need for a fair distribution of our increasing prosperity among all the great groups of our population who help to bring it about-labor, business, agriculture.

Businessmen must continue to have the incentives necessary for investment and for the development of new lines of enterprise. In the future growth of this country, lie possibilities for hundreds of thousands of new and independent businesses. As our national production increases, as it doubles and redoubles in the next 50 years, the number of independent and competing enterprises should also increase. If the number does not increase, our constantly growing economy will fall under the control of a few dominant economic groups whose powers will be so great that they will be a challenge to democratic institutions.

To avoid this danger, we must curb monopoly and provide aids to independent business so that it may have the credit and capital to compete in a system of free enterprise. I recommend that the Congress complete action at this session on the pending bill to close the loopholes in the Clayton Act which now permit monopolistic mergers. I also hope before this session is over to transmit to the Congress a series of proposals to strengthen the antimonopoly laws, to assist small business, and to encourage the growth of new enterprises.

In the case of labor, free collective bargaining must be protected and encouraged. Collective bargaining is not only a fundamental economic freedom for labor. It is also a strengthening and stabilizing influence for our whole economy.

The Federal statute now governing labor relations is punitive in purpose and one-sided in operation. This statute is, and always has been, inconsistent with the practice of true and effective collective bargaining. It should be repealed and replaced by a law that is fair to all and in harmony with our democratic ideals.

A full understanding of the problems of modern labor relations is of such importance that I recommend the establishment of a labor extension service to encourage educational activities in this field.

Page 2612

Another essential for our continued growth is a stable and prosperous agriculture. For many years we have been building a program to give the farmer a reasonable measure of protection against the special hazards to which he is exposed. That program was improved at the last session of the Congress. However, our farm legislation is still not adequate.

Although the Congress has properly declared as a matter of national policy that safeguards must be maintained against slumps in farm prices, there are serious shortcomings in the methods now available for carrying out this policy. Mandatory price supports should be provided for the commodities not now covered which are major sources of farm income.

Moreover, we should provide a method of supporting farm income at fair levels which will, at the same time, avoid piling up unmanageable surpluses and allow consumers to obtain the full benefit of our abundant agricultural production. A system of production payments gives the greatest promise of accomplishing this purpose. I recommend that the use of such a system be authorized.

One of the most important factors in our continued growth is the construction of more good, up-to-date housing. In a country such as ours there is no reason why decent homes should not be within the reach of all. With the help of various Government programs we have made great progress in the last few years in increasing the number of homes.

Despite this increase, there is still an acute shortage of housing for the lower and middle-income groups, especially in large metropolitan areas. We have laid the groundwork for relieving the plight of lower-income families in the Housing Act of 1949. To aid the middle-income families, I recommend that the Congress enact new legislation authorizing a vigorous program to help cooperatives and other nonprofit groups build housing which these families can afford.

Rent control has done a great deal to prevent the housing shortage from having had worse effects during this postwar period of adjustment. Rent control is still necessary to prevent widespread hardship and sharp curtailment of the buying power of millions of consumers in metropolitan areas. I recommend, therefore, that rent control be continued for another year.

If we are to achieve a better life for all, the natural resources of the country must be regarded as a public trust. We must use our precious assets of soil, water, and forest, and grassland in such a way that they become constantly more productive and more valuable. Government investment in the conservation and development of our resources is necessary to the future economic expansion of the country.

We need to enlarge the production and transmission of public power. That is true not only in those regions which have already received great benefits from Federal power projects, but also in regions such as New England where the benefits of large-scale public power development have not yet been experienced.

Page 2613

In our hydroelectric and irrigation undertakings, as well as in our other resource programs, we must continue policies to assure that their benefits will be spread among the many and not restricted to the favored few.

Important resource legislation which should be passed at this session includes the authorization of the St. Lawrence seaway and power project and the establishment of the Columbia Valley Administration—the establishment of the Columbia Valley Administration, I don't want you to miss that.

Through wise Government policies and Government expenditures for the conservation and development of our natural resources, we can be sure of transmitting to our children and our children's children a country far richer and more productive than the one we know today.

The value of our natural resources is constantly being increased by the progress of science. Research is finding new ways of using such natural assets as minerals, sea water, and plant life. In the peaceful development of atomic energy, particularly, we stand on the threshold of new wonders. The first experimental machines for producing useful power from atomic energy are now under construction. We have made only the first beginnings in this field, but in the perspective of history they may loom larger than the first airplane, or even the first tools that started man on the road to civilization.

To take full advantage of the increasing possibilities of nature we must equip ourselves with increasing knowledge. Government has a responsibility to see that our country maintains its position in the advance of science. As a step toward this end, the Congress should complete action on the measure to create a National Science Foundation.

Another duty of the Government is to promote the economic security, the health, and the education of its citizens. By so doing, we strengthen both our economy and the structure of our society. In a nation as rich as ours, all citizens should be able to live in decency and health.

Our Social Security System should be developed into the main reliance of our people for basic protection against the economic hazards of old-age, unemployment, and illness. I earnestly hope that the Congress will complete action at this session on legislation to increase the benefits and extend the coverage of old-age and survivors' insurance. The widespread movement to provide pensions in private industry dramatizes the need for improvements in the public insurance system.

I also urge that the Congress strengthen our unemployment compensation law to meet present-day needs more adequately. The economic downturn of the past year was the first real test that our system of unemployment insurance has had to meet. That test

has proved the wisdom of the system, but it has also made strikingly apparent the need for improving its operation and increasing its coverage and its benefits.

In the field of health there are immense opportunities to extend to more of our people the benefits of the amazing advances in medical science. We have made a good beginning in expanding our hospitals, but we must also go on to remedy the shortages of doctors, nurses, and public health services, and to establish a system of medical insurance which will enable all Americans to afford good medical care.

Page 2614

We must take immediate steps to strengthen our educational system. In many parts of our country, young people are being handicapped for life because of a poor education. The rapidly increasing number of children of school age, coupled with the shortage of qualified teachers, makes this problem more critical each year. I believe that the Congress should no longer delay in providing Federal assistance to the States so that they can maintain adequate schools.

As we go forward in achieving greater economic security and greater opportunity for all our people, we should make every effort to extend the benefits of our democratic institutions to every citizen. The religious ideals which we profess, and the heritage of freedom which we have received from the past, clearly place that duty upon us. I again urge the Congress to enact the civil rights proposals I made in February 1948. These proposals are for the enactment of Federal statutes which will protect all our people in the exercise of their democratic rights and their search for economic opportunity, grant statehood to Alaska and Hawaii, provide a greater measure of self-government for our island possessions, and accord home rule to the District of Columbia. Some of those proposals have been before the Congress for a long time. Those who oppose them, as well as those who favor them, should recognize that it is the duty of the elected representatives of the people to let these proposals come to a vote.

Our democratic ideals, as well as our best interests, require that we do our fair share in providing homes for the unfortunate victims of war and tyranny. In so doing, we shall add strength to our democracy through the abilities and skills which these men and women will bring here. I urge the prompt enactment by the Congress of the legislation now before it to extend and broaden the existing displaced persons law and remove its discriminatory features.

The measures I am recommending to the Congress concerning both our foreign and our domestic policies represent a carefully considered program to meet our national needs. It is a program which necessarily requires large expenditures of funds. More than 70 percent of the Government's expenditures are required to meet the costs of past wars and to work for world peace. This is the dominant factor in our fiscal policy. At the same time, the Government must make substantial expenditures which are necessary to the growth and expansion of the domestic economy.

At present, largely because of the ill-considered tax reduction of the Both Congress, the Government is not receiving enough revenue to meet its necessary expenditures.

To meet this situation, I am proposing that Federal expenditures be held to the lowest levels consistent with our international requirements and the essential needs of economic growth, and the well-being of our people. I think I had better read that over; you interrupted me in the middle.

Page 2615

To meet this situation, I am proposing that Federal expenditures be held to the lowest levels consistent with our international requirements and the essential needs of economic growth, and the well-being of our people. Don't forget that last phrase. At the same time, we must guard against the folly of attempting budget slashes which would impair our prospects for peace or cripple the programs essential to our national strength.

The budget recommendations I shall shortly transmit to the Congress show that we can expect a substantial improvement in our fiscal position over the next few years, as the cost of some of our extraordinary postwar programs declines, and as the Government revenue rises as a result of growth in employment and national income. To further improve our fiscal outlook, we should make some changes in our tax system which will reduce present inequities, stimulate business activity, and yield a moderate amount of additional revenue. I expect to transmit specific recommendations to the Congress on this subject at a very early date.

The fiscal policy I am recommending is the quickest and safest way of achieving a balanced budget.

As we move forward into the second half of the 20th century, we must always bear in mind the central purpose of our national life. We do not seek material prosperity for ourselves because we love luxury; we do not aid other nations because we wish to increase our power. We have not devised programs for the security and well-being of our people because we are afraid or unwilling to take risks. This is not the meaning of our past history or our present course.

We work for a better life for all, so that all men may put to good use the great gifts with which they have been endowed by their Creator. We seek to establish those material conditions of life in which, without exception, men may live in dignity, perform useful work, serve their communities, and worship God as they see fit.

These may seem simple goals, but they are not little ones. They are worth a great deal more than all the empires and conquests of history. They are not to be achieved by military aggression or political fanaticism. They are to be achieved by humbler means-by hard work, by a spirit of self-restraint in our dealings with one another, and by a deep devotion to the principles of justice and equality.

It should make us truly thankful, as we look back to the beginnings of this country, that we have come so far along the road to a better life for all. It should make us humble to think, as we look ahead, how much farther we have to go to accomplish, at home and abroad, the objectives that were set out for us at the founding of this great Nation.

As we approach the halfway mark of the 20th century, we should ask for continued strength and guidance from that Almighty Power who has placed before us such great opportunities for the good of mankind in the years to come.

Page 2616

***

State of the Union Address
Harry S. Truman
January 8, 1951

Mr. President, Mr. Speaker, Members of the Congress:

This 82d Congress faces as grave a task as any Congress in the history of our Republic. The actions you take will be watched by the whole world. These actions will measure the ability of a free people, acting through their chosen representatives and their free institutions, to meet a deadly challenge to their way of life.

We can meet this challenge foolishly or wisely. We can meet it timidly or bravely, shamefully or honorably.

I know that the 82d Congress will meet this challenge in a way worthy of our great heritage. I know that your debates will be earnest, responsible, constructive, and to the point. I know that from these debates there will come the great decisions needed to carry us forward.

At this critical time, I am glad to say that our country is in a healthy condition. Our democratic institutions are sound and strong. We have more men and women at work than ever before. We are able to produce more than ever before—in fact, far more than any country ever produced in the history of the world.

I am confident that we can succeed in the great task that lies before us.

We will succeed, but we must all do our part. We must all act together as citizens of this great Republic.

As we meet here today, American soldiers are fighting a bitter campaign in Korea. We pay tribute to their courage, devotion, and gallantry.

Our men are fighting, alongside their United Nations allies, because they know, as we do, that the aggression in Korea is part of the attempt of the Russian Communist dictatorship to take over the world, step by step.

Our men are fighting a long way from home, but they are fighting for our lives and our liberties. They are fighting to protect our right to meet here today—our right to govern ourselves as a free nation.

The threat of world conquest by Soviet Russia endangers our liberty and endangers the kind of world in which the free spirit of man can survive. This threat is aimed at all peoples who strive to win or defend their own freedom and national independence.

Indeed, the state of our Nation is in great part the state of our friends and allies throughout the world. The gun that points at them points at us, also. The threat is a total threat and the danger is a common danger.

All free nations are exposed and all are in peril. Their only security lies in banding together. No one nation can find protection in a selfish search for a safe haven from the storm.

The free nations do not have any aggressive purpose. We want only peace in the world—peace for all countries. No threat to the security of any nation is concealed in our plans and programs.

We had hoped that the Soviet Union, with its security assured by the Charter of the United Nations, would be willing to live and let live. But I am sorry to say that has not been the case.

Page 2617

The imperialism of the czars has been replaced by the even more ambitious, more crafty, and more menacing imperialism of the rulers of the Soviet Union.

This new imperialism has powerful military forces. It is keeping millions of men under arms. It has a large air force and a strong submarine force. It has complete control of the men and equipment of its satellites. It has kept its subject peoples and its economy in a state of perpetual mobilization.

The present rulers of the Soviet Union have shown that they are willing to use this power to destroy the free nations and win domination over the whole world.

The Soviet imperialists have two ways of going about their destructive work. They use the method of subversion and internal revolution, and they use the method of external aggression. In preparation for either of these methods of attack, they stir up class strife and disorder. They encourage sabotage. They put out poisonous propaganda. They deliberately try to prevent economic improvement.

If their efforts are successful, they foment a revolution, as they did in Czechoslovakia and China, and as they tried, unsuccessfully, to do in Greece. If their methods of subversion are blocked, and if they think they can get away with outright warfare, they resort to external aggression. This is what they did when they loosed the armies of their puppet states against the Republic of Korea, in an evil war by proxy.

We of the free world must be ready to meet both of these methods of Soviet action. We must not neglect one or the other.

The free world has power and resources to meet these two forms of aggression—-resources that are far greater than those of the Soviet dictatorship. We have skilled and vigorous peoples, great industrial strength, and abundant sources of raw materials. And above all, we cherish liberty. Our common ideals are a great part of our strength. These ideals are the driving force of human progress.

The free nations believe in the dignity and the worth of man.

We believe in independence for all nations.

We believe that free and independent nations can band together into a world order based on law. We have laid the cornerstone of such a peaceful world in the United Nations.

We believe that such a world order can and should spread the benefits of modern science and industry, better health and education, more food and rising standards of living—throughout the world.

These ideals give our cause a power and vitality that Russian communism can never command.

The free nations, however, are bound together by more than ideals. They are a real community bound together also by the ties of self-interest and self-preservation. If they should fall apart, the results would be fatal to human freedom.

Our own national security is deeply involved with that of the other free nations. While they need our support, we equally need theirs. Our national safety would be gravely prejudiced if the Soviet Union were to succeed in harnessing to its war machine the resources and the manpower of the free nations on the borders of its empire.

Page 2618

If Western Europe were to fall to Soviet Russia, it would double the Soviet supply of coal and triple the Soviet supply of steel. If the free countries of Asia and Africa should fall to Soviet Russia, we would lose the sources of many of our most vital raw materials, including uranium, which is the basis of our atomic power. And Soviet command of the manpower of the free nations of Europe and Asia would confront us with military forces which we could never hope to equal.

In such a situation, the Soviet Union could impose its demands on the world, without resort to conflict, simply through the preponderance of its economic and military power. The Soviet Union does not have to attack the United States to secure domination of the world. It can achieve its ends by isolating us and swallowing up all our allies. Therefore, even if we were craven enough I do not believe we could be—but, I say, even if we were craven enough to abandon our ideals, it would be disastrous for us to withdraw from the community of free nations.

We are the most powerful single member of this community, and we have a special responsibility. We must take the leadership in meeting the challenge to freedom and in helping to protect the rights of independent nations.

This country has a practical, realistic program of action for meeting this challenge.

First, we shall have to extend economic assistance, where it can be effective. The best way to stop subversion by the Kremlin is to strike at the roots of social injustice and economic disorder. People who have jobs, homes, and hopes for the future will defend themselves against the underground agents of the Kremlin. Our programs of economic aid have done much to turn back Communism,

In Europe the Marshall plan has had an electrifying result. As European recovery progressed, the strikes led by the Kremlin's agents in Italy and France failed. All over Western Europe the Communist Party took worse and worse beatings at the polls.

The countries which have received Marshall plan aid have been able, through hard work, to expand their productive strength-in many cases, to levels higher than ever before in their history. Without this strength they would be completely incapable of defending themselves today. They are now ready to use this strength in helping to build a strong combined defense against aggression.

We shall need to continue some economic aid to European countries. This aid should now be specifically related to the building of their defenses.

In other parts of the world our economic assistance will need to be more broadly directed toward economic development. In the Near East, in Africa, in Asia, we must do what we can to help people who are striving to advance from misery, poverty, and hunger. We must also continue to help the economic growth of our good neighbors in

this hemisphere. These actions will bring greater strength for the free world. They will give many people a real stake in the future and reason to defend their freedom. They will mean increased production of goods they need and materials we need.

Page 2619

Second, we shall need to continue our military assistance to countries which want to defend themselves.

The heart of our common defense effort is the North Atlantic community. The defense of Europe is the basis for the defense of the whole free world—ourselves included. Next to the United States, Europe is the largest workshop in the world. It is also a homeland of the great religious beliefs shared by many of our citizens beliefs which are now threatened by the tide of atheistic communism.

Strategically, economically, and morally, the defense of Europe is a part of our own defense. That is why we have joined with the countries of Europe in the North Atlantic Treaty, pledging ourselves to work with them.

There has been much discussion recently over whether the European countries are willing to defend themselves. Their actions are answering this question.

Our North Atlantic Treaty partners have strict systems of universal military training. Several have recently increased the term of service. All have taken measures to improve the quality of training. Forces are being trained and expanded as rapidly as the necessary arms and equipment can be supplied from their factories and ours. Our North Atlantic Treaty partners, together, are building armies bigger than our own.

None of the North Atlantic Treaty countries, including our own country, has done enough yet. But real progress is being made. Together, we have worked out defense plans. The military leaders of our own country took part in working out these plans, and are agreed that they are sound and within our capabilities.

To put these plans into action, we sent to Europe last week one of our greatest military commanders, General Dwight D. Eisenhower.

General Eisenhower went to Europe to assume command of the united forces of the North Atlantic Treaty countries, including our own forces in Germany.

The people of Europe have confidence in General Eisenhower. They know his ability to put together a fighting force of allies. His mission is vital to our security. We should all stand behind him, and give him every bit of help we can.

Part of our job will be to reinforce the military strength of our European partners by sending them weapons and equipment as our military production expands.

Our program of military assistance extends to the nations in the Near East and the Far East which are trying to defend their freedom. Soviet communism is trying to make these nations into colonies, and to use their people as cannon fodder in new wars of conquest. We want their people to be free men and to enjoy peace.

Our country has always stood for freedom for the peoples of Asia. Long, long ago it stood for the freedom of the peoples of Asia. Our history shows this. We have demonstrated it in the Philippines. We have demonstrated it in our relations with Indonesia, India, and with China. We hope to join in restoring the people of Japan to membership in the community of free nations.

Page 2620

It is in the Far East that we have taken up arms, under the United Nations, to preserve the principle of independence for free nations. We are fighting to keep the forces of Communist aggression from making a slave state out of Korea.

Korea has tremendous significance for the world. It means that free nations, acting through the United Nations, are fighting together against aggression.

We will understand the importance of this best if we look back into history. If the democracies had stood up against the invasion of Manchuria in 1931, or the attack on Ethiopia in 1935, or the seizure of Austria in 1938, if they had stood together against aggression on those occasions as the United Nations has done in Korea, the whole history of our time would have been different.

The principles for which we are fighting in Korea are right and just. They are the foundations of collective security and of the future of free nations. Korea is not only a country undergoing the torment of aggression; it is also a symbol. It stands for right and justice in the world against oppression and slavery. The free world must always stand for these principles—and we will stand with the free world.

As the third part of our program, we will continue to work for peaceful settlements in international disputes. We will support the United Nations and remain loyal to the great principles of international cooperation laid down in its charter.

We are willing, as we have always been, to negotiate honorable settlements with the Soviet Union. But we will not engage in appeasement.

The Soviet rulers have made it clear that we must have strength as well as right on our side. If we build our strength—and we are building it—the Soviet rulers may face the facts and lay aside their plans to take over the world.

That is what we hope will happen, and that is what we are trying to bring about. That is the only realistic road to peace.

These are the main elements of the course our Nation must follow as a member of the community of free nations. These are the things we must do to preserve our security and help create a peaceful world. But they will be successful only if we increase the strength of our own country.

Here at home we have some very big jobs to do. We are building much stronger military forces—and we are building them fast. We are preparing for full wartime mobilization, if that should be necessary. And we are continuing to build a strong and growing economy, able to maintain whatever effort may be required for as long as necessary.

We are building our own Army, Navy, and Air Force to an active strength of nearly 3 1/2 million men and women. We are stepping up the training of the reserve forces, and establishing more training facilities, so that we can rapidly increase our active forces far more on short notice.

We are going to produce all the weapons and equipment that such an armed force will need. Furthermore, we will make weapons for our allies, and weapons for our own reserve supplies. On top of this, we will build the capacity to turn out on short notice arms and supplies that may be needed for a full-scale war.

Page 2621

Fortunately, we have a good start on this because of our enormous plant capacity and because of the equipment on hand from the last war. For example, many combat ships are being returned to active duty from the “mothball fleet” and many others can be put into service on very short notice. We have large reserves of arms and ammunition and thousands of workers skilled in arms production.

In many cases, however, our stocks of weapons are low. In other cases, those on hand are not the most modern. We have made remarkable technical advances. We have developed new types of jet planes and powerful new tanks. We are concentrating on producing the newest types of weapons and producing them as fast as we can.

This production drive is more selective than the one we had during World War II, but it is just as urgent and intense. It is a big program and it is a costly one.

Let me give you two concrete examples. Our present program calls for expanding the aircraft industry so that it will have the capacity to produce 50,000 modern military planes a year. We are preparing the capacity to produce 35,000 tanks a year. We are not now ordering that many planes or that many tanks, and we hope that we never have to, but we mean to be able to turn them out if we need them.

The planes we are producing now are much bigger, much better, and much more expensive than the planes we had during the last war.

We used to think that the B-17 was a huge plane, and the blockbuster it carried a huge load. But the B-36 can carry five of these blockbusters in its belly, and it can carry them five times as far. Of course, the B-36 is much more complicated to build than the B-17, and far more expensive. One B-17 costs $275,000, while now one B-36 costs $3 1/2 million.

I ask you to remember that what we are doing is to provide the best and most modern military equipment in the world for our fighting forces.

This kind of defense production program has two parts.

The first part is to get our defense production going as fast as possible. We have to convert plants and channel materials to defense production. This means heavy cuts in civilian uses of copper, aluminum, rubber, and other essential materials. It means shortages in various consumer goods.

The second part is to increase our capacity to produce and to keep our economy strong for the long pull. We do not know how long Communist aggression will threaten the world.

Only by increasing our output can we carry the burden of preparedness for an indefinite period in the future. This means that we will have to build more power plants and more

steel mills, grow more cotton, mine more copper, and expand our capacity in many other ways.

The Congress will need to consider legislation, at this session, affecting all the aspects of our mobilization job. The main subjects on which legislation will be needed are:

Page 2622

First, appropriations for our military buildup.

Second, extension and revision of the Selective Service Act.

Third, military and economic aid to help build up the strength of the free world.

Fourth, revision and extension of the authority to expand production and to stabilize prices, wages, and rents.

Fifth, improvement of our agricultural laws to help obtain the kinds of farm products we need for the defense effort.

Sixth, improvement of our labor laws to help provide stable labor-management relations and to make sure that we have steady production in this emergency.

Seventh, housing and training of defense workers and the full use of all our manpower resources.

Eighth, means for increasing the supply of doctors, nurses, and other trained medical personnel critically needed for the defense effort.

Ninth, aid to the States to meet the most urgent needs of our elementary and secondary schools. Some of our plans will have to be deferred for the time being. But we should do all we can to make sure our children are being trained as good and useful citizens in the critical times ahead.

Tenth, a major increase in taxes to meet the cost of the defense effort.

The Economic Report and the Budget Message will discuss these subjects further. In addition, I shall send to the Congress special messages containing detailed recommendations on legislation needed at this Session.

In the months ahead the Government must give priority to activities that are urgent—like military procurement and atomic energy and power development. It must practice rigid economy in its nondefense activities. Many of the things we would normally do must be curtailed or postponed.

But in a long-term defense effort like this one, we cannot neglect the measures needed to maintain a strong economy and a healthy democratic society.

The Congress, therefore, should give continued attention to the measures which our country will need for the long pull. And it should act upon such legislation as promptly as circumstances permit.

To take just one example—we need to continue and complete the work of rounding out our system of social insurance. We still need to improve our protection against unemployment and old age. We still need to provide insurance against the loss of earnings through sickness, and against the high costs of modern medical care.

And above all, we must remember that the fundamentals of our strength rest upon the freedoms of our people. We must continue our efforts to achieve the full realization of our democratic ideals. We must uphold the freedom of speech and the freedom of conscience in our land. We must assure equal rights and equal opportunities to all our citizens.

As we go forward this year in the defense of freedom, let us keep dearly before us the nature of our present effort.

Page 2623

We are building up our strength, in concert with other free nations, to meet the danger of aggression that has been turned loose on the world. The strength of the free nations is the world's best hope of peace.

I ask the Congress for unity in these crucial days.

Make no mistake about my meaning. I do not ask, or expect, unanimity. I do not ask for an end to debate. Only by debate can we arrive at decisions which are wise, and which reflect the desires of the American people. We do not have a dictatorship in this country, and we never will have one in this country.

When I request unity, what I am really asking for is a sense of responsibility on the part of every Member of this Congress. Let us debate the issues, but let every man among us weigh his words and his deeds. There is a sharp difference between harmful criticism and constructive criticism. If we are truly responsible as individuals, I am sure that we will be unified as a government.

Let us keep our eyes on the issues and work for the things we all believe in.

Let each of us put our country ahead of our party, and ahead of our own personal interests.

I had the honor to be a Member of the Senate during World War II, and I know from experience that unity of purpose and of effort is possible in the Congress without any lessening of the vitality of our two-party system.

Let us all stand together as Americans. Let us stand together with all men everywhere who believe in human liberty.

Peace is precious to us. It is the way of life we strive for with all the strength and wisdom we possess. But more precious than peace are freedom and justice. We will fight, if fight we must, to keep our freedom and to prevent justice from being destroyed.

These are the things that give meaning to our lives, and which we acknowledge to be greater than ourselves.

This is our cause—peace, freedom, justice. We will pursue this cause with determination and humility, asking divine guidance that in all we do we may follow the will of God.

***

State of the Union Address
Harry S. Truman
January 9, 1952

Mr. President, Mr. Speaker, Members of the Congress:

I have the honor to report to the Congress on the state of the Union.

At the outset, I should like to speak of the necessity for putting first things first as we work together this year for the good of our country.

The United States and the whole free world are passing through a period of grave danger. Every action you take here in Congress, and every action that I take as President, must be measured against the test of whether it helps to meet that danger.

This will be a presidential election year-the year in which politics plays a large part in our lives—a larger part than usual. That is perfectly proper. But we have a greater responsibility to conduct our political fights in a manner that does not harm the national interest.

Page 2624

We can find plenty of things to differ about without destroying our free institutions and without abandoning our bipartisan foreign policy for peace.

When everything is said and done, all of us—Republicans and Democrats alike—all of us are Americans; and we are all going to sink or swim together.

We are moving through a perilous time. Faced with a terrible threat of aggression, our Nation has embarked upon a great effort to help establish the kind of world in which peace shall be secure. Peace is our goal-not peace at any price, but a peace based on freedom and justice. We are now in the midst of our effort to reach that goal. On the whole, we have been doing very well.

Last year, 1951, was a year in which we threw back aggression, added greatly to our military strength, and improved the chances for peace and freedom in many parts of the world.

This year, 1952, is a critical year in the defense effort of the whole free world. If we falter we can lose all the gains we have made. If we drive ahead, with courage and vigor and determination, we can by the end of 1952 be in a position of much greater security. The way will be dangerous for the years ahead, but if we put forth our best efforts this year—and next year—we can be “over the hump” in our effort to build strong defenses.

When we look at the record of the past year, 1951, we find important things on both the credit and the debit side of the ledger. We have made great advances. At the same time we have run into new problems which must be overcome.

Now let us look at the credit side first.

Peace depends upon the free nations sticking together, and making a combined effort to check aggression and prevent war. In this respect, 1951 was a year of great achievement.

In Korea the forces of the United Nations turned hack the Chinese Communist invasion-and did it without widening the area of conflict. The action of the United Nations in Korea has been a powerful deterrent to a third world war. However, the situation in Korea remains very hazardous. The outcome of the armistice negotiation still remains uncertain.

In Indochina and Malaya, our aid has helped our allies to hold back the Communist advance, although there are signs of further trouble in that area.

In 1951 we strengthened the chances of peace in the Pacific region by the treaties with Japan and the defense arrangements with Australia, New Zealand, and the Philippines.

In Europe combined defense has become a reality. The free nations have created a real fighting force. This force is not yet as strong as it needs to be; but it is already a real obstacle to any attempt by hostile forces to sweep across Europe to the Atlantic.

In 1951 we also moved to strengthen the security of Europe by the agreement to bring Greece and Turkey into the North Atlantic Treaty.

The United Nations, the world's greatest hope for peace, has come through a year of trial stronger and more useful than ever. The free nations have stood together in blocking Communist attempts to tear up the charter.

Page 2625

At the present session of the United Nations in Paris, we, together with the British and the French, offered a plan to reduce and control all armaments under a foolproof inspection system. This is a concrete, practical proposal for disarmament.

But what happened? Vishinsky laughed at it. Listen to what he said: "I could hardly sleep at all last night .... I could not sleep because I kept laughing." The world will be a long time forgetting the spectacle of that fellow laughing at disarmament.

Disarmament is not a joke. Vishinsky's laughter met with shock and anger from the people all over the world. And, as a result, Mr. Stalin's representative received orders to stop laughing and start talking.

If the Soviet leaders were to accept this proposal, it would lighten the burden of armaments, and permit the resources of the earth to be devoted to the good of mankind. But until the Soviet Union accepts a sound disarmament proposal, and joins in peaceful settlements, we have no choice except to build up our defenses.

During this past year we added more than a million men and women to our Armed Forces. The total is now nearly 3 1/2 million. We have made rapid progress in the field of atomic weapons. We have turned out billion worth of military supplies and equipment, three times as much as the year before.

Economic conditions in the country are good. There are 61 million people on the job; wages, farm incomes, and business profits are at high levels. Total production of goods and services in our country has increased 8 percent over last year—about twice the normal rate of growth.

Perhaps the most amazing thing about our economic progress is the way we are increasing our basic capacity to produce. For example, we are now in the second year of a 3-year program which will double our output of aluminum, increase our electric power supply by 40 percent, and increase our steelmaking capacity by 15 percent. We can then produce 120 million tons of steel a year, as much as all the rest of the world put together.

This expansion will mean more jobs and higher standards of living for all of us in the years ahead. At the present time it means greater strength for us and for the rest of the free world in the fight for peace.

Now, I must turn to the debit side of the ledger for the past year.

The outstanding fact to note on the debit side of the ledger is that the Soviet Union, in 1951, continued to expand its military production and increase its already excessive military power.

It is true that the Soviets have run into increasing difficulties. Their hostile policies have awakened stern resistance among free men throughout the world. And behind the Iron Curtain the Soviet rule of force has created growing political and economic stresses in the satellite nations.

Nevertheless, the grim fact remains that the Soviet Union is increasing its armed might. It is still producing more war planes than the free nations. It has set off two more atomic explosions. The world still walks in the shadow of another world war.

Page 2626

And here at home, our defense preparations are far from complete.

During 1951 we did not make adequate progress in building up civil defense against atomic attack. This is a major weakness in our plans for peace, since inadequate civilian defense is an open invitation to a surprise attack. Failure to provide adequate civilian defense has the same effect as adding to the enemy's supply of atomic bombs.

In the field of defense production we have run into difficulties and delays in designing and producing the latest types of airplanes and tanks. Some machine tools and metals are still in extremely short supply.

In other free countries the defense buildup has created severe economic problems. It has increased inflation in Europe and has endangered the continued recovery of our allies.

In the Middle East political tensions and the oil controversy in Iran are keeping the region in a turmoil. In the Far East the dark threat of Communist imperialism still hangs over many nations.

This, very briefly, is the good side and the bad side of the picture.

Taking the good and bad together, we have made real progress this last year along the road to peace. We have increased the power and unity of the free world. And while we were doing this, we have avoided world war on the one hand, and appeasement on the other. This is a hard road to follow, but the events of the last year show that it is the right road to peace.

We cannot expect to complete the job overnight. The free nations may have to maintain for years the larger military forces needed to deter aggression. We must build steadily, over a period of years, toward political solidarity and economic progress among the free nations in all parts of the world.

Our task will not be easy; but if we go at it with a will, we can look forward to steady progress. On our side are all the great resources of freedom—the ideals of religion and democracy, the aspiration of people for a better life, and the industrial and technical power of a free civilization.

These advantages outweigh anything the slave world can produce. The only thing that can defeat us is our own state of mind. We can lose if we falter.

The middle period of a great national effort like this is a very difficult time. The way seems long and hard. The goal seems far distant. Some people get discouraged. That is only natural.

But if there are any among us who think we ought to ease up in the fight for peace, I want to remind them of three things—just three things.

First: The threat of world war is still very real. We had one Pearl Harbor—let's not get caught off guard again. If you don't think the threat of Communist armies is real, talk to some of our men back from Korea.

Second: If the United States had to try to stand alone against a Soviet-dominated world, it would destroy the life we know and the ideals we hold dear. Our allies are essential to us, just as we are essential to them. The more shoulders there are to bear the burden the lighter that burden will be.

Page 2627

Third: The things we believe in most deeply are under relentless attack. We have the great responsibility of saving the basic moral and spiritual values of our civilization. We have started out well—with a program for peace that is unparalleled in history. If we believe in ourselves and the faith we profess, we will stick to that job until it is victoriously finished.

This is a time for courage, not for grumbling and mumbling.

Now, let us take a look at the things we have to do.

The thing that is uppermost in the minds of all of us is the situation in Korea. We must, and we will, keep up the fight there until we get the kind of armistice that will put an end to the aggression and protect the safety of our forces and the security of the Republic of Korea. Beyond that we shall continue to work for a settlement in Korea that upholds the principles of the United Nations.

We went into Korea because we knew that Communist aggression had to be met firmly if freedom was to be preserved in the world. We went into the fight to save the Republic of Korea, a free country, established under the United Nations. These are our aims. We will not give up until we attain them.

Meanwhile, we must continue to strengthen the forces of freedom throughout the world.

I hope the Senate will take early and favorable action on the Japanese peace treaty, on our security pacts with the Pacific countries, and on the agreement to bring Greece and Turkey into the North Atlantic Treaty.

We are also negotiating an agreement with the German Federal Republic under which it can play an honorable and equal part among nations and take its place in the defense of Western Europe.

But treaties and plans are only the skeleton of our defense structure. The sinew and muscle of defense are the forces and equipment which must be provided.

In Europe we must go on helping our friends and allies to build up their military forces. This means we must send weapons in large volume to our European allies. I have directed that weapons for Europe be given a very high priority. Economic aid is necessary, too, to supply the margin of difference between success and failure in making Europe a strong partner in our joint defense.

In the long run we want to see Europe freed from any dependence on our aid. Our European allies want that just as bad as we do. The steps that are now being taken to build European unity should help bring that about. Six European countries are pooling their coal and steel production under the Schuman plan. Work is going forward on the

merger of European national forces on the Continent into a single army. These great projects should become realities in 1952.

We should do all we can to help and encourage the move toward a strong and united Europe.

In Asia the new Communist empire is a daily threat to millions of people. The peoples of Asia want to be free to follow their own way of life. They want to preserve their culture and their traditions against communism, just as much as we want to preserve ours. They are laboring under terrific handicaps—poverty, ill health, feudal systems of land ownership, and the threat of internal subversion or external attack. We can and we must increase our help to them.

Page 2628

This means military aid, especially to those places like Indochina which might be hardest hit by some new Communist attack.

It also means economic aid, both technical know-how and capital investment.

This last year we made available millions of bushels of wheat to relieve famine in India. But far more important, in the long run, is the work Americans are doing in India to help the Indian farmers themselves raise more grain. With the help of our technicians, Indian farmers, using simple, inexpensive means, have been able since 1948 to double the crops in one area in India. One farmer there raised 63 bushels of wheat to the acre, where 13 bushels had been the average before.

This is point 4—our point 4 program at work. It is working—not only in India but in Iran, Paraguay, Liberia—in 33 countries around the globe. Our technical missionaries are out there. We need more of them. We need more funds to speed their efforts, because there is nothing of greater importance in all our foreign policy. There is nothing that shows more clearly what we stand for, and what we want to achieve.

My friends of the Congress, less than one-third of the expenditure for the cost of World War II would have created the developments necessary to feed the whole world so we wouldn't have to stomach communism. That is what we have got to fight, and unless we fight that battle and win it, we can't win the cold war or a hot one either.

We have recently lost a great public servant who was leading this effort to bring opportunity and hope to the people of half the world. Dr. Henry Bennett and his associates died in line of duty on a point 4 mission. It is up to us to carry on the great work for which they gave their lives.

During the coming year we must not forget the suffering of the people who live behind the Iron Curtain. In those areas minorities are being oppressed, human rights violated, religions persecuted. We should continue to expose those wrongs. We should continue and expand the activities of the Voice of America, which brings our message of hope and truth to those peoples and other peoples throughout the world.

I have just had an opportunity to discuss many of these world problems with Prime Minister Churchill. We have had a most satisfactory series of meetings. We thoroughly reviewed the situation in Europe, the Middle East, and the Far East. We both look forward to steady progress toward peace through the cooperative action and teamwork of the free nations.

Turning from our foreign policies, let us consider the jobs we have here at home as a part of our program for peace.

The first of these jobs is to move ahead full steam on the defense program.

Our objective is to have a well-equipped active defense force large enough—in concert with the forces of our allies—to deter aggression and to inflict punishing losses on the enemy immediately if we should be attacked. This active force must be backed by adequate reserves, and by the plants and tools to turn out the tremendous quantities of new weapons that would be needed if war came. We are not building an active force adequate to carry on full scale war, but we are putting ourselves in a position to mobilize very rapidly if we have to.

Page 2629

This year I shall recommend some increases in the size of the active force we are building, with particular emphasis on air power. This means we shall have to continue large-scale production of planes and other equipment for a longer period of time than we had originally planned.

Planes and tanks and other weapons-what the military call “hard goods”—are now beginning to come off the production lines in volume. Deliveries of hard goods now amount to about a billion and a half dollars worth a month. A year from now, we expect that rate to be doubled.

We shall have to hold to a high rate of military output for about a year after that. In 1954 we hope to have enough equipment so that we can reduce the production of most military items substantially. The next 2 years should therefore be the peak period of defense production.

Defense needs will take a lot of steel, aluminum, copper, nickel, and other scarce materials. This means smaller production of some civilian goods. The cutbacks will be nothing like those during World War II, when most civilian production was completely stopped. But there will be considerably less of some goods than we have been used to these past 2 or 3 years.

The very critical part of our defense job this year is to keep down inflation.

We can control inflation if we make up our minds to do it.

On the executive side of the Government, we intend to hold the line on prices just as tightly as the law allows. We will permit only those wage increases which are clearly justified under sound stabilization policies; and we will see to it that industries absorb cost increases out of earnings wherever feasible, before they are authorized to raise prices. We will do that, at any rate, except where the recent amendments to the law specifically require us to give further price increases.

Congress has a tremendous responsibility in this matter. Our stabilization law was shot full of holes at the last session. This year, it will be one of the main tasks before the Congress to repair the damage and enact a strong anti-inflation law.

As a part of our program to keep our country strong, we are determined to preserve the financial strength of the Government. This means high taxes over the next few years. We must see to it that these taxes are shared among the people as fairly as possible. I expect to discuss these matters in the Economic Report and the Budget Message which will soon be presented to the Congress.

Our tax laws must be fair. And we must make absolutely certain they are administered fairly, without fear or favor of any kind for anybody. To this end, steps have already

been taken to remedy weaknesses which have been disclosed in the administration of the tax laws. In addition, I hope the Congress will approve my reorganization plan for the Bureau of Internal Revenue. We must do everything necessary in order to make just as certain as is humanly possible that every taxpayer receives equal treatment under the law.

Page 2630

To carry the burden of defense we must have a strong, productive, and expanding economy here at home. We cannot neglect those things that have made us the great and powerful nation we are today.

Our strength depends upon the health, the morale, the freedom of our people. We can take on the burden of leadership in the fight for world peace because, for nearly 20 years, the Government and the people have been working together for the general welfare. We have given more and more of out citizens a fair chance at decent, useful, productive lives. That is the reason we are as strong as we are today.

This Government of ours—the Congress and the executive both—must keep on working to bring about a fair deal for all the American people. Some people will say that we haven't the time or the money this year for measures for the welfare of the people. But if we want to win the fight for peace, this is a part of the job we cannot ignore.

We will have to give up some things, we will have to go forward on others at a slower pace. But, so far as I am concerned, I do not think we can give up the things that are vital to our national strength.

I believe most people in this country will agree with me on that.

I think most farmers understand that soil conservation and rural electrification and agricultural research are not frills or luxuries, but real necessities in order to boost our farm production.

I think most workers understand that decent housing and good working conditions are not luxuries, but necessities if the working men and women of this country are to continue to out-produce the rest of the world.

I think our businessmen know that scientific research and transportation services and more steel mills and power projects are not luxuries, but necessities to keep our business and our industry in the forefront of industrial progress.

I think everybody knows that social insurance and better schools and health services are not frills, but necessities in helping all Americans to be useful and productive citizens, who can contribute their full share in the national effort to protect and advance our way of life.

We cannot do all we want to in times like these—we have to choose the things that will contribute most to defense—but we must continue to make progress if we are to be a strong nation in the years ahead.

Let me give you some examples.

We are going right ahead with the urgently needed work to develop our natural resources, to conserve our soil, and to prevent floods. We are going to produce essential power and build the lines that are necessary and that we have to have to transmit it to our farms and factories. We are going to encourage exploration for new mineral deposits.

We are going to keep on building essential highways and taking any other steps that will assure the Nation an adequate transportation system—on land, on the sea, and in the air.

Page 2631

We must move right ahead this year to see that defense workers and soldiers' families get decent housing at rents they can afford to pay.

We must begin our long deferred program of Federal aid to education—to help the States meet the present crisis in the operation of our schools. And we must help with the construction of schools in areas where they are critically needed because of the defense effort.

We urgently need to train more doctors and other health personnel, through aid to medical education. We also urgently need to expand the basic public health services in our home communities—especially in defense areas. The Congress should go ahead with these two measures immediately.

I have set up an impartial commission to make a thorough study of the Nation's health needs. One of the things this commission is looking into is how to bring the cost of modern medical care within the reach of all the people. I have repeatedly recommended national health insurance as the best way to do this. So far as I know, it is still the best way. If there are any better answers, I hope this commission will find them. But of one thing I am sure: something must be done, and done soon.

This year we ought to make a number of urgently needed improvements in our social security law. For one thing, benefits under old-age and survivors insurance should be raised $5 a month above the present average of $42. For another thing, the States should be given special aid to help them increase public assistance payments. By doing these things now, we can ease the pressure of living costs for people who depend on those fixed payments.

We should also make some cost-of-living adjustments for those receiving veterans' compensation for death or disability incurred in the service of our country. In addition, now is the time to start a sensible program of readjustment benefits for our veterans who have seen service since the fighting broke out in Korea.

Another thing the Congress should do at this session is to strengthen our system of farm price supports to meet the defense emergency. The "sliding scale" in the price support law should not be allowed to penalize farmers for increasing production to meet defense needs. We should also find a new and less costly method for supporting perishable commodities than the law now provides.

We need to act promptly to improve our labor law. The Taft-Hartley Act has many serious and far-reaching defects. Experience has demonstrated this so clearly that even the sponsors of the act now admit that it needs to be changed. A fair law, fair to both management and labor, is indispensable to sound labor relations and to full, uninterrupted production. I intend to keep on working for a fair law until we get one.

As we build our strength to defend the freedom in the world, we ourselves must extend the benefits of freedom more widely among all our own people. We need to take action toward the wider enjoyment of civil rights. Freedom is the birthright of every American.

Page 2632

The executive branch has been making real progress toward full equality of treatment and opportunity—in the Armed Forces, in the civil service, and in private firms working for the Government. Further advances require action by Congress, and I hope that means will be provided to give the Members of the Senate and the House a chance to vote on them.

I am glad to hear that home rule for the District of Columbia will be the first item of business before the Senate. I hope that it, as well as statehood for Hawaii and Alaska, will be adopted promptly.

All these measures I have been talking about—measures to advance the well-being of our people—demonstrate to the world the forward movement of our free society.

This demonstration of the way free men govern themselves has a more powerful influence on the people of the world—on both sides of the Iron Curtain—than all the trick slogans and pie-in-the-sky promises of the Communists.

But our shortcomings, as well as our progress, are watched from abroad. And there is one shortcoming I want to speak about plainly.

Our kind of government above all others cannot tolerate dishonesty among public servants.

Some dishonest people worm themselves into almost every human organization. It is all the more shocking, however, when they make their way into a Government such as ours, which is based on the principle of justice for all. Such unworthy public servants must be weeded out. I intend to see to it that Federal employees who have been guilty of misconduct are punished for it. I also intend to see to it that the honest and hard-working great majority of our Federal employees are protected against partisan slander and malicious attack.

I have already made some recommendations to the Congress to help accomplish these purposes. I intend to submit further recommendations to this end. I will welcome the wholehearted cooperation of the Congress in this effort.

I also think that the Congress can do a great deal to strengthen confidence in our institutions by applying rigorous standards of moral integrity to its own operations, and by finding an effective way to control campaign expenditures, and by protecting the rights of individuals in congressional investigations.

To meet the crisis which now hangs over the world, we need many different kinds of strength—military, economic, political, and moral. And of all these, I am convinced that moral strength is the most vital.

When you come right down to it, it is the courage and the character of our Nation—and of each one of us as individuals-that will really decide how well we meet this challenge.

We are engaged in a great undertaking at home and abroad—the greatest, in fact, that any nation has ever been privileged to embark upon. We are working night and day to bring peace to the world and to spread the democratic ideals of justice and self-government to all people. Our accomplishments are already remarkable. We ought to be full of pride in what we are doing, and full of confidence and hope in the outcome. No nation ever had greater resources, or greater energy, or nobler traditions to inspire it.

Page 2633

And yet, day in and day out, we see a long procession of timid and fearful men who wring their hands and cry out that we have lost the way, that we don't know what we are doing, that we are bound to fail. Some say we should give up the struggle for peace, and others say we should have a war and get it over with. That's a terrible statement. I had heard it made, but they want us to forget the great objective of preventing another world war—the objective for which our soldiers have been fighting in the hills of Korea.

If we are to be worthy of all that has been done for us by our soldiers in the field, we must be true to the ideals for which they are fighting. We must reject the counsels of defeat and despair. We must have the determination to complete the great work for which our men have laid down their lives.

In all we do, we should remember who we are and what we stand for. We are Americans. Our forefathers had far greater obstacles than we have, and much poorer chances of success. They did not lose heart, or turn aside from their goals. In the darkest of all winters in American history, at Valley Forge, George Washington said: "We must not, in so great a contest, expect to meet with nothing but sunshine." With that spirit they won their fight for freedom.

We must have that same faith and vision. In the great contest in which we are engaged today, we cannot expect to have fair weather all the way. But it is a contest just as important for this country and for all men, as the desperate struggle that George Washington fought through to victory.

Let us prove, again, that we are not merely sunshine patriots and summer soldiers. Let us go forward, trusting in the God of Peace, to win the goals we seek.

***

State of the Union Address
Harry S. Truman
January 7, 1953

To the Congress of the United States:

I have the honor to report to the Congress on the state of the Union.

This is the eighth such report that, as President, I have been privileged to present to you and to the country. On previous occasions, it has been my custom to set forth proposals for legislative action in the coming year. But that is not my purpose today. The presentation of a legislative program falls properly to my successor, not to me, and I would not infringe upon his responsibility to chart the forward course. Instead, I wish to speak of the course we have been following the past eight years and the position at which we have arrived.

In just two weeks, General Eisenhower will be inaugurated as President of the United States and I will resume—most gladly—my place as a private citizen of this Republic. The Presidency last changed hands eight years ago this coming April. That was a tragic time: a time of grieving for President Roosevelt—the great and gallant human being who had been taken from us; a time of unrelieved anxiety to his successor, thrust so suddenly into the complexities and burdens of the Presidential office.

Page 2634

Not so this time. This time we see the normal transition under our democratic system. One President, at the conclusion of his term, steps back to private life; his successor, chosen by the people, begins his tenure of the office. And the Presidency of the United States continues to function without a moment's break.

Since the election, I have done my best to assure that the transfer from one Administration to another shall be smooth and orderly. From General Eisenhower and his associates, I have had friendly and understanding collaboration in this endeavor. I have not sought to thrust upon him—nor has he sought to take—the responsibility which must be mine until twelve o'clock noon on January twentieth. But together, I hope and believe we have found means whereby the incoming President can obtain the full and detailed information he will need to assume the responsibility the moment he takes the oath of office.

The President-elect is about to take up the greatest burdens, the most compelling responsibilities, given to any man. And I, with you and all Americans, wish for him all possible success in undertaking the tasks that will so soon be his.

What are these tasks? The President is Chief of State, elected representative of all the people, national spokesman for them and to them. He is Commander-in-Chief of our armed forces. He is charged with the conduct of our foreign relations. He is Chief Executive of the Nation's largest civilian organization. He must select and nominate all top officials of the Executive Branch and all Federal judges. And on the legislative side, he has the obligation and the opportunity to recommend, and to approve or veto legislation. Besides all this, it is to him that a great political party turns naturally for leadership, and that, too, he must provide as President.

This bundle of burdens is unique; there is nothing else like it on the face of the earth. Each task could be a full-time job. Together, they would be a tremendous undertaking in the easiest of times.

But our times are not easy; they are hard-as hard and complex, perhaps as any in our history. Now, the President not only has to carry on these tasks in such a way that our democracy may grow and flourish and our people prosper, but he also has to lead the whole free world in overcoming the communist menace—and all this under the shadow of the atomic bomb.

This is a huge challenge to the human being who occupies the Presidential office. But it is not a challenge to him alone, for in reality he cannot meet it alone. The challenge runs not just to him but to his whole Administration, to the Congress, to the country.

Ultimately, no President can master his responsibilities, save as his fellow citizens-indeed, the whole people—comprehend the challenge of our times and move, with him, to meet it.

Page 2635

It has been my privilege to hold the Presidential office for nearly eight years now, and much has been done in which I take great pride. But this is not personal pride. It is pride in the people, in the Nation. It is pride in our political system and our form of government—balky sometimes, mechanically deficient perhaps, in many ways—but enormously alive and vigorous; able through these years to keep the Republic on the right course, rising to the great occasions, accomplishing the essentials, meeting the basic challenge of our times.

There have been misunderstandings and controversies these past eight years, but through it all the President of the United States has had that measure of support and understanding without which no man could sustain the burdens of the Presidential office, or hope to discharge its responsibilities.

For this I am profoundly grateful—grateful to my associates in the Executive Branch—-most of them non-partisan civil servants; grateful—despite our disagreements-to the Members of the Congress on both sides of the aisle; grateful especially to the American people, the citizens of this Republic, governors of us all.

We are still so close to recent controversies that some of us may find it hard to understand the accomplishments of these past eight years. But the accomplishments are real and very great, not as the President's, not as the Congress', but as the achievements of our country and all the people in it.

Let me remind you of some of the things we have done since I first assumed my duties as President of the United States.

I took the oath of office on April 12, 1945. In May of that same year, the Nazis surrendered. Then, in July, that great white flash of light, man-made at Alamogordo, heralded swift and final victory in World War II—and opened the doorway to the atomic age.

Consider some of the great questions that were posed for us by sudden, total victory in World War II. Consider also, how well we as a Nation have responded.

Would the American economy collapse, after the war? That was one question. Would there be another depression here—a repetition of 1921 or 1929? The free world feared and dreaded it. The communists hoped for it and built their policies upon that hope.

We answered that question—answered it with a resounding "no."

Our economy has grown tremendously. Free enterprise has flourished as never fore. Sixty-two million people are now gainfully employed, compared with 51 million seven years ago. Private businessmen and farmers have invested more than 200 billion dollars in new plant and equipment since the end of World War II. Prices have risen

further than they should have done—but incomes, by and large, have risen even more, so that real living standards are now considerably higher than seven years ago. Aided by sound government policies, our expanding economy has shown the strength and flexibility for

Page 2636

swift and almost painless reconversion from war to peace, in 1945 and 1946; for quick reaction and recovery—well before Korea—from the beginnings of recession in 1949. Above all, this live and vital economy of ours has now shown the remarkable capacity to sustain a great mobilization program for defense, a vast outpouring of aid to friends and allies all around the world—and still to produce more goods and services for peaceful use at home than we have ever known before.

This has been our answer, up to now, to those who feared or hoped for a depression in this country.

How have we handled our national finances? That was another question arising at war's end. In the administration of the Government, no problem takes more of the President's time, year in and year out, than fashioning the Budget, and the related problem of managing the public debt.

Financing World War II left us with a tremendous public debt, which reached 279 billion dollars at its peak in February, 1946.

Beginning in July, 1946, when war and reconversion financing had ended, we have held quite closely to the sound standard that in times of high employment and high national income, the Federal Budget should be balanced and the debt reduced.

For the four fiscal years from July 1, 1946, to June 30, 1950, we had a net surplus of 4.3 billion dollars. Using this surplus, and the Treasury's excess cash reserves, the debt was reduced substantially, reaching a low point of 251 billion dollars in June, 1949, and ending up at 257 billion dollars on June 30, 1950.

In July of 1950, we began our rapid rearmament, and for two years held very close to a pay-as-we-go policy. But in the current fiscal year and the next, rising expenditures for defense will substantially outrun receipts. This will pose an immediate and serious problem for the new Congress.

Now let me turn to another question we faced at the war's end. Would we take up again, and carry forward, the great projects of social welfare—so badly needed, so long overdue—that the New Deal had introduced into our national life? Would our Government continue to have a heart for the people, or was the progress of the New Deal to be halted in the aftermath of war as decisively as the progress of Woodrow Wilson's New Freedom had been halted after the first world war?

This question, too, we have answered. We have answered it by doubling old age insurance benefits and extending coverage to ten million more people. We have answered it by increasing our minimum wage. We have answered by the three million

privately constructed homes that the Federal Government has helped finance since the war—and the 155 thousand units of low rent public housing placed under construction since 1949.

We have answered with the 42 thousand new hospital beds provided since 1946 through the joint efforts of the Federal Government and local communities.

Page 2637

We have answered by helping eight million veterans of World War II to obtain advanced education, 196 thousand to start in business, and 64 thousand to buy farms.

We have answered by continuing to help farmers obtain electric power, until today nearly 90 per cent of our farms have power line electric service.

In these and other ways, we have demonstrated, up to now, that our democracy has not forgotten how to use the powers of the Government to promote the people's welfare and security.

Another of the big post-war questions was this: What we would do with the Nation's natural resources—its soils and water, forests and grasslands. Would we continue the strong conservation movement of the 1930's, or would we, as we did after the First World War, slip back into the practices of monopoly, exploitation, and waste?

The answer is plain. All across our country, the soil conservation movement has spread, aided by Government programs, enriching private and public lands, preserving them from destruction, improving them for future use. In our river basins, we have invested nearly 5 billion dollars of public funds in the last eight years—invested them in projects to control floods, irrigate farmlands, produce low-cost power and get it to the housewives and farmers and businessmen who need it. We have been vigilant in protecting the people's property—lands and forests and oil and minerals.

We have had to fight hard against those who would use our resources for private greed; we have met setbacks; we have had to delay work because of defense priorities, but on the whole we can be proud of our record in protecting our natural heritage, and in using our resources for the public good.

Here is another question we had to face at the war's close: Would we continue, in peace as well as war, to promote equality of opportunity for all our citizens, seeking ways and means to guarantee for all of them the full enjoyment of their civil rights?

During the war we achieved great economic and social gains for millions of our fellow citizens who had been held back by prejudice. Were we prepared, in peacetime, to keep on moving toward full realization of the democratic promise? Or would we let it be submerged, wiped out, in post-war riots and reaction, as after World War I?

We answered these questions in a series of forward steps at every level of government and in many spheres of private life. In our armed forces, our civil service, our universities, our railway trains, the residential districts of our cities—in stores and factories all across the Nation—in the polling booths as well—the barriers are coming down. This is happening, in part, at the mandate of the courts; in part, at the insistence of Federal, State and local governments; in part, through the enlightened action of private groups and persons in every region and every walk of life.

There has been a great awakening of the American conscience on the issues of civil rights. And all this progress—still far from complete but still continuing—has been our answer, up to now, to those who questioned our intention to live up to the promises of equal freedom for us all.

Page 2638

There was another question posed for us at the war's end, which equally concerned the future course of our democracy: Could the machinery of government and politics in this Republic be changed, improved, adapted rapidly enough to carry through, responsibly and well, the vast, new complicated undertakings called for in our time?

We have answered this question, too, answered it by tackling the most urgent, most specific, problems which the war experience itself had brought into sharp focus. The reorganization of the Congress in 1946; the unification of our armed services, beginning in 1947; the closer integration of foreign and military policy through the National Security Council created that same year; and the Executive reorganizations, before and after the Hoover-Acheson Commission Report in 1949—these are landmarks in our continuing endeavor to make government an effective instrument of service to the people.

I come now to the most vital question of all, the greatest of our concerns: Could there be built in the world a durable structure of security, a lasting peace for all the nations, or would we drift, as after World War I, toward another terrible disaster—a disaster which this time might be the holocaust of atomic war?

That is still the overriding question of our time. We cannot know the answer yet; perhaps we will not know it finally for a long time to come. But day and night, these past eight years, we have been building for peace, searching out the way that leads most surely to security and freedom and justice in the world for us and all mankind.

This, above all else, has been the task of our Republic since the end of World War II, and our accomplishment so far should give real pride to all Americans. At the very least, a total war has been averted, each day up to this hour. And at the most, we may already have succeeded in establishing conditions which can keep that kind of war from happening, for as far ahead as man can see.

The Second World War radically changed the power relationships of the world. Nations once great were left shattered and weak, channels of communication, routes of trade, political and economic ties of many kinds were ripped apart.

And in this changed, disrupted, chaotic situation, the United States and the Soviet Union emerged as the two strongest powers of the world. Each had tremendous human and natural resources, actual or potential, on a scale unmatched by any other nation.

Nothing could make plainer why the world is in its present state—and how that came to pass—than an understanding of the diametrically opposite principles and policies of these two great powers in a war-ruined world.

For our part, we in this Republic were-and are—free men, heirs of the American Revolution, dedicated to the truths of our Declaration of Independence:

"... That all men are created equal, that they are endowed by their Creator with certain unalienable rights... That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

Page 2639

Our post-war objective has been in keeping with this great idea. The United States has sought to use its pre-eminent position of power to help other nations recover from the damage and dislocation of the war. We held out a helping hand to enable them to restore their national lives and to regain their positions as independent, self-supporting members of the great family of nations. This help was given without any attempt on our part to dominate or control any nation. We did not want satellites but partners.

The Soviet Union, however, took exactly the opposite course.

Its rulers saw in the weakened condition of the world not an obligation to assist in the great work of reconstruction, but an opportunity to exploit misery and suffering for the extension of their power. Instead of help, they brought subjugation. They extinguished, blotted out, the national independence of the countries that the military operations of World War II had left within their grasp.

The difference stares at us from the map of Europe today. To the west of the line that tragically divides Europe we see nations continuing to act and live in the light of their own traditions and principles. On the other side, we see the dead uniformity of a tyrannical system imposed by the rulers of the Soviet Union. Nothing could point up more clearly what the global struggle between the free world and the communists is all about.

It is a struggle as old as recorded history; it is freedom versus tyranny.

For the dominant idea of the Soviet regime is the terrible conception that men do not have rights but live at the mercy of the state.

Inevitably this idea of theirs—and all the consequences flowing from it—collided with the efforts of free nations to build a just and peaceful world. The “cold war” between the communists and the free world is nothing more or less than the Soviet attempt to checkmate and defeat our peaceful purposes, in furtherance of their own dread objective.

We did not seek this struggle, God forbid. We did our utmost to avoid it. In World War II, we and the Russians had fought side by side, each in our turn attacked and forced to combat by the aggressors. After the war, we hoped that our wartime collaboration could be maintained, that the frightful experience of Nazi invasion, of devastation in the heart of Russia, had turned the Soviet rulers away from their old proclaimed allegiance to world revolution and communist dominion. But instead, they violated, one by one, the solemn agreements they had made with us in wartime. They sought to use the rights and privileges they had obtained in the United Nations, to frustrate its purposes and cut down its powers as an effective agent of world progress and the keeper of the world’s peace.

Despite this outcome, the efforts we made toward peaceful collaboration are a source of our present strength. They demonstrated that we believed what we proclaimed, that we actually sought honest agreements as the way to peace. Our whole moral position, our leadership in the free world today, is fortified by that fact.

Page 2640

The world is divided, not through our fault or failure, but by Soviet design. They, not we, began the cold war. And because the free world saw this happen because men know we made the effort and the Soviet rulers spurned it—the free nations have accepted leadership from our Republic, in meeting and mastering the Soviet offensive.

It seems to me especially important that all of us be clear, in our own thinking, about the nature of the threat we have faced-and will face for a long time to come. The measures we have devised to meet it take shape and pattern only as we understand what we were—and are—up against.

The Soviet Union occupies a territory of 8 million square miles. Beyond its borders, East and West, are the nearly five million square miles of the satellite states—virtually incorporated into the Soviet Union—and of China, now its close partner. This vast land mass contains an enormous store of natural resources sufficient to support an economic development comparable to our own.

That is the Stalinist world. It is a world of great natural diversity in geography and climate, in distribution of resources, in population, language, and living standards, in economic and cultural development. It is a world whose people are not all convinced communists by any means. It is a world where history and national traditions, particularly in its borderlands, tend more toward separation than unification, and run counter to the enforced combination that has been made of these areas today.

But it is also a world of great man-made uniformities, a world that bleeds its population white to build huge military forces; a world in which the police are everywhere and their authority unlimited; a world where terror and slavery are deliberately administered both as instruments of government and as means of production; a world where all effective social power is the state's monopoly—yet the state itself is the creature of the communist tyrants.

The Soviet Union, with its satellites, and China are held in the tight grip of communist party chieftains. The party dominates all social and political institutions. The party regulates and centrally directs the whole economy. In Moscow's sphere, and in Peiping's, all history, philosophy, morality and law are centrally established by rigid dogmas, incessantly drummed into the whole population and subject to interpretation—-or to change by none except the party's own inner circle.

And lest their people learn too much of other ways of life, the communists have walled off their world, deliberately and uniformly, from the rest of human society.

That is the communist base of operation in-their cold war. In addition, they have at their command hundreds and thousands of dedicated foreign communists, people in nearly every free country who will serve Moscow's ends. Thus the masters of the Kremlin are

provided with deluded followers all through the free world whom they can manipulate, cynically and quite ruthlessly, to serve the purposes of the Soviet state.

Page 2641

Given their vast internal base of operations, and their agents in foreign lands, what are the communist rulers trying to do?

Inside their homeland, the communists are trying to maintain and modernize huge military forces. And simultaneously, they are endeavoring to weld their whole vast area and population into a completely self-contained, advanced industrial society. They aim, some day, to equal or better the production levels of Western Europe and North America combined—thus shifting the balance of world economic power, and war potential, to their side.

They have a long way to go and they know it. But they are prepared to levy upon living generations any sacrifice that helps strengthen their armed power, or speed industrial development.

Externally, the communist rulers are trying to expand the boundaries of their world, whenever and wherever they can. This expansion they have pursued steadfastly since the close of World War II, using any means available to them.

Where the Soviet army was present, as in the countries of Eastern Europe, they have gradually squeezed free institutions to death.

Where post-war chaos existed in industrialized nations, as in Western Europe, the local Stalinists tried to gain power through political processes, politically-inspired strikes, and every available means for subverting free institutions to their evil ends.

Where conditions permitted, the Soviet rulers have stimulated and aided armed insurrection by communist-led revolutionary forces, as in Greece, Indo-China, the Philippines, and China, or outright aggression by one of their satellites, as in Korea.

Where the forces of nationalism, independence, and economic change were at work throughout the great sweep of Asia and Africa, the communists tried to identify themselves with the cause of progress, tried to picture themselves as the friends of freedom and advancement—surely one of the most cynical efforts of which history offers record.

Thus, everywhere in the free world, the communists seek to fish in troubled waters, to seize more countries, to enslave more millions of human souls. They were, and are, ready to ally themselves with any group, from the extreme left to the extreme right, that offers them an opportunity to advance their ends.

Geography gives them a central position. They are both a European and an Asian power, with borders touching many of the most sensitive and vital areas in the free world around them. So situated, they can use their armies and their economic power to set up simultaneously a whole series of threats—or inducements—to such widely

dispersed places as Western Germany, Iran, and Japan. These pressures and attractions can be sustained at will, or quickly shifted from place to place.

Thus the communist rulers are moving, with implacable will, to create greater strength in their vast empire, and to create weakness and division in the free world, preparing for the time their false creed teaches them must come: the time when the whole world outside their sway will be so torn by strife and contradictions that it will be ripe for the communist plucking.

Page 2642

This is the heart of the distorted Marxist interpretation of history. This is the glass through which Moscow and Peiping look out upon the world, the glass through which they see the rest of us. They seem really to believe that history is on their side. And they are trying to boost “history” along, at every opportunity, in every way they can.

I have set forth here the nature of the communist menace confronting our Republic and the whole free world. This is the measure of the challenge we have faced since World War II—a challenge partly military and partly economic, partly moral and partly intellectual, confronting us at every level of human endeavor and all around the world.

It has been and must be the free world’s purpose not only to organize defenses against aggression and subversion, not only to build a structure of resistance and salvation for the community of nations outside the iron curtain, but in addition to give expression and opportunity to the forces of growth and progress in the free world, to so organize and unify the cooperative community of free men that we will not crumble but grow stronger over the years, and the Soviet empire, not the free world, will eventually have to change its ways or fall.

Our whole program of action to carry out this purpose has been directed to meet two requirements.

The first of these had to do with security. Like the pioneers who settled this great continent of ours, we have had to carry a musket while we went about our peaceful business. We realized that if we and our allies did not have military strength to meet the growing Soviet military threat, we would never have the opportunity to carry forward our efforts to build a peaceful world of law and order—the only environment in which our free institutions could survive and flourish.

Did this mean we had to drop everything else and concentrate on armies and weapons? Of course it did not: side-by-side with this urgent military requirement, we had to continue to help create conditions of economic and social progress in the world. This work had to be carried forward alongside the first, not only in order to meet the non-military aspects of the communist drive for power, but also because this creative effort toward human progress is essential to bring about the kind of world we as free men want to live in.

These two requirements—military security and human progress—are more closely related in action than we sometimes recognize. Military security depends upon a strong economic underpinning and a stable and hopeful political order; conversely, the confidence that makes for economic and political progress does not thrive in areas that are vulnerable to military conquest.

These requirements are related in another way. Both of them depend upon unity of action among the free nations of the world. This, indeed, has been the foundation of

our whole effort, for the drawing together of the free people of the world has become a condition essential not only to their progress, but to their survival as free people.

Page 2643

This is the conviction that underlies all the steps we have been taking to strengthen and unify the free nations during the past seven years.

What have these steps been? First of all, how have we gone about meeting the requirement of providing for our security against this world-wide challenge?

Our starting point, as I have said on many occasions, has been and remains the United Nations.

We were prepared, and so were the other nations of the free world, to place our reliance on the machinery of the United Nations to safeguard peace. But before the United Nations could give full expression to the concept of international security embodied in the Charter, it was essential that the five permanent members of the Security Council honor their solemn pledge to cooperate to that end. This the Soviet Union has not done.

I do not need to outline here the dreary record of Soviet obstruction and veto and the unceasing efforts of the Soviet representatives to sabotage the United Nations. It is important, however, to distinguish clearly between the principle of collective security embodied in the Charter and the mechanisms of the United Nations to give that principle effect. We must frankly recognize that the Soviet Union has been able, in certain instances, to stall the machinery of collective security. Yet it has not been able to impair the principle of collective security. The free nations of the world have retained their allegiance to that idea. They have found the means to act despite the Soviet veto, both through the United Nations itself and through the application of this principle in regional and other security arrangements that are fully in harmony with the Charter and give expression to its purposes.

The free world refused to resign itself to collective suicide merely because of the technicality of a Soviet veto.

The principle of collective measures to forestall aggression has found expression in the Treaty of Rio de Janeiro, the North Atlantic Treaty, now extended to include Greece and Turkey, and the several treaties we have concluded to reinforce security in the Pacific area.

But the free nations have not this time fallen prey to the dangerous illusion that treaties alone will stop an aggressor. By a series of vigorous actions, as varied as the nature of the threat, the free nations have successfully thwarted aggression or the threat of aggression in many different parts of the world.

Our country has led or supported these collective measures. The aid we have given to people determined to act in defense of their freedom has often spelled the difference between success and failure.

We all know what we have done, and I shall not review in detail the steps we have taken. Each major step was a milepost in the developing unity, strength and resolute will of the free nations.

The first was the determined and successful effort made through the United Nations to safeguard the integrity and independence of Iran in 1945 and 1946.

Page 2644

Next was our aid and support to embattled Greece, which enabled her to defeat the forces threatening her national independence.

In Turkey, cooperative action resulted in building up a bulwark of military strength for an area vital to the defenses of the entire free world.

In 1949, we began furnishing military aid to our partners in the North Atlantic Community and to a number of other free countries.

The Soviet Union's threats against Germany and Japan, its neighbors to the West and to the East, have been successfully withstood. Free Germany is on its way to becoming a member of the peaceful community of nations, and a partner in the common defense. The Soviet effort to capture Berlin by blockade was thwarted by the courageous Allied airlift. An independent and democratic Japan has been brought back into the community of free nations.

In the Far East, the tactics of communist imperialism have reached heights of violence unmatched elsewhere—and the problem of concerted action by the free nations has been at once more acute and more difficult.

Here, in spite of outside aid and support, the free government of China succumbed to the communist assault. Our aid has enabled the free Chinese to rebuild and strengthen their forces on the island of Formosa. In other areas of the Far East-in Indo-China, Malaya, and the Philippines—our assistance has helped sustain a staunch resistance against communist insurrectionary attacks.

The supreme test, up to this point, of the will and determination of the free nations came in Korea, when communist forces invaded the Republic of Korea, a state that was in a special sense under the protection of the United Nations. The response was immediate and resolute. Under our military leadership, the free nations for the first time took up arms, collectively, to repel aggression.

Aggression was repelled, driven back, punished. Since that time, communist strategy has seen fit to prolong the conflict, in spite of honest efforts by the United Nations to reach an honorable truce. The months of deadlock have demonstrated that the communists cannot achieve by persistence, or by diplomatic trickery, what they failed to achieve by sneak attack. Korea has demonstrated that the free world has the will and the endurance to match the communist effort to overthrow international order through local aggression.

It has been a bitter struggle and it has cost us much in brave lives and human suffering, but it has made it plain that the free nations will fight side by side, that they will not succumb to aggression or intimidation, one by one. This, in the final analysis, is the only way to halt the communist drive to world power.

At the heart of the free world's defense is the military strength of the United States.

From 1945 to 1949, the United States was sole possessor of the atomic bomb. That was a great deterrent and protection in itself.

Page 2645

But when the Soviets produced an atomic explosion—as they were bound to do in time—we had to broaden the whole basis of our strength. We had to endeavor to keep our lead in atomic weapons. We had to strengthen our armed forces generally and to enlarge our productive capacity-our mobilization base. Historically, it was the Soviet atomic explosion in the fall of 1949, nine months before the aggression in Korea, which stimulated the planning for our program of defense mobilization.

What we needed was not just a central force that could strike back against aggression. We also needed strength along the outer edges of the free world, defenses for our allies as well as for ourselves, strength to hold the line against attack as well as to retaliate.

We have made great progress on this task of building strong defenses. In the last two and one half years, we have more than doubled our own defenses, and we have helped to increase the protection of nearly all the other free nations.

All the measures of collective security, resistance to aggression, and the building of defenses, constitute the first requirement for the survival and progress of the free world. But, as I have pointed out, they are interwoven with the necessity of taking steps to create and maintain economic and social progress in the free nations. There can be no military strength except where there is economic capacity to back it. There can be no freedom where there is economic chaos or social collapse. For these reasons, our national policy has included a wide range of economic measures.

In Europe, the grand design of the Marshall Plan permitted the people of Britain and France and Italy and a half dozen other countries, with help from the United States, to lift themselves from stagnation and find again the path of rising production, rising incomes, rising standards of living. The situation was changed almost overnight by the Marshall Plan; the people of Europe have a renewed hope and vitality, and they are able to carry a share of the military defense of the free world that would have been impossible a few years ago.

Now the countries of Europe are moving rapidly towards political and economic unity, changing the map of Europe in more hopeful ways than it has been changed for 500 years. Customs unions, European economic institutions like the Schuman Plan, the movement toward European political integration, the European Defense Community-all are signs of practical and effective growth toward greater common strength and unity. The countries of Western Europe, including the free Republic of Germany are working together, and the whole free world is the gainer.

Page 2646

It sometimes happens, in the course of history, that steps taken to meet an immediate necessity serve an ultimate purpose greater than may be apparent at the time. This, I believe, is the meaning of what has been going on in Europe under the threat of aggression. The free nations there, with our help, have been drawing together in defense of their free institutions. In so doing, they have laid the foundations of a unity that will endure as a major creative force beyond the exigencies of this period of history. We may, at this close range, be but dimly aware of the creative surge this movement represents, but I believe it to be of historic importance. I believe its benefits will survive long after communist tyranny is nothing but an unhappy memory.

In Asia and Africa, the economic and social problems are different but no less urgent. There hundreds of millions of people are in ferment, exploding into the twentieth century, thrusting toward equality and independence and improvement in the hard conditions of their lives.

Politically, economically, socially, things cannot and will not stay in their pre-war mold in Africa and Asia. Change must come—is coming—fast. Just in the years I have been President, 12 free nations, with more than 600 million people, have become independent: Burma, Indonesia, the Philippines, Korea, Israel, Libya, India, Pakistan and Ceylon, and the three Associated States of Indo-China, now members of the French Union. These names alone are testimony to the sweep of the great force which is changing the face of half the world.

Working out new relationships among the peoples of the free world would not be easy in the best of times. Even if there were no Communist drive for expansion, there would be hard and complex problems of transition from old social forms, old political arrangements, old economic institutions to the new ones our century demands—-problems of guiding change into constructive channels, of helping new nations grow strong and stable. But now, with the Soviet rulers striving to exploit this ferment for their own purposes, the task has become harder and more urgent—terribly urgent.

In this situation, we see the meaning and the importance of the Point IV program, through which we can share our store of know-how and of capital to help these people develop their economies and reshape their societies. As we help Iranians to raise more grain, Indians to reduce the incidence of malaria, Liberians to educate their children better, we are at once helping to answer the desires of the people for advancement, and demonstrating the superiority of freedom over communism. There will be no quick solution for any of the difficulties of the new nations of Asia and Africa—but there may be no solution at all if we do not press forward with full energy to help these countries grow and flourish in freedom and in cooperation with the rest of the free world.

Page 2647

Our measures of economic policy have already had a tremendous effect on the course of events. Eight years ago, the Kremlin thought post-war collapse in Western Europe and Japan—with economic dislocation in America—might give them the signal to advance. We demonstrated they were wrong. Now they wait with hope that the economic recovery of the free world has set the stage for violent and disastrous rivalry among the economically developed nations, struggling for each other's markets and a greater share of trade. Here is another test that we shall have to meet and master in the years immediately ahead. And it will take great ingenuity and effort—and much time—before we prove the Kremlin wrong again. But we can do it. It is true that economic recovery presents its problems, as does economic decline, but they are problems of another order. They are the problems of distributing abundance fairly, and they can be solved by the process of international cooperation that has already brought us so far.

These are the measures we must continue. This is the path we must follow. We must go on, working with our free associates, building an international structure for military defense, and for economic, social, and political progress. We must be prepared for war, because war may be thrust upon us. But the stakes in our search for peace are immensely higher than they have ever been before.

For now we have entered the atomic age, and war has undergone a technological change which makes it a very different thing from what it used to be. War today between the Soviet empire and the free nations might dig the grave not only of our Stalinist opponents, but of our own society, our world as well as theirs.

This transformation has been brought to pass in the seven years from Alamogordo to Eniwetok. It is only seven years, but the new force of atomic energy has turned the world into a very different kind of place.

Science and technology have worked so fast that war's new meaning may not yet be grasped by all the .peoples who would be its victims; nor, perhaps, by the rulers in the Kremlin. But I have been President of the United States, these seven years, responsible for the decisions which have brought our science and our engineering to their present place. I know what this development means now. I know something of what it will come to mean in the future.

We in this Government realized, even before the first successful atomic explosion, that this new force spelled terrible danger for all mankind unless it were brought under international control. We promptly advanced proposals in the United Nations to take this new source of energy out of the arena of national rivalries, to make it impossible to use it as a weapon of war. These proposals, so pregnant with benefit for all humanity, were rebuffed by the rulers of the Soviet Union.

The language of science is universal, the movement of science is always forward into the unknown. We could not assume that the Soviet Union would not develop the same

weapon, regardless of all our precautions, nor that there were not other and even more terrible means of destruction lying in the unexplored field of atomic energy.

Page 2648

We had no alternative, then, but to press on, to probe the secrets of atomic power to the uttermost of our capacity, to maintain, if we could, our initial superiority in the atomic field. At the same time, we sought persistently for some avenue, some formula, for reaching an agreement with the Soviet rulers that would place this new form of power under effective restraints—that would guarantee no nation would use it in war. I do not have to recount here the proposals we made, the steps taken in the United Nations, striving at least to open a way to ultimate agreement. I hope and believe that we will continue to make these efforts so long as there is the slightest possibility of progress. All civilized nations are agreed on the urgency of the problem, and have shown their willingness to agree on effective measures of control—all save the Soviet Union and its satellites. But they have rejected every reasonable proposal.

Meanwhile, the progress of scientific experiment has outrun our expectations. Atomic science is in the full tide of development; the unfolding of the innermost secrets of matter is uninterrupted and irresistible. Since Alamogordo we have developed atomic weapons with many times the explosive force of the early models, and we have produced them in substantial quantities. And recently, in the thermonuclear tests at Eniwetok, we have entered another stage in the world-shaking development of atomic energy. From now on, man moves into a new era of destructive power, capable of creating explosions of a new order of magnitude, dwarfing the mushroom clouds of Hiroshima and Nagasaki.

We have no reason to think that the stage we have now reached in the release of atomic energy will be the last. Indeed, the speed of our scientific and technical progress over the last seven years shows no signs of abating. We are being hurried forward, in our mastery of the atom, from one discovery to another, toward yet unforeseeable peaks of destructive power.

Inevitably, until we can reach international agreement, this is the path we must follow. And we must realize that no advance we make is unattainable by others, that no advantage in this race can be more than temporary.

The war of the future would be one in which man could extinguish millions of lives at one blow, demolish the great cities of the world, wipe out the cultural achievements of the past—and destroy the very structure of a civilization that has been slowly and painfully built up through hundreds of generations.

Such a war is not a possible policy for rational men. We know this, but we dare not assume that others would not yield to the temptation science is now placing in their hands.

With that in mind, there is something I would say, to Stalin: You claim belief in Lenin's prophecy that one stage in the development of communist society would be war between your world and ours. But Lenin was a pre-atomic man, who viewed society

and history with pre-atomic eyes. Something profound has happened since he wrote. War has changed its shape and its dimension. It cannot now be a “stage” in the development of anything save ruin for your regime and your homeland.

Page 2649

I do not know how much time may elapse before the communist rulers bring themselves to recognize this truth. But when they do, they will find us eager to reach understandings that will protect the world from the danger it faces today.

It is no wonder that some people wish that we had never succeeded in splitting the atom. But atomic power, like any other force of nature, is not evil in itself. Properly used, it is an instrumentality for human betterment. As a source of power, as a tool of scientific inquiry, it has untold possibilities. We are already making good progress in the constructive use of atomic power. We could do much more if we were free to concentrate on its peaceful uses exclusively.

Atomic power will be with us all the days of our lives. We cannot legislate it out of existence. We cannot ignore the dangers or the benefits it offers.

I believe that man can harness the forces of the atom to work for the improvement of the lot of human beings everywhere. That is our goal. As a nation, as a people, we must understand this problem, we must handle this new force wisely through our democratic processes. Above all, we must strive, in all earnestness and good faith, to bring it under effective international control. To do this will require much wisdom and patience and firmness. The awe-inspiring responsibility in this field now falls on a new Administration and a new Congress. I will give them my support, as I am sure all our citizens will, in whatever constructive steps they may take to make this newest of man's discoveries a source of good and not of ultimate destruction.

We cannot tell when or whether the attitude of the Soviet rulers may change. We do not know how long it may be before they show a willingness to negotiate effective control of atomic energy and honorable settlements of other world problems. We cannot measure how deep-rooted are the Kremlin's illusions about us. We can be sure, however, that the rulers of the communist world will not change their basic objectives lightly or soon.

The communist rulers have a sense of time about these things wholly unlike our own. We tend to divide our future into short spans, like the two-year life of this Congress, or the four years of the next Presidential term. They seem to think and plan in terms of generations. And there is, therefore, no easy, short-run way to make them see that their plans cannot prevail.

This means there is ahead of us a long hard test of strength and stamina, between the free world and the communist domain-our politics and our economy, our science and technology against the best they can do—our liberty against their slavery—our voluntary concert Of free nations against their forced amalgam of "people's republics"—our strategy against their strategy-our nerve against their nerve.

Above all, this is a test of the will and the steadiness of the people of the United States.

Page 2650

There has been no challenge like this in the history of our Republic. We are called upon to rise to the occasion, as no people before us.

What is required of us is not easy. The way we must learn to live, the world we have to live in, cannot be so pleasant, safe or simple as most of us have known before, or confidently hoped to know.

Already we have had to sacrifice a number of accustomed ways of working and of living, much nervous energy, material resources, even human life. Yet if one thing is certain in our future, it is that more sacrifice still lies ahead.

Were we to grow discouraged now, were we to weaken and slack off, the whole structure we have built, these past eight years, would come apart and fall away. Never then, no matter by what stringent means, could our free world regain the ground, the time, the sheer momentum, lost by such a move. There can and should be changes and improvements in our programs, to meet new situations, serve new needs. But to desert the spirit of our basic policies, to step back from them now, would surely start the free world's slide toward the darkness that the communists have prophesied-toward the moment for which they watch and wait.

If we value our freedom and our way of life and want to see them safe, we must meet the challenge and accept its implications, stick to our guns and carry out our policies.

I have set out the basic conditions, as I see them, under which we have been working in the world, and the nature of our basic policies. What, then, of the future? The answer, I believe, is this: As we continue to confound Soviet expectations, as our world grows stronger, more united, more attractive to men on both sides of the iron curtain, then inevitably there will come a time of change within the communist world. We do not know how that change will come about, whether by deliberate decision in the Kremlin, by coup d'etat, by revolution, by defection of satellites, or perhaps by some unforeseen combination of factors such as these.

But if the communist rulers understand they cannot win by war, and if we frustrate their attempts to win by subversion, it is not too much to expect their world to change its character, moderate its aims, become more realistic and less implacable, and recede from the cold war they began.

Do not be deceived by the strong face, the look of monolithic power that the communist dictators wear before the outside world. Remember their power has no basis in consent. Remember they are so afraid of the free world's ideas and ways of life, they do not dare to let their people know about them. Think of the massive effort they put forth to try to stop our Campaign of Truth from reaching their people with its message of freedom.

The masters of the Kremlin live in fear their power and position would collapse were their own people to acquire knowledge, information, comprehension about our free society. Their world has many elements of strength, but this one fatal flaw: the weakness represented by their iron curtain and their police state. Surely, a social order at once so insecure and so fearful, must ultimately lose its competition with our free society.

Page 2651

Provided just one thing—and this I urge you to consider carefully—provided that the free world retains the confidence and the determination to outmatch the best our adversary can accomplish and to demonstrate for uncertain millions on both sides of the iron curtain the superiority of the free way of life.

That is the test upon all the free nations; upon none more than our own Republic.

Our resources are equal to the task. We have the industry, the skills, the basic economic strength. Above all, we have the vigor of free men in a free society. We have our liberties. And while we keep them, while we retain our democratic faith, the ultimate advantage in this hard competition lies with us, not with the communists.

But there are some things that could shift the advantage to their side. One of the things that could defeat us is fear—fear of the task we face, fear of adjusting to it, fear that breeds more fear, sapping our faith, corroding our liberties, turning citizen against citizen, ally against ally. Fear could snatch away the very values we are striving to defend.

Already the danger signals have gone up. Already the corrosive process has begun. And every diminution of our tolerance, each new act of enforced conformity, each idle accusation, each demonstration of hysteria-each new restrictive law—is one more sign that we can lose the battle against fear.

The communists cannot deprive us of our liberties—fear can. The communists cannot stamp out our faith in human dignity-fear can. Fear is an enemy within ourselves, and if we do not root it out, it may destroy the very way of life we are so anxious to protect.

To beat back fear, we must hold fast to our heritage as free men. We must renew our confidence in one another, our tolerance, our sense of being neighbors, fellow citizens. We must take our stand on the Bill of Rights. The inquisition, the star chamber, have no place in a free society.

Our ultimate strength lies, not alone in arms, but in the sense of moral values and moral truths that give meaning and vitality to the purposes of free people. These values are our faith, our inspiration, the source of our strength and our indomitable determination.

We face hard tasks, great dangers. But we are Americans and we have faced hardships and uncertainty before, we have adjusted before to changing circumstances. Our whole history has been a steady training for the work it is now ours to do.

No one can lose heart for the task, none can lose faith in our free ways, who stops to remember where we began, what we have sought, and what accomplished, all together as Americans.

I have lived a long time and seen much happen in our country. And I know out of my own experience, that we can do what must be done.

When I think back to the country I grew up in—and then look at what our country has become—I am quite certain that having done so much, we can do more.

Page 2652

After all, it has been scarcely fifteen years since most Americans rejected out-of-hand the wise counsel that aggressors must be “quarantined”. The very concept of collective security, the foundation-stone of all our actions now, was then strange doctrine, shunned and set aside. Talk about adapting; talk about adjusting; talk about responding as a people to the challenge of changed times and circumstances—there has never been a more spectacular example than this great change in America’s outlook on the world.

Let all of us pause now, think back, consider carefully the meaning of our national experience. Let us draw comfort from it and faith, and confidence in our future as Americans.

The Nation’s business is never finished. The basic questions we have been dealing with, these eight years past, present themselves anew. That is the way of our society. Circumstances change and current questions take on different forms, new complications, year by year. But underneath, the great issues remain the same—-prosperity, welfare, human rights, effective democracy, and above all, peace.

Now we turn to the inaugural of our new President. And in the great work he is called upon to do he will have need for the support of a united people, a confident people, with firm faith in one another and in our common cause. I pledge him my support as a citizen of our Republic, and I ask you to give him yours.

To him, to you, to all my fellow citizens, I say, Godspeed.

May God bless our country and our cause.

***

State of the Union Address
Dwight D. Eisenhower
February 2, 1953

Mr. President, Mr. Speaker, Members of the Eighty-third Congress:

I welcome the honor of appearing before you to deliver my first message to the Congress.

It is manifestly the joint purpose of the congressional leadership and of this administration to justify the summons to governmental responsibility issued last November by the American people. The grand labors of this leadership will involve:

Application of America’s influence in world affairs with such fortitude and such foresight that it will deter aggression and eventually secure peace;

Establishment of a national administration of such integrity and such efficiency that its honor at home will ensure respect abroad;

Encouragement of those incentives that inspire creative initiative in our economy, so that its productivity may fortify freedom everywhere; and

Dedication to the well-being of all our citizens and to the attainment of equality of opportunity for all, so that our Nation will ever act with the strength of unity in every task to which it is called.

The purpose of this message is to suggest certain lines along which our joint efforts may immediately be directed toward realization of these four ruling purposes.

The time that this administration has been in office has been too brief to permit preparation of a detailed and comprehensive program of recommended action to cover all phases of the responsibilities that devolve upon our country's new leaders. Such a program will be filled out in the weeks ahead as, after appropriate study, I shall submit additional recommendations for your consideration. Today can provide only a sure and substantial beginning.

Page 2653

II.

Our country has come through a painful period of trial and disillusionment since the victory of 1945. We anticipated a world of peace and cooperation. The calculated pressures of aggressive communism have forced us, instead, to live in a world of turmoil.

From this costly experience we have learned one clear lesson. We have learned that the free world cannot indefinitely remain in a posture of paralyzed tension, leaving forever to the aggressor the choice of time and place and means to cause greatest hurt to us at least cost to himself.

This administration has, therefore, begun the definition of a new, positive foreign policy. This policy will be governed by certain fixed ideas. They are these:

(1) Our foreign policy must be clear, consistent, and confident. This means that it must be the product of genuine, continuous cooperation between the executive and the legislative branches of this Government. It must be developed and directed in the spirit of true bipartisanship.

(2) The policy we embrace must be a coherent global policy. The freedom we cherish and defend in Europe and in the Americas is no different from the freedom that is imperiled in Asia.

(3) Our policy, dedicated to making the free world secure, will envision all peaceful methods and devices—except breaking faith with our friends. We shall never acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves. I shall ask the Congress at a later date to join in an appropriate resolution making clear that this Government recognizes no kind of commitment contained in secret understandings of the past with foreign governments which permit this kind of enslavement.

(4) The policy we pursue will recognize the truth that no single country, even one so powerful as ours, can alone defend the liberty of all nations threatened by Communist aggression from without or subversion within. Mutual security means effective mutual cooperation. For the United States, this means that, as a matter of common sense and national interest, we shall give help to other nations in the measure that they strive earnestly to do their full share of the common task. No wealth of aid could compensate for poverty of spirit. The heart of every free nation must be honestly dedicated to the preserving of its own independence and security.

(5) Our policy will be designed to foster the advent of practical unity in Western Europe. The nations of that region have contributed notably to the effort of sustaining the security of the free world. From the jungles of Indochina and Malaya to the northern

shores of Europe, they have vastly improved their defensive strength. Where called upon to do so, they have made costly and bitter sacrifices to hold the line of freedom.

But the problem of security demands closer cooperation among the nations of Europe than has been known to date. Only a more closely integrated economic and political system can provide the greatly increased economic strength needed to maintain both necessary military readiness and respectable living standards.

Page 2654

Europe's enlightened leaders have long been aware of these facts. All the devoted work that has gone into the Schuman plan, the European Army, and the Strasbourg Conference has testified to their vision and determination. These achievements are the more remarkable when we realize that each of them has marked a victory—for France and for Germany alike over the divisions that in the past have brought such tragedy to these two great nations and to the world.

The needed unity of Western Europe manifestly cannot be manufactured from without; it can only be created from within. But it is right and necessary that we encourage Europe's leaders by informing them of the high value we place upon the earnestness of their efforts toward this goal. Real progress will be conclusive evidence to the American people that our material sacrifices in the cause of collective security are matched by essential political, economic, and military accomplishments in Western Europe.

(6) Our foreign policy will recognize the importance of profitable and equitable world trade.

A substantial beginning can and should be made by our friends themselves. Europe, for example, is now marked by checkered areas of labor surplus and labor shortage, of agricultural areas needing machines and industrial areas needing food. Here and elsewhere we can hope that our friends will take the initiative in creating broader markets and more dependable currencies, to allow greater exchange of goods and services among themselves.

Action along these lines can create an economic environment that will invite vital help from us.

This help includes:

First: Revising our customs regulations to remove procedural obstacles to profitable trade. I further recommend that the Congress take the Reciprocal Trade Agreements Act under immediate study and extend it by appropriate legislation. This objective must not ignore legitimate safeguarding of domestic industries, agriculture, and labor standards. In all executive study and recommendations on this problem labor and management and farmers alike will be earnestly consulted.

Second: Doing whatever Government properly can to encourage the flow of private American investment abroad. This involves, as a serious and explicit purpose of our foreign policy, the encouragement of a hospitable climate for such investment in foreign nations.

Third: Availing ourselves of facilities overseas for the economical production of manufactured articles which are needed for mutual defense and which are not seriously competitive with our own normal peacetime production.

Fourth: Receiving from the rest of the world, in equitable exchange for what we supply, greater amounts of important raw materials which we do not ourselves possess in adequate quantities.

III.

In this general discussion of our foreign policy, I must make special mention of the war in Korea.

Page 2655

This war is, for Americans, the most painful phase of Communist aggression throughout the world. It is clearly a part of the same calculated assault that the aggressor is simultaneously pressing in Indochina and in Malaya, and of the strategic situation that manifestly embraces the island of Formosa and the Chinese Nationalist forces there. The working out of any military solution to the Korean war will inevitably affect all these areas.

The administration is giving immediate increased attention to the development of additional Republic of Korea forces. The citizens of that country have proved their capacity as fighting men and their eagerness to take a greater share in the defense of their homeland. Organization, equipment, and training will allow them to do so. Increased assistance to Korea for this purpose conforms fully to our global policies.

In June 1950, following the aggressive attack on the Republic of Korea, the United States Seventh Fleet was instructed both to prevent attack upon Formosa and also to insure that Formosa should not be used as a base of operations against the Chinese Communist mainland.

This has meant, in effect, that the United States Navy was required to serve as a defensive arm of Communist China. Regardless of the situation in 1950, since the date of that order the Chinese Communists have invaded Korea to attack the United Nations forces there. They have consistently rejected the proposals of the United Nations Command for an armistice. They recently joined with Soviet Russia in rejecting the armistice proposal sponsored in the United Nations by the Government of India. This proposal had been accepted by the United States and 53 other nations.

Consequently there is no longer any logic or sense in a condition that required the United States Navy to assume defensive responsibilities on behalf of the Chinese Communists, thus permitting those Communists, with greater impunity, to kill our soldiers and those of our United Nations allies in Korea.

I am, therefore, issuing instructions that the Seventh Fleet no longer be employed to shield Communist China. This order implies no aggressive intent on our part. But we certainly have no obligation to protect a nation fighting us in Korea.

IV.

Our labor for peace in Korea and in the world imperatively demands the maintenance by the United States of a strong fighting service ready for any contingency.

Our problem is to achieve adequate military strength within the limits of endurable strain upon our economy. To amass military power without regard to our economic capacity would be to defend ourselves against one kind of disaster by inviting another.

Both military and economic objectives demand a single national military policy, proper coordination of our armed services, and effective consolidation of certain logistics activities.

Page 2656

We must eliminate waste and duplication of effort in the armed services.

We must realize clearly that size alone is not sufficient. The biggest force is not necessarily the best—and we want the best.

We must not let traditions or habits of the past stand in the way of developing an efficient military force. All members of our forces must be ever mindful that they serve under a single flag and for a single cause.

We must effectively integrate our armament programs and plan them in such careful relation to our industrial facilities that we assure the best use of our manpower and our materials.

Because of the complex technical nature of our military organization and because of the security reasons involved, the Secretary of Defense must take the initiative and assume the responsibility for developing plans to give our Nation maximum safety at minimum cost. Accordingly, the new Secretary of Defense and his civilian and military associates will, in the future, recommend such changes in present laws affecting our defense activities as may be necessary to clarify responsibilities and improve the total effectiveness of our defense effort.

This effort must always conform to policies laid down in the National Security Council.

The statutory function of the National Security Council is to assist the President in the formulation and coordination of significant domestic, foreign, and military policies required for the security of the Nation. In these days of tension it is essential that this central body have the vitality to perform effectively its statutory role. I propose to see that it does so.

Careful formulation of policies must be followed by clear understanding of them by all peoples. A related need, therefore, is to make more effective all activities of the Government related to international information.

I have recently appointed a committee of representative and informed citizens to survey this subject and to make recommendations in the near future for legislative, administrative, or other action.

A unified and dynamic effort in this whole field is essential to the security of the United States and of the other peoples in the community of free nations. There is but one sure way to avoid total war—and that is to win the cold war.

While retaliatory power is one strong deterrent to a would-be aggressor, another powerful deterrent is defensive power. No enemy is likely to attempt an attack foredoomed to failure.

Because the building of a completely impenetrable defense against attack is still not possible, total defensive strength must include civil defense preparedness. Because we have incontrovertible evidence that Soviet Russia possesses atomic weapons, this kind of protection becomes sheer necessity.

Civil defense responsibilities primarily belong to the State and local governments—-recruiting, training, and organizing volunteers to meet any emergency. The immediate job of the Federal Government is to provide leadership, to supply technical guidance, and to continue to strengthen its civil defense stockpile of medical, engineering, and related supplies and equipment. This work must go forward without lag.

Page 2657

V.

I have referred to the inescapable need for economic health and strength if we are to maintain adequate military power and exert influential leadership for peace in the world.

Our immediate task is to chart a fiscal and economic policy that can:

(1) Reduce the planned deficits and then balance the budget, which means, among other things, reducing Federal expenditures to the safe minimum;

(2) Meet the huge costs of our defense;

(3) Properly handle the burden of our inheritance of debt and obligations;

(4) Check the menace of inflation;

(5) Work toward the earliest possible reduction of the tax burden;

(6) Make constructive plans to encourage the initiative of our citizens.

It is important that all of us understand that this administration does not and cannot begin its task with a clean slate. Much already has been written on the record, beyond our power quickly to erase or to amend. This record includes our inherited burden of indebtedness and obligations and deficits.

The current year's budget, as you know, carries a 5.9 billion dollar deficit; and the budget, which was presented to you before this administration took office, indicates a budgetary deficit of 9.9 billion for the fiscal year ending June 30, 1954. The national debt is now more than 265 billion dollars. In addition, the accumulated obligational authority of the Federal Government for future payment totals over 80 billion dollars. Even this amount is exclusive of large contingent liabilities, so numerous and extensive as to be almost beyond description.

The bills for the payment of nearly all of the 80 billion dollars of obligations will be presented during the next 4 years. These bills, added to the current costs of government we must meet, make a formidable burden.

The present authorized Government-debt limit is 275 billion dollars. The forecast presented by the outgoing administration with the fiscal year 1954 budget indicates that —before the end of the fiscal year and at the peak of demand for payments during the year—the total Government debt may approach and even exceed that limit. Unless budgeted deficits are checked, the momentum of past programs will force an increase of the statutory debt limit.

Permit me this one understatement: to meet and to correct this situation will not be easy.

Permit me this one assurance: every department head and I are determined to do everything we can to resolve it.

The first order of business is the elimination of the annual deficit. This cannot be achieved merely by exhortation. It demands the concerted action of all those in responsible positions in the Government and the earnest cooperation of the Congress.

Already, we have begun an examination of the appropriations and expenditures of all departments in an effort to find significant items that may be decreased or canceled without damage to our essential requirements.

Page 2658

Getting control of the budget requires also that State and local governments and interested groups of citizens restrain themselves in their demands upon the Congress that the Federal Treasury spend more and more money for all types of projects.

A balanced budget is an essential first measure in checking further depreciation in the buying power of the dollar. This is one of the critical steps to be taken to bring an end to planned inflation. Our purpose is to manage the Government's finances so as to help and not hinder each family in balancing its own budget.

Reduction of taxes will be justified only as we show we can succeed in bringing the budget under control. As the budget is balanced and inflation checked, the tax burden that today stifles initiative can and must be eased.

Until we can determine the extent to which expenditures can be reduced, it would not be wise to reduce our revenues.

Meanwhile, the tax structure as a whole demands review. The Secretary of the Treasury is undertaking this study immediately. We must develop a system of taxation which will impose the least possible obstacle to the dynamic growth of the country. This includes particularly real opportunity for the growth of small businesses. Many readjustments in existing taxes will be necessary to serve these objectives and also to remove existing inequities. Clarification and simplification in the tax laws as well as the regulations will be undertaken.

In the entire area of fiscal policy—which must, in its various aspects, be treated in recommendations to the Congress in coming weeks—there can now be stated certain basic facts and principles.

First. It is axiomatic that our economy is a highly complex and sensitive mechanism. Hasty and ill-considered action of any kind could seriously upset the subtle equation that encompasses debts, obligations, expenditures, defense demands, deficits, taxes, and the general economic health of the Nation. Our goals can be clear, our start toward them can be immediate—but action must be gradual.

Second. It is clear that too great a part of the national debt comes due in too short a time. The Department of the Treasury will undertake at suitable times a program of extending part of the debt over longer periods and gradually placing greater amounts in the hands of longer-term investors.

Third. Past differences in policy between the Treasury and the Federal Reserve Board have helped to encourage inflation. Henceforth, I expect that their single purpose shall be to serve the whole Nation by policies designed to stabilize the economy and encourage the free play of our people's genius for individual initiative.

In encouraging this initiative, no single item in our current problems has received more thoughtful consideration by my associates, and by the many individuals called into our counsels, than the matter of price and wage control by law.

Page 2659

The great economic strength of our democracy has developed in an atmosphere of freedom. The character of our people resists artificial and arbitrary controls of any kind. Direct controls, except those on credit, deal not with the real causes of inflation but only with its symptoms. In times of national emergency, this kind of control has a role to play. Our whole system, however, is based upon the assumption that, normally, we should combat wide fluctuations in our price structure by relying largely on the effective use of sound fiscal and monetary policy, and upon the natural workings of economic law.

Moreover, American labor and American business can best resolve their wage problems across the bargaining table. Government should refrain from sitting in with them unless, in extreme cases, the public welfare requires protection.

We are, of course, living in an international situation that is neither an emergency demanding full mobilization, nor is it peace. No one can know how long this condition will persist. Consequently, we are forced to learn many new things as we go along-clinging to what works, discarding what does not.

In all our current discussions on these and related facts, the weight of evidence is clearly against the use of controls in their present forms. They have proved largely unsatisfactory or unworkable. They have not prevented inflation; they have not kept down the cost of living. Dissatisfaction with them is wholly justified. I am convinced that now—as well as in the long run—free and competitive prices will best serve the interests of all the people, and best meet the changing, growing needs of our economy.

Accordingly, I do not intend to ask for a renewal of the present wage and price controls on April 30, 1953, when present legislation expires. In the meantime, steps will be taken to eliminate controls in an orderly manner, and to terminate special agencies no longer needed for this purpose. It is obviously to be expected that the removal of these controls will result in individual price changes—some up, some down. But a maximum of freedom in market prices as well as in collective bargaining is characteristic of a truly free people.

I believe also that material and product controls should be ended, except with respect to defense priorities and scarce and critical items essential for our defense. I shall recommend to the Congress that legislation be enacted to continue authority for such remaining controls of this type as will be necessary after the expiration of the existing statute on June 30, 1953.

I recommend the continuance of the authority for Federal control over rents in those communities in which serious housing shortages exist. These are chiefly the so-called defense areas. In these and all areas the Federal Government should withdraw from the control of rents as soon as practicable. But before they are removed entirely, each

legislature should have full opportunity to take over, within its own State, responsibility for this function.

Page 2660

It would be idle to pretend that all our problems in this whole field of prices will solve themselves by mere Federal withdrawal from direct controls.

We shall have to watch trends closely. If the freer functioning of our economic system, as well as the indirect controls which can be appropriately employed, prove insufficient during this period of strain and tension, I shall promptly ask the Congress to enact such legislation as may be required.

In facing all these problems—wages, prices, production, tax rates, fiscal policy, deficits—everywhere we remain constantly mindful that the time for sacrifice has not ended. But we are concerned with the encouragement of competitive enterprise and individual initiative precisely because we know them to be our Nation's abiding sources of strength.

VI.

Our vast world responsibility accents with urgency our people's elemental right to a government whose clear qualities are loyalty, security, efficiency, economy, and integrity.

The safety of America and the trust of the people alike demand that the personnel of the Federal Government be loyal in their motives and reliable in the discharge of their duties. Only a combination of both loyalty and reliability promises genuine security.

To state this principle is easy; to apply it can be difficult. But this security we must and shall have. By way of example, all principal new appointees to departments and agencies have been investigated at their own request by the Federal Bureau of Investigation.

Confident of your understanding and cooperation, I know that the primary responsibility for keeping out the disloyal and the dangerous rests squarely upon the executive branch. When this branch so conducts itself as to require policing by another branch of the Government, it invites its own disorder and confusion.

I am determined to meet this responsibility of the Executive. The heads of all executive departments and agencies have been instructed to initiate at once effective programs of security with respect to their personnel. The Attorney General will advise and guide the departments and agencies in the shaping of these programs, designed at once to govern the employment of new personnel and to review speedily any derogatory information concerning incumbent personnel.

To carry out these programs, I believe that the powers of the executive branch under existing law are sufficient. If they should prove inadequate, the necessary legislation will be requested.

These programs will be both fair to the rights of the individual and effective for the safety of the Nation. They will, with care and justice, apply the basic principle that public employment is not a right but a privilege.

All these measures have two clear purposes: Their first purpose is to make certain that this Nation's security is not jeopardized by false servants. Their second purpose is to clear the atmosphere of that unreasoned suspicion that accepts rumor and gossip as substitutes for evidence.

Page 2661

Our people, of course, deserve and demand of their Federal Government more than security of personnel. They demand, also, efficient and logical organization, true to constitutional principles.

I have already established a Committee on Government Organization. The Committee is using as its point of departure the reports of the Hoover Commission and subsequent studies by several independent agencies. To achieve the greater efficiency and economy which the Committee analyses show to be possible, I ask the Congress to extend the present Government Reorganization Act for a period of 18 months or 2 years beyond its expiration date of April 1, 1953.

There is more involved here than realigning the wheels and smoothing the gears of administrative machinery. The Congress rightfully-expects the Executive to take the initiative in discovering and removing outmoded functions and eliminating duplication.

One agency, for example, whose head has promised early and vigorous action to provide greater efficiency is the Post Office. One of the oldest institutions of our Federal Government, its service should be of the best. Its employees should merit and receive the high regard and esteem of the citizens of the Nation. There are today in some areas of the postal service, both waste and incompetence to be corrected. With the cooperation of the Congress, and taking advantage of its accumulated experience in postal affairs, the Postmaster General will institute a program directed at improving service while at the same time reducing costs and decreasing deficits.

In all departments, dedication to these basic precepts of security and efficiency, integrity, and economy can and will produce an administration deserving of the trust the people have placed in it.

Our people have demanded nothing less than good, efficient government. They shall get nothing less.

VII.

Vitally important are the water and minerals, public lands and standing timber, forage and wild-life of this country. A fast-growing population will have vast future needs in these resources. We must more than match the substantial achievements in the half-century since President Theodore Roosevelt awakened the Nation to the problem of conservation.

This calls for a strong Federal program in the field of resource development. Its major projects should be timed, where possible to assist in leveling off peaks and valleys in our economic life. Soundly planned projects already initiated should be carried out. New ones will be planned for the future.

The best natural resources program for America will not result from exclusive dependence on Federal bureaucracy. It will involve a partnership of the States and local communities, private citizens, and the Federal Government, all working together. This combined effort will advance the development of the great river valleys of our Nation and the power that they can generate. Likewise, such a partnership can be effective in the expansion throughout the Nation of upstream storage; the sound use of public lands; the wise conservation of minerals; and the sustained yield of our forests.

Page 2662

There has been much criticism, some of it apparently justified, of the confusion resulting from overlapping Federal activities in the entire field of resource-conservation. This matter is being exhaustively studied and appropriate reorganization plans will be developed.

Most of these particular resource problems pertain to the Department of the Interior. Another of its major concerns is our country's island possessions. Here, one matter deserves attention. The platforms of both political parties promised immediate statehood to Hawaii. The people of that Territory have earned that status. Statehood should be granted promptly with the first election scheduled for 1954.

VIII.

One of the difficult problems which face the new administration is that of the slow, irregular decline of farm prices. This decline, which has been going on for almost 2 years, has occurred at a time when most nonfarm prices and farm costs of production are extraordinarily high.

Present agricultural legislation provides for the mandatory support of the prices of basic farm commodities at 90 percent of parity. The Secretary of Agriculture and his associates will, of course, execute the present act faithfully and thereby seek to mitigate the consequences of the downturn in farm income.

This price-support legislation will expire at the end of 1954.

So we should begin now to consider what farm legislation we should develop for 1955 and beyond. Our aim should be economic stability and full parity of income for American farmers. But we must seek this goal in ways that minimize governmental interference in the farmers' affairs, that permit desirable shifts in production, and that encourage farmers themselves to use initiative in meeting changing economic conditions.

A continuing study reveals nothing more emphatically than the complicated nature of this subject. Among other things, it shows that the prosperity of our agriculture depends directly upon the prosperity of the whole country—upon the purchasing power of American consumers. It depends also upon the opportunity to ship abroad large surpluses of particular commodities, and therefore upon sound economic relationships between the United States and many foreign countries. It involves research and scientific investigation, conducted on an extensive scale. It involves special credit mechanisms and marketing, rural electrification, soil conservation, and other programs.

The whole complex of agricultural programs and policies will be studied by a Special Agricultural Advisory Commission, as I know it will by appropriate committees of the

Congress. A nonpartisan group of respected authorities in the field of agriculture has already been appointed as an interim advisory group.

The immediate changes needed in agricultural programs are largely budgetary and administrative in nature. New policies and new programs must await the completion of the far-reaching studies which have already been launched.

Page 2663

IX.

The determination of labor policy must be governed not by the vagaries of political expediency but by the firmest principles and convictions. Slanted partisan appeals to American workers, spoken as if they were a group apart, necessitating a special language and treatment, are an affront to the fullness of their dignity as American citizens.

The truth in matters of labor policy has become obscured in controversy. The very meaning of economic freedom as it affects labor has become confused. This misunderstanding has provided a climate of opinion favoring the growth of governmental paternalism in labor relations. This tendency, if left uncorrected, could end only by producing a bureaucratic despotism. Economic freedom is, in fact, the requisite of greater prosperity for every American who earns his own living.

In the field of labor legislation, only a law that merits the respect and support of both labor and management can help reduce the loss of wages and of production through strikes and stoppages, and thus add to the total economic strength of our Nation.

We have now had 5 years' experience with the Labor Management Act of 1947, commonly known as the Taft-Hartley Act. That experience has shown the need for some corrective action, and we should promptly proceed to amend that act.

I know that the Congress is already proceeding with renewed studies of this subject. Meanwhile, the Department of Labor is at once beginning work to devise further specific recommendations for your consideration.

In the careful working out of legislation, I know you will give thoughtful consideration—-as will we in the executive branch—to the views of labor, and of management, and of the general public. In this process, it is only human that each of us should bring forward the arguments of self-interest. But if all conduct their arguments in the overpowering light of national interest—which is enlightened self-interest—we shall get the right answers. I profoundly hope that every citizen of our country will follow with understanding your progress in this work. The welfare of all of us is involved.

Especially must we remember that the institutions of trade unionism and collective bargaining are monuments to the freedom that must prevail in our industrial life. They have a century of honorable achievement behind them. Our faith in them is proven, firm, and final.

Government can do a great deal to aid the settlement of labor disputes without allowing itself to be employed as an ally of either side. Its proper role in industrial strife is to encourage the processes of mediation and conciliation. These processes can

successfully be directed only by a government free from the taint of any suspicion that it is partial or punitive.

Page 2664

The administration intends to strengthen and to improve the services which the Department of Labor can render to the worker and to the whole national community. This Department was created—just 40 years ago—to serve the entire Nation. It must aid, for example, employers and employees alike in improving training programs that will develop skilled and competent workers. It must enjoy the confidence and respect of labor and industry in order to play a significant role in the planning of America's economic future. To that end, I am authorizing the Department of Labor to establish promptly a tripartite advisory committee consisting of representatives of employers, labor, and the public.

X.

Our civil and social rights form a central part of the heritage we are striving to defend on all fronts and with all our strength. I believe with all my heart that our vigilant guarding of these rights is a sacred obligation binding upon every citizen. To be true to one's own freedom is, in essence, to honor and respect the freedom of all others.

A cardinal ideal in this heritage we cherish is the equality of rights of all citizens of every race and color and creed.

We know that discrimination against minorities persists despite our allegiance to this ideal. Such discrimination—confined to no one section of the Nation—is but the outward testimony to the persistence of distrust and of fear in the hearts of men.

This fact makes all the more vital the fighting of these wrongs by each individual, in every station of life, in his every deed.

Much of the answer lies in the power of fact, fully publicized; of persuasion, honestly pressed; and of conscience, justly aroused. These are methods familiar to our way of life, tested and proven wise.

I propose to use whatever authority exists in the office of the President to end segregation in the District of Columbia, including the Federal Government, and any segregation in the Armed Forces.

Here in the District of Columbia, serious attention should be given to the proposal to develop and authorize, through legislation, a system to provide an effective voice in local self-government. While consideration of this proceeds, I recommend an immediate increase of two in the number of District Commissioners to broaden representation of all elements of our local population. This will be a first step toward insuring that this Capital provide an honored example to all communities of our Nation.

In this manner, and by the leadership of the office of the President exercised through friendly conferences with those in authority in our States and cities, we expect to make true and rapid progress in civil rights and equality of employment opportunity.

There is one sphere in which civil rights are inevitably involved in Federal legislation. This is the sphere of immigration.

Page 2665

It is a manifest right of our Government to limit the number of immigrants our Nation can absorb. It is also a manifest right of our Government to set reasonable requirements on the character and the numbers of the people who come to share our land and our freedom.

It is well for us, however, to remind ourselves occasionally of an equally manifest fact: we are—one and all—immigrants or sons and daughters of immigrants.

Existing legislation contains injustices. It does, in fact, discriminate. I am informed by Members of the Congress that it was realized, at the time of its enactment, that future study of the basis of determining quotas would be necessary.

I am therefore requesting the Congress to review this legislation and to enact a statute that will at one and the same time guard our legitimate national interests and be faithful to our basic ideas of freedom and fairness to all.

In another but related area—that of social rights—we see most clearly the new application of old ideas of freedom.

This administration is profoundly aware of two great needs born of our living in a complex industrial economy. First, the individual citizen must have safeguards against personal disaster inflicted by forces beyond his control; second, the welfare of the people demands effective and economical performance by the Government of certain indispensable social services.

In the light of this responsibility, certain general purposes and certain concrete measures are plainly indicated now.

There is urgent need for greater effectiveness in our programs, both public and private, offering safeguards against the privations that too often come with unemployment, old age, illness, and accident. The provisions of the old-age and survivors insurance law should promptly be extended to cover millions of citizens who have been left out of the social-security system. No less important is the encouragement of privately sponsored pension plans. Most important of all, of course, is renewed effort to check the inflation which destroys so much of the value of all social-security payments.

Our school system demands some prompt, effective help. During each of the last 9 years, more than 1 1/2 million children have swelled the elementary and secondary school population of the country. Generally, the school population is proportionately higher in States with low per capita income. This whole situation calls for careful congressional study and action. I am sure that you share my conviction that the firm conditions of Federal aid must be proved need and proved lack of local income.

One phase of the school problem demands special action. The school population of many districts has been greatly increased by the swift growth of defense activities. These activities have added little or nothing to the tax resources of the communities affected. Legislation aiding construction of schools in the districts expires on June 30. This law should be renewed; and likewise, the partial payments for current operating expenses for these particular school districts should be made, including the deficiency requirement of the current fiscal year.

Page 2666

Public interest similarly demands one prompt specific action in protection of the general consumer. The Food and Drug Administration should be authorized to continue its established and necessary program of factory inspections. The invalidation of these inspections by the Supreme Court of December 8, 1952, was based solely on the fact that the present law contained inconsistent and unclear provisions. These must be promptly corrected.

I am well aware that beyond these few immediate measures there remains much to be done. The health and housing needs of our people call for intelligently planned programs. Involved are the solvency of the whole security system; and its guarding against exploitation by the irresponsible.

To bring clear purpose and orderly procedure into this field, I anticipate a thorough study of the proper relationship among Federal, State, and local programs. I shall shortly send you specific recommendations for establishing such an appropriate commission, together with a reorganization plan defining new administrative status for all Federal activities in health, education, and social security.

I repeat that there are many important subjects of which I make no mention today. Among these is our great and growing body of veterans. America has traditionally been generous in caring for the disabled—and the widow and the orphan of the fallen. These millions remain close to all our hearts. Proper care of our uniformed citizens and appreciation of the past service of our veterans are part of our accepted governmental responsibilities.

XI

We have surveyed briefly some problems of our people and a portion of the tasks before us.

The hope of freedom itself depends, in real measure, upon our strength, our heart, and our wisdom.

We must be strong in arms. We must be strong in the source of all our armament, our productivity. We all—workers and farmers, foremen and financiers, technicians and builders—all must produce, produce more, and produce yet more.

We must be strong, above all, in the spiritual resources upon which all else depends. We must be devoted with all our heart to the values we defend. We must know that each of these values and virtues applies with equal force at the ends of the earth and in our relations with our neighbor next door. We must know that freedom expresses itself with equal eloquence in the right of workers to strike in the nearby factory, and in the yearnings and sufferings of the peoples of Eastern Europe.

As our heart summons our strength, our wisdom must direct it.

There is, in world affairs, a steady course to be followed between an assertion of strength that is truculent and a confession of helplessness that is cowardly.

There is, in our affairs at home, a middle way between untrammeled freedom of the individual and the demands for the welfare of the whole Nation. This way must avoid government by bureaucracy as carefully as it avoids neglect of the helpless.

Page 2667

In every area of political action, free men must think before they can expect to win.

In this spirit must we live and labor: confident of our strength, compassionate in our heart, clear in our mind.

In this spirit, let us together turn to the great tasks before us.

***

State of the Union Address
Dwight D. Eisenhower
January 7, 1954

Mr. President, Mr. Speaker, Members of the Eighty-third Congress:

It is a high honor again to present to the Congress my views on the state of the Union and to recommend measures to advance the security, prosperity, and well-being of the American people.

All branches of this Government—and I venture to say both of our great parties—can support the general objective of the recommendations I make today, for that objective is the building of a stronger America. A nation whose every citizen has good reason for bold hope; where effort is rewarded and prosperity is shared; where freedom expands and peace is secure—that is what I mean by a stronger America.

Toward this objective a real momentum has been developed during this Administration's first year in office. We mean to continue that momentum and to increase it. We mean to build a better future for this nation.

Much for which we may be thankful has happened during the past year.

First of all we are deeply grateful that our sons no longer die on the distant mountains of Korea. Although they are still called from our homes to military service, they are no longer called to the field of battle.

The nation has just completed the most prosperous year in its history. The damaging effect of inflation on the wages, pensions, salaries and savings of us all has been brought under control. Taxes have begun to go down. The cost of our government has been reduced and its work proceeds with some 183,000 fewer employees; thus the discouraging trend of modern governments toward their own limitless expansion has in our case been reversed. The cost of armaments becomes less oppressive as we near our defense goals; yet we are militarily stronger every day. During the year, creation of the new Cabinet Department of Health, Education, and Welfare symbolized the government's permanent concern with the human problems of our citizens.

Segregation in the armed forces and other Federal activities is on the way out. We have also made progress toward its elimination in the District of Columbia. These are steps in the continuing effort to eliminate inter-racial difficulty.

Some developments beyond our shores have been equally encouraging. Communist aggression, halted in Korea, continues to meet in Indo-china the vigorous resistance of France and the Associated States, assisted by timely aid from our country. In West Germany, in Iran, and in other areas of the world, heartening political victories have been won by the forces of stability and freedom. Slowly but surely, the free world gathers strength. Meanwhile, from behind the iron curtain, there are signs that tyranny is in trouble and reminders that its structure is as brittle as its surface is hard.

Page 2668

There has been in fact a great strategic change in the world during the past year. That precious intangible, the initiative, is becoming ours. Our policy, not limited to mere reaction against crises provoked by others, is free to develop along lines of our choice not only abroad, but also at home. As a major theme for American policy during the coming year, let our joint determination be to hold this new initiative and to use it.

We shall use this initiative to promote three broad purposes: First, to protect the freedom of our people; second, to maintain a strong, growing economy; third, to concern ourselves with the human problems of the individual citizen.

Only by active concern for each of these purposes can we be sure that we are on the forward road to a better and a stronger America. All my recommendations today are in furtherance of these three purposes.

I. FOREIGN AFFAIRS

American freedom is threatened so long as the world Communist conspiracy exists in its present scope, power and hostility. More closely than ever before, American freedom is interlocked with the freedom of other people. In the unity of the free world lies our best chance to reduce the Communist threat without war. In the task of maintaining this unity and strengthening all its parts, the greatest responsibility falls naturally on those who, like ourselves, retain the most freedom and strength.

We shall, therefore, continue to advance the cause of freedom on foreign fronts.

In the Far East, we retain our vital interest in Korea. We have negotiated with the Republic of Korea a mutual security pact, which develops our security system for the Pacific and which I shall promptly submit to the Senate for its consent to ratification. We are prepared to meet any renewal of armed aggression in Korea. We shall maintain indefinitely our bases in Okinawa. I shall ask the Congress to authorize continued material assistance to hasten the successful conclusion of the struggle in Indo-china. This assistance will also bring closer the day when the Associated States may enjoy the independence already assured by France. We shall also continue military and economic aid to the Nationalist Government of China.

In South Asia, profound changes are taking place in free nations which are demonstrating their ability to progress through democratic methods. They provide an inspiring contrast to the dictatorial methods and backward course of events in Communist China. In these continuing efforts, the free peoples of South Asia can be assured of the support of the United States.

In the Middle East, where tensions and serious problems exist, we will show sympathetic and impartial friendship.

In Western Europe our policy rests firmly on the North Atlantic Treaty. It will remain so based as far ahead as we can see. Within its organization, the building of a united European community, including France and Germany, is vital to a free and self-reliant Europe. This will be promoted by the European Defense Community which offers assurance of European security. With the coming of unity to Western Europe, the assistance this Nation can render for the security of Europe and the free world will be multiplied in effectiveness.

Page 2669

In the Western Hemisphere we shall continue to develop harmonious and mutually beneficial cooperation with our neighbors. Indeed, solid friendship with all our American neighbors is a cornerstone of our entire policy.

In the world as a whole, the United Nations, admittedly still in a state of evolution, means much to the United States. It has given uniquely valuable services in many places where violence threatened. It is the only real world forum where we have the opportunity for international presentation and rebuttal. It is a place where the nations of the world can, if they have the will, take collective action for peace and justice. It is a place where the guilt can be squarely assigned to those who fail to take all necessary steps to keep the peace. The United Nations deserves our continued firm support.

FOREIGN ASSISTANCE AND TRADE

In the practical application of our foreign policy, we enter the field of foreign assistance and trade.

Military assistance must be continued. Technical assistance must be maintained. Economic assistance can be reduced. However, our economic programs in Korea and in a few other critical places of the world are especially important, and I shall ask Congress to continue them in the next fiscal year.

The forthcoming Budget Message will propose maintenance of the Presidential power of transferability of all assistance funds and will ask authority to merge these funds with the regular defense funds. It will also propose that the Secretary of Defense have primary responsibility for the administration of foreign military assistance in accordance with the policy guidance of the Secretary of State.

The fact that we can now reduce our foreign economic assistance in many areas is gratifying evidence that its objectives are being achieved. By continuing to surpass her prewar levels of economic activity, Western Europe gains self-reliance. Thus our relationship enters a new phase which can bring results beneficial to our taxpayers and our allies alike, if still another step is taken.

This step is the creation of a healthier and freer system of trade and payments within the free world—a system in which our allies can earn their own way and our own economy can continue to flourish. The free world can no longer afford the kinds of arbitrary restraints on trade that have continued ever since the war. On this problem I shall submit to the Congress detailed recommendations, after our Joint Commission on Foreign Economic Policy has made its report.

ATOMIC ENERGY PROPOSAL

As we maintain our military strength during the coming year and draw closer the bonds with our allies, we shall be in an improved position to discuss outstanding issues with the Soviet Union. Indeed we shall be glad to do so whenever there is a reasonable prospect of constructive results. In this spirit the atomic energy proposals of the United States were recently presented to the United Nations General Assembly. A truly constructive Soviet reaction will make possible a new start toward an era of peace, and away from the fatal road toward atomic war.

Page 2670

DEFENSE

Since our hope is peace, we owe ourselves and the world a candid explanation of the military measures we are taking to make that peace secure.

As we enter this new year, our military power continues to grow. This power is for our own defense and to deter aggression. We shall not be aggressors, but we and our allies have and will maintain a massive capability to strike back.

Here are some of the considerations in our defense planning:

First, while determined to use atomic power to serve the usages of peace, we take into full account our great and growing number of nuclear weapons and the most effective means of using them against an aggressor if they are needed to preserve our freedom. Our defense will be stronger if, under appropriate security safeguards, we share with our allies certain knowledge of the tactical use of our nuclear weapons. I urge the Congress to provide the needed authority.

Second, the usefulness of these new weapons creates new relationships between men and materials. These new relationships permit economies in the use of men as we build forces suited to our situation in the world today. As will be seen from the Budget Message on January 21, the airpower of our Navy and Air Force is receiving heavy emphasis.

Third, our armed forces must regain maximum mobility of action. Our strategic reserves must be centrally placed and readily deployable to meet sudden aggression against ourselves and our allies.

Fourth, our defense must rest on trained manpower and its most economical and mobile use. A professional corps is the heart of any security organization. It is necessarily the teacher and leader of those who serve temporarily in the discharge of the obligation to help defend the Republic. Pay alone will not retain in the career service of our armed forces the necessary numbers of long-term personnel. I strongly urge, therefore, a more generous use of other benefits important to service morale. Among these are more adequate living quarters and family housing units and medical care for dependents.

Studies of military manpower have just been completed by the National Security Training Commission and a Committee appointed by the Director of the Office of Defense Mobilization. Evident weaknesses exist in the state of readiness and organization of our reserve forces. Measures to correct these weaknesses will be later submitted to the Congress.

Fifth, the ability to convert swiftly from partial to all-out mobilization is imperative to our security. For the first time, mobilization officials know what the requirements are for 1,000 major items needed for military uses. These data, now being related to civilian requirements and our supply potential, will show us the gaps in our mobilization base. Thus we shall have more realistic plant-expansion and stockpiling goals. We shall speed their attainment. This Nation is at last to have an up-to-date mobilization base—-the foundation of a sound defense program.

Page 2671

Another part of this foundation is, of course, our continental transport system. Some of our vital heavy materials come increasingly from Canada. Indeed our relations with Canada, happily always close, involve more and more the unbreakable ties of strategic interdependence. Both nations now need the St. Lawrence Seaway for security as well as for economic reasons. I urge the Congress promptly to approve our participation in its construction.

Sixth, military and non-military measures for continental defense must be and are being strengthened. In the current fiscal year we are allocating to these purposes an increasing portion of our effort, and in the next fiscal year we shall spend nearly a billion dollars more for them than in 1953.

An indispensable part of our continental security is our civil defense effort. This will succeed only as we have the complete cooperation of State Governors, Mayors, and voluntary citizen groups. With their help we can advance a cooperative program which, if an attack should come, would save many lives and lessen destruction.

The defense program recommended in the 1955 Budget is consistent with all of the considerations which I have just discussed. It is based on a new military program unanimously recommended by the Joint Chiefs of Staff and approved by me following consideration by the National Security Council. This new program will make and keep America strong in an age of peril. Nothing should bar its attainment.

The international and defense policies which I have outlined will enable us to negotiate from a position of strength as we hold our resolute course toward a peaceful world. We now turn to matters which are normally characterized as domestic, well realizing that what we do abroad affects every problem at home—from the amount of taxes to our very state of mind.

INTERNAL SECURITY

Under the standards established for the new employee security program, more than 2,200 employees have been separated from the Federal government. Our national security demands that the investigation of new employees and the evaluation of derogatory information respecting present employees be expedited and concluded at the earliest possible date. I shall recommend that the Congress provide additional funds where necessary to speed these important procedures.

From the special employment standards of the Federal government I turn now to a matter relating to American citizenship. The subversive character of the Communist Party in the United States has been clearly demonstrated in many ways, including court proceedings. We should recognize by law a fact that is plain to all thoughtful citizens-that we are dealing here with actions akin to treason—that when a citizen knowingly

participates in the Communist conspiracy he no longer holds allegiance to the United States.

I recommend that Congress enact legislation to provide that a citizen of the United States who is convicted in the courts of hereafter conspiring to advocate the overthrow of this government by force or violence be treated as having, by such act, renounced his allegiance to the United States and forfeited his United States citizenship.

Page 2672

In addition, the Attorney General will soon appear before your Committees to present his recommendations for needed additional legal weapons with which to combat subversion in our country and to deal with the question of claimed immunity.

II. STRONG ECONOMY

I turn now to the second great purpose of our government: Along with the protection of freedom, the maintenance of a strong and growing economy.

The American economy is one of the wonders of the world. It undergirds our international position, our military security, and the standard of living of every citizen. This Administration is determined to keep our economy strong and to keep it growing.

At this moment we are in transition from a wartime to a peacetime economy. I am confident that we can complete this transition without serious interruption in our economic growth. But we shall not leave this vital matter to chance. Economic preparedness is fully as important to the nation as military preparedness.

Subsequent special messages and the economic report on January 28 will set forth plans of the Administration and its recommendations for Congressional action. These will include flexible credit and debt management policies; tax measures to stimulate consumer and business spending; suitable lending, guaranteeing, insuring, and grant-in-aid activities; strengthened old-age and unemployment insurance measures; improved agricultural programs; public-works plans laid well in advance; enlarged opportunities for international trade and investment. This mere enumeration of these subjects implies the vast amount of study, coordination, and planning, to say nothing of authorizing legislation, that altogether make our economic preparedness complete.

If new conditions arise that require additional administrative or legislative action, the Administration will still be ready. A government always ready, as this is, to take well-timed and vigorous action, and a business community willing, as ours is, to plan boldly and with confidence, can between them develop a climate assuring steady economic growth.

THE BUDGET

I shall submit to the Congress on January 21 the first budget prepared by this Administration, for the period July 1, 1954, through June 1955. This budget is adequate to the current needs of the government. It recognizes that a Federal budget should be a stabilizing factor in the economy. Its tax and expenditure programs will foster individual initiative and economic growth.

Pending the transmittal of my Budget Message, I shall mention here only a few points about our budgetary situation.

First, one of our initial acts was to revise, with the cooperation of the Congress, the Budget prepared before this Administration took office. Requests for new appropriations were greatly reduced. In addition, the spending level provided in that Budget for the current fiscal year has been reduced by about $7,000,000,000. In the next fiscal year we estimate a further reduction in expenditures of more than $5,000,000,000. This will reduce the spending level over the two fiscal years by more than $12,000,000,000. We are also reducing further our requests for new appropriations.

Page 2673

Second, despite the substantial loss of revenue in the coming fiscal year, resulting from tax reductions now in effect and tax adjustments which I shall propose, our reduced spending will move the new budget closer to a balance.

Third, by keeping new appropriation requests below estimated revenues, we continue to reduce the tremendous accumulation of unfinanced obligations incurred by the Government under past appropriations.

Fourth, until those claims on our Government's revenues are further reduced, the growth in the public debt cannot be entirely stopped. Because of this—because the government's bills have to be paid every month, while the tax money to pay them comes in with great unevenness within the fiscal year—and because of the need for flexibility to manage this enormous debt, I find it necessary to renew my request for an increase in the statutory debt limit.

TAXES

The new budget provides for a lower level of taxation than has prevailed in preceding years. Six days ago individual income taxes were reduced and the excess profits tax expired. These tax reductions are justified only because of the substantial reductions we already have made and are making in governmental expenditures. As additional reductions in expenditures are brought gradually but surely into sight, further reductions in taxes can and will be made. When budget savings and sound governmental financing are assured, tax burdens should be reduced so that taxpayers may spend their own money in their own way.

While we are moving toward lower levels of taxation we must thoroughly revise our whole tax system. The groundwork for this revision has already been laid by the Committee on Ways and Means of the House of Representatives, in close consultation with the Department of the Treasury. We should now remove the more glaring tax inequities, particularly on small taxpayers; reduce restraints on the growth of small business; and make other changes that will encourage initiative, enterprise and production. Twenty-five recommendations toward these ends will be contained in my budget message.

Without attempting to summarize these manifold reforms, I can here illustrate their tendency. For example, we propose more liberal tax treatment for dependent children who work, for widows or widowers with dependent children, and for medical expenses. For the business that wants to expand or modernize its plant, we propose liberalized tax treatment of depreciation, research and development expenses, and retained earnings.

Because of the present need for revenue the corporation income tax should be kept at the current rate of 52% for another year, and the excise taxes scheduled to be reduced

on April first, including those on liquor, tobacco, gasoline and automobiles, should be continued at present rates.

Immediate extension of the Renegotiation Act of 1951 is also needed to eliminate excessive profits and to prevent waste of public funds in the purchase of defense materials.

Page 2674

AGRICULTURE

The well being of our 160 million people demands a stable and prosperous agriculture. Conversely, every farmer knows he cannot prosper unless all America prospers. As we seek to promote increases in our standard of living, we must be sure that the farmer fairly shares in that increase. Therefore, a farm program promoting stability and prosperity in all elements of our agriculture is urgently needed.

Agricultural laws now in effect successfully accomplished their wartime purpose of encouraging maximum production of many crops. Today, production of these crops at such levels far exceeds present demand. Yet the laws encouraging such production are still in effect. The storage facilities of the Commodity Credit Corporation bulge with surplus stocks of dairy products, wheat, cotton, corn, and certain vegetable oils; and the Corporation's presently authorized borrowing authority—$6,750,000,000—is nearly exhausted. Some products, priced out of domestic markets, and others, priced out of world markets, have piled up in government hands. In a world in which millions of people are hungry, destruction of food would, of course, be unconscionable. Yet surplus stocks continue to threaten the market and in spite of the acreage controls authorized by present law, surpluses will continue to accumulate.

We confront two alternatives. The first is to impose still greater acreage reductions for some crops and apply rigid Federal controls over the use of the diverted acres. This will regiment the production of every basic agricultural crop. It will place every producer of those crops under the domination and control of the Federal government in Washington. This alternative is contrary to the fundamental interests, not only of the farmer, but of the Nation as a whole. Nor is it a real solution to the problem facing us.

The second alternative is to permit the market price for these agricultural products gradually to have a greater influence on the planning of production by farmers, while continuing the assistance of the government. This is the sound approach. To make it effective, surpluses existing when the new program begins must be insulated from the normal channels of trade for special uses. These uses would include school lunch programs, disaster relief, emergency assistance to foreign friends, and of particular importance the stockpiling of reserves for a national emergency.

Building on the agricultural laws of 1948 and 1949, we should establish a price support program with enough flexibility to attract the production of needed supplies of essential commodities and to stimulate the consumption of those commodities that are flooding American markets. Transition to modernized parity must be accomplished gradually. In no case should there be an abrupt downward change in the dollar level or in the percentage level of price supports.

Page 2675

Next Monday I shall transmit to the Congress my detailed recommendations embodying this approach. They have been developed through the cooperation of innumerable individuals vitally interested in agriculture. My special message on Monday will briefly describe the consultative and advisory processes to which this whole program has been subjected during the past ten months.

I have chosen this farm program because it will build markets, protect the consumers' food supply, and move food into consumption instead of into storage. It is a program that will remove the threat to the farmer of these overhanging surpluses, a program, also, that will stimulate production when a commodity is scarce and encourage consumption when nature is bountiful. Moreover, it will promote the individual freedom, responsibility, and initiative which distinguish American agriculture. And, by helping our agriculture achieve full parity in the market, it promises our farmers a higher and steadier financial return over the years than any alternative plan.

CONSERVATION

Part of our Nation's precious heritage is its natural resources. It is the common responsibility of Federal, state, and local governments to improve and develop them, always working in the closest harmony and partnership.

All Federal conservation and resource development projects are being reappraised. Sound projects now under way will be continued. New projects in which the Federal Government has a part must be economically sound, with local sharing of cost wherever appropriate and feasible. In the next fiscal year work will be started on twenty-three projects that meet these standards. The Federal Government will continue to construct and operate economically sound flood control, power, irrigation and water supply projects wherever these projects are beyond the capacity of local initiative, public or private, and consistent with the needs of the whole Nation.

Our conservation program will also take into account the important role played by farmers in protecting our soil resources. I recommend enactment of legislation to strengthen agricultural conservation and upstream flood prevention work, and to achieve a better balance with major flood control structures in the down-stream areas.

Recommendations will be made from time to time for the adoption of:

A uniform and consistent water resources policy;

A revised public lands policy; and

A sound program for safeguarding the domestic production of critical and strategic metals and minerals.

In addition we shall continue to protect and improve our national forests, parks, monuments and other natural and historic sites, as well as our fishery and wildlife resources. I hope that pending legislation to improve the conservation and management of publicly-owned grazing lands in national forests will soon be approved by the Congress.

Page 2676

NATIONAL HIGHWAYS

To protect the vital interest of every citizen in a safe and adequate highway system, the Federal Government is continuing its central role in the Federal Aid Highway Program. So that maximum progress can be made to overcome present inadequacies in the Interstate Highway System, we must continue the Federal gasoline tax at two cents per gallon. This will require cancellation of the 1/2 cent decrease which otherwise will become effective April 1st, and will maintain revenues so that an expanded highway program can be undertaken.

When the Commission on Intergovernmental Relations completes its study of the present system of financing highway construction, I shall promptly submit it for consideration by the Congress and the governors of the states.

POST OFFICE

It is apparent that the substantial savings already made, and to be made, by the Post Office Department cannot eliminate the postal deficit. I recommend, therefore, that the Congress approve the bill now pending in the House of Representatives providing for the adjustment of certain postal rates. To handle the long term aspects of this, I also recommend that the Congress create a permanent commission to establish fair and reasonable postal rates from time to time in the future.

III. HUMAN PROBLEMS

Along with the protection of freedom and maintenance of a strong and growing economy, this Administration recognizes a third great purpose of government: concern for the human problems of our citizens. In a modern industrial society, banishment of destitution and cushioning the shock of personal disaster on the individual are proper concerns of all levels of government, including the federal government. This is especially true where remedy and prevention alike are beyond the individual's capacity.

LABOR AND WELFARE

Of the many problems in this area, those I shall first discuss are of particular concern to the members of our great labor force, who with their heads, hearts and hands produce so much of the wealth of our country.

Protection against the hazards of temporary unemployment should be extended to some 6 1/2 millions of workers, including civilian Federal workers, who now lack this safeguard. Moreover, the Secretary of Labor is making available to the states studies

and recommendations in the fields of weekly benefits, periods of protection and extension of coverage. The Economic Report will consider the related matter of minimum wages and their coverage.

The Labor Management Relations Act of 3947 is basically a sound law. However, six years of experience have revealed that in some respects it can be improved. On January 11, I shall forward to the Congress suggestions for changes designed to reinforce the basic objectives of the Act.

Page 2677

Our basic social security program, the Old-Age and Survivors Insurance system, to which individuals contribute during their productive years and receive benefits based on previous earnings, is designed to shield them from destitution. Last year I recommended extension of the social insurance system to include more than 10,000,000 additional persons. I ask that this extension soon be accomplished. This and other major improvements in the insurance system will bring substantial benefit increases and broaden the membership of the insurance system, thus diminishing the need for Federal grants-in-aid for such purposes. A new formula will therefore be proposed, permitting progressive reduction in such grants as the need for them declines.

Federal grant-in-aid welfare programs, now based on widely varying formulas, should be simplified. Concrete proposals on fourteen of them will be suggested to the appropriate Committees.

The program for rehabilitation of the disabled especially needs strengthening. Through special vocational training, this program presently returns each year some 60,000 handicapped individuals to productive work. Far more disabled people can be saved each year from idleness and dependence if this program is gradually increased. My more detailed recommendations on this and the other social insurance problems I have mentioned will be sent to the Congress on January 14th.

HEALTH

I am flatly opposed to the socialization of medicine. The great need for hospital and medical services can best be met by the initiative of private plans. But it is unfortunately a fact that medical costs are rising and already impose severe hardships on many families. The Federal Government can do many helpful things and still carefully avoid the socialization of medicine.

The Federal Government should encourage medical research in its battle with such mortal diseases as cancer and heart ailments, and should continue to help the states in their health and rehabilitation programs. The present Hospital Survey and Construction Act should be broadened in order to assist in the development of adequate facilities for the chronically ill, and to encourage the construction of diagnostic centers, rehabilitation facilities, and nursing homes. The war on disease also needs a better working relationship between Government and private initiative. Private and non-profit hospital and medical insurance plans are already in the field, soundly based on the experience and initiative of the people in their various communities.

A limited Government reinsurance service would permit the private and non-profit insurance companies to offer broader protection to more of the many families which

want and should have it. On January 18 I shall forward to the Congress a special message presenting this Administration's health program in its detail.

EDUCATION

Page 2678

Youth—our greatest resource—is being seriously neglected in a vital respect. The nation as a whole is not preparing teachers or building schools fast enough to keep up with the increase in our population.

The preparation of teachers as, indeed, the control and direction of public education policy, is a state and local responsibility. However, the Federal Government should stand ready to assist states which demonstrably cannot provide sufficient school buildings. In order to appraise the needs, I hope that this year a conference on education will be held in each state, culminating in a national conference. From these conferences on education, every level of government—from the Federal Government to each local school board—should gain the information with which to attack this serious problem.

HOUSING

The details of a program to enlarge and improve the opportunities for our people to acquire good homes will be presented to the Congress by special message on January 25.

This program will include:

Modernization of the home mortgage insurance program of the Federal Government;

Redirection of the present system of loans and grants-in-aid to cities for slum clearance and redevelopment;

Extension of the advantages of insured lending to private credit engaged in this task of rehabilitating obsolete neighborhoods;

Insurance of long-term, mortgage loans, with small down payment for low-income families; and, until alternative programs prove more effective,

Continuation of the public housing program adopted in the Housing Act of 1949.

If the individual, the community, the State and federal governments will alike apply themselves, every American family can have a decent home.

VETERANS ADMINISTRATION

The internal reorganization of the Veterans Administration is proceeding with my full approval. When completed, it will afford a single agency whose services, including

medical facilities, will be better adapted to the needs of those 20,000,000 veterans to whom this Nation owes so much.

SUFFRAGE

My few remaining recommendations all relate to a basic right of our citizens—that of being represented in the decisions of the government.

I hope that the States will cooperate with the Congress in adopting uniform standards in their voting laws that will make it possible for our citizens in the armed forces overseas to vote.

In the District of Columbia the time is long overdue for granting national suffrage to its citizens and also applying the principle of local self-government to the Nation's Capital. I urge the Congress to move promptly in this direction and also to revise District revenue measures to provide needed public works improvements.

Page 2679

The people of Hawaii are ready for statehood. I renew my request for this legislation in order that Hawaii may elect its State officials and its representatives in Washington along with the rest of the country this fall.

For years our citizens between the ages of 18 and 21 have, in time of peril, been summoned to fight for America. They should participate in the political process that produces this fateful summons. I urge Congress to propose to the States a constitutional amendment permitting citizens to vote when they reach the age of 18.

CONCLUSION

I want to add one final word about the general purport of these many recommendations.

Our government's powers are wisely limited by the Constitution; but quite apart from those limitations, there are things which no government can do or should try to do.

A government can strive, as ours is striving, to maintain an economic system whose doors are open to enterprise and ambition—those personal qualities on which economic growth largely depends. But enterprise and ambition are qualities which no government can supply. Fortunately no American government need concern itself on this score; our people have these qualities in good measure.

A government can sincerely strive for peace, as ours is striving, and ask its people to make sacrifices for the sake of peace. But no government can place peace in the hearts of foreign rulers. It is our duty then to ourselves and to freedom itself to remain strong in all those ways—spiritual, economic, military—that will give us maximum safety against the possibility of aggressive action by others.

No government can inoculate its people against the fatal materialism that plagues our age. Happily, our people, though blessed with more material goods than any people in history, have always reserved their first allegiance to the kingdom of the spirit, which is the true source of that freedom we value above all material things.

But a government can try, as ours tries, to sense the deepest aspirations of the people, and to express them in political action at home and abroad. So long as action and aspiration humbly and earnestly seek favor in the sight of the Almighty, there is no end to America's forward road; there is no obstacle on it she will not surmount in her march toward a lasting peace in a free and prosperous world.

The Address as reported from the floor appears in the Congressional Record (vol. 100, p. 62).

***

State of the Union Address
Dwight D. Eisenhower
January 6, 1955

Mr. President, Mr. Speaker, Members of the Congress:

First, I extend cordial greetings to the 84th Congress. We shall have much to do together; I am sure that we shall get it done—and, that we shall do it in harmony and good will.

At the outset, I believe it would be well to remind ourselves of this great fundamental in our national life: our common belief that every human being is divinely endowed with dignity and worth and inalienable rights. This faith, with its corollary—that to grow and flourish people must be free—shapes the interests and aspirations of every American.

Page 2680

From this deep faith have evolved three main purposes of our Federal Government:

First, to maintain justice and freedom among ourselves and to champion them for others so that we may work effectively for enduring peace;

Second, to help keep our economy vigorous and expanding, thus sustaining our international strength and assuring better jobs, better living, better opportunities for every citizen;

And third, to concern ourselves with the human problems of our people so that every American may have the opportunity to lead a healthy, productive and rewarding life.

Foremost among these broad purposes of government is our support of freedom, justice and peace.

It is of the utmost importance, that each of us understand the true nature of the struggle now taking place in the world.

It is not a struggle merely of economic theories, or of forms of government, or of military power. At issue is the true nature of man. Either man is the creature whom the Psalmist described as “a little lower than the angels,” crowned with glory and honor, holding “dominion over the works” of his Creator; or man is a soulless, animated machine to be enslaved, used and consumed by the state for its own glorification.

It is, therefore, a struggle which goes to the roots of the human spirit, and its shadow falls across the long sweep of man’s destiny. This prize, so precious, so fraught with ultimate meaning, is the true object of the contending forces in the world.

In the past year, there has been progress justifying hope, both for continuing peace and for the ultimate rule of freedom and justice in the world. Free nations are collectively stronger than at any time in recent years.

Just as nations of this Hemisphere, in the historic Caracas and Rio conferences, have closed ranks against imperialistic Communism and strengthened their economic ties, so free nations elsewhere have forged new bonds of unity.

Recent agreements between Turkey and Pakistan have laid a foundation for increased strength in the Middle East. With our understanding support, Egypt and Britain, Yugoslavia and Italy, Britain and Iran have resolved dangerous differences. The security of the Mediterranean has been enhanced by an alliance among Greece, Turkey and Yugoslavia. Agreements in Western Europe have paved the way for unity to replace past divisions which have undermined Europe’s economic and military vitality. The defense of the West appears likely at last to include a free, democratic Germany participating as an equal in the councils of NATO.

In Asia and the Pacific, the pending Manila Pact supplements our treaties with Australia, New Zealand, the Philippines, Korea and Japan and our prospective treaty with the Republic of China. These pacts stand as solemn warning that future military aggression and subversion against the free nations of Asia will meet united response. The Pacific Charter, also adopted at Manila, is a milestone in the development of human freedom and self-government in the Pacific area.

Page 2681

Under the auspices of the United Nations, there is promise of progress in our country's plan for the peaceful use of atomic energy.

Finally, today the world is at peace. It is, to be sure, an secure peace. Yet all humanity finds hope in the simple fact that for an appreciable time there has been no active major battlefield on earth. This same fact inspires us to work all the more effectively with other nations for the well-being, the freedom, the dignity, of every human on earth.

These developments are heartening indeed, and we are hopeful of continuing progress. But sobering problems remain.

The massive military machines and ambitions of the Soviet-Communist bloc still create uneasiness in the world. All of us are aware of the continuing reliance of the Soviet Communists on military force, of the power of their weapons, of their present resistance to realistic armament limitation, and of their continuing effort to dominate or intimidate free nations on their periphery. Their steadily growing power includes an increasing strength in nuclear weapons. This power, combined with the proclaimed intentions of the Communist leaders to communize the world, is the threat confronting us today.

To protect our nations and our peoples from the catastrophe of a nuclear holocaust, free nations must maintain countervailing military power to persuade the Communists of the futility of seeking their ends through aggression. If Communist rulers understand that America's response to aggression will be swift and decisive—that never shall we buy peace at the expense of honor or faith—they will be powerfully deterred from launching a military venture engulfing their own peoples and many others in disaster. This, of course, is merely world stalemate. But in this stalemate each of us may and must exercise his high duty to strive in every honorable way for enduring peace.

The military threat is but one menace to our freedom and security. We must not only deter aggression; we must also frustrate the effort of Communists to gain their goals by subversion. To this end, free nations must maintain and reinforce their cohesion, their internal security, their political and economic vitality, and their faith in freedom.

In such a world, America's course is dear:

We must tirelessly labor to make the peace more just and durable.

We must strengthen the collective defense under the United Nations Charter and gird ourselves with sufficient military strength and productive capacity to discourage resort to war and protect our nation's vital interests.

We must continue to support and strengthen the United Nations. At this very moment, by vote of the United Nations General Assembly, its Secretary-General is in Communist China on a mission of deepest concern to all Americans: seeking the release of our

never-to-be-forgotten American aviators and all other United Nations prisoners wrongfully detained by the Communist regime.

Page 2682

We must also encourage the efforts being made in the United Nations to limit armaments and to harness the atom to peaceful rise.

We must expand international trade and investment and assist friendly nations whose own best efforts are still insufficient to provide the strength essential to the security of the free world.

We must be willing to use the processes of negotiation whenever they will advance the cause of just and secure peace to which the United States and other free nations are dedicated.

In respect to all these matters, we must, through a vigorous information program, keep the peoples of the world truthfully advised of our actions and purposes. This problem has been attacked with new vigor during the past months. I urge that the Congress give its earnest consideration to the great advantages that can accrue to our country through the successful operations of this program.

We must also carry forward our educational exchange program. This sharing of knowledge and experience between our citizens and those of free countries is a powerful factor in the development and maintenance of true partnership among free peoples.

To advance these many efforts, the Congress must act in this session on appropriations, legislation, and treaties. Today I shall mention especially our foreign economic and military programs.

The recent economic progress in many free nations has been most heartening. The productivity of labor and the production of goods and services are increasing in ever-widening areas. There is a growing will to improve the living standards of all men. This progress is important to all our people. It promises us allies who are strong and self-reliant; it promises a growing world market for the products of our mines, our factories, and our farms.

But only through steady effort can we hope to continue this progress. Barriers still impede trade and the flow of capital needed to develop each nation's human and material resources. Wise reduction of these barriers is a long-term objective of our foreign economic policy—a policy of an evolutionary and selective nature, assuring broad benefits to our own and other peoples.

We must gradually reduce certain tariff obstacles to trade. These actions should, of course, be accompanied by a similar lowering of trade barriers by other nations, so that we may move steadily toward greater economic advantage for all. We must further simplify customs administration and procedures. We must facilitate the flow of capital and continue technical assistance, both directly and through the United Nations, to less

developed countries to strengthen their independence and raise their living standards. Many another step must be taken in and among the nations of the free world to release forces of private initiative. In our own nation, these forces have brought strength and prosperity; once released, they will generate rising incomes in these other countries with which to buy the products of American industry, labor and agriculture.

Page 2683

On January 10, by special message, I shall submit specific recommendations for carrying forward the legislative phases of our foreign economic policy.

Our many efforts to build a better world include the maintenance of our military strength. This is a vast undertaking. Major national security programs consume two-thirds of the entire Federal budget. Over four million Americans—servicemen and civilians—are on the rolls of the defense establishment. During the past two years, by eliminating duplication and overstaffing, by improved procurement and inventory controls, and by concentrating on the essentials, many billions of dollars have been saved in our defense activities. I should like to mention certain fundamentals underlying this vast program.

First, a realistic limitation of armaments and an enduring, just peace remain our national goals; we maintain powerful military forces because there is no present alternative—-forces designed for deterrent and defensive purposes alone but able instantly to strike back with destructive power in response to an attack.

Second, we must stay alert to the fact that undue reliance on one weapon or preparation for only one kind of warfare simply invites an enemy to resort to another. We must, therefore, keep in our armed forces balance and flexibility adequate for our purposes and objectives.

Third, to keep our armed forces abreast of the advances of science, our military planning must be flexible enough to utilize the new weapons and techniques which flow ever more speedily from our research and development programs. The forthcoming military budget therefore emphasizes modern airpower in the Air Force, Navy and Marine Corps and increases the emphasis on new weapons, especially those of rapid and destructive striking power. It assures the maintenance of effective, retaliatory force as the principal deterrent to overt aggression. It accelerates the continental defense program and the build-up of ready military reserve forces. It continues a vigorous program of stockpiling strategic and critical materials and strengthening our mobilization base. The budget also contemplates the strategic concentration of our strength through redeployment of certain forces. It provides for reduction of forces in certain categories and their expansion in others, to fit them to the military realities of our time. These emphases in our defense planning have been made at my personal direction after long and thoughtful study. In my judgment, they will give our nation a defense accurately adjusted to the national need.

Fourth, pending a world agreement on armament limitation, we must continue to improve and expand our supplies of nuclear weapons for our land, naval and air forces, while, at the same time, continuing our encouraging progress in the peaceful use of atomic power.

And fifth, in the administration of these costly programs, we must demand the utmost in efficiency and ingenuity. We must assure our people not only of adequate protection but also of a defense that can be carried forward from year to year until the threat of aggression has disappeared.

Page 2684

To help maintain this kind of armed strength and improve its efficiency, I must urge the enactment of several important measures in this session.

The first concerns the selective service act which expires next June 30th. For the foreseeable future, our standing forces must remain much larger than voluntary methods can sustain. We must, therefore, extend the statutory authority to induct men for two years of military service.

The second kind of measure concerns the rapid turnover of our most experienced servicemen. This process seriously weakens the combat readiness of our armed forces and is exorbitantly expensive. To encourage more trained servicemen to remain in uniform, I shall, on the thirteenth of this month, propose a number of measures to increase the attractions of a military career. These measures will include more adequate medical care for dependents, survivors' benefits, more and better housing, and selective adjustments in military pay and other allowances.

And third—also on January 13—I shall present a program to rebuild and strengthen the civilian components of our armed forces. This is a comprehensive program, designed to make better use of our manpower of military age. Because it will go far in assuring fair and equitable participation in military training and service, it is of particular importance to our combat veterans. In keeping with the historic military policy of our Republic, this program is designed to build and maintain powerful civilian reserves immediately capable of effective military service in an emergency in lieu of maintaining active duty forces in excess of the nation's immediate need.

Maintenance of an effective defense requires continuance of our aggressive attack on subversion at home. In this effort we have, in the past two years, made excellent progress. FBI investigations have been powerfully reinforced by a new Internal Security Division in the Department of Justice; the security activities of the Immigration and Naturalization Service have been revitalized; an improved and strengthened security system is in effect throughout the government; the Department of Justice and the FBI have been armed with effective new legal weapons forged by the 83rd Congress.

We shall continue to ferret out and to destroy Communist subversion.

We shall, in the process, carefully preserve our traditions and the basic rights of our citizens.

Our civil defense program is also a key element in the protection of our country. We are developing cooperative methods with State Governors, Mayors, and voluntary citizen groups, as well as among Federal agencies, in building the civil defense organization. Its significance in time of war is obvious; its swift assistance in disaster areas last year proved its importance in time of peace.

Page 2685

An industry capable of rapid expansion and essential materials and facilities swiftly available in time of emergency are indispensable to our defense. I urge, therefore, a two-year extension of the Defense Production Act and Title II of the First War Powers Act of 1941. These are cornerstones of our program for the development and maintenance of an adequate mobilization base. At this point, I should like to make this additional observation. Our quest for peace and freedom necessarily presumes that we who hold positions of public trust must rise above self and section—that we must subordinate to the general good our partisan, our personal pride and prejudice. Tirelessly, with united purpose, we must fortify the material and spiritual foundations of this land of freedom and of free nations throughout the world. As never before, there is need for unhesitating cooperation among the branches of our government.

At this time the executive and legislative branches are under the management of different political parties. This fact places both parties on trial before the American people.

In less perilous days of the past, division of governmental responsibility among our great parties has produced a paralyzing indecision. We must not let this happen in our time. We must avoid a paralysis of the will for peace and international security.

In the traditionally bipartisan areas—military security and foreign relations—I can report to you that I have already, with the leaders of this Congress, expressed assurances of unreserved cooperation. Yet, the strength of our country requires more than mere maintenance of military strength and success in foreign affairs; these vital matters are in turn dependent upon concerted and vigorous action in a number of supporting programs. I say, therefore, to the 84th Congress:

In all areas basic to the strength of America, there will be—to the extent I can insure them—cooperative, constructive relations between the Executive and Legislative Branches of this government. Let the general good be our yardstick on every great issue of our time.

Our efforts to defend our freedom and to secure a just peace are, of course, inseparable from the second great purpose of our government: to help maintain a strong, growing economy—an economy vigorous and free, in which there are ever-increasing opportunities, just rewards for effort, and a stable prosperity that is widely shared.

In the past two years, many important governmental Actions helped our economy adjust to conditions of peace; these and other actions created a climate for renewed economic growth. Controls were removed from wages, prices and materials. Tax revisions encouraged increased private spending and employment. Federal expenditures were sharply reduced, making possible a record tax cut. These actions, together with flexible monetary and debt management policies, helped to halt inflation and stabilize the value of the dollar.

Page 2686

A program of cooperation and partnership in resource development was begun. Social security and unemployment insurance laws were broadened and strengthened. New laws started the long process of balancing farm production with farm markets. Expanded shipbuilding and stockpiling programs strengthened key sectors of the economy, while improving our mobilization base. A comprehensive new housing law brought impressive progress in an area fundamental to our economic strength and closed loopholes in the old laws permitting dishonest manipulation. Many of these programs are just beginning to exert their main stimulating effect upon the economy generally and upon specific communities and industries throughout the country.

The past year—1954—was one of the most prosperous years in our history. Business activity now surges with new strength. Production is rising. Employment is high. Toward the end of last year average weekly wages in manufacturing were higher than ever before. Personal income after taxes is at a record level. So is consumer spending. Construction activity is reaching new peaks. Export demand for our goods is strong. State and local government expenditures on public works are rising. Savings are high, and credit is readily available.

So, today, the transition to a peacetime economy is largely behind us.

The economic outlook is good.

The many promising factors I have mentioned do not guarantee sustained economic expansion; however, they do give us a strong position from which to carry forward our economic growth. If we as a people act wisely, within ten years our annual national output can rise from its present level of about $360 billion to $500 billion, measured in dollars of stable buying power.

My Budget Message on January 17, the Economic Report on the 20th of this month, and several special messages will set forth in detail major programs to foster the growth of our economy and to protect the integrity of the people's money. Today I shall discuss these programs only in general terms.

Government efficiency and economy remain essential to steady progress toward a balanced budget. More than ten billion dollars were cut from the spending program proposed in the budget of January 9, 1953. Expenditures of that year were six and a half billion below those of the previous year. In the current fiscal year, government spending will be nearly four and a half billion dollars less than in the fiscal year which ended last June 30. New spending authority has been held below expenditures, reducing government obligations accumulated over the years.

Last year we had a large tax cut and, for the first time in seventy-five years a basic revision of Federal tax laws. It is now clear that defense and other essential government costs must remain at a level precluding further tax reductions this year. Although excise and corporation income taxes must, therefore, be continued at their present rates, further tax cuts will be possible when justified by lower expenditures and by revenue increases arising from the nation's economic growth. I am hopeful that such reductions can be made next year.

Page 2687

At the foundation of our economic growth are the raw materials and energy produced from our minerals and fuels, lands and forests, and water resources. With respect to them, I believe that the nation must adhere to three fundamental policies: first, to develop, wisely use and conserve basic resources from generation to generation; second, to follow the historic pattern of developing these resources primarily by private citizens under fair provisions of law, including restraints for proper conservation; and third, to treat resource development as a partnership undertaking—a partnership in which the participation of private citizens and State and local governments is as necessary as Federal participation.

This policy of partnership and cooperation is producing good results, most immediately noticeable in respect to water resources. First, it has encouraged local public bodies and private citizens to plan their own power sources. Increasing numbers of applications to the Federal Power Commission to conduct surveys and prepare plans for power development, notably in the Columbia River Basin, are evidence of local response.

Second, the Federal Government and local and private organizations have been encouraged to coordinate their developments. This is important because Federal hydroelectric developments supply but a small fraction of the nation's power needs. Such partnership projects as Priest Rapids in Washington, the Coosa River development in Alabama, and Markham Ferry in Oklahoma already have the approval of the Congress. This year justifiable projects of a similar nature will again have Administration support.

Third, the Federal Government must shoulder its own partnership obligations by undertaking projects of such complexity and size that their success requires Federal development. In keeping with this principle, I again urge the Congress to approve the development of the Upper Colorado River Basin to conserve and assure better use of precious water essential to the future of the West.

In addition, the 1956 budget will recommend appropriations to start six new reclamation and more than thirty new Corps of Engineers projects of varying size. Going projects and investigations of potential new resource developments will be continued.

Although this partnership approach is producing encouraging results, its full success requires a nation-wide comprehensive water resources policy firmly based in law. Such a policy is under preparation and when completed will be submitted to the Congress.

In the interest of their proper conservation, development and use, continued vigilance will be maintained over our fisheries, wildlife resources, the national parks and forests, and the public lands; and we shall continue to encourage an orderly development of the nation's mineral resources.

Page 2688

A modern, efficient highway system is essential to meet the needs of our growing population, our expanding economy, and our national security. We are accelerating our highway improvement program as rapidly as possible under existing State and Federal laws and authorizations. However, this effort will not in itself assure our people of an adequate highway system. On my recommendation, this problem has been carefully considered by the Conference of State Governors and by a special Advisory Committee on a National Highway Program, composed of leading private citizens. I have received the recommendations of the Governors' Conference and will shortly receive the views of the special Advisory Committee. Aided by their findings, I shall submit on January 27th detailed recommendations which will meet our most pressing national highway needs.

In further recognition of the importance of transportation to our economic strength and security, the Administration, through a Cabinet committee, is thoroughly examining existing Federal transportation policies to determine their effect on the adequacy of transportation services. This is the first such comprehensive review directly undertaken by the Executive Branch of the government in modern times. We are not only examining major problems facing the various modes of transport; we are also studying closely the inter-relationships of civilian and government requirements for transportation. Legislation will be recommended to correct policy deficiencies which we may find.

The nation's public works activities are tremendous in scope. It is expected that more than $ 12 billion will be expended in 1955 for the development of land, water and other resources; control of floods, and navigation and harbor improvements; construction of roads, schools, and municipal water supplies, and disposal of domestic and industrial wastes. Many of the Federal, State and local agencies responsible for this work are, in their separate capacities, highly efficient. But public works activities are closely inter-related and have a substantial influence on the growth of the country. Moreover, in times of threatening economic contraction, they may become a valuable sustaining force. To these ends, efficient planning and execution of the nation's public works require both the coordination of Federal activities and effective cooperation with State and local governments.

The Council of Economic Advisers, through its public works planning section, has made important advances during the past year in effecting this coordination and cooperation. In view of the success of these initial efforts, and to give more emphasis and continuity to this essential coordination, I shall request the Congress to appropriate funds for the support of an Office of Coordinator of Public Works in the Executive Office of the President.

A most significant element in our growing economy is an agriculture that is stable, prosperous and free. The problems of our agriculture have evolved over many years and cannot be solved overnight; nevertheless, governmental actions last year hold great

promise of fostering a better balance between production and markets and, consequently, a better and more stable income for our farmers.

Page 2689

Through vigorous administration and through new authority provided by the 83rd Congress, surplus farm products are now moving into consumption. From February 1953 through November 1954, the rate of increase of government-held surpluses has been reduced by our moving into use more than 2.3 billion dollars' worth of government-owned farm commodities; this amount is equal to more than seven percent of a year's production of all our farms and ranches. Domestic consumption remains high, and farm exports will be higher than last year. As a result of the flexibility provided by the Agricultural Act of 1954, we can move toward less restrictive acreage controls.

Thus, farm production is gradually adjusting to markets, markets are being expanded, and stocks are moving into use. We can now look forward to an easing of the influences depressing farm prices, to reduced government expenditures for purchase of surplus products, and to less Federal intrusion into the lives and plans of our farm people. Agricultural programs have been redirected toward better balance, greater stability and sustained prosperity. We are headed in the right direction. I urgently recommend to the Congress that we continue resolutely on this road.

Greater attention must be directed to the needs of low-income farm families. Twenty-eight per cent of our farm-operator families have net cash incomes of less than $1,000 per year. Last year, at my request, careful studies were made of the problems of these farm people. I shall later submit recommendations designed to assure the steady alleviation of their most pressing concerns.

Because drought also remains a serious agricultural problem, I shall recommend legislation to strengthen Federal disaster assistance programs. This legislation will prescribe an improved appraisal of need, better adjustment of the various programs to local conditions, and a more equitable sharing of costs between the States and the Federal Government.

The prosperity of our small business enterprises is an indispensable element in the maintenance of our economic strength. Creation of the Small Business Administration and recently enacted tax laws facilitating small business expansion are but two of many important steps we have taken to encourage our smaller enterprises. I recommend that the Congress extend the Small Business Act of 1953 which is due to expire next June.

We come now to the third great purpose of our government-its concern for the health, productivity and well-being of all our people.

Every citizen wants to give full expression to his God-given talents and abilities and to have the recognition and respect accorded under our religious and political traditions. Americans also want a good material standard of living—not simply to accumulate possessions, but to fulfill a legitimate aspiration for an environment in which their families may live meaningful and happy lives. Our people are committed, therefore, to the creation and preservation of opportunity for every citizen to lead a more rewarding

life. They are equally committed to the alleviation of misfortune and distress among their fellow citizens.

Page 2690

The aspirations of most of our people can best be fulfilled through their own enterprise and initiative, without government interference. This Administration, therefore, follows two simple rules: first, the Federal Government should perform an essential task only when it cannot otherwise be adequately performed; and second, in performing that task, our government must not impair the self-respect, freedom and incentive of the individual. So long as these two rules are observed, the government can fully meet its obligation without creating a dependent population or a domineering bureaucracy.

During the past two years, notable advances were made in these functions of government. Protection of old-age and survivors' insurance was extended to an additional ten million of our people, and the benefits were substantially increased. Legislation was enacted to provide unemployment insurance protection to some four million additional Americans. Stabilization of living costs and the halting of inflation protected the value of pensions and savings. A broad program now helps to bring good homes within the reach of the great majority of our people. With the States, we are providing rehabilitation facilities and more clinics, hospitals, and nursing homes for patients with chronic illnesses. Also with the States, we have begun a great and fruitful expansion in the restoration of disabled persons to employment and useful lives. In the areas of Federal responsibility, we have made historic progress in eliminating from among our people demeaning practices based on race or color.

All of us may be proud of these achievements during the past two years. Yet essential Federal tasks remain to be done.

As part of our efforts to provide decent, safe and sanitary housing for low-income families, we must carry forward the housing program authorized during the 83rd Congress. We must also authorize contracts for a firm program of 35,000 additional public housing units in each of the next two fiscal years. This program will meet the most pressing obligations of the Federal Government into the 1958 fiscal year for planning and building public housing. By that time the private building industry, aided by the Housing Act of 1954, will have had the opportunity to assume its full role in providing adequate housing for our low income families.

The health of our people is one of our most precious assets. Preventable sickness should be prevented; knowledge available to combat disease and disability should be fully used. Otherwise, we as a people are guilty not only of neglect of human suffering but also of wasting our national strength.

Constant advances in medical care are not available to enough of our citizens. Clearly our nation must do more to reduce the impact of accident and disease. Two fundamental problems confront us: first, high and ever-rising costs of health services; second, serious gaps and shortages in these services.

Page 2691

By special message on January 24, I shall propose a coordinated program to strengthen and improve existing health services. This program will continue to reject socialized medicine. It will emphasize individual and local responsibility. Under it the Federal Government will neither dominate nor direct, but serve as a helpful partner. Within this framework, the program can be broad in scope.

My recommendations will include a Federal health reinsurance service to encourage the development of more and better voluntary health insurance coverage by private organizations. I shall also recommend measures to improve the medical care of that group of our citizens who, because of need, receive Federal-State public assistance. These two proposals will help more of our people to meet the costs of health services.

To reduce the gaps in these services, I shall propose:

New measures to facilitate construction of needed health facilities and help reduce shortages of trained health personnel;

Vigorous steps to combat the misery and national loss involved in mental illness;

Improved services for crippled children and for maternal and child health;

Better consumer protection under our existing pure food and drug laws; and, finally,

Strengthened programs to combat the increasingly serious pollution of our rivers and streams and the growing problem of air pollution.

These measures together constitute a comprehensive program holding rich promise for better health for all of our people.

Last year's expansion of social security coverage and our new program of improved medical care for public assistance recipients together suggest modification of the formula for Federal sharing in old age assistance payments. I recommend modification of the formula where such payments will, in the future, supplement benefits received under the old age and survivors insurance system.

It is the inalienable right of every person, from childhood on, to have access to knowledge. In our form of society, this right of the individual takes on a special meaning, for the education of all our citizens is imperative to the maintenance and invigoration of America's free institutions.

Today, we face grave educational problems. Effective and up-to-date analyses of these problems and their solutions are being carried forward through the individual State conferences and the White House Conference to be completed this year.

However, such factors as population growth, additional responsibilities of schools, and increased and longer school attendance have produced an unprecedented classroom shortage. This shortage is of immediate concern to all of our people. Positive, affirmative action must be taken now.

Without impairing in any way the responsibilities of our States, localities, communities, or families, the Federal government can and should serve as an effective-catalyst in dealing with this problem. I shall forward a special message to the Congress on February 15, presenting an affirmative program dealing with this shortage.

Page 2692

To help the States do a better and more timely job, we must strengthen their resources for preventing and dealing with juvenile delinquency. I shall propose Federal legislation to assist the States to promote concerted action in dealing with this nationwide problem. I shall carry forward the vigorous efforts of the Administration to improve the international control of the traffic in narcotics and, in cooperation with State and local agencies, to combat narcotic addiction in our country.

I should like to speak now of additional matters of importance to all our people and especially to our wage earners.

During the past year certain industrial changes and the readjustment of the economy to conditions of peace brought unemployment and other difficulties to various localities and industries. These problems are engaging our most earnest attention. But for the overwhelming majority of our working people, the past year has meant good jobs. Moreover, the earnings and savings of our wage earners are no longer depreciating in value. Because of cooperative relations between labor and management, fewer working days were lost through strikes in 1954 than in any year in the past decade.

The outlook for our wage earners can be made still more promising by several legislative actions.

First, in the past five years we have had economic growth which will support an increase in the Federal minimum wage. In the light of present economic conditions, I recommend its increase to ninety cents an hour. I also recommend that many others, at present excluded, be given the protection of a minimum wage.

Second, I renew my recommendation of last year for amendment of the Labor Management Relations Act of 1947 to further the basic objectives of this statute. I especially call to the attention of the Congress amendments dealing with the right of economic strikers to vote in representation elections and the need for equalizing the obligation under the Act to file disclaimers of Communist affiliation.

Third, the Administration will propose other important measures including occupational safety, workmen's compensation for longshoremen and harbor workers, and the "Eight Hour Laws" applicable to Federal contractors. Legislation will also be proposed respecting nonoccupational disability insurance and unemployment compensation in the District of Columbia.

In considering human needs, the Federal Government must take special responsibility for citizens in its direct employ. On January 11 I shall propose a pay adjustment plan for civilian employees outside the Postal Field Service to correct inequities and increase individual pay rates. I shall also recommend voluntary health insurance on a contributory basis for Federal employees and their dependents. In keeping with the Group Life Insurance Act passed in the 83rd Congress, this protection should be

provided on the group insurance principle and purchased from private facilities. Also on January 11 I shall recommend a modern pay plan, including pay increases, for postal field employees. As part of this program, and to carry forward our progress toward elimination of the large annual postal deficit. I shall renew my request for an increase in postal rates. Again I urge that in the future the fixing of rates be delegated to an impartial, independent body.

Page 2693

More adequate training programs to equip career employees of the government to render improved public service will be recommended, as will improvements in the laws affecting employees serving on foreign assignments.

Needed improvements in survivor, disability, and retirement benefits for Federal civilian and military personnel have been extensively considered by the Committee on Retirement Policy for Federal personnel. The Committee's proposals would strengthen and improve benefits for our career people in government, and I endorse their broad objectives. Full contributory coverage under old-age and survivors' insurance should be made available to all Federal personnel, just as in private industry. For career military personnel, the protection of the old-age and survivors' insurance system would be an important and long-needed addition, especially to their present unequal and inadequate survivorship protection. The military retirement pay system should remain separate and unchanged. Certain adjustments in the present civilian personnel retirement systems will be needed to reflect the additional protection of old-age and survivors' insurance. However, these systems also are a basic part of a total compensation and should be separately and independently retained.

I also urge the Congress to approve a long overdue increase in the salaries of Members of the Congress and of the Federal judiciary to a level commensurate with their heavy responsibilities.

Our concern for the individual in our country requires that we consider several additional problems.

We must continue our program to help our Indian citizens improve their lot and make their full contribution to national life. Two years ago I advised the Congress of injustices under existing immigration laws. Through humane administration, the Department of Justice is doing what it legally can to alleviate hardships. Clearance of aliens before arrival has been initiated, and except for criminal offenders, the imprisonment of aliens awaiting admission or deportation has been stopped. Certain provisions of law, however, have the effect of compelling action in respect to aliens which are inequitable in some instances and discriminatory in others. These provisions should be corrected in this session of the Congress.

As the complex problems of Alaska are resolved, that Territory should expect to achieve statehood. In the meantime, there is no justification for deferring the admission to statehood of Hawaii. I again urge approval of this measure.

We have three splendid opportunities to demonstrate the strength of our belief in the right of suffrage. First, I again urge that a Constitutional amendment be submitted to the States to reduce the voting age for Federal elections. Second, I renew my request that the principle of self-government be extended and the right of suffrage granted to the

citizens of the District of Columbia. Third, I again recommend that we work with the States to preserve the voting fights of citizens in the nation's service overseas.

Page 2694

In our determination to keep faith with those who in the past have met the highest call of citizenship, we now have under study the system of benefits for veterans and for surviving dependents of deceased veterans and servicemen. Studies will be undertaken to determine the need for measures to ease the readjustment to civilian life of men required to enter the armed forces for two years of service.

In the advancement of the various activities which will make our civilization endure and flourish, the Federal Government should do more to give official recognition to the importance of the arts and other cultural activities. I shall recommend the establishment of a Federal Advisory Commission on the Arts within the Department of Health, Education and Welfare, to advise the Federal Government on ways to encourage artistic endeavor and appreciation. I shall also propose that awards of merit be established whereby we can honor our fellow citizens who make great contribution to the advancement of our civilization.

Every citizen rightly expects efficient and economical administration of these many government programs I have outlined today. I strongly recommend extension of the Reorganization Act and the law establishing the Commission on Intergovernmental Relations, both of which expire this spring. Thus the Congress will assure continuation of the excellent progress recently made in improving government organization and administration. In this connection we are looking forward with great interest to the reports which will soon be going to the Congress from the Commission on Organization of the Executive Branch of the Government. I am sure that these studies, made under the chairmanship of former President Herbert Hoover with the assistance of more than two hundred distinguished citizens, will be of great value in paving the way toward more efficiency and economy in the government.

And now, I return to the point at which I began—the faith of our people.

The many programs here summarized are, I believe, in full keeping with their needs, interests and aspirations. The obligations upon us are clear:

To labor earnestly, patiently, prayerfully, for peace, for freedom, for justice, throughout the world;

To keep our economy vigorous and free, that our people may lead fuller, happier lives;

To advance, not merely by our words but by our acts, the determination of our government that every citizen shall have opportunity to develop to his fullest capacity.

As we do these things, before us is a future filled with opportunity and hope. That future will be ours if in our time we keep alive the patience, the courage, the confidence in tomorrow, the deep faith, of the millions who, in years past, made and preserved us this nation.

A decade ago, in the death and desolation of European battlefields, I saw the courage and resolution, I felt the inspiration, of American youth. In these young men I felt America's buoyant confidence and irresistible will-to-do. In them I saw, too, a devout America, humble before God.

Page 2695

And so, I know with all my heart—and I deeply believe that all Americans know—that, despite the anxieties of this divided world, our faith, and the cause in which we all believe, will surely prevail.

The address as reported from the floor appears in the Congressional Record (vol. 101, p. 94).

***

State of the Union Address
Dwight D. Eisenhower
January 5, 1956

To the Congress of the United States:

The opening of this new year must arouse in us all grateful thanks to a kind Providence whose protection has been ever present and whose bounty has been manifold and abundant. The State of the Union today demonstrates what can be accomplished under God by a free people; by their vision, their understanding of national problems, their initiative, their self-reliance, their capacity for work—and by their willingness to sacrifice whenever sacrifice is needed.

In the past three years, responding to what our people want their Government to do, the Congress and the Executive have done much in building a stronger, better America. There has been broad progress in fostering the energies of our people, in providing greater opportunity for the satisfaction of their needs, and in fulfilling their demands for the strength and security of the Republic.

Our country is at peace. Our security posture commands respect. A spiritual vigor marks our national life. Our economy, approaching the 400 billion dollar mark, is at an unparalleled level of prosperity. The national income is more widely and fairly distributed than ever before. The number of Americans at work has reached an all-time high. As a people, we are achieving ever higher standards of living—earning more, producing more, consuming more, building more and investing more than ever before.

Virtually all sectors of our society are sharing in these good times. Our farm families, if we act wisely, imaginatively and promptly to strengthen our present farm programs, can also look forward to sharing equitably in the prosperity they have helped to create.

War in Korea ended two and a half years ago. The collective security system has been powerfully strengthened. Our defenses have been reinforced at sharply reduced costs. Programs to expand world trade and to harness the atom for the betterment of mankind have been carried forward. Our economy has been freed from governmental wage and price controls. Inflation has been halted; the cost of living stabilized.

Government spending has been cut by more than ten billion dollars. Nearly three hundred thousand positions have been eliminated from the Federal payroll. Taxes have been substantially reduced. A balanced budget is in prospect. Social security has been extended to ten million more Americans and unemployment insurance to four million more. Unprecedented advances in civil rights have been made. The long-standing and deep-seated problems of agriculture have been forthrightly attacked.

Page 2696

This record of progress has been accomplished with a self imposed caution against unnecessary and unwise interference in the private affairs of our people, of their communities and of the several States.

If we of the Executive and Legislative Branches, keeping this caution ever in mind, address ourselves to the business of the year before us—and to the unfinished business of last year—with resolution, the outlook is bright with promise.

Many measures of great national importance recommended last year to the Congress still demand immediate attention legislation for school and highway construction; health and immigration legislation; water resources legislation; legislation to complete the implementation of our foreign economic policy; such labor legislation as amendments of the Labor-Management Relations Act, extension of the Fair Labor Standards Act to additional groups not now covered, and occupational safety legislation; and legislation for construction of an atomic-powered exhibit vessel.

Many new items of business likewise require our attention-measures that will further promote the release of the energies of our people; that will broaden opportunity for all of them; that will advance the Republic in its leadership toward a just peace; measures, in short, that are essential to the building of an everstronger, ever-better America.

Every political and economic guide supports a valid confidence that wise effort will be rewarded by an even more plentiful harvest of human benefit than we now enjoy. Our resources are too many, our principles too dynamic, our purposes too worthy and the issues at stake too immense for us to entertain doubt or fear. But our responsibilities require that we approach this year's business with a sober humility.

A heedless pride in our present strength and position would blind us to the facts of the past, to the pitfalls of the future. We must walk ever in the knowledge that we are enriched by a heritage earned in the labor and sacrifice of our forebears; that, for our children's children, we are trustees of a great Republic and a time-tested political system; that we prosper as a cooperating member of the family of nations.

In this light the Administration has continued work on its program for the Republic, begun three years ago. Because the vast spread of national and human interests is involved within it, I shall not in this Message attempt its detailed delineation. Instead, from time to time during this Session, there will be submitted to the Congress specific recommendations within specific fields. In the comprehensive survey required for their preparation, the Administration is guided by enduring objectives. The first is:

THE DISCHARGE OF OUR WORLD RESPONSIBILITY

Our world policy and our actions are dedicated to the achievement of peace with justice for all nations.

Page 2697

With this purpose, we move in a wide variety of ways and through many agencies to remove the pall of fear; to strengthen the ties with our partners and to improve the cooperative cohesion of the free world; to reduce the burden of armaments, and to stimulate and inspire action among all nations for a world of justice and prosperity and peace. These national objectives are fully supported by both our political parties.

In the past year, our search for a more stable and just peace has taken varied forms. Among the most important were the two Conferences at Geneva, in July and in the fall of last year. We explored the possibilities of agreement on critical issues that jeopardize the peace.

The July meeting of Heads of Government held out promise to the world of moderation in the bitterness, of word and action, which tends to generate conflict and war. All were in agreement that a nuclear war would be an intolerable disaster which must not be permitted to occur. But in October, when the Foreign Ministers met again, the results demonstrated conclusively that the Soviet leaders are not yet willing to create the indispensable conditions for a secure and lasting peace.

Nevertheless, it is clear that the conflict between international communism and freedom has taken on a new complexion.

We know the Communist leaders have often practiced the tactics of retreat and zigzag. We know that Soviet and Chinese communism still poses a serious threat to the free world. And in the Middle East recent Soviet moves are hardly compatible with the reduction of international tension.

Yet Communist tactics against the free nations have shifted in emphasis from reliance on violence and the threat of violence to reliance on division, enticement and duplicity. We must be well prepared to meet the current tactics which pose a dangerous though less obvious threat. At the same time, our policy must be dynamic as well as flexible, designed primarily to forward the achievement of our own objectives rather than to meet each shift and change on the Communist front. We must act in the firm assurance that the fruits of freedom are more attractive and desirable to mankind in the pursuit of happiness than the record of Communism.

In the face of Communist military power, we must, of course, continue to maintain an effective system of collective security. This involves two things—a system which gives clear warning that armed aggression will be met by joint action of the free nations, and deterrent military power to make that warning effective. Moreover, the awesome power of the atom must be made to serve as a guardian of the free community and of the peace.

In the last year, the free world has seen major gains for the system of collective security: the accession to the North Atlantic Treaty Organization and Western European

Union of the sovereign Federal German Republic; the developing cooperation under the Southeast Asia Collective Defense Treaty; and the formation in the Middle East of the Baghdad Pact among Turkey, Iraq, Iran, Pakistan and the United Kingdom. In our own hemisphere, the inter-American system has continued to show its vitality in maintaining peace and a common approach to world problems. We now have security pacts with more than 40 other nations.

Page 2698

In the pursuit of our national purposes, we have been steadfast in our support of the United Nations, now entering its second decade with a wider membership and ever-increasing influence and usefulness. In the release of our fifteen fliers from Communist China, an essential prelude was the world opinion mobilized by the General Assembly, which condemned their imprisonment and demanded their liberation. The successful Atomic Energy Conference held in Geneva under United Nations auspices and our Atoms for Peace program have been practical steps toward the world-wide use of this new energy source. Our sponsorship of such use has benefited our relations with other countries. Active negotiations are now in progress to create an International Agency to foster peaceful uses of atomic energy.

During the past year the crucial problem of disarmament has moved to the forefront of practical political endeavor. At Geneva, I declared the readiness of the United States to exchange blueprints of the military establishments of our nation and the USSR, to be confirmed by reciprocal aerial reconnaissance. By this means, I felt mutual suspicions could be allayed and an atmosphere developed in which negotiations looking toward limitation of arms would have improved chances of success.

In the United Nations Subcommittee on Disarmament last fall, this proposal was explored and the United States also declared itself willing to include reciprocal ground inspection of key points. By the overwhelming vote of 56 to 7, the United Nations on December 16 endorsed these proposals and gave them a top priority. Thereby, the issue is placed squarely before the bar of world opinion. We shall persevere in seeking a general reduction of armaments under effective inspection and control which are essential safeguards to ensure reciprocity and protect the security of all.

In the coming year much remains to be done.

While maintaining our military deterrent, we must intensify our efforts to achieve a just peace. In Asia we shall continue to give help to nations struggling to maintain their freedom against the threat of Communist coercion or subversion. In Europe we shall endeavor to increase not only the military strength of the North Atlantic Alliance but also its political cohesion and unity of purpose. We shall give such assistance as is feasible to the recently renewed effort of Western European nations to achieve a greater measure of integration, such as in the field of peaceful uses of atomic energy.

In the Near East we shall spare no effort in seeking to promote a fair solution of the tragic dispute between the Arab States and Israel, all of whom we want as our friends. The United States is ready to do its part to assure enduring peace in that area. We hope that both sides will make the contributions necessary to achieve that purpose. In Latin America, we shall continue to cooperate vigorously in trade and other measures designed to assist economic progress in the area.

Page 2699

Strong economic ties are an essential element in our free world partnership. Increasing trade and investment help all of us prosper together. Gratifying progress has been made in this direction, most recently by the three-year extension of our trade agreements legislation.

I most earnestly request that the Congress approve our membership in the Organization for Trade Cooperation, which would assist the carrying out of the General Agreement on Tariffs and Trade to which we have been a party since 1948. Our membership in the OTC will provide the most effective and expeditious means for removing discriminations and restrictions against American exports and in making our trade agreements truly reciprocal. United States membership in the Organization will evidence our continuing desire to cooperate in promoting an expanded trade among the free nations. Thus the Organization, as proposed, is admirably suited to our own interests and to those of like-minded nations in working for steady expansion of trade and closer economic cooperation. Being strictly an administrative entity, the Organization for Trade Cooperation cannot, of course, alter the control by Congress of the tariff, import, and customs policies of the United States.

We need to encourage investment overseas by avoiding unfair tax duplications, and to foster foreign trade by further simplification and improvement of our customs legislation.

We must sustain and fortify our Mutual Security Program. Because the conditions of poverty and unrest in less developed areas make their people a special target of international communism, there is a need to help them achieve the economic growth and stability necessary to preserve their independence against communist threats and enticements.

In order that our friends may better achieve the greater strength that is our common goal, they need assurance of continuity in economic assistance for development projects and programs which we approve and which require a period of years for planning and completion. Accordingly, I ask Congress to grant limited authority to make longer-term commitments for assistance to such projects, to be fulfilled from appropriations to be made in future fiscal years.

These various steps will powerfully strengthen the economic foundation of our foreign policy. Together with constructive action abroad, they will maintain the present momentum toward general economic progress and vitality of the free world.

In all things, change is the inexorable law of life. In much of the world the ferment of change is working strongly; but grave injustices are still uncorrected. We must not, by any sanction of ours, help to perpetuate these wrongs. I have particularly in mind the oppressive division of the German people, the bondage of millions elsewhere, and the exclusion of Japan from United Nations membership.

We shall keep these injustices in the forefront of human consciousness and seek to maintain the pressure of world opinion to fight these vast wrongs in the interest both of justice and secure peace.

Page 2700

Injustice thrives on ignorance. Because an understanding of the truth about America is one of our most powerful forces, I am recommending a substantial increase in budgetary support of the United States Information Agency.

The sum of our international effort should be this: the waging of peace, with as much resourcefulness, with as great a sense of dedication and urgency, as we have ever mustered in defense of our country in time of war. In this effort, our weapon is not force. Our weapons are the principles and ideas embodied in our historic traditions, applied with the same vigor that in the past made America a living promise of freedom for all mankind.

To accomplish these vital tasks, all of us should be concerned with the strength, effectiveness and morale .of our State Department and our Foreign Service.

Another guide in the preparation of the Administration's program is:

THE CONSTANT IMPROVEMENT OF OUR NATIONAL SECURITY

Because peace is the keystone of our national policy, our defense program emphasizes an effective flexible type of power calculated to deter or repulse any aggression and to preserve the peace. Short of war, we have never had military strength better adapted to our needs with improved readiness for emergency use. The maintenance of this strong military capability for the indefinite future will continue to call for a large share of our national budget. Our military programs must meet the needs of today. To build less would expose the nation to aggression. To build excessively, under the influence of fear, could defeat our purposes and impair or destroy the very freedom and economic system our military defenses are designed to protect.

We have improved the effectiveness and combat readiness of our forces by developing and making operational new weapons and by integrating the latest scientific developments, including new atomic weapons, into our military plans. We continue to push the production of the most modern military aircraft. The development of long-range missiles has been on an accelerated basis for some time. We are moving as rapidly as practicable toward nuclear-powered aircraft and ships. Combat capability, especially in terms of firepower, has been substantially increased. We have made the adjustments in personnel permitted by the cessation of the Korean War, the buildup of our allies and the introduction of new weapons. The services are all planning realistically on a long-term basis.

To strengthen our continental defenses the United States and Canada, in the closest cooperation, have substantially augmented early warning networks. Great progress is

being made in extending surveillance of the Arctic, the Atlantic and the Pacific approaches to North America.

Page 2701

In the last analysis our real strength lies in the caliber of the men and women in our Armed Forces, active and Reserve. Much has been done to attract and hold capable military personnel, but more needs to be done. This year, I renew my request of last year for legislation to provide proper medical care for military dependents and a more equitable survivors' benefit program. The Administration will prepare additional recommendations designed to achieve the same objectives, including career incentives for medical and dental officers and nurses, and increases in the proportion of regular officers.

Closely related to the mission of the Defense Department is the task of the Federal Civil Defense Administration. A particular point of relationship arises from the fact that the key to civil defense is the expanded continental defense program, including the distant early warning system. Our Federal civil defense authorities have made progress in their program, and now comprehensive studies are being conducted jointly by the Federal Civil Defense Administration, the States, and critical target cities to determine the best procedures that can be adopted in case of an atomic attack. We must strengthen Federal assistance to the States and cities in devising the most effective common defense.

We have a broad and diversified mobilization base. We have the facilities, materials, skills and knowledge rapidly to expand the production of things we need for our defense whenever they are required. But mobilization base requirements change with changing technology and strategy. We must maintain flexibility to meet new requirements. I am requesting, therefore, that the Congress once again extend the Defense Production Act.

Of great importance to our nation's security is a continuing alertness to internal subversive activity within or without our government. This Administration will not relax its efforts to deal forthrightly and vigorously in protection of this government and its citizens against subversion, at the same time fully protecting the constitutional rights of all citizens.

A third objective of the Administration is:

FISCAL INTEGRITY

A public office is, indeed, a public trust. None of its aspects is more demanding than the proper management of the public finances. I refer now not only to the indispensable virtues of plain honesty and trustworthiness but also to the prudent, effective and conscientious use of tax money. I refer also to the attitude of mind that makes efficient and economical service to the people a watchword in our government.

Over the long term, a balanced budget is a sure index to thrifty management—in a home, in a business or in the Federal Government. When achievement of a balanced

budget is for long put off in a business or home, bankruptcy is the result. But in similar circumstances a government resorts to inflation of the money supply. This inevitably results in depreciation of the value of the money, and an increase in the cost of living. Every investment in personal security is threatened by this process of inflation, and the real values of the people's savings, whether in the form of insurance, bonds, pension and retirement funds or savings accounts are thereby shriveled.

Page 2702

We have made long strides these past three years in bringing our Federal finances under control. The deficit for fiscal year 1953 was almost 9-1/2 billion dollars. Larger deficits seemed certain—deficits which would have depreciated the value of the dollar and pushed the cost of living still higher. But government waste and extravagance were searched out. Nonessential activities were dropped. Government expenses were carefully scrutinized. Total spending was cut by 14 billion dollars below the amount planned by the previous Administration for the fiscal year 1954.

This made possible—and it was appropriate in the existing circumstances of transition to a peacetime economy—the largest tax cut in any year in our history. Almost 7-1/2 billion dollars were released and every taxpayer in the country benefited. Almost two-thirds of the savings went directly to individuals. This tax cut also helped to build up the economy, to make jobs in industry and to increase the production .of the many things desired to improve the scale of living for the great majority of Americans.

The strong expansion of the economy, coupled with a constant care for efficiency in government operations and an alert guard against waste and duplication, has brought us to a prospective balance between income and expenditure. This is being done while we continue to strengthen our military security.

I expect the budget to be in balance during the fiscal year ending June 30, 1956.

I shall propose a balanced budget for the next fiscal year ending June 30, 1957.

But the balance we are seeking cannot be accomplished without the continuing every-day effort of the Executive and Legislative Branches to keep expenditures under control. It will also be necessary to continue all of the present excise taxes without any reduction and the corporation income taxes at their present rates for another year beyond next April 1st.

It is unquestionably true that our present tax level is very burdensome and, in the interest of long term and continuous economic growth, should be reduced when we prudently can. It is essential, in the sound management of the Government's finances, that we be mindful of our enormous national debt and of the obligation we have toward future Americans to reduce that debt whenever we can appropriately do so. Under conditions of high peacetime prosperity, such as now exist, we can never justify going further into debt to give ourselves a tax cut at the expense of our children. So, in the present state of our financial affairs, I earnestly believe that a tax cut can be deemed justifiable only when it will not unbalance the budget, a budget which makes provision for some reduction, even though modest, in our national debt. In this way we can best maintain fiscal integrity.

A fourth aim of our program is:

TO FOSTER A STRONG ECONOMY

Page 2703

Our competitive enterprise system depends on the energy of free human beings, limited by prudent restraints in law, using free markets to plan, organize and distribute production, and spurred by the prospect of reward for successful effort. This system has developed our resources. It has marvelously expanded our productive capacity. Against the record of all other economic systems devised through the ages, this competitive system has proved the most creative user of human skills in the development of physical resources, and the richest rewarder of human effort.

This is still true in this era when improved living standards and rising national requirements are accompanied by swift advances in technology and rapid obsolescence in machines and methods. Typical of these are the strides made in construction of plants to produce electrical energy from atomic power and of laboratories and installations for the application of this new force in industry, agriculture and the healing arts. These developments make it imperative—to assure effective functioning of our enterprise system—that the Federal Government concern itself with certain broad areas of our economic life. Most important of these is:

Agriculture

Our farm people are not sharing as they should in the general prosperity. They alone of all major groups have seen their incomes decline rather than rise. They are caught between two millstones—rising production costs and declining prices. Such harm to a part of the national economy so vitally important to everyone is of great concern to us all. No other resource is so indispensable as the land that feeds and clothes us. No group is more fundamental to our national life than our farmers.

In successful prosecution of the war, the nation called for the utmost effort of its farmers. Their response was superb, their contribution unsurpassed. Farmers are not now to be blamed for the mountainous, price-depressing surpluses produced in response to wartime policies and laws that were too long continued. War markets are not the markets of peacetime. Failure to recognize that basic fact by a timely adjustment of wartime legislation brought its inevitable result in peacetime—surpluses, lower prices and lower incomes for our farmers.

The dimensions of government responsibility are as broad and complex as the farm problem itself. We are here concerned not only with our essential continuing supplies of food and fiber, but also with a way of life. Both are indispensable to the well-being and strength of the nation. Consideration of these matters must be above and beyond politics. Our national farm policy, so vital to the welfare of farm people and all of us, must not become a field for political warfare. Too much is at stake.

Our farm people expect of us, who have responsibility for their government, understanding of their problems and the will to help solve them. Our objective must be

to help bring production into balance with existing and new markets, at prices that yield farmers a return for their work in line with what other Americans get.

Page 2704

To reach this goal, deep-seated problems must be subjected to a stepped-up attack. There is no single easy solution. Rather, there must be a many-sided assault on the stubborn problems of surpluses, prices, costs, and markets; and a steady, persistent, imaginative advance in the relationship between farmers and their government.

In a few days, by special message, I shall lay before the Congress my detailed recommendations for new steps that should be taken promptly to speed the transition in agriculture and thus assist our farmers to achieve their fair share of the national income.

Basic to this program will be a new attack on the surplus problem-for even the best-conceived farm program cannot work under a multi-billion dollar weight of accumulated stocks.

I shall urge authorization of a soil bank program to alleviate the problem of diverted acres and an overexpanded agricultural plant. This will include an acreage reserve to reduce current and accumulated surpluses of crops in most serious difficulty, and a conservation reserve to achieve other needed adjustments in the use of agricultural resources. I shall urge measures to strengthen our surplus disposal activities.

I shall propose measures to strengthen individual commodity programs, to remove controls where possible, to reduce carryovers, and to stop further accumulations of surpluses. I shall ask the Congress to provide substantial new funds for an expanded drive on the research front, to develop new markets, new crops, and new uses. The Rural Development Program to better the lot of low-income farm families deserves full Congressional support. The Great Plains Program must go forward vigorously. Advances on these and other fronts will pull down the pricedepressing surpluses and raise farm income.

In this time of testing in agriculture, we should all together, regardless of party, carry forward resolutely with a sound and forward looking program on which farm people may confidently depend, now and for years to come.

I shall briefly mention four other subjects directly related to the well-being of the economy, preliminary to their fuller discussion in the Economic Report and later communications.

Resources Conservation

I wish to re-emphasize the critical importance of the wise use and conservation of our great natural resources of land, forests, minerals and water and their long-range development consistent with our agricultural policy. Water in particular now plays an increasing role in industrial processes, in the irrigation of land, in electric power, as well as in domestic uses. At the same time, it has the potential of damage and disaster.

Page 2705

A comprehensive legislative program for water conservation will be submitted to the Congress during the Session. The development of our water resources cannot be accomplished overnight. The need is such that we must make faster progress and without delay. Therefore, I strongly recommend that action be taken at this Session on such wholly Federal projects as the Colorado River Storage Project and the Fryingpan-Arkansas Project; on the John Day partnership project, and other projects which provide for cooperative action between the Federal Government and non-Federal interests; and on legislation, which makes provision for Federal participation in small projects under the primary sponsorship of agencies of State and local government.

During the past year the areas of our National Parks have been expanded, and new wildlife refuges have been created. The visits of our people to the Parks have increased much more rapidly than have the facilities to care for them. The Administration will submit recommendations to provide more adequate facilities to keep abreast of the increasing interest of our people in the great outdoors.

Disaster Assistance

A modern community is a complex combination of skills, specialized buildings, machines, communications and homes. Most importantly, it involves human lives. Disaster in many forms—by flood, frost, high winds, for instance—can destroy on a massive scale in a few hours the labor of many years.

Through the past three years the Administration has repeatedly moved into action wherever disaster struck. The extent of State participation in relief activities, however, has been far from uniform and, in many cases, has been either inadequate or nonexistent. Disaster assistance legislation requires overhauling and an experimental program of flood-damage indemnities should be undertaken. The Administration will make detailed recommendations on these subjects.

Area Redevelopment

We must help deal with the pockets of chronic unemployment that here and there mar the nation's general industrial prosperity. Economic changes in recent years have been often so rapid and far-reaching that areas committed to a single local resource or industrial activity have found themselves temporarily deprived of their markets and their livelihood.

Such conditions mean severe hardship for thousands of people as the slow process of adaptation to new circumstances goes on. This process can be speeded up. Last year I authorized a major study of the problem to find additional steps to supplement existing programs for the redevelopment of areas of chronic unemployment. Recommendations will be submitted, designed to supplement, with Federal technical and loan assistance local efforts to get on with this vital job. Improving such communities must, of course,

remain the primary responsibility of the people living there and of their States. But a soundly conceived Federal partnership program can be of real assistance to them in their efforts.

Page 2706

Highway Legislation.

Legislation to provide a modern, interstate highway system is even more urgent this year than last, for 12 months have now passed in which we have fallen further behind in road construction needed for the personal safety, the general prosperity, the national security of the American people. During the year, the number of motor vehicles has increased from 58 to 61 million. During the past year over 38,000 persons lost their lives in highway accidents, while the fearful toll of injuries and property damage has gone on unabated.

In my message of February 22, 1955, I urged that measures be taken to complete the vital 40,000 mile interstate system over a period of 10 years at an estimated Federal cost of approximately 25 billion dollars. No program was adopted.

If we are ever to solve our mounting traffic problem, the whole interstate system must be authorized as one project, to be completed approximately within the specified time. Only in this way can industry efficiently gear itself to the job ahead. Only in this way can the required planning and engineering be accomplished without the confusion and waste unavoidable a piecemeal approach. Furthermore, as I pointed out last year, the pressing nature of this problem must not lead us to solutions outside the bounds of sound fiscal management. As in the case of other pressing problems, there must be an adequate plan of financing. To continue the drastically needed improvement in other national highway systems, I recommend the continuation of the Federal Aid Highway Program.

Aside from agriculture and the four subjects specifically mentioned, an integral part of our efforts to foster a strong and expanding free economy is keeping open the door of opportunity to new and small enterprises, checking monopoly, and preserving a competitive environment. In this past year the steady improvement in the economic health of small business has reinforced the vitality of our competitive economy. We shall continue to help small business concerns to obtain access to adequate financing and to competent counsel on management, production, and marketing problems.

Through measures already taken, opportunities for smallbusiness participation in government procurement programs, including military procurement, are greatly improved. The effectiveness of these measures will become increasingly apparent. We shall continue to make certain that small business has a fair opportunity to compete and has an economic environment in which it may prosper.

In my message last year I referred to the appointment of an advisory committee to appraise and report to me on the deficiencies as well as the effectiveness of existing Federal transportation policies. I have commended the fundamental purposes and objectives of the committee's report. I earnestly recommend that the Congress give prompt attention to the committee's proposals.

Page 2707

Essential to a prosperous economic environment for all business, small and large—for agriculture and industry and commerce-is efficiency in Government. To that end, exhaustive studies of the entire governmental structure were made by the Commission on Intergovernmental Relations and the Commission on the Organization of the Executive Branch of the Government—the reports of these Commissions are now under intensive review and already in the process of implementation in important areas.

One specific and most vital governmental function merits study and action by the Congress. As part of our program of promoting efficiency in Government and getting the fiscal situation in hand, the Post Office Department in the past three years has been overhauled. Nearly one thousand new post offices have been provided. Financial practices have been modernized, and transportation and operating methods are being constantly improved. A new wage and incentive plan for the half million postal employees has been established. Never before has the postal system handled so much mail so quickly and so economically.

The Post Office Department faces two serious problems. First, much of its physical plant—post offices and other buildings-is obsolete and inadequate. Many new buildings and the modernization of present ones are essential if we are to have improved mail service. The second problem is the Department's fiscal plight. It now faces an annual deficit of one-half billion dollars.

Recommendations on postal facilities and on additional postal revenues will be submitted to the Congress.

A final consideration in our program planning is:

THE RESPONSE TO HUMAN CONCERNS

A fundamental belief shines forth in this Republic. We believe in the worth and dignity of the individual. We know that if we are to govern ourselves wisely—in the tradition of America—we must have the opportunity to develop our individual capacities to the utmost.

To fulfill the individual's aspirations in the American way of life, good education is fundamental. Good education is the outgrowth of good homes, good communities, good churches, and good schools. Today our schools face pressing problems—-problems which will not yield to swift and easy solutions, or to any single action. They will yield only to a continuing, active, formed effort by the people toward achieving better schools.

This kind of effort has been spurred by the thousands of conferences held in recent months by half a million citizens and educators in all parts of the country, culminating in

the White House Conference on Education. In that Conference, some two thousand delegates, broadly representative of the nation, studied together the problems of the nation's schools.

They concluded that the people of the United States must make a greater effort through their local, State, and Federal Governments to improve the education of our youth. This expression from the people must now be translated into action at all levels of government.

Page 2708

So far as the Federal share of responsibility is concerned, I urge that the Congress move promptly to enact an effective program of Federal assistance to help erase the existing deficit of school classrooms. Such a program, which should be limited to a five-year period, must operate to increase rather than decrease local and State support of schools and to give the greatest help to the States and localities with the least financial resources. Federal aid should in no way jeopardize the freedom of local school systems. There will be presented to the Congress a recommended program of Federal assistance for school construction.

Such a program should be accompanied by action to increase services to the nation's schools by the Office of Education and by legislation to provide continuation of payments to school districts where Federal activities have impaired the ability of those districts to provide adequate schools.

Under the 1954 Amendments to the old-age and survivors' insurance program, protection was extended to some 10 million additional workers and benefits were increased. The system now helps protect 9 out of 10 American workers and their families against loss of income in old age or on the death of the breadwinner. The system is sound. It must be kept so. In developing improvements in the system, we must give the most careful consideration to population and social trends, and to fiscal requirements. With these considerations in mind, the Administration will present its recommendations for further expansion of coverage and other steps which can be taken wisely at this time.

Other needs in the area of social welfare include increased child welfare services, extension of the program of aid to dependent children, intensified attack on juvenile delinquency, and special attention to the problems of mentally retarded children. The training of more skilled workers for these fields and the quest for new knowledge through research in social welfare are essential. Similarly the problems of our aged people need our attention.

The nation has made dramatic progress in conquering disease—progress of profound human significance which can be greatly accelerated by an intensified effort in medical research. A well-supported, well-balanced program of research, including basic research, can open new frontiers of knowledge, prevent and relieve suffering, and prolong life. Accordingly I shall recommend a substantial increase in Federal funds for the support of such a program. As an integral part of this effort, I shall recommend a new plan to aid construction of non-Federal medical research and teaching facilities and to help provide more adequate support for the training of medical research manpower.

Finally, we must aid in cushioning the heavy and rising costs of illness and hospitalization to individuals and families. Provision should be made, by Federal reinsurance or otherwise, to foster extension of voluntary health insurance coverage to many more persons, especially older persons and those in rural areas. Plans should be

evolved to improve protection against the costs of prolonged or severe illness. These measures will help reduce the dollar barrier between many Americans and the benefits of modern medical care.

Page 2709

The Administration health program will be submitted to the Congress in detail.

The response of government to human concerns embraces, of course, other measures of broad public interest, and of special interest to our working men and women. The need still exists for improvement of the Labor Management Relations Act. The recommendations I submitted to the Congress last year take into account not only the interests of labor and management but also the public welfare. The needed amendments should be enacted without further delay.

We must also carry forward the job of improving the wagehour law. Last year I requested the Congress to broaden the coverage of the minimum wage. I repeat that recommendation, and I pledge the full resources of the Executive Branch to assist the Congress in finding ways to attain this goal. Moreover, as requested last year, legislation should be passed to clarify and strengthen the eight-hour laws for the benefit of workers who are subject to Federal wage standards on Federal and Federally assisted construction and other public works.

The Administration will shortly propose legislation to assure adequate disclosure of the financial affairs of each employee pension and welfare plan and to afford substantial protection to their beneficiaries in accordance with the objectives outlined in my message of January 11, 1954. Occupational safety still demands attention, as I pointed out last year, and legislation to improve the Longshoremen's and Harbor Workers' Compensation Act is still needed. The improvement of the District of Columbia Unemployment Insurance Law and legislation to provide employees in the District with non-occupational disability insurance are no less necessary now than 12 months ago. Legislation to apply the principle of equal pay for equal work without discrimination because of sex is a matter of simple justice. I earnestly urge the Congress to move swiftly to implement these needed labor measures.

In the field of human needs, we must carry forward the housing program, which is contributing so greatly to the well-being of our people and the prosperity of our economy. Home ownership is now advanced to the point where almost three of every five families in our cities, towns, and suburbs own the houses they live in.

For the housing program, most of the legislative authority already exists. However, a firm program of public housing is essential until the private building industry has found ways to provide more adequate housing for low-income families. The Administration will propose authority to contract for 35 thousand additional public housing units in each of the next 2 fiscal years for communities which will participate in an integrated attack on slums and blight.

To meet the needs of the growing number of older people, several amendments to the National Housing Act will be proposed to assist the private homebuilding industry as well as charitable and non-profit organizations.

Page 2710

With so large a number of the American people desiring to modernize and improve existing dwellings, I recommend that the Title 1 program for permanent improvements in the home be liberalized.

I recommend increases in the general FHA mortgage insurance authority; the extension of the FHA military housing program; an increase in the authorization for Urban Planning grants; in the special assistance authority of the Federal National Mortgage Association; and continued support of the college housing program in a way that will not discourage private capital from helping to meet the needs of our colleges.

The legislation I have recommended for workers in private industry should be accompanied by a parallel effort for the welfare of Government employees. We have accomplished much in this field, including a contributory life insurance program; equitable pay increases and a fringe benefits program, covering many needed personnel policy changes, from improved premium pay to a meaningful incentive award program.

Additional personnel management legislation is needed in this Session. As I stated last year, an executive pay increase is essential to efficient governmental management. Such an increase, together with needed adjustments in the pay for the top career positions, is also necessary to the equitable completion of the Federal pay program initiated last year. Other legislation will be proposed, including legislation for prepaid group health insurance for employees and their dependents and to effect major improvements in the Civil Service retirement system.

All of us share a continuing concern for those who have served this nation in the Armed Forces. The Commission on Veterans Pensions is at this time conducting a study of the entire field of veterans' benefits and will soon submit proposed improvements.

We are proud of the progress our people have made in the field of civil rights. In Executive Branch operations throughout the nation, elimination of discrimination and segregation is all but completed. Progress is also being made among contractors engaged in furnishing Government services and requirements. Every citizen now has the opportunity to fit himself for and to hold a position of responsibility in the service of his country. In the District of Columbia, through the voluntary cooperation of the people, discrimination and segregation are disappearing from hotels, theaters, restaurants and other facilities.

It is disturbing that in some localities allegations persist that Negro citizens are being deprived of their right to vote and are likewise being subjected to unwarranted economic pressures. I recommend that the substance of these charges be thoroughly examined by a Bipartisan Commission created by the Congress. It is hoped that such a commission will be established promptly so that it may arrive at findings which can receive early consideration.

Page 2711

The stature of our leadership in the free world has increased through the past three years because we have made more progress than ever before in a similar period to assure our citizens equality in justice, in opportunity and in civil rights. We must expand this effort on every front. We must strive to have every person judged and measured by what he is, rather than by his color, race or religion. There will soon be recommended to the Congress a program further to advance the efforts of the Government, within the area of Federal responsibility, to accomplish these objectives.

One particular challenge confronts us. In the Hawaiian Islands, East meets West. To the Islands, Asia and Europe and the Western Hemisphere, all the continents, have contributed their peoples and their cultures to display a unique example of a community that is a successful laboratory in human brotherhood.

Statehood, supported by the repeatedly expressed desire of the Islands' people and by our traditions, would be a shining example of the American way to the entire earth. Consequently, I urgently request this Congress to grant statehood for Hawaii. Also, in harmony with the provisions I last year communicated to the Senate and House Committees on Interior and Insular Affairs, I trust that progress toward statehood for Alaska can be made in this Session.

Progress is constant toward full integration of our Indian citizens into normal community life. During the past two years the Administration has provided school facilities for thousands of Indian children previously denied this opportunity. We must continue to meet the needs of increased numbers of Indian children. Provision should also be made for the education of adult Indians whose schooling in earlier years was neglected.

In keeping with our responsibility of world leadership and in our own self interest, I again point out to the Congress the urgent need for revision of the immigration and nationality laws. Our nation has always welcomed immigrants to our shores. The wisdom of such a policy is clearly shown by the fact that America has been built by immigrants and the descendants of immigrants. That policy must be continued realistically with present day conditions in mind.

I recommend that the number of persons admitted to this country annually be based not on the 1920 census but on the latest, the 1950 census. Provision should be made to allow for greater flexibility in the use of quotas so if one country does not use its share, the vacancies may be made available for the use of qualified individuals from other countries.

The law should be amended to permit the Secretary of State and the Attorney General to waive the requirements of fingerprinting on a reciprocal basis for persons coming to this country for temporary visits. This and other changes in the law are long overdue and should be taken care of promptly. Detailed recommendations for revision of the immigration laws will be submitted to the Congress.

Page 2712

I am happy to report substantial progress in the flow of immigrants under the Refugee Relief Act of 1953; however, I again request this Congress to approve without further delay the urgently needed amendments to that act which I submitted in the last Session. Because of the high prosperity in Germany and Austria, the number of immigrants from those countries will be reduced. This will make available thousands of unfilled openings which I recommend be distributed to Greece and Italy and to escapees from behind the Iron Curtain.

Once again I ask the Congress to join with me in demonstrating our belief in the right of suffrage. I renew my request that the principle of self-government be extended and the right of suffrage granted to the citizens of the District of Columbia.

To conclude: the vista before us is bright. The march of science, the expanding economy, the advance in collective security toward a just peace—in this threefold movement our people are creating new standards by which the future of the Republic may be judged.

Progress, however, will be realized only as it is more than matched by a continuing growth in the spiritual strength of the nation. Our dedication to moral values must be complete in our dealings abroad and in our relationships among ourselves. We have single-minded devotion to the common good of America. Never must we forget that this means the well-being, the prosperity, the security of all Americans in every walk of life.

To the attainment of these objectives, I pledge full energies of the Administration, as in the Session ahead, it works on a program for submission to you, the Congress of the United States.

***

State of the Union Address
Dwight D. Eisenhower
January 10, 1957

To the Congress of the United States:

I appear before the Congress today to report on the State of the Union and the relationships of the Union to the other nations of the world. I come here, firmly convinced that at no time in the history of the Republic have circumstances more emphatically underscored the need, in all echelons of government, for vision and wisdom and resolution.

You meet in a season of stress that is testing the fitness of political systems and the validity of political philosophies. Each stress stems in part from causes peculiar to itself. But every stress is a reflection of a universal phenomenon.

In the world today, the surging and understandable tide of nationalism is marked by widespread revulsion and revolt against tyranny, injustice, inequality and poverty. As individuals, joined in a common hunger for freedom, men and women and even children pit their spirit against guns and tanks. On a larger scale, in an ever more persistent search for the self-respect of authentic sovereignty and the economic base on which national independence must rest, peoples sever old ties; seek new alliances; experiment—sometimes dangerously—in their struggle to satisfy these human aspirations.

Page 2713

Particularly, in the past year, this tide has changed the pattern of attitudes and thinking among millions. The changes already accomplished foreshadow a world transformed by the spirit of freedom. This is no faint and pious hope. The forces now at work in the minds and hearts of men will not be spent through many years. In the main, today's expressions of nationalism are, in spirit, echoes of our forefathers' struggle for independence.

This Republic cannot be aloof to these events heralding a new epoch in the affairs of mankind.

Our pledged word, our enlightened self-interest, our character as a Nation commit us to a high role in world affairs: a role of vigorous leadership, ready strength, sympathetic understanding.

The State of the Union, at the opening of the 85th Congress continues to vindicate the wisdom of the principles on which this Republic is rounded. Proclaimed in the Constitution of the Nation and in many of our historic documents, and rounded in devout religious convictions, these principles enunciate:

A vigilant regard for human liberty.

A wise concern for human welfare.

A ceaseless effort for human progress.

Fidelity to these principles, in our relations with other peoples, has won us new friendships and has increased our opportunity for service within the family of nations. The appeal of these principles is universal, lighting fires in the souls of men everywhere. We shall continue to uphold them, against those who deny them and in counselling with our friends.

At home, the application of these principles to the complex problems of our national life has brought us to an unprecedented peak in our economic prosperity and has exemplified in our way of life the enduring human values of mind and spirit.

Through the past four years these principles have guided the legislative programs submitted by the Administration to the Congress. As we attempt to apply them to current events, domestic and foreign, we must take into account the complex entity that is the United States of America; what endangers it; what can improve it.

The visible structure is our American economy itself. After more than a century and a half of constant expansion, it is still rich in a wide variety of natural resources. It is first among nations in its people's mastery of industrial skills. It is productive beyond our own needs of many foodstuffs and industrial products. It is rewarding to all our citizens in opportunity to earn and to advance in self-realization and in self-expression. It is

fortunate in its wealth of educational and cultural and religious centers. It is vigorously dynamic in the limitless initiative and willingness to venture that characterize free enterprise. It is productive of a widely shared prosperity.

Page 2714

Our economy is strong, expanding, and fundamentally sound. But in any realistic appraisal, even the optimistic analyst will realize that in a prosperous period the principal threat to efficient functioning of a free enterprise system is inflation. We look back on four years of prosperous activities during which prices, the cost of living, have been relatively stable—that is, inflation has been held in check. But it is clear that the danger is always present, particularly if the government might become profligate in its expenditures or private groups might ignore all the possible results on our economy of unwise struggles for immediate gain.

This danger requires a firm resolution that the Federal Government shall utilize only a prudent share of the Nation's resources, that it shall live within its means, carefully measuring against need alternative proposals for expenditures.

Through the next four years, I shall continue to insist that the executive departments and agencies of Government search out additional ways to save money and manpower. I urge that the Congress be equally watchful in this matter.

We pledge the Government's share in guarding the integrity of the dollar. But the Government's efforts cannot be the entire campaign against inflation, the thief that can rob the individual of the value of the pension and social security he has earned during his productive life. For success, Government's efforts must be paralleled by the attitudes and actions of individual citizens.

I have often spoken of the purpose of this Administration to serve the national interest of 170 million people. The national interest must take precedence over temporary advantages which may be secured by particular groups at the expense of all the people.

In this regard I call on leaders in business and in labor to think well on their responsibility to the American people. With all elements of our society, they owe the Nation a vigilant guard against the inflationary tendencies that are always at work in a dynamic economy operating at today's high levels. They can powerfully help counteract or accentuate such tendencies by their wage and price policies.

Business in its pricing policies should avoid unnecessary price increases especially at a time like the present when demand in so many areas presses hard on short supplies. A reasonable profit is essential to the new investments that provide more jobs in an expanding economy. But business leaders must, in the national interest, studiously avoid those price rises that are possible only because of vital or unusual needs of the whole nation.

If our economy is to remain healthy, increases in wages and other labor benefits, negotiated by labor and management, must be reasonably related to improvements in productivity. Such increases are beneficial, for they provide wage earners with greater purchasing power. Except where necessary to correct obvious injustices, wage

increases that outrun productivity, however, are an inflationary factor. They make for higher prices for the public generally and impose a particular hardship on those whose welfare depends on the purchasing power of retirement income and savings. Wage negotiations should also take cognizance of the right of the public generally to share in the benefits of improvements in technology.

Page 2715

Freedom has been defined as the opportunity for self-discipline. This definition has a special application to the areas of wage and price policy in a free economy. Should we persistently fail to discipline ourselves, eventually there will be increasing pressure on government to redress the failure. By that process freedom will step by step disappear. No subject on the domestic scene should more attract the concern of the friends of American working men and women and of free business enterprise than the forces that threaten a steady depreciation of the value of our money.

Concerning developments in another vital sector of our economy—agriculture—I am gratified that the long slide in farm income has been halted and that further improvement is in prospect. This is heartening progress. Three tools that we have developed—improved surplus disposal, improved price support laws, and the soil bank—are working to reduce price-depressing government stocks of farm products. Our concern for the well-being of farm families demands that we constantly search for new ways by which they can share more fully in our unprecedented prosperity. Legislative recommendations in the field of agriculture are contained in the Budget Message.

Our soil, water, mineral, forest, fish, and wildlife resources are being conserved and improved more effectively. Their conservation and development are vital to the present and future strength of the Nation. But they must not be the concern of the Federal Government alone. State and local entities, and private enterprise should be encouraged to participate in such projects.

I would like to make special mention of programs for making the best uses of water, rapidly becoming our most precious natural resource, just as it can be, when neglected, a destroyer of both life and wealth. There has been prepared and published a comprehensive water report developed by a Cabinet Committee and relating to all phases of this particular problem.

In the light of this report, there are two things I believe we should keep constantly in mind. The first is that each of our great river valleys should be considered as a whole. Piecemeal operations within each lesser drainage area can be self-defeating or, at the very least, needlessly expensive. The second is that the domestic and industrial demands for water grow far more rapidly than does our population.

The whole matter of making the best use of each drop of water from the moment it touches our soil until it reaches the oceans, for such purposes as irrigation, flood control, power production, and domestic and industrial uses clearly demands the closest kind of cooperation and partnership between municipalities, States and the Federal Government. Through partnership of Federal, state and local authorities in these vast projects we can obtain the economy and efficiency of development and operation that springs from a lively sense of local responsibility.

Page 2716

Until such partnership is established on a proper and logical basis of sharing authority, responsibility and costs, our country will never have both the fully productive use of water that it so obviously needs and protection against disastrous flood.

If we fail in this, all the many tasks that need to be done in America could be accomplished only at an excessive cost, by the growth of a stifling bureaucracy, and eventually with a dangerous degree of centralized control over our national life.

In all domestic matters, I believe that the people of the United States will expect of us effective action to remedy past failure in meeting critical needs.

High priority should be given the school construction bill. This will benefit children of all races throughout the country-and children of all races need schools now. A program designed to meet emergency needs for more classrooms should be enacted without delay. I am hopeful that this program can be enacted on its own merits, uncomplicated by provisions dealing with the complex problems of integration. I urge the people in all sections of the country to approach these problems with calm and reason, with mutual understanding and good will, and in the American tradition of deep respect for the orderly processes of law and justice.

I should say here that we have much reason to be proud of the progress our people are making in mutual understanding—the chief buttress of human and civil rights. Steadily we are moving closer to the goal of fair and equal treatment of citizens without regard to race or color. But unhappily much remains to be done.

Last year the Administration recommended to the Congress a four-point program to reinforce civil rights. That program included:

(1) creation of a bipartisan commission to investigate asserted violations of civil rights and to make recommendations;

(2) creation of a civil rights division in the Department of Justice in charge of an Assistant Attorney General;

(3) enactment by the Congress of new laws to aid in the enforcement of voting rights; and

(4) amendment of the laws so as to permit the Federal Government to seek from the civil courts preventive relief in civil rights cases.

I urge that the Congress enact this legislation.

Essential to the stable economic growth we seek is a system of well-adapted and efficient financial institutions. I believe the time has come to conduct a broad national inquiry into the nature, performance and adequacy of our financial system, both in terms

of its direct service to the whole economy and in terms of its function as the mechanism through which monetary and credit policy takes effect. I believe the Congress should authorize the creation of a commission of able and qualified citizens to undertake this vital inquiry. Out of their findings and recommendations the Administration would develop and present to the Congress any legislative proposals that might be indicated for the purpose of improving our financial machinery.

Page 2717

In this message it seems unnecessary that I should repeat recommendations involving our domestic affairs that have been urged upon the Congress during the past four years, but which, in some instances, did not reach the stage of completely satisfactory legislation.

The Administration will, through future messages either directly from me or from heads of the departments and agencies, transmit to the Congress specific recommendations. These will involve our financial and fiscal affairs, our military and civil defenses; the administration of justice; our agricultural economy; our domestic and foreign commerce; the urgently needed increase in our postal rates; the development of our natural resources; our labor laws, including our labor-management relations legislation, and vital aspects of the health, education and welfare of our people. There will be special recommendations dealing with such subjects as atomic energy, the furthering of public works, the continued efforts to eliminate government competition with the businesses of tax-paying citizens.

A number of legislative recommendations will be mentioned specifically in my forthcoming Budget Message, which will reach you within the week. That message will also recommend such sums as are needed to implement the proposed action.

Turning to the international scene:

The existence of a strongly armed imperialistic dictatorship poses a continuing threat to the free world's and thus to our own Nation's security and peace. There are certain truths to be remembered here.

First, America alone and isolated cannot assure even its own security. We must be joined by the capability and resolution of nations that have proved themselves dependable defenders of freedom. Isolation from them invites war. Our security is also enhanced by the immeasurable interest that joins us with all peoples who believe that peace with justice must be preserved, that wars of aggression are crimes against humanity.

Another truth is that our survival in today's world requires modern, adequate, dependable military strength. Our Nation has made great strides in assuring a modern defense, so armed in new weapons, so deployed, so equipped, that today our security force is the most powerful in our peacetime history. It can punish heavily any enemy who undertakes to attack us. It is a major deterrent to war.

By our research and development more efficient weapons-some of amazing capabilities—are being constantly created. These vital efforts we shall continue. Yet we must not delude ourselves that safety necessarily increases as expenditures for military research or forces in being go up. Indeed, beyond a wise and reasonable level, which is always changing and is under constant study, money spent on arms may be money wasted on

sterile metal or inflated costs, thereby weakening the very security and strength we seek.

National security requires far more than military power. Economic and moral factors play indispensable roles. Any program that endangers our economy could defeat us. Any weakening of our national will and resolution, any diminution of the vigor and initiative of our individual citizens, would strike a blow at the heart of our defenses.

Page 2718

The finest military establishment we can produce must work closely in cooperation with the forces of our friends. Our system of regional pacts, developed within the Charter of the United Nations, serves to increase both our own security and the security of other nations.

This system is still a recent introduction on the world scene. Its problems are many and difficult, because it insists on equality among its members and brings into association some nations traditionally divided. Repeatedly in recent months, the collapse of these regional alliances has been predicted. The strains upon them have been at times indeed severe. Despite these strains our regional alliances have proved durable and strong, and dire predictions of their disintegration have proved completely false.

With other free nations, we should vigorously prosecute measures that will promote mutual strength, prosperity and welfare within the free world. Strength is essentially a product of economic health and social well-being. Consequently, even as we continue our programs of military assistance, we must emphasize aid to our friends in building more productive economies and in better satisfying the natural demands of their people for progress. Thereby we shall move a long way toward a peaceful world.

A sound and safeguarded agreement for open skies, unarmed aerial sentinels, and reduced armament would provide a valuable contribution toward a durable peace in the years ahead. And we have been persistent in our effort to reach such an agreement. We are willing to enter any reliable agreement which would reverse the trend toward ever more devastating nuclear weapons; reciprocally provide against the possibility of surprise attack; mutually control the outer space missile and satellite development; and make feasible a lower level of armaments and armed forces and an easier burden of military expenditures. Our continuing negotiations in this field are a major part of our quest for a confident peace in this atomic age.

This quest requires as well a constructive attitude among all the nations of the free world toward expansion of trade and investment, that can give all of us opportunity to work out economic betterment.

An essential step in this field is the provision of an administrative agency to insure the orderly and proper operation of existing arrangements trader which multilateral trade is now carried on. To that end I urge Congressional authorization for United States membership in the proposed Organization for Trade Cooperation, an action which will speed removal of discrimination against our export trade.

We welcome the efforts of a number of our European friends to achieve an integrated community to develop a common market. We likewise welcome their cooperative effort in the field of atomic energy.

To demonstrate once again our unalterable purpose to make of the atom a peaceful servant of humanity, I shortly shall ask the Congress to authorize full United States participation in the International Atomic Energy Agency.

Page 2719

World events have magnified both the responsibilities and the opportunities of the United States Information Agency. Just as, in recent months, the voice of communism has become more shaken and confused, the voice of truth must be more clearly heard. To enable our Information Agency to cope with these new responsibilities and opportunities, I am asking the Congress to increase appreciably the appropriations for this program and for legislation establishing a career service for the Agency's overseas foreign service officers.

The recent historic events in Hungary demand that all free nations share to the extent of their capabilities in the responsibility of granting asylum to victims of Communist persecution. I request the Congress promptly to enact legislation to regularize the status in the United States of Hungarian refugees brought here as parolees. I shall shortly recommend to the Congress by special message the changes in our immigration laws that I deem necessary in the light of our world responsibilities.

The cost of peace is something we must face boldly, fearlessly. Beyond money, it involves changes in attitudes, the renunciation of old prejudices, even the sacrifice of some seeming self-interest.

Only five days ago I expressed to you the grave concern of your Government over the threat of Soviet aggression in the Middle East. I asked for Congressional authorization to help counter this threat. I say again that this matter is of vital and immediate importance to the Nation's and the free world's security and peace. By our proposed programs in the Middle East, we hope to assist in establishing a climate in which constructive and long-term solutions to basic problems of the area may be sought.

From time to time, there will be presented to the Congress requests for other legislation in the broad field of international affairs. All requests will reflect the steadfast purpose of this Administration to pursue peace, based on justice. Although in some cases details will be new, the underlying purpose and objectives will remain the same.

All proposals made by the Administration in this field are based on the free world's unity. This unity may not be immediately obvious unless we examine link by link the chain of relationships that binds us to every area and to every nation. In spirit the free world is one because its people uphold the right of independent existence for all nations. I have already alluded to their economic interdependence. But their interdependence extends also into the field of security.

First of all, no reasonable man will question the absolute need for our American neighbors to be prosperous and secure. Their security and prosperity are inextricably bound to our own. And we are, of course, already joined with these neighbors by historic pledges.

Again, no reasonable man will deny that the freedom and prosperity and security of Western Europe are vital to our own prosperity and security. If the institutions, the skills, the manpower of its peoples were to fall under the domination of an aggressive imperialism, the violent change in the balance of world power and in the pattern of world commerce could not be fully compensated for by any American measures, military or economic.

Page 2720

But these people, whose economic strength is largely dependent on free and uninterrupted movement of oil from the Middle East, cannot prosper—indeed, their economies would be severely impaired—should that area be controlled by an enemy and the movement of oil be subject to its decisions.

Next, to the Eastward, are Asiatic and Far Eastern peoples, recently returned to independent control of their own affairs or now emerging into sovereign statehood. Their potential strength constitutes new assurance for stability and peace in the world—if they can retain their independence. Should they lose freedom and be dominated by an aggressor, the world-wide effects would imperil the security of the free world.

In short, the world has so shrunk that all free nations are our neighbors. Without cooperative neighbors, the United States cannot maintain its own security and welfare, because:

First, America's vital interests are world-wide, embracing both hemispheres and every continent.

Second, we have community of interest with every nation in the free world.

Third, interdependence of interests requires a decent respect for the rights and the peace of all peoples.

These principles motivate our actions within the United Nations. There, before all the world, by our loyalty to them, by our practice of them, let us strive to set a standard to which all who seek justice and who hunger for peace can rally.

May we at home, here at the Seat of Government, in all the cities and towns and farmlands of America, support these principles in a personal effort of dedication. Thereby each of us can help establish a secure world order in which opportunity for freedom and justice will be more widespread, and in which the resources now dissipated on the armaments of war can be released for the life and growth of all humanity.

When our forefathers prepared the immortal document that proclaimed our independence, they asserted that every individual is endowed by his Creator with certain inalienable rights. As we gaze back through history to that date, it is clear that our nation has striven to live up to this declaration, applying it to nations as well as to individuals.

Today we proudly assert that the government of the United States is still committed to this concept, both in its activities at home and abroad.

The purpose is Divine; the implementation is human.

Our country and its government have made mistakes—human mistakes. They have been of the head—not of the heart. And it is still true that the great concept of the dignity of all men, alike created in the image of the Almighty, has been the compass by which we have tried and are trying to steer our course.

So long as we continue by its guidance, there will be true progress in human affairs, both among ourselves and among those with whom we deal.

To achieve a more perfect fidelity to it, I submit, is a worthy ambition as we meet together in these first days of this, the first session of the 85th Congress.

Page 2721

The Address as reported from the floor appears in the Congressional Record (vol. 103, p. 387).

***

State of the Union Address
Dwight D. Eisenhower
January 9, 1958

Mr. President, Mr. Speaker, Members of the 85th Congress:

It is again my high privilege to extend personal greetings to the members of the 85th Congress.

All of us realize that, as this new session begins, many Americans are troubled about recent world developments which they believe may threaten our nation's safety. Honest men differ in their appraisal of America's material and intellectual strength, and the dangers that confront us. But all know these dangers are real.

The purpose of this message is to outline the measures that can give the American people a confidence—just as real—in their own security.

I am not here to justify the past, gloss over the problems of the present, or propose easy solutions for the future.

I am here to state what I believe to be right and what I believe to be wrong; and to propose action for correcting what I think wrong! I.

There are two tasks confronting us that so far outweigh all other that I shall devote this year's message entirely to them. The first is to ensure our safety through strength.

As to our strength, I have repeatedly voiced this conviction: We now have a broadly based and efficient defensive strength, including a great deterrent power, which is, for the present, our main guarantee against war; but, unless we act wisely and promptly, we could lose that capacity to deter attack or defend ourselves.

My profoundest conviction is that the American people will say, as one man: No matter what the exertions or sacrifices, we shall maintain that necessary strength!

But we could make no more tragic mistake than merely to concentrate on military strength.

For if we did only this, the future would hold nothing for the world but an Age of Terror.

And so our second task is to do the constructive work of building a genuine peace. We must never become so preoccupied with our desire for military strength that we neglect those areas of economic development, trade, diplomacy, education, ideas and principles where the foundations of real peace must be laid. II.

The threat to our safety, and to the hope of a peaceful world, can be simply stated. It is communist imperialism.

This threat is not something imagined by critics of the Soviets. Soviet spokesmen, from the beginning, have publicly and frequently declared their aim to expand their power, one way or another, throughout the world.

The threat has become increasingly serious as this expansionist aim has been reinforced by an advancing industrial, military and scientific establishment.

But what makes the Soviet threat unique in history is its all—inclusiveness. Every human activity is pressed into service as a weapon of expansion. Trade, economic development, military power, arts, science, education, the whole world of ideas—all are harnessed to this same chariot of expansion.

Page 2722

The Soviets are, in short, waging total cold war.

The only answer to a regime that wages total cold war is to wage total peace.

This means bringing to bear every asset of our personal and national lives upon the task of building the conditions in which security and peace can grow. III.

Among our assets, let us first briefly glance at our military power.

Military power serves the cause of security by making prohibitive the cost of any aggressive attack.

It serves the cause of peace by holding up a shield behind which the patient constructive work of peace can go on.

But it can serve neither cause if we make either of two mistakes. The one would be to overestimate our strength, and thus neglect crucially important actions in the period just ahead. The other would be to underestimate our strength. Thereby we might be tempted to become irresolute in our foreign relations, to dishearten our friends, and to lose our national poise and perspective in approaching the complex problems ahead.

Any orderly balance-sheet of military strength must be in two parts. The first is the position as of today. The second is the position in the period ahead.

As of today: our defensive shield comprehends a vast complex of ground, sea, and air units, superbly equipped and strategically deployed around the world. The most powerful deterrent to war in the world today lies in the retaliatory power of our Strategic Air Command and the aircraft of our Navy. They present to any potential attacker who would unleash war upon the world the prospect of virtual annihilation of his own country.

Even if we assume a surprise attack on our bases, with a marked reduction in our striking power, our bombers would immediately be on their way in sufficient strength to accomplish this mission of retaliation. Every informed government knows this. It is no secret.

Since the Korean Armistice, the American people have spent $225 billion in maintaining and strengthening this overall defensive shield. This is the position as of today.

Now as to the period ahead: Every part of our military establishment must and will be equipped to do its defensive job with the most modern weapons and methods. But it is particularly important to our planning that we make a candid estimate of the effect of long-range ballistic missiles on the present deterrent power I have described.

At this moment, the consensus of opinion is that we are probably somewhat behind the Soviets in some areas of long-range ballistic missile development. But it is my

conviction, based on close study of all relevant intelligence, that if we make the necessary effort, we will have the missiles, in the needed quantity and in time, to sustain and strengthen the deterrent power of our increasingly efficient bombers. One encouraging fact evidencing this ability is the rate of progress we have achieved since we began to concentrate on these missiles.

Page 2723

The intermediate ballistic missiles, Thor and Jupiter, have already been ordered into production. The parallel progress in the intercontinental ballistic missile effort will be advanced by our plans for acceleration. The development of the submarine-based Polaris missile system has progressed so well that its future procurement schedules are being moved forward markedly.

When it is remembered that our country has concentrated on the development of ballistic missiles for only about a third as long as the Soviets, these achievements show a rate of progress that speaks for itself. Only a brief time back, we were spending at the rate of only about one million dollars a year on long range ballistic missiles. In 1957 we spent more than one billion dollars on the Arias, Titan, Thor, Jupiter, and Polaris programs alone.

But I repeat, gratifying though this rate of progress is, we must still do more!

Our real problem, then, is not our strength today; it is rather the vital necessity of action today to ensure our strength tomorrow.

What I have just said applies to our strength as a single country. But we are not alone. I have returned from the recent NATO meeting with renewed conviction that, because we are a part of a world-wide community of free and peaceful nations, our own security is immeasurably increased.

By contrast, the Soviet Union has surrounded itself with captive and sullen nations. Like a crack in the crust of an uneasily sleeping volcano, the Hungarian uprising revealed the depth and intensity of the patriotic longing for liberty that still burns within these countries.

The world thinks of us as a country which is strong, but which will never start a war. The world also thinks of us as a land which has never enslaved anyone and which is animated by humane ideals. This friendship, based on common ideals, is one of our greatest sources of strength.

It cements into a cohesive security arrangement the aggregate of the spiritual, military and economic strength of all those nations which, with us, are allied by treaties and agreements.

Up to this point, I have talked solely about our military strength to deter a possible future war.

I now want to talk about the strength we need to win a different kind of war—one that has already been launched against us.

It is the massive economic offensive that has been mounted by the communist imperialists against free nations.

The communist imperialist regimes have for some time been largely frustrated in their attempts at expansion based directly on force. As a result, they have begun to concentrate heavily on economic penetration, particularly of newly-developing countries, as a preliminary to political domination.

This non-military drive, if underestimated, could defeat the free world regardless of our military strength. This danger is all the greater precisely because many of us fail or refuse to recognize it. Thus, some people may be tempted to finance our extra military effort by cutting economic assistance. But at the very time when the economic threat is assuming menacing proportions, to fail to strengthen our own effort would be nothing less than reckless folly!

Page 2724

Admittedly, most of us did not anticipate the psychological impact upon the world of the launching of the first earth satellite. Let us not make the same kind of mistake in another field, by failing to anticipate the much more serious impact of the Soviet economic offensive.

As with our military potential, our economic assets are more than equal to the task. Our independent farmers produce an abundance of food and fibre. Our free workers are versatile, intelligent, and hardworking. Our businessmen are imaginative and resourceful. The productivity, the adaptability of the American economy is the solid foundation-stone of our security structure.

We have just concluded another prosperous year. Our output was once more the greatest in the nation's history. In the latter part of the year, some decline in employment and output occurred, following the exceptionally rapid expansion of recent years. In a free economy, reflecting as it does the independent judgments of millions of people, growth typically moves forward unevenly. But the basic forces of growth remain unimpaired. There are solid grounds for confidence that economic growth will be resumed without an extended interruption. Moreover, the Federal government, constantly alert to signs of weakening in any part of our economy, always stands ready, with its full power, to take any appropriate further action to promote renewed business expansion.

If our history teaches us anything, it is this lesson: so far as the economic potential of our nation is concerned, the believers in the future of America have always been the realists. I count myself as one of this company.

Our long-range problem, then, is not the stamina of our enormous engine of production. Our problem is to make sure that we use these vast economic forces confidently and creatively, not only in direct military defense efforts, but likewise in our foreign policy, through such activities as mutual economic aid and foreign trade.

In much the same way, we have tremendous potential resources on other non-military fronts to help in countering the Soviet threat: education, science, research, and, not least, the ideas and principles by which we live. And in all these cases the task ahead is to bring these resources more sharply to bear upon the new tasks of security and peace in a swiftly-changing world. IV.

There are many items in the Administration's program, of a kind frequently included in a State of the Union Message, with which I am not dealing today. They are important to us and to our prosperity. But I am reserving them for treatment in separate communications because of my purpose today of speaking only about matters bearing directly upon our security and peace.

I now place before you an outline of action designed to focus our resources upon the two tasks of security and peace.

In this special category I list eight items requiring action. They are not merely desirable. They are imperative.

Page 2725

1. *Defense reorganization*

The first need is to assure ourselves that military organization facilitates rather than hinders the functioning of the military establishment in maintaining the security of the nation.

Since World War II, the purpose of achieving maximum organizational efficiency in a modern defense establishment has several times occasioned action by the Congress and by the Executive.

The advent of revolutionary new devices, bringing with them the problem of overall continental defense, creates new difficulties, reminiscent of those attending the advent of the airplane half a century ago.

Some of the important new weapons which technology has produced do not fit into any existing service pattern. They cut across all services, involve all services, and transcend all services, at every stage from development to operation. In some instances they defy classification according to branch of service.

Unfortunately, the uncertainties resulting from such a situation, and the jurisdictional disputes attending upon it, tend to bewilder and confuse the public and create the impression that service differences are damaging the national interest.

Let us proudly remember that the members of the Armed Forces give their basic allegiance solely to the United States. Of that fact all of us are certain. But pride of service and mistaken zeal in promoting particular doctrine has more than once occasioned the kind of difficulty of which I have just spoken.

I am not attempting today to pass judgment on the charge of harmful service rivalries. But one thing is sure. Whatever they are, America wants them stopped.

Recently I have had under special study the never-ending problem of efficient organization, complicated as it is by new weapons. Soon my conclusions will be finalized. I shall promptly take such Executive action as is necessary and, in a separate message, I shall present appropriate recommendations to the Congress.

Meanwhile, without anticipating the detailed form that a reorganization should take, I can state its main lines in terms of objectives:

A major purpose of military organization is to achieve real unity in the Defense establishment in all the principal features of military activities. Of all these, one of the most important to our nation's security is strategic planning and control. This work must be done under unified direction.

The defense structure must be one which, as a whole, can assume, with top efficiency and without friction, the defense of America. The Defense establishment must therefore plan for a better integration of its defensive resources, particularly with respect to the newer weapons now building and under development. These obviously require full coordination in their development, production and use. Good organization can help assure this coordination.

In recognition of the need for single control in some of our most advanced development projects, the Secretary of Defense has already decided to concentrate into one organization all the anti-missile and satellite technology undertaken within the Department of Defense.

Page 2726

Another requirement of military organization is a clear subordination of the military services to duly constituted civilian authority. This control must be real; not merely on the surface.

Next there must be assurance that an excessive number of compartments in organization will not create costly and confusing compartments in our scientific and industrial effort.

Finally, to end inter-service disputes requires clear organization and decisive central direction, supported by the unstinted cooperation of every individual in the defense establishment, civilian and military.

2. *Accelerated defense effort*

The second major action item is the acceleration of the defense effort in particular areas affected by the fast pace of scientific and technological advance.

Some of the points at which improved and increased effort are most essential are these:

We must have sure warning in case of attack. The improvement of warning equipment is becoming increasingly important as we approach the period when long-range missiles will come into use.

We must protect and disperse our striking forces and increase their readiness for instant reaction. This means more base facilities and standby crews.

We must maintain deterrent retaliatory power. This means, among other things, stepped-up long range missile programs; accelerated programs for other effective missile systems; and, for some years, more advanced aircraft.

We must maintain freedom of the seas. This means nuclear submarines and cruisers; improved anti-submarine weapons; missile ships; and the like.

We must maintain all necessary types of mobile forces to deal with local conflicts, should there be need. This means further improvements in equipment, mobility, tactics and fire power.

Through increases in pay and incentive, we must maintain in the armed forces the skilled manpower modern military forces require.

We must be forward-looking in our research and development to anticipate and achieve the unimagined weapons of the future.

With these and other improvements, we intend to assure that our vigilance, power, and technical excellence keep abreast of any realistic threat we face.

3. *Mutual aid*

Third: We must continue to strengthen our mutual security efforts. Most people now realize that our programs of military aid and defense support are an integral part of our own defense effort. If the foundations of the Free World structure were progressively allowed to crumble under the pressure of communist imperialism, the entire house of freedom would be in danger of collapse.

As for the mutual economic assistance program, the benefit to us is threefold. First, the countries receiving this aid become bulwarks against communist encroachment as their military defenses and economies are strengthened. Nations that are conscious of a steady improvement in their industry, education, health and standard of living are not apt to fall prey to the blandishments of communist imperialists.

Page 2727

Second, these countries are helped to reach the point where mutually profitable trade can expand between them and us.

Third, the mutual confidence that comes from working together on constructive projects creates an atmosphere in which real understanding and peace can flourish.

To help bring these multiple benefits, our economic aid effort should be made more effective.

In proposals for future economic aid, I am stressing a greater use of repayable loans, through the Development Loan Fund, through funds generated by sale of surplus farm products, and through the Export-Import Bank.

While some increase in Government funds will be required, it remains our objective to encourage shifting to the use of private capital sources as rapidly as possible.

One great obstacle to the economic aid program in the past has been, not a rational argument against it on the merits, but a catchword: "give-away program."

The real fact is that no investment we make in our own security and peace can pay us greater dividends than necessary amounts of economic aid to friendly nations.

This is no "give-away."

Let's stick to facts!

We cannot afford to have one of our most essential security programs shot down with a slogan!

4. *Mutual trade*

Fourth: Both in our national interest, and in the interest of world peace, we must have a five-year extension of the Trade Agreements Act with broadened authority to negotiate.

World trade supports a significant segment of American industry and agriculture. It provides employment for four and one-half million American workers. It helps supply our ever increasing demand for raw materials. It provides the opportunity for American free enterprise to develop on a worldwide scale. It strengthens our friends and increases their desire to be friends. World trade helps to lay the groundwork for peace by making all free nations of the world stronger and more self-reliant.

America is today the world's greatest trading nation. If we use this great asset wisely to meet the expanding demands of the world, we shall not only provide future opportunities for our own business, agriculture, and labor, but in the process strengthen our security posture and other prospects for a prosperous, harmonious world.

As President McKinley said, as long ago as 1901: “Isolation is no longer possible or desirable .... The period of exclusiveness is past.”

5. *Scientific cooperation with our allies*

Fifth: It is of the highest importance that the Congress enact the necessary legislation to enable us to exchange appropriate scientific and technical information with friendly countries as part of our effort to achieve effective scientific cooperation.

It is wasteful in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved—all because of artificial barriers to sharing. We cannot afford to cut ourselves off from the brilliant talents and minds of scientists in friendly countries. The task ahead will be hard enough without handcuffs of our own making.

Page 2728

The groundwork for this kind of cooperation has already been laid in discussions among NATO countries. Promptness in following through with legislation will be the best possible evidence of American unity of purpose in cooperating with our friends.

6. *Education and research*

Sixth: In the area of education and research, I recommend a balanced program to improve our resources, involving an investment of about a billion dollars over a four year period. This involves new activities by the Department of Health, Education and Welfare designed principally to encourage improved teaching quality and student opportunities in the interests of national security. It also provides a five-fold increase in sums available to the National Science Foundation for its special activities in stimulating and improving science education.

Scrupulous attention has been paid to maintaining local control of educational policy, spurring the maximum amount of local effort, and to avoiding undue stress on the physical sciences at the expense of other branches of learning.

In the field of research, I am asking for substantial increases in basic research funds, including a doubling of the funds available to the National Science Foundation for this purpose.

But Federal action can do only a part of the job. In both education and research, redoubled exertions will be necessary on the part of all Americans if we are to rise to the demands of our times. This means hard work on the part of state and local governments, private industry, schools and colleges, private organizations and foundations, teachers, parents, and—perhaps most important of all—the student himself, with his bag of books and his homework.

With this kind of all-inclusive campaign, I have no doubt that we can create the intellectual capital we need for the years ahead, invest it in the right places—and do all this, not as regimented pawns, but as free men and women!

7. *Spending and saving*

Seventh: To provide for this extra effort for security, we must apply stern tests of priority to other expenditures, both military and civilian. This extra effort involves, most immediately, the need for a supplemental defense appropriation of $1.3 billion for fiscal year 1958.

In the 1959 budget, increased expenditures for missiles, nuclear ships, atomic energy, research and development, science and education, a special contingency fund to deal with possible new technological discoveries, and increases in pay and incentives to

obtain and retain competent manpower add up to a total increase over the comparable figures in the 1957 budget of about $4 billion.

I believe that, in spite of these necessary increases, we should strive to finance the 1959 security effort out of expected revenues. While we now believe that expected revenues and expenditures will roughly balance, our real purpose will be to achieve adequate security, but always with the utmost regard for efficiency and careful management.

Page 2729

This purpose will require the cooperation of Congress in making careful analysis of estimates presented, reducing expenditure on less essential military programs and installations, postponing some new civilian programs, transferring some to the states, and curtailing or eliminating others.

Such related matters as the national debt ceiling and tax revenues will be dealt with in later messages.

8. *Works of peace*

My last call for action is not primarily addressed to the Congress and people of the United States. Rather, it is a message from the people of the United States to all other peoples, especially those of the Soviet Union.

This is the spirit of what we would like to say:

“In the last analysis, there is only one solution to the grim problems that lie ahead. The world must stop the present plunge toward more and more destructive weapons of war, and turn the corner that will start our steps firmly on the path toward lasting peace.

“Our greatest hope for success lies in a universal fact: the people of the world, as people, have always wanted peace and want peace now.

“The problem, then, is to find a way of translating this universal desire into action.

“This will require more than words of peace. It requires works of peace.”

Now, may I try to give you some concrete examples of the kind of works of peace that might make a beginning in the new direction.

For a start our people should learn to know each other better. Recent negotiations in Washington have provided a basis in principle for greater freedom of communication and exchange of people. I urge the Soviet government to cooperate in turning principle into practice by prompt and tangible actions that will break down the unnatural barriers that have blocked the flow of thought and understanding between our people.

Another kind of work of peace is cooperation on projects of human welfare. For example, we now have it within our power to eradicate from the face of the earth that age-old scourge of mankind: malaria. We are embarking with other nations in an all-out five-year campaign to blot out this curse forever. We invite the Soviets to join with us in this great work of humanity.

Indeed, we would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease.

If people can get together on such projects, is it not possible that we could then go on to a full-scale cooperative program of Science for Peace?

We have as a guide and inspiration the success of our Atoms-for-Peace proposal, which in only a few years, under United Nations auspices, became a reality in the International Atomic Energy Agency.

A program of Science for Peace might provide a means of funneling into one place the results of research from scientists everywhere and from there making it available to all parts of the world.

Page 2730

There is almost no limit to the human betterment that could result from such cooperation. Hunger and disease could increasingly be driven from the earth. The age-old dream of a good life for all could, at long last, be translated into reality.

But of all the works of peace, none is more needed now than a real first step toward disarmament.

Last August the United Nations General Assembly, by an overwhelming vote, approved a disarmament plan that we and our allies sincerely believed to be fair and practical. The Soviets have rejected both the plan, and the negotiating procedure set up by the United Nations. As a result, negotiation on this supremely important issue is now at a stand-still.

But the world cannot afford to stand still on disarmament! We must never give up the search for a basis of agreement.

Our allies from time to time develop differing ideas on how to proceed. We must concert these convictions among ourselves. Thereafter, any reasonable proposal that holds promise for disarmament and reduction of tension must be heard, discussed, and, if possible, negotiated.

But a disarmament proposal, to hold real promise, must at the minimum have one feature: reliable means to ensure compliance by all. It takes actions and demonstrated integrity on both sides to create and sustain confidence. And confidence in a genuine disarmament agreement is vital, not only to the signers of the agreement, but also to the millions of people all over the world who are weary of tensions and armaments.

I say once more, to all peoples, that we will always go the extra mile with anyone on earth if it will bring us nearer a genuine peace.

CONCLUSION

These, then, are the ways in which we must funnel our energies more efficiently into the task of advancing security and peace.

These actions demand and expect two things of the American people: sacrifice, and a high degree of understanding. For sacrifice to be effective it must be intelligent. Sacrifice must be made for the right purpose and in the right place—even if that place happens to come close to home!

After all, it is no good demanding sacrifice in general terms one day, and the next day, for local reasons, opposing the elimination of some unneeded Federal facility.

It is pointless to condemn Federal spending in general, and the next moment condemn just as strongly an effort to reduce the particular Federal grant that touches one's own interest.

And it makes no sense whatever to spend additional billions on military strength to deter a potential danger, and then, by cutting aid and trade programs, let the world succumb to a present danger in economic guise.

My friends of the Congress: The world is waiting to see how wisely and decisively a free representative government will now act.

I believe that this Congress possesses and will display the wisdom promptly to do its part in translating into law the actions demanded by our nation's interests. But, to make law effective, our kind of government needs the full voluntary support of millions of Americans for these actions.

Page 2731

I am fully confident that the response of the Congress and of the American people will make this time of test a time of honor. Mankind then will see more clearly than ever that the future belongs, not to the concept of the regimented atheistic state, but to the people—the God-fearing, peace-loving people of all the world.

The Address as reported from the floor appears in the Congressional Record (vol. 104, p. 171).

***

State of the Union Address
Dwight D. Eisenhower
January 9, 1959

Mr. President, Mr. Speaker, Members of the 86th Congress, my fellow citizens:

This is the moment when Congress and the Executive annually begin their cooperative work to build a better America.

One basic purpose unites us: To promote strength and security, side by side with liberty and opportunity.

As we meet today, in the 170th year of the Republic, our Nation must continue to provide—as all other free governments have had to do throughout time—a satisfactory answer to a question as old as history. It is: Can Government based upon liberty and the God-given rights of man, permanently endure when ceaselessly challenged by a dictatorship, hostile to our mode of life, and controlling an economic and military power of great and growing strength?

For us the answer has always been found, and is still found in the devotion, the vision, the courage and the fortitude of our people.

Moreover, this challenge we face, not as a single powerful nation, but as one that has in recent decades reached a position of recognized leadership in the Free World.

We have arrived at this position of leadership in an era of remarkable productivity and growth. It is also a time when man's power of mass destruction has reached fearful proportions.

Possession of such capabilities helps create world suspicion and tension. We, on our part, know that we seek only a just peace for all, with aggressive designs against no one. Yet we realize that there is uneasiness in the world because of a belief on the part of peoples that through arrogance, miscalculation or fear of attack, catastrophic war could be launched. Keeping the peace in today's world more than ever calls for the utmost in the nation's resolution, wisdom, steadiness and unremitting effort.

We cannot build peace through desire alone. Moreover, we have learned the bitter lesson that international agreements, historically considered by us as sacred, are regarded in Communist doctrine and in practice to be mere scraps of paper. The most recent proof of their disdain of international obligations, solemnly undertaken, is their announced intention to abandon their responsibilities respecting Berlin.

As a consequence, we can have no confidence in any treaty to which Communists are a party except where such a treaty provides within itself for self-enforcing mechanisms. Indeed, the demonstrated disregard of the Communists of their own pledges is one of the greatest obstacles to success in substituting the Rule of Law for rule by force.

Page 2732

Yet step by step we must strengthen the institutions of peace—a peace that rests upon justice—a peace that depends upon a deep knowledge and dear understanding by all peoples of the cause and consequences of possible failure in this great purpose.

To achieve this peace we seek to prevent war at any place and in any dimension. If, despite our best efforts, a local dispute should flare into armed hostilities, the next problem would be to keep the conflict from spreading, and so compromising freedom. In support of these objectives we maintain forces of great power and flexibility.

Our formidable air striking forces are a powerful deterrent to general war. Large and growing portions of these units can depart from their bases in a matter of minutes.

Similar forces are included in our naval fleets.

Ground and other tactical formations can move with swiftness and precision, when requested by friendly and responsible governments, to help curb threatened aggression. The stabilizing influence of this capacity has been dramatically demonstrated more than once over the past year.

Our military and related scientific progress has been highly gratifying.

Great strides have been made in the development of ballistic missiles. Intermediate range missiles are now being deployed in operational units. The Arias intercontinental ballistic missile program has been marked by rapid development as evidenced by recent successful tests. Missile training units have been established and launching sites are far along in construction.

New aircraft that fly at twice the speed of sound are entering our squadrons.

We have successfully placed five satellites in orbit, which have gathered information of scientific importance never before available. Our latest satellite illustrates our steady advance in rocketry and foreshadows new developments in world-wide communications.

Warning systems constantly improve.

Our atomic submarines have shattered endurance records and made historic voyages under the North Polar Sea.

A major segment of our national scientific and engineering community is working intensively to achieve new and greater developments. Advance in military technology requires adequate financing but, of course, even more, it requires talent and time.

All this is given only as a matter of history; as a record of our progress in space and ballistic missile fields in no more than four years of intensive effort. At the same time we

clearly recognize that some of the recent Soviet accomplishments in this particular technology are indeed brilliant.

Under the law enacted last year the Department of Defense is being reorganized to give the Secretary of Defense full authority over the military establishment. Greater efficiency, more cohesive effort and speedier reaction to emergencies are among the many advantages we are already noting from these changes.

Page 2733

These few highlights point up our steady military gains. We are rightfully gratified by the achievements they represent. But we must remember that these imposing armaments are purchased at great cost.

National Security programs account for nearly sixty percent of the entire Federal budget for this coming fiscal year.

Modern weapons are exceedingly expensive.

The overall cost of introducing *Atlas* into our armed forces will average $35 million per missile on the firing line.

This year we are investing an aggregate of close to $7 billion in missile programs alone.

Other billions go for research, development, test and evaluation of new weapons systems.

Our latest atomic submarines will cost $50 millions each, while some special types will cost three times as much.

We are now ordering fighter aircraft which are priced at fifty times as much as the fighters of World War II.

We are buying certain bombers that cost their weight in gold.

These sums are tremendous, even when compared with the marvelous resiliency and capacity of our economy.

Such expenditures demand both balance and perspective in our planning for defense. At every turn, we must weigh, judge and select. Needless duplication of weapons and forces must be avoided.

We must guard against feverish building of vast armaments to meet glibly predicted moments of so-called “maximum peril.” The threat we face is not sporadic or dated: It is continuous. Hence we must not be swayed in our calculations either by groundless fear or by complacency. We must avoid extremes, for vacillation between extremes is inefficient, costly, and destructive of morale. In these days of unceasing technological advance, we must plan our defense expenditures systematically and with care, fully recognizing that obsolescence compels the never-ending replacement of older weapons with new ones.

The defense budget for the coming year has been planned on the basis of these principles and considerations. Over these many months I have personally participated in its development.

The aim is a sensible posture of defense. The secondary aim is increased efficiency and avoidance of waste. Both are achieved by this budgetary plan.

Working by these guide lines I believe with all my heart that America can be as sure of the strength and efficiency of her armed forces as she is of their loyalty. I am equally sure that the nation will thus avoid useless expenditures which, in the name of security, might tend to undermine the economy and, therefore, the nation's safety.

Our own vast strength is only a part of that required for dependable security. Because of this we have joined with nearly 50 other nations in collective security arrangements. In these common undertakings each nation is expected to contribute what it can in sharing the heavy load. Each supplies part of a strategic deployment to protect the forward boundaries of freedom.

Page 2734

Constantly we seek new ways to make more effective our contribution to this system of collective security. Recently I have asked a Committee of eminent Americans of both parties to re-appraise our military assistance programs and the relative emphasis which should be placed on military and economic aid.

I am hopeful that preliminary recommendations of this Committee will be available in time to assist in shaping the Mutual Security program for the coming fiscal year.

Any survey of the free world's defense structure cannot fail to impart a feeling of regret that so much of our effort and resources must be devoted to armaments. At Geneva and elsewhere we continue to seek technical and other agreements that may help to open up, with some promise, the issues of international disarmament. America will never give up the hope that eventually all nations can, with mutual confidence, drastically reduce these non-productive expenditures. II.

The material foundation of our national safety is a strong and expanding economy. This we have—and this we must maintain. Only with such an economy can we be secure and simultaneously provide for the well-being of our people.

A year ago the nation was experiencing a decline in employment and output. Today that recession is fading into history, and this without gigantic, hastily-improvised public works projects or untimely tax reductions. A healthy and vigorous recovery has been under way since last May. New homes are being built at the highest rate in several years. Retail sales are at peak levels. Personal income is at an all-time high.

The marked forward thrust of our economy reaffirms our confidence in competitive enterprise. But—clearly—wisdom and prudence in both the public and private sectors of the economy are always necessary.

Our outlook is this: 1960 commitments for our armed forces, the Atomic Energy Commission and Military Assistance exceed 47 billion dollars. In the foreseeable future they are not likely to be significantly lower. With an annual population increase of three million, other governmental costs are bound to mount.

After we have provided wisely for our military strength, we must judge how to allocate our remaining government resources most effectively to promote our well-being and economic growth.

Federal programs that will benefit all citizens are moving forward.

Next year we will be spending increased amounts on health programs; on Federal assistance to science and education; on the development of the nation's water resources; on the renewal of urban areas; and on our vast system of Federal-aid highways.

Each of these additional outlays is being made necessary by the surging growth of America.

Let me illustrate. Responsive to this growth, Federal grants and long term loans to assist 14 major types of capital improvements in our cities will total over 2 billion dollars in 1960—double the expenditure of two years ago. The major responsibility for development in these fields rests in the localities, even though the Federal Government will continue to do its proper part in meeting the genuine needs of a burgeoning population.

Page 2735

But the progress of our economy can more than match the growth of our needs. We need only to act wisely and confidently.

Here, I hope you will permit me to digress long enough to express something that is much on my mind.

The basic question facing us today is more than mere survival—the military defense of national life and territory. It is the preservation of a way of life.

We must meet the world challenge and at the same time permit no stagnation in America.

Unless we progress, we regress.

We can successfully sustain security and remain true to our heritage of freedom if we clearly visualize the tasks ahead and set out to perform them with resolution and fervor. We must first define these tasks and then understand what we must do to perform them.

If progress is to be steady we must have long term guides extending far ahead, certainly five, possibly even ten years. They must reflect the knowledge that before the end of five years we will have a population of over 190 million. They must be goals that stand high, and so inspire every citizen to climb always toward mounting levels of moral, intellectual and material strength. Every advance toward them must stir pride in individual and national achievements.

To define these goals, I intend to mobilize help from every available source.

We need more than politically ordained national objectives to challenge the best efforts of free men and women. A group of selfless and devoted individuals, outside of government, could effectively participate in making the necessary appraisal of the potentials of our future. The result would be establishment of national goals that would not only spur us on to our finest efforts, but would meet the stern test of practicality.

The Committee I plan will comprise educators and representatives of labor, management, finance, the professions and every other kind of useful activity.

Such a study would update and supplement, in the light of continuous changes in our society and its economy, the monumental work of the Committee on Recent Social Trends which was appointed in 1931 by President Hoover. Its report has stood the test of time and has had a beneficial influence on national development. The new Committee would be concerned, among other things, with the acceleration of our economy's growth and the living standards of our people, their health and education, their better assurance of life and liberty and their greater opportunities. It would also be

concerned with methods to meet such goals and what levels of government—Local, State, or Federal—might or should be particularly concerned.

As one example, consider our schools, operated under the authority of local communities and states. In their capacity and in their quality they conform to no recognizable standards. In some places facilities are ample, in others meager. Pay of teachers ranges between wide limits, from the adequate to the shameful. As would be expected, quality of teaching varies just as widely. But to our teachers we commit the most valuable possession of the nation and of the family—our children.

Page 2736

We must have teachers of competence. To obtain and hold them we need standards. We need a National Goal. Once established I am certain that public opinion would compel steady progress toward its accomplishment.

Such studies would be helpful, I believe, to government at all levels and to all individuals. The goals so established could help us see our current needs in perspective. They will spur progress.

We do not forget, of course, that our nation's progress and fiscal integrity are interdependent and inseparable. We can afford everything we clearly need, but we cannot afford one cent of waste. We must examine every item of governmental expense critically. To do otherwise would betray our nation's future. Thrift is one of the characteristics that has made this nation great. Why should we ignore it now?

We must avoid any contribution to inflationary processes, which could disrupt sound growth in our economy.

Prices have displayed a welcome stability in recent months and, if we are wise and resolute, we will not tolerate inflation in the years to come. But history makes clear the risks inherent in any failure to deal firmly with the .basic causes of inflation. Two of the most important of these causes are the wage-price spiral and continued deficit financing.

Inflation would reduce job opportunities, price us out of world markets, shrink the value of savings and penalize the thrift so essential to finance a growing economy.

Inflation is not a Robin Hood, taking from the rich to give to the poor. Rather, it deals most cruelly with those who can least protect themselves. It strikes hardest those millions of our citizens whose incomes do not quickly rise with the cost of living. When prices soar, the pensioner and the widow see their security undermined, the man of thrift sees his savings melt away; the white collar worker, the minister, and the teacher see their standards of living dragged down.

Inflation can be prevented. But this demands statesmanship on the part of business and labor leaders and of government at all levels.

We must encourage the self-discipline, the restraint necessary to curb the wage-price spiral and we must meet current costs from current revenue.

To minimize the danger of future soaring prices and to keep our economy sound and expanding, I shall present to the Congress certain proposals.

First, I shall submit a balanced budget for the next year, a year expected to be the most prosperous in our history. It is a realistic budget with wholly attainable objectives.

If we cannot live within our means during such a time of rising prosperity, the hope for fiscal integrity will fade. If we persist in living beyond our means, we make it difficult for every family in our land to balance its own household budget. But to live within our means would be a tangible demonstration of the self-discipline needed to assure a stable dollar.

Page 2737

The Constitution entrusts the Executive with many functions, but the Congress—and the Congress alone—has the power of the purse. Ultimately upon Congress rests responsibility for determining the scope and amount of Federal spending.

By working together, the Congress and the Executive can keep a balance between income and outgo. If this is done there is real hope that we can look forward to a time in the foreseeable future when needed tax reforms can be accomplished.

In this hope, I am requesting the Secretary of the Treasury to prepare appropriate proposals for revising, at the proper time, our tax structure, to remove inequities and to enhance incentives for all Americans to work, to save, and to invest. Such recommendations will be made as soon as our fiscal condition permits. These prospects will be brightened if 1960 expenditures do not exceed the levels recommended.

Second, I shall recommend to the Congress that the Chief Executive be given the responsibility either to approve or to veto specific items in appropriations and authorization bills. This would save tax dollars.

Third, to reduce Federal operations in an area where private enterprise can do the job, I shall recommend legislation for greater flexibility in extending Federal credit, and in improving the procedures under which private credits are insured or guaranteed. Present practices have needlessly added large sums to Federal expenditures.

Fourth, action is required to make more effective use of the large Federal expenditures for agriculture and to achieve greater fiscal control in this area.

Outlays of the Department of Agriculture for the current fiscal year for the support of farm prices on a very few farm products will exceed five billion dollars. That is a sum equal to approximately two-fifths of the net income of all farm operators in the entire United States.

By the end of this fiscal year it is estimated that there will be in Government hands surplus farm products worth about nine billion dollars. And by July 1, 1959, Government expenditures for storage, interest, and handling of its agricultural inventory will reach a rate of one billion dollars a year.

This level of expenditure for farm products could be made willingly for a temporary period if it were leading to a sound solution of the problem. But unfortunately this is not true. We need new legislation.

In the past I have sent messages to the Congress requesting greater freedom for our farmers to manage their own farms and greater freedom for markets to reflect the

wishes of producers and consumers. Legislative changes that followed were appropriate in direction but did not go far enough.

The situation calls for prompt and forthright action. Recommendation for action will be contained in a message to be transmitted to the Congress shortly.

These fiscal and related actions will help create an environment of price stability for economic growth. However, certain additional measures are needed.

Page 2738

I shall ask Congress to amend the Employment Act of 1946 to make it clear that Government intends to use all appropriate means to protect the buying power of the dollar.

I am establishing a continuing Cabinet group on Price Stability for Economic Growth to study governmental and private policies affecting costs, prices, and economic growth. It will strive also to build a better public understanding of the conditions necessary for maintaining growth and price stability.

Studies are being undertaken to improve our information on prices, wages, and productivity.

I believe all citizens in all walks of life will support this program of action to accelerate economic growth and promote price stability. III.

I take up next certain aspects of our international situation and our programs to strengthen it.

America's security can be assured only within a world community strong, stable, independent nations, in which the concepts of freedom, justice and human dignity can flourish.

There can be no such thing as Fortress America. If ever we were reduced to the isolation implied by that term, we would occupy a prison, not a fortress. The question whether we can afford to help other nations that want to defend their freedom but cannot fully do so from their own means, has only one answer: we can and we must, we have been doing so since 1947.

Our foreign policy has long been dedicated to building a permanent and just peace.

During the past six years our free world security arrangements have been bolstered and the bonds of freedom have been more closely knit. Our friends in Western Europe are experiencing new internal vitality, and are increasingly more able to resist external threats.

Over the years the world has come to understand clearly that it is our firm policy not to countenance aggression. In Lebanon, Taiwan, and Berlin—our stand has been dear, right, and expressive of the determined will of a united people.

Acting with other free nations we have undertaken the solemn obligation to defend the people of free Berlin against any effort to destroy their freedom. In the meantime we shall constantly seek meaningful agreements to settle this and other problems, knowing full well that not only the integrity of a single city, but the hope of all free peoples is at stake.

We need, likewise, to continue helping to build the economic base so essential to the Free World's stability and strength.

The International Monetary Fund and the World Bank have both fully proven their worth as instruments of international financial cooperation. Their Executive Directors have recommended an increase in each member country's subscription. I am requesting the Congress for immediate approval of our share of these increases.

We are now negotiating with representatives of the twenty Latin American Republics for the creation of an inter-American financial institution. Its purpose would be to join all the American Republics in a common institution which would promote and finance development in Latin America, and make more effective the use of capital from the World Bank, the Export-Import Bank, and private sources.

Page 2739

Private enterprise continues to make major contributions to economic development in all parts of the world. But we have not yet marshalled the full potential of American business for this task, particularly in countries which have recently attained their independence. I shall present to this Congress a program designed to encourage greater participation by private enterprise in economic development abroad.

Further, all of us know that to advance the cause of freedom we must do much more than help build sound economies. The spiritual, intellectual, and physical strength of people throughout the world will in the last analysis determine their willingness and their ability to resist Communism.

To give a single illustration of our many efforts in these fields: We have been a participant in the effort that has been made over the past few years against one of the great scourges of mankind—disease. Through the Mutual Security program public health officials are being trained by American universities to serve in less developed countries. We are engaged in intensive malaria eradication projects in many parts of the world. America's major successes in our own country prove the feasibility of success everywhere.

By these and other means we shall continue and expand our campaign against the afflictions that now bring needless suffering and death to so many of the world's people. We wish to be part of a great shared effort toward the triumph of health. IV.

America is best described by one word, freedom.

If we hope to strengthen freedom in the world we must be ever mindful of how our own conduct reacts elsewhere. No nation has ever been so floodlighted by world opinion as the United States is today. Everything we do is carefully scrutinized by other peoples throughout the world. The bad is seen along with the good.

Because we are human we err. But as free men we are also responsible for correcting the errors and imperfections of our ways.

Last January I made comprehensive recommendations to the Congress for legislation in the labor-management field. To my disappointment, Congress failed to act. The McClellan Committee disclosures of corruption, racketeering, and abuse of trust and power in labor-management affairs have aroused America and amazed other peoples. They emphasize the need for improved local law enforcement and the enactment of effective Federal legislation to protect the public interest and to insure the rights and economic freedoms of millions of American workers. Halfhearted measures will not do. I shall recommend prompt enactment of legislation designed:

To safeguard workers' funds in union treasuries against misuse of any kind whatsoever.

To protect the rights and freedoms of individual union members, including the basic right to free and secret elections of officers.

To advance true and responsible collective bargaining.

Page 2740

To protect the public and innocent third parties from unfair and coercive practices such as boycotting and blackmail picketing.

The workers and the public must have these vital protections.

In other areas of human rights—freedom from discrimination in voting, in public education, in access to jobs, and in other respects—the world is likewise watching our conduct.

The image of America abroad is not improved when school children, through closing of some of our schools and through no fault of their own, are deprived of their opportunity for an education.

The government of a free people has no purpose more noble than to work for the maximum realization of equality of opportunity under law. This is not the sole responsibility of any one branch of our government. The judicial arm, which has the ultimate authority for interpreting the Constitution, has held that certain state laws and practices discriminate upon racial grounds and are unconstitutional. Whenever the supremacy of the Constitution of the United States is challenged I shall continue to take every action necessary to uphold it.

One of the fundamental concepts of our constitutional system is that it guarantees to every individual, regardless of race, religion, or national origin, the equal protection of the laws. Those of us who are privileged to hold public office have a solemn obligation to make meaningful this inspiring objective. We can fulfill that obligation by our leadership in teaching, persuading, demonstrating, and in enforcing the law.

We are making noticeable progress in the field of civil rights—we are moving forward toward achievement of equality of opportunity for all people everywhere in the United States. In the interest of the nation and of each of its citizens, that progress must continue.

Legislative proposals of the Administration in this field will be submitted to the Congress early in the session. All of us should help to make clear that the government is united in the common purpose of giving support to the law and the decisions of the Courts.

By moving steadily toward the goal of greater freedom under law, for our own people, we shall be the better prepared to work for the cause of freedom under law throughout the world.

All peoples are solely tired of the fear, destruction, and the waste of war. As never before, the world knows the human and material costs of war and seeks to replace force with a genuine role of law among nations.

It is my purpose to intensify efforts during the coming two years in seeking ways to supplement the procedures of the United Nations and other bodies with similar objectives, to the end that the rule of law may replace the rule of force in the affairs of nations. Measures toward this end will be proposed later, including a re-examination of our own relation to the International Court of Justice.

Finally—let us remind ourselves that Marxist scripture is not new; it is not the gospel of the future. Its basic objective is dictatorship, old as history. What is new is the shining prospect that man can build a world where all can live in dignity.

Page 2741

We seek victory—not over any nation or people—but over the ancient enemies of us all; victory over ignorance, poverty, disease, and human degradation wherever they may be found.

We march in the noblest of causes—human freedom.

If we make ourselves worthy of America's ideals, if we do not forget that our nation was founded on the premise that all men are creatures of God's making, the world will come to know that it is free men who carry forward the true promise of human progress and dignity.

The Address as reported from the floor appears in the Congressional Record of January 9, 1959 (vol. 105, p. 163).

***

State of the Union Address
Dwight D. Eisenhower
January 7, 1960

Mr. President, Mr. Speaker, Members of the 86th Congress:

Seven years ago I entered my present office with one long-held resolve overriding all others. I was then, and remain now, determined that the United States shall become an ever more potent resource for the cause of peace—realizing that peace cannot be for ourselves alone, but for peoples everywhere. This determination is shared by the entire Congress—indeed, by all Americans.

My purpose today is to discuss some features of America's position, both at home and in her relations to others.

First, I point out that for us, annual self-examination is made a definite necessity by the fact that we now live in a divided world of uneasy equilibrium, with our side committed to its own protection and against aggression by the other.

With both sides of this divided world in possession of unbelievably destructive weapons, mankind approaches a state where mutual annihilation becomes a possibility. No other fact of today's world equals this in importance—it colors everything we say, plan, and do.

There is demanded of us, vigilance, determination, and the dedication of whatever portion of our resources that will provide adequate security, especially a real deterrent to aggression. These things we are doing.

All these facts emphasize the importance of striving incessantly for a just peace.

Only through the strengthening of the spiritual, intellectual, economic and defensive resources of the Free World can we, in confidence, make progress toward this goal.

Second, we note that recent Soviet deportment and pronouncements suggest the possible opening of a somewhat less strained period in the relationships between the Soviet Union and the Free World. If these Pronouncements be genuine, there is brighter hope of diminishing the intensity of past rivalry and eventually of substituting persuasion for coercion. Whether this is to become an era of lasting promise remains to be tested by actions.

Third, we now stand in the vestibule of a vast new technological age-one that, despite its capacity for human destruction, has an equal capacity to make poverty and human misery obsolete. If our efforts are wisely directed—and if our unremitting efforts for dependable peace begin to attain some success—we can surely become participants in creating an age characterized by justice and rising levels of human well-being.

Page 2742

Over the past year the Soviet Union has expressed an interest in measures to reduce the common peril of war.

While neither we nor any other Free World nation can permit ourselves to be misled by pleasant promises until they are tested by performance, yet we approach this apparently new opportunity with the utmost seriousness. We must strive to break the calamitous cycle of frustrations and crises which, if unchecked, could spiral into nuclear disaster; the ultimate insanity.

Though the need for dependable agreements to assure against resort to force in settling disputes is apparent to both sides yet as in other issues dividing men and nations, we cannot expect sudden and revolutionary results. But we must find some place to begin.

One obvious road on which to make a useful start is in the widening of communication between our two peoples. In this field there are, both sides willing, countless opportunities—most of them well known to us all—for developing mutual understanding, the true foundation of peace.

Another avenue may be through the reopening, on January twelfth, of negotiations looking to a controlled ban on the testing of nuclear weapons. Unfortunately, the closing statement from the Soviet scientists who met with our scientists at Geneva in an unsuccessful effort to develop an agreed basis for a test ban, gives the clear impression that their conclusions have been politically guided. Those of the British and American scientific representatives are their own freely-formed, individual and collective opinion. I am hopeful that as new negotiations begin, truth—not political opportunism—will be the guiding light of the deliberations.

Still another avenue may be found in the field of disarmament, in which the Soviets have professed a readiness to negotiate seriously. They have not, however, made clear the plans they may have, if any, for mutual inspection and verification—the essential condition for any extensive measure of disarmament.

There is one instance where our initiative for peace has recently been successful. A multi-lateral treaty signed last month provides for the exclusively peaceful use of Antarctica, assured by a system of inspection. It provides for free and cooperative scientific research in that continent, and prohibits nuclear explosions there pending general international agreement on the subject. The Treaty is a significant contribution toward peace, international cooperation, and the advancement of science. I shall transmit its text to the Senate for consideration and approval in the near future.

The United States is always ready to participate with the Soviet Union in serious discussion of these or any other subjects that may lead to peace with justice.

Certainly it is not necessary to repeat that the United States has no intention of interfering in the internal affairs of any nation; likewise we reject any attempt to impose its system on us or on other peoples by force or subversion.

Page 2743

This concern for the freedom of other peoples is the intellectual and spiritual cement which has allied us with more than forty other nations in a common defense effort. Not for a moment do we forget that our own fate is firmly fastened to that of these countries; we will not act in any way which would jeopardize our solemn commitments to them.

We and our friends are, of course, concerned with self-defense. Growing out of this concern is the realization that all people of the Free World have a great stake in the progress, in freedom, of the uncommitted and newly emerging nations. These peoples, desperately hoping to lift themselves to decent levels of living must not, by our neglect, be forced to seek help from, and finally become virtual satellites of, those who proclaim their hostility to freedom.

Their natural desire for a better life must not be frustrated by withholding from them necessary technical and investment assistance. This is a problem to be solved not by America alone, but also by every nation cherishing the same ideals and in position to provide help.

In recent years America's partners and friends in Western Europe and Japan have made great economic progress. Their newly found economic strength is eloquent testimony to the striking success of the policies of economic cooperation which we and they have pursued.

The international economy of 1960 is markedly different from that of the early postwar years. No longer is the United States the only major industrial country capable of providing substantial amounts of the resources so urgently needed in the newly-developing countries.

To remain secure and prosperous themselves, wealthy nations must extend the kind of cooperation to the less fortunate members that will inspire hope, confidence and progress. A rich nation can for a time, without noticeable damage to itself, pursue a course of self-indulgence, making its single goal the material ease and comfort of its own citizens-thus repudiating its own spiritual and material stake in a peaceful and prosperous society of nations. But the enmities it will incur, the isolation into which it will descend, and the internal moral and physical softness that will be engendered, will, in the long term, bring it to disaster.

America did not become great through softness and self-indulgence. Her miraculous progress and achievements flow from other qualities far more worthy and substantial—

—adherence to principles and methods consonant with our religious philosophy

—a satisfaction in hard work

—the readiness to sacrifice for worthwhile causes

—the courage to meet every challenge to her progress

—the intellectual honesty and capacity to recognize the true path of her own best interests.

To us and to every nation of the Free World, rich or poor, these qualities are necessary today as never before if we are to march together to greater security, prosperity and peace.

Page 2744

I believe the industrial countries are ready to participate actively in supplementing the efforts of the developing countries to achieve progress.

The immediate need for this kind of cooperation is underscored by the strain in our international balance of payments. Our surplus from foreign business transactions has in recent years fallen substantially short of the expenditures we make abroad to maintain our military establishments overseas, to finance private investment, and to provide assistance to the less developed nations. In 1959 our deficit in balance of payments approached $4 billion.

Continuing deficits of anything like this magnitude would, over time, impair our own economic growth and check the forward progress of the Free World.

We must meet this situation by promoting a rising volume of exports and world trade. Further, we must induce all industrialized nations of the Free World to work together in a new cooperative endeavor to help lift the scourge of poverty from less fortunate nations. This will provide for better sharing of this burden and for still further profitable trade.

New nations, and others struggling with the problems of development, will progress only if they demonstrate faith in their own destiny and possess the will and use their own resources to fulfill it. Moreover, progress in a national transformation can be only gradually earned; there is no easy and quick way to follow from the oxcart to the jet plane. But, just as we drew on Europe for assistance in our earlier years, so now do those new and emerging nations that have this faith and determination deserve help.

Over the last fifteen years, twenty nations have gained political independence. Others are doing so each year. Most of them are woefully lacking in technical capacity and in investment capital; without Free World support in these matters they cannot effectively progress in freedom.

Respecting their need, one of the major focal points of our concern is the South Asian region. Here, in two nations alone, are almost five hundred million people, all working, and working hard, to raise their standards, and in doing so, to make of themselves a strong bulwark against the spread of an ideology that would destroy liberty.

I cannot express to you the depth of my conviction that, in our own and Free World interests, we must cooperate with others to help these people achieve their legitimate ambitions, as expressed in their different multi-year plans. Through the World Bank and other instrumentalities, as well as through individual action by every nation in position to help, we must squarely face this titanic challenge.

Page 2745

All of us must realize, of course, that development in freedom by the newly emerging nations, is no mere matter of obtaining outside financial assistance. An indispensable element in this process is a strong and continuing determination on the part of these nations to exercise the national discipline necessary for any sustained development period. These qualities of determination are particularly essential because of the fact that the process of improvement will necessarily be gradual and laborious rather than revolutionary. Moreover, everyone should be aware that the development process is no short term phenomenon. Many years are required for even the most favorably situated countries.

I shall continue to urge the American people, in the interests of their own security, prosperity and peace, to make sure that their own part of this great project be amply and cheerfully supported. Free World decisions in this matter may spell the difference between world disaster and world progress in freedom.

Other countries, some of which I visited last month, have similar needs.

A common meeting ground is desirable for those nations which are prepared to assist in the development effort. During the past year I have discussed this matter with the leaders of several Western Nations.

Because of its wealth of experience, the Organization for European Economic Cooperation could help with initial studies. The goal is to enlist all available economic resources in the industrialized Free World-especially private investment capital. But I repeat that .this help, no matter how great, can be lastingly effective only if it is used as a supplement to the strength of spirit and will of the people of the newly-developing nations.

By extending this help we hope to make possible the enthusiastic enrollment of these nations under freedom's banner. No more startling contrast to a system of sullen satellites could be imagined.

If we grasp this opportunity to build an age of productive partnership between the less fortunate nations and those that have already achieved a high state of economic advancement, we will make brighter the outlook for a world order based upon security, freedom and peace. Otherwise, the outlook could be dark indeed. We face what may be a turning point in history, and we must act decisively.

As a nation we can successfully pursue these objectives only from a position of broadly based strength.

No matter how earnest is our quest for guaranteed peace, we must maintain a high degree of military effectiveness at the same time we are engaged in negotiating the

issue of arms reduction. Until tangible and mutually enforceable arms reduction measures are worked out, we will not weaken the means of defending our institutions.

America possesses an enormous defense power. It is my studied conviction that no nation will ever risk general war against us unless we should be so foolish as to neglect the defense forces we now so powerfully support. It is world-wide knowledge that any nation which might be tempted today to attack the United States, even though our country might sustain great losses, would itself promptly suffer a terrible destruction. But I once again assure all peoples and all nations that the United States, except in defense, will never turn loose this destructive power.

Page 2746

During the past year, our long-range striking power, unmatched today in manned bombers, has taken on new strength as the Atlas intercontinental ballistic missile has entered the operational inventory. In fourteen recent test launchings, at ranges of over 5,000 miles, Atlas has been striking on an average within two miles of the target. This is less than the length of a jet runway—well within the circle of total destruction. Such performance is a great tribute to American scientists and engineers, who in the past five years have had to telescope time and technology to develop these long-range ballistic missiles, where America had none before.

This year, moreover, growing numbers of nuclear-powered submarines will enter our active forces, some to be armed with Polaris missiles. These remarkable ships and weapons, ranging the oceans, will be capable of accurate fire on targets virtually anywhere on earth. Impossible to destroy by surprise attack, they will become one of our most effective sentinels for peace.

To meet situations of less than general nuclear war, we continue to maintain our carrier forces, our many service units abroad, our always ready Army strategic forces and Marine Corps divisions, and the civilian components. The continuing modernization of these forces is a costly but necessary process, and is scheduled to go forward at a rate which will steadily add to our strength.

The deployment of a portion of these forces beyond our shores, on land and sea, is persuasive demonstration of our determination to stand shoulder-to-shoulder with our allies for collective security. Moreover, I have directed that steps be taken to program our military assistance to these allies on a longer range basis. This is necessary for a sounder collective defense system.

Next I refer to our effort in space exploration, which is often mistakenly supposed to be an integral part of defense research and development.

First, America has made great contributions in the past two years to the world's fund of knowledge of astrophysics and space science. These discoveries are of present interest chiefly to the scientific community; but they are important foundation-stones for more extensive exploration of outer space for the ultimate benefit of all mankind.

Second, our military missile program, going forward so successfully, does not suffer from our present lack of very large rocket engines, which are so necessary in distant space exploration. I am assured by experts that the thrust of our present missiles is fully adequate for defense requirements.

Third, the United States is pressing forward in the development of large rocket engines to place much heavier vehicles into space for exploration purposes.

Fourth, in the meantime, it is necessary to remember that we have only begun to probe the environment immediately surrounding the earth. Using launch systems presently available, we are developing satellites to scout the world's weather; satellite relay stations to facilitate and extend communications over the globe; for navigation aids to give accurate bearings to ships and aircraft; and for perfecting instruments to collect and transmit the data we seek. This is the area holding the most promise for early and useful applications of space technology.

Page 2747

Fifth, we have just completed a year's experience with our new space law. I believe it deficient in certain particulars and suggested improvements will be submitted shortly.

The accomplishment of the many tasks I have alluded to requires the continuous strengthening of the spiritual, intellectual, and economic sinews of American life. The steady purpose of our society is to assure justice, before God, for every individual. We must be ever alert that freedom does not wither through the careless amassing of restrictive controls or the lack of courage to deal boldly with the giant issues of the day.

A year ago, when I met with you, the nation was emerging from an economic downturn, even though the signs of resurgent prosperity were not then sufficiently convincing to the doubtful. Today our surging strength is apparent to everyone. 1960 promises to be the most prosperous year in our history.

Yet we continue to be afflicted by nagging disorders.

Among current problems that require solution are:

—the need to protect the public interest in situations of prolonged labor-management stalemate;

—the persistent refusal to come to grips with a critical problem in one sector of American agriculture;

—the continuing threat of inflation, together with the persisting tendency toward fiscal irresponsibility;

—in certain instances the denial to some of our citizens of equal protection of the law.

Every American was disturbed by the prolonged dispute in the steel industry and the protracted delay in reaching a settlement.

We are all relieved that a settlement has at last been achieved in that industry. Percentagewise, by this settlement the increase to the steel companies in employment costs is lower than in any prior wage settlement since World War II. It is also gratifying to note that despite the increase in wages and benefits several of the major steel producers have announced that there will be no increase in steel prices at this time. The national interest demands that in the period of industrial peace which has been assured by the new contract both management and labor make every possible effort to increase efficiency and productivity in the manufacture of steel so that price increases can be avoided.

One of the lessons of this story is that the potential danger to the entire Nation of longer and greater strikes must be met. To insure against such possibilities we must of course depend primarily upon the good commonsense of the responsible individuals. It is my

intention to encourage regular discussions between management and labor outside the bargaining table, to consider the interest of the public as well as their mutual interest in the maintenance of industrial peace, price stability and economic growth.

To me, it seems almost absurd for the United States to recognize the need, and so earnestly to seek, for cooperation among the nations unless we can achieve voluntary, dependable, abiding cooperation among the important segments of our own free society.

Page 2748

Failure to face up to basic issues in areas other than those of labor-management can cause serious strains on the firm freedom supports of our society.

I refer to agriculture as one of these areas.

Our basic farm laws were written 27 years ago, in an emergency effort to redress hardship caused by a world-wide depression. They were continued—and their economic distortions intensified—during World War II in order to provide incentives for production of food needed to sustain a war-torn free world.

Today our farm problem is totally different. It is that of effectively adjusting to the changes caused by a scientific revolution. When the original farm laws were written, an hour's farm labor produced only one fourth as much wheat as at present. Farm legislation is woefully out-of-date, ineffective, and expensive.

For years we have gone on with an outmoded system which not only has failed to protect farm income, but also has produced soaring, threatening surpluses. Our farms have been left producing for war while America has long been at peace.

Once again I urge Congress to enact legislation that will gear production more closely to markets, make costly surpluses more manageable, provide greater freedom in farm operations, and steadily achieve increased net farm incomes.

Another issue that we must meet squarely is that of living within our means. This requires restraint in expenditure, constant reassessment of priorities, and the maintenance of stable prices.

We must prevent inflation. Here is an opponent of so many guises that it is sometimes difficult to recognize. But our clear need is to stop continuous and general price rises—-a need that all of us can see and feel.

To prevent steadily rising costs and prices calls for stern self-discipline by every citizen. No person, city, state, or organized group can afford to evade the obligation to resist inflation, for every American pays its crippling tax.

Inflation's ravages do not end at the water's edge. Increases in prices of the goods we sell abroad threaten to drive us out of markets that once were securely ours. Whether domestic prices, so high as to be noncompetitive, result from demands for too-high profit margins or from increased labor costs that outrun growth in productivity, the final result is seriously damaging to the nation.

We must fight inflation as we would a fire that imperils our home. Only by so doing can we prevent it from destroying our salaries, savings, pensions and insurance, and from gnawing away the very roots of a free, healthy economy and the nation's security.

One major method by which the Federal government can counter inflation and rising prices is to insure that its expenditures are below its revenues. The debt with which we are now confronted is about 290 billion dollars. With interest charges alone now costing taxpayers about 9 1/2 billions, it is clear that this debt growth must stop. You will be glad to know that despite the unsettling influences of the recent steel strike, we estimate that our accounts will show, on June 30, this year, a favorable balance of approximately $200 million.

Page 2749

I shall present to the Congress for 1961 a balanced budget. In the area of defense, expenditures continue at the record peace-time levels of the last several years. With a single exception, expenditures in every major category of Health, Education and Welfare will be equal or greater than last year. In Space expenditures the amounts are practically doubled. But the over-all guiding goal of this budget is national need-not response to specific group, local or political insistence.

Expenditure increases, other than those I have indicated, are largely accounted for by the increased cost of legislation previously enacted.[1]

[Footnote 1: At this point the President interpolated the two paragraphs shown in brackets.]

[I repeat, this budget will be a balanced one. Expenditures will be 79 billion 8 hundred million. The amount of income over outgo, described in the budget as a Surplus, to be applied against our national debt, is 4 billion 2 hundred million. Personally, I do not feel that any amount can be properly called a “Surplus” as long as the nation is in debt. I prefer to think of such an item as “reduction on our children’s inherited mortgage.” Once we have established such payments as normal practice, we can profitably make improvements in our tax structure and thereby truly reduce the heavy burdens of taxation.

[In any event, this one reduction will save taxpayers, each year, approximately 2 hundred million dollars in interest costs.]

This budget will help ease pressures in our credit and capital markets. It will enhance the confidence of people all over the world in the strength of our economy and our currency and in our individual and collective ability to be fiscally responsible.

In the management of the huge public debt the Treasury is unfortunately not free of artificial barriers. Its ability to deal with the difficult problems in this field has been weakened greatly by the unwillingness of the Congress to remove archaic restrictions. The need for a freer hand in debt management is even more urgent today because the costs of the undesirable financing practices which the Treasury has been forced into are mounting. Removal of this roadblock has high priority in my legislative recommendations.

Still another issue relates to civil rights.

In all our hopes and plans for a better world we all recognize that provincial and racial prejudices must be combatted. In the long perspective of history, the right to vote has been one of the strongest pillars of a free society. Our first duty is to protect this right against all encroachment. In spite of constitutional guarantees, and notwithstanding

much progress of recent years, bias still deprives some persons in this country of equal protection of the laws.

Early in your last session I recommended legislation which would help eliminate several practices discriminating against the basic rights of Americans. The Civil Rights Commission has developed additional constructive recommendations. I hope that these will be among the matters to be seriously considered in the current session. I trust that Congress will thus signal to the world that our Government is striving for equality under law for all our people.

Page 2750

Each year and in many ways our nation continues to undergo profound change and growth.

In the past 18 months we have hailed the entry of two more States of the Union—-Alaska and Hawaii. We salute these two western stars proudly.

Our vigorous expansion, which we all welcome as a sign of health and vitality, is many-sided. We are, for example, witnessing explosive growth in metropolitan areas.

By 1975 the metropolitan areas of the United States will occupy twice the territory they do today. The roster of urban problems with which they must cope is staggering. They involve water supply, cleaning the air, adjusting local tax systems, providing for essential educational, cultural, and social services, and destroying those conditions which breed delinquency and crime.

In meeting these, we must, if we value our historic freedoms, keep within the traditional framework of our Federal system with powers divided between the national and state governments. The uniqueness of this system may confound the casual observer, but it has worked effectively for nearly 200 years.

I do not doubt that our urban and other perplexing problems can be solved in the traditional American method. In doing so we must realize that nothing is really solved and ruinous tendencies are set in motion by yielding to the deceptive bait of the “easy” Federal tax dollar.

Our educational system provides a ready example. All recognize the vital necessity of having modern school plants, well-qualified and adequately compensated teachers, and of using the best possible teaching techniques and curricula.

We cannot be complacent about educating our youth.

But the route to better trained minds is not through the swift administration of a Federal hypodermic or sustained financial transfusion. The educational process, essentially a local and personal responsibility, cannot be made to leap ahead by crash, centralized governmental action.

The Administration has proposed a carefully reasoned program for helping eliminate current deficiencies. It is designed to stimulate classroom construction, not by substitution of Federal dollars for state and local funds, but by incentives to extend and encourage state and local efforts. This approach rejects the notion of Federal domination or control. It is workable, and should appeal to every American interested in advancement of our educational system in the traditional American way. I urge the Congress to take action upon it.

There is one other subject concerning which I renew a recommendation I made in my State of the Union Message last January. I then advised the Congress of my purpose to intensify our efforts to replace force with a rule of law among nations. From many discussions abroad, I am convinced that purpose is widely and deeply shared by other peoples and nations of the world.

Page 2751

In the same Message I stated that our efforts would include a reexamination of our own relation to the International Court of Justice. The Court was established by the United Nations to decide international legal disputes between nations. In 1946 we accepted the Court's jurisdiction, but subject to a reservation of the right to determine unilaterally whether a matter lies essentially within domestic jurisdiction. There is pending before the Senate, a Resolution which would repeal our present self-judging reservation. I support that Resolution and urge its prompt passage. If this is done, I intend to urge similar acceptance of the Court's jurisdiction by every member of the United Nations.

Here perhaps it is not amiss for me to say to the Members of the Congress, in this my final year of office, a word about the institutions we respectively represent and the meaning which the relationships between our two branches has for the days ahead.

I am not unique as a President in having worked with a Congress controlled by the opposition party—except that no other President ever did it for quite so long! Yet in both personal and official relationships we have weathered the storms of the past five years. For this I am grateful.

My deep concern in the next twelve months, before my successor takes office, is with our joint Congressional-Executive duty to our own and to other nations. Acting upon the beliefs I have expressed here today, I shall devote my full energies to the tasks at hand, whether these involve travel for promoting greater world understanding, negotiations to reduce international discord, or constant discussions and communications with the Congress and the American people on issues both domestic and foreign.

In pursuit of these objectives, I look forward to, and shall dedicate myself to, a close and constructive association with the Congress.

Every minute spent in irrelevant interbranch wrangling is precious time taken from the intelligent initiation and adoption of coherent policies for our national survival and progress.

We seek a common goal—brighter opportunity for our own citizens and a world peace with justice for all.

Before us and our friends is the challenge of an ideology which, for more than four decades, has trumpeted abroad its purpose of gaining ultimate victory over all forms of government at variance with its own.

We realize that however much we repudiate the tenets of imperialistic Communism, it represents a gigantic enterprise grimly pursued by leaders who compel its subjects to subordinate their freedom of action and spirit and personal desires for some hoped-for advantage in the future.

The Communists can present an array of material accomplishments over the past fifteen years that lends a false persuasiveness to many of their glittering promises to the uncommitted peoples.

The competition they provide is formidable.

Page 2752

But in our scale of values we place freedom first—our whole national existence and development have been geared to that basic concept and are responsible for the position of free world leadership to which we have succeeded. It is the highest prize that any nation can possess; it is one that Communism can never offer. And America's record of material accomplishment in freedom is written not only in the unparalleled prosperity of our own nation, but in the many billions we have devoted to the reconstruction of Free World economics wrecked by World War II and in the effective help of many more billions we have given in saving the independence of many others threatened by outside domination. Assuredly we have the capacity for handling the problems in the new era of the world's history we are now entering.

But we must use that capacity intelligently and tirelessly, regardless of personal sacrifice.

The fissure that divides our political planet is deep and wide.

We live, moreover, in a sea of semantic disorder in which old labels no longer faithfully describe.

Police states are called "people's democracies."

Armed conquest of free people is called "liberation."

Such slippery slogans make more difficult the problem of communicating true faith, facts and beliefs.

We must make clear our peaceful intentions, our aspirations for a better world. So doing, we must use language to enlighten the mind, not as the instrument of the studied innuendo and distorter of truth.

And we must live by what we say.

On my recent visit to distant lands I found one statesman after another eager to tell me of the elements of their government that had been borrowed from our American Constitution, and from the indestructible ideals set forth in our Declaration of Independence.

As a nation we take pride that our own constitutional system, and the ideals which sustain it, have been long viewed as a fountainhead of freedom.

By our every action we must strive to make ourselves worthy of this trust, ever mindful that an accumulation of seemingly minor encroachments upon freedom gradually could break down the entire fabric of a free society.

So persuaded, we shall get on with the task before us.

So dedicated, and with faith in the Almighty, humanity shall one day achieve the unity in freedom to which all men have aspired from the dawn of time.

The Address as reported from the floor appears in the Congressional Record of January 7, 1960 (vol. 106, p. 135).

***

State of the Union Address
Dwight D. Eisenhower
January 12, 1961

To the Congress of the United States:

Once again it is my Constitutional duty to assess the state of the Union.

On each such previous occasion during these past eight years I have outlined a forward course designed to achieve our mutual objective—a better America in a world of peace. This time my function is different.

Page 2753

The American people, in free election, have selected new leadership which soon will be entrusted with the management of our government. A new President shortly will lay before you his proposals to shape the future of our great land. To him, every citizen, whatever his political beliefs, prayerfully extends best wishes for good health and for wisdom and success in coping with the problems that confront our Nation.

For my part, I should like, first, to express to you of the Congress, my appreciation of your devotion to the common good and your friendship over these difficult years. I will carry with me pleasant memories of this association in endeavors profoundly significant to all our people.

We have been through a lengthy period in which the control over the executive and legislative branches of government has been divided between our two great political parties. Differences, of course, we have had, particularly in domestic affairs. But in a united determination to keep this Nation strong and free and to utilize our vast resources for the advancement of all mankind, we have carried America to unprecedented heights.

For this cooperative achievement I thank the American people and those in the Congress of both parties who have supported programs in the interest of our country.

I should also like to give special thanks for the devoted service of my associates in the Executive Branch and the hundreds of thousands of career employees who have implemented our diverse government programs.

My second purpose is to review briefly the record of these past eight years in the hope that, out of the sum of these experiences, lessons will emerge that are useful to our Nation. Supporting this review are detailed reports from the several agencies and departments, all of which are now or will shortly be available to the Congress.

Throughout the world the years since 1953 have been a period of profound change. The human problems in the world grow more acute hour by hour; yet new gains in science and technology continually extend the promise of a better life. People yearn to be free, to govern themselves; yet a third of the people of the world have no freedom, do not govern themselves. The world recognizes the catastrophic nature of nuclear war; yet it sees the wondrous potential of nuclear peace.

During the period, the United States has forged ahead under a constructive foreign policy. The continuing goal is peace, liberty, and well-being—for others as well as ourselves. The aspirations of all peoples are one—peace with justice in freedom. Peace can only be attained collectively as peoples everywhere unite in their determination that liberty and well-being come to all mankind.

Yet while we have worked to advance national aspirations for freedom, a divisive force has been at work to divert that aspiration into dangerous channels. The Communist movement throughout the world exploits the natural striving of all to be free and attempts to subjugate men rather than free them. These activities have caused and are continuing to cause grave troubles in the world.

Page 2754

Here at home these have been times for careful adjustment of our economy from the artificial impetus of a hot war to constructive growth in a precarious peace. While building a new economic vitality without inflation, we have also increased public expenditures to keep abreast of the needs of a growing population and its attendant new problems, as well as our added international responsibilities. We have worked toward these ends in a context of shared responsibility—conscious of the need for maximum scope to private effort and for State and local, as well as Federal, governmental action.

Success in designing and executing national purposes, domestically and abroad, can only come from a steadfast resolution that integrity in the operation of government and in our relations with each other be fully maintained. Only in this way could our spiritual goals be fully advanced.

FOREIGN POLICY

On January 20, 1953, when I took office, the United States was at war. Since the signing of the Korean Armistice in 1953, Americans have lived in peace in highly troubled times.

During the 1956 Suez crisis, the United States government strongly supported United Nations' action—resulting in the ending of the hostilities in Egypt.

Again in 1958, peace was preserved in the Middle East despite new discord. Our government responded to the request of the friendly Lebanese Government for military help, and promptly withdrew American forces as soon as the situation was stabilized.

In 1958 our support of the Republic of China during the all-out bombardment of Quemoy restrained the Communist Chinese from attempting to invade the off-shore islands.

Although, unhappily, Communist penetration of Cuba is real and poses a serious threat, Communist dominated regimes have been deposed in Guatemala and Iran. The occupation of Austria has ended and the Trieste question has been settled.

Despite constant threats to its integrity, West Berlin has remained free.

Important advances have been made in building mutual security arrangements—which lie at the heart of our hopes for future peace and security in the world. The Southeast Asia Treaty Organization has been established; the NATO alliance has been militarily strengthened; the Organization of American States has been further developed as an instrument of inter-American cooperation; the Anzus treaty has strengthened ties with Australia and New Zealand, and a mutual security treaty with Japan has been signed. In addition, the *cento* pact has been concluded, and while we are not officially a member of this alliance we have participated closely in its deliberations.

The “Atoms for Peace” proposal to the United Nations led to the creation of the International Atomic Energy Agency. Our policy has been to push for enforceable programs of inspection against surprise attack, suspension of nuclear testing, arms reduction, and peaceful use of outer space.

Page 2755

The United Nations has been vigorously supported in all of its actions, including the condemnations of the wholesale murder of the people of Tibet by the Chinese Communists and the brutal Soviet repression of the people of Hungary, as well as the more recent *un* actions in the Congo.

The United States took the initiative in negotiating the significant treaty to guarantee the peaceful use of vast Antarctica.

The United States Information Agency has been transformed into a greatly improved medium for explaining our policies and actions to audiences overseas, answering the lies of communist propaganda, and projecting a clearer image of American life and culture.

Cultural, technological and educational exchanges with the Soviet Union have been encouraged, and a comprehensive agreement was made which authorized, among other things, the distribution of our Russian language magazine Amerika and the highly successful American Exhibition in Moscow.

This country has continued to withhold recognition of Communist China and to oppose vigorously the admission of this belligerent and unrepentant nation into the United Nations. Red China has yet to demonstrate that it deserves to be considered a “peace-loving” nation.

With communist imperialism held in check, constructive actions were undertaken to strengthen the economies of free world nations. The United States government has given sturdy support to the economic and technical assistance activities of the *un*. This country stimulated a doubling of the capital of the World Bank and a 50 percent capital increase in the International Monetary Fund. The Development Loan Fund and the International Development Association were established. The United States also took the lead in creating the Inter-American Development Bank.

Vice President Nixon, Secretaries of State Dulles and Herter and I travelled extensively through the world for the purpose of strengthening the cause of peace, freedom, and international understanding. So rewarding were these visits that their very success became a significant factor in causing the Soviet Union to wreck the planned Summit Conference of 1960.

These vital programs must go on. New tactics will have to be developed, of course, to meet new situations, but the underlying principles should be constant. Our great moral and material commitments to collective security, deterrence of force, international law, negotiations that lead to self-enforcing agreements, and the economic interdependence of free nations should remain the cornerstone of a foreign policy that will ultimately bring permanent peace with justice in freedom to all mankind. The continuing need of all free nations today is for each to recognize clearly the essentiality of an unbreakable bond

among themselves based upon a complete dedication to the principles of collective security, effective cooperation and peace with justice.

Page 2756

NATIONAL DEFENSE

For the first time in our nation's history we have consistently maintained in peacetime, military forces of a magnitude sufficient to deter and if need be to destroy predatory forces in the world.

Tremendous advances in strategic weapons systems have been made in the past eight years. Not until 1953 were expenditures on long-range ballistic missile programs even as much as a million dollars a year; today we spend ten times as much each day on these programs as was spent in all of 1952.

No guided ballistic missiles were operational at the beginning of 1953. Today many types give our armed forces unprecedented effectiveness. The explosive power of our weapons systems for all purposes is almost inconceivable.

Today the United States has operational *Atlas* missiles which can strike a target 5000 miles away in a half-hour. The *Polaris* weapons system became operational last fall and the *titan* is scheduled to become so this year. Next year, more than a year ahead of schedule, a vastly improved ICBM, the solid propellant *minuteman*, is expected to be ready.

Squadrons of accurate Intermediate Range Ballistic Missiles are now operational. The *Thor* and *Jupiter* IRBMs based in forward areas can hit targets 1500 miles away in 18 minutes.

Aircraft which fly at speeds faster than sound were still in a developmental stage eight years ago. Today American fighting planes go twice the speed of sound. And either our B-58 Medium Range Jet Bomber or our B-52 Long Range Jet Bomber can carry more explosive power than was used by all combatants in World War II—Allies and Axis combined.

Eight years ago we had no nuclear-powered ships. Today 49 nuclear warships have been authorized. Of these, 14 have been commissioned, including three of the revolutionary *Polaris* submarines. Our nuclear submarines have cruised under the North Pole and circumnavigated the earth while submerged. Sea warfare has been revolutionized, and the United States is far and away the leader.

Our tactical air units overseas and our aircraft carriers are alert; Army units, guarding the frontiers of freedom in Europe and the Far East, are in the highest state of readiness in peacetime history; our Marines, a third of whom are deployed in the Far East, are constantly prepared for action; our Reserve establishment has maintained high standards of proficiency, and the Ready Reserve now numbers over 2 1/2 million citizen-soldiers.

The Department of Defense, a young and still evolving organization, has twice been improved and the line of command has been shortened in order to meet the demands of modern warfare. These major reorganizations have provided a more effective structure for unified planning and direction of the vast defense establishment. Gradual improvements in its structure and procedures are to be expected.

Page 2757

United States civil defense and nonmilitary defense capacity has been greatly strengthened and these activities have been consolidated in one Federal agency.

The defense forces of our Allies now number five million men, several thousand combatant ships, and over 25,000 aircraft. Programs to strengthen these allies have been consistently supported by the Administration. U.S. military assistance goes almost exclusively to friendly nations on the rim of the communist world. This American contribution to nations who have the will to defend their freedom, but insufficient means, should be vigorously continued. Combined with our Allies, the free world now has a far stronger shield than we could provide alone.

Since 1953, our defense policy has been based on the assumption that the international situation would require heavy defense expenditures for an indefinite period to come, probably for years. In this protracted struggle, good management dictates that we resist overspending as resolutely as we oppose under-spending. Every dollar uselessly spent on military mechanisms decreases our total strength and, therefore, our security. We must not return to the “crash-program” psychology of the past when each new feint by the Communists was responded to in panic. The “bomber gap” of several years ago was always a fiction, and the “missile gap” shows every sign of being the same.

The nation can ill afford to abandon a national policy which provides for a fully adequate and steady level of effort, designed for the long pull; a fast adjustment to new scientific and technological advances; a balanced force of such strength as to deter general war, to effectively meet local situations and to retaliate to attack and destroy the attacker; and a strengthened system of free world collective security.

THE ECONOMY

The expanding American economy passed the half-trillion dollar mark in gross national product early in 1960. The Nation’s output of goods and services is now nearly 25 percent higher than in 1952.

In 1959, the average American family had an income of $6,520, 15 percent higher in dollars of constant buying power than in 1952, and the real wages of American factory workers have risen 20 percent during the past eight years. These facts reflect the rising standard of individual and family well-being enjoyed by Americans.

Our Nation benefits also from a remarkable improvement in general industrial peace through strengthened processes of free collective bargaining. Time lost since 1952 because of strikes has been half that lost in the eight years prior to that date. Legislation now requires that union members have the opportunity for full participation in the affairs of their unions. The Administration supported the Landrum-Griffin Act, which I

believe is greatly helpful to the vast bulk of American Labor and its leaders, and also is a major step in getting racketeers and gangsters out of labor-management affairs.

Page 2758

The economic security of working men and women has been strengthened by an extension of unemployment insurance coverage to 2.5 million ex-servicemen, 2.4 million Federal employees, and 1.2 million employees of small businesses, and by a strengthening of the Railroad Unemployment Insurance Act. States have been encouraged to improve their unemployment compensation benefits, so that today average weekly benefits are 40 percent higher than in 1953.

Determined efforts have improved workers' safety standards. Enforceable safety standards have been established for longshoremen and ship repair workers; Federal Safety Councils have been increased from 14 to over 100; safety awards have been initiated, and a national construction safety program has been developed.

A major factor in strengthening our competitive enterprise system, and promoting economic growth, has been the vigorous enforcement of antitrust laws over the last eight years and a continuing effort to reduce artificial restraints on competition and trade and enhance our economic liberties. This purpose was also significantly advanced in 1953 when, as one of the first acts of this Administration, restrictive wage and price controls were ended.

An additional measure to strengthen the American system of competitive enterprise was the creation of the Small Business Administration in 1953 to assist existing small businesses and encourage new ones. This agency has approved over $1 billion in loans, initiated a new program to provide long-term capital for small businesses, aided in setting aside $31/2 billion in government contracts for award to small business concerns, and brought to the attention of individual businessmen, through programs of information and education, new developments in management and production techniques. Since 1952, important tax revisions have been made to encourage small businesses.

Many major improvements in the Nation's transportation system have been made:

—After long years of debate, the dream of a great St. Lawrence Seaway, opening the heartland of America to ocean commerce, has been fulfilled.

—The new Federal Aviation Agency is fostering greater safety in air travel.

—The largest public construction program in history—the 41,000 mile national system of Interstate and Defense highways—has been pushed rapidly forward. Twenty-five percent of this system is now open to traffic.

Efforts to help every American build a better life have included also a vigorous program for expanding our trade with other nations. A 4-year renewal of the Reciprocal Trade Agreements Act was passed in 1958, and a continuing and rewarding effort has been made to persuade other countries to remove restrictions against our exports. A new

export expansion program was launched in 1960, inaugurating improvement of export credit insurance and broadening research and information programs to awaken Americans to business opportunities overseas. These actions and generally prosperous conditions abroad have helped push America's export trade to a level of $20 billion in 1960.

Page 2759

Although intermittent declines in economic activity persist as a problem in our enterprise system, recent downturns have been moderate and of short duration. There is, however, little room for complacency. Currently our economy is operating at high levels, but unemployment rates are higher than any of us would like, and chronic pockets of high unemployment persist. Clearly, continued sound and broadly shared economic growth remains a major national objective toward which we must strive through joint private and public efforts.

If government continues to work to assure every American the fullest opportunity to develop and utilize his ability and talent, it will be performing one of its most vital functions, that of advancing the welfare and protecting the dignity, rights, and freedom of all Americans.

GOVERNMENT FINANCE AND ADMINISTRATION

In January 1953, the consumer's dollar was worth only 52 cents in terms of the food, clothing, shelter and other items it would buy compared to 1939. Today, the inflationary spiral which had raised the cost of living by 36 percent between 1946 and 1952 has all but ceased and the value of the dollar virtually stabilized.

In 1954 we had the largest tax cut in history, amounting to $7.4 billion annually, of which over 62 percent went to individuals mostly in the small income brackets.

This Administration has directed constant efforts toward fiscal responsibility. Balanced budgets have been sought when the economy was advancing, and a rigorous evaluation of spending programs has been maintained at all times. Resort to deficit financing in prosperous times could easily erode international confidence in the dollar and contribute to inflation at home. In this belief, I shall submit a balanced budget for fiscal 1962 to the Congress next week.

There has been a firm policy of reducing government competition with private enterprise. This has resulted in the discontinuance of some 2,000 commercial industrial installations and in addition the curtailment of approximately 550 industrial installations operated directly by government agencies.

Also an aggressive surplus disposal program has been carried on to Identify and dispose of unneeded government-owned real property. This has resulted in the addition of a substantial number of valuable properties to local tax rolls, and a significant monetary return to the government.

Earnest and persistent attempts have been made to strengthen the position of State and local governments and thereby to stop the dangerous drift toward centralization of governmental power in Washington.

Significant strides have been made in increasing the effectiveness of government. Important new agencies have been established, such as the Department of Health, Education, and Welfare, the Federal Aviation Agency, and the National Aeronautics and Space Administration. The Council of Economic Advisers was reconstituted.

Page 2760

The operation of our postal system has been modernized to get better and more efficient service. Modernized handling of local mail now brings next-day delivery to 168 million people in our population centers, expanded carrier service now accommodates 9.3 million families in the growing suburbs, and 1.4 million families have been added to the rural delivery service. Common sense dictates that the Postal Service should be on a self-financing basis.

The concept of a trained and dedicated government career service has been strengthened by the provision of life and health insurance benefits, a vastly improved retirement system, a new merit promotion program, and the first effective incentive awards program. With no sacrifice in efficiency, Federal civilian employment since 1953 has been reduced by over a quarter of a million persons.

I am deeply gratified that it was under the urging of this Administration that Alaska and Hawaii became our 49th and 50th States.

AGRICULTURE

Despite the difficulties of administering Congressional programs which apply outmoded prescriptions and which aggravate rather than solve problems, the past eight years brought notable advances in agriculture.

Total agricultural assets are approximately $200 billion—up $36 billion in eight years.

Farm owner equities are at the near record high of $174 billion.

Farm ownership is at a record high with fewer farmers in a tenant and sharecropper status than at any time in our nation's history.

The "Food-for-Peace" program has demonstrated how surplus of American food and fiber can be effectively used to feed and clothe the needy abroad. Aided by this humanitarian program, total agricultural exports have grown from $2.8 billion in 1953 to an average of about $4 billion annually for the past three years. For 1960, exports are estimated at $4.5 billion, the highest volume on record. Under the Food-for-Peace program, the largest wheat transaction in history was consummated with India in 1960.

The problems of low-income farm families received systematic attention for the first time in the Rural Development Program. This program has gone forward in 39 States, yielding higher incomes and a better living for rural people most in need.

The Rural Electrification Administration has helped meet the growing demand for power and telephones in agricultural areas. Ninety-seven percent of all farms now have central station electric power. Dependence upon Federal financing should no longer be necessary.

The Farm Credit Administration has been made an independent agency more responsive to the farmer's needs.

The search for new uses for our farm abundance and to develop new crops for current needs has made major progress. Agricultural research appropriations have increased by 171 percent since 1953.

Page 2761

Farmers are being saved approximately $80 million a year by the repeal in 1956 of Federal taxes on gasoline used in tractors and other machinery.

Since 1953, appropriations have been doubled for county agents, home agents and the Extension Service.

Eligibility for Social Security benefits has been extended to farmers and their families.

Yet in certain aspects our agricultural surplus situation is increasingly grave. For example, our wheat stocks now total 1.3 billion bushels. If we did not harvest one bushel of wheat in this coming year, we would still have all we could eat, all we could sell abroad, all we could give away, and still have a substantial carryover. Extraordinary costs are involved just in management and disposal of this burdensome surplus. Obviously important adjustments must still come. Congress must enact additional legislation to permit wheat and other farm commodities to move into regular marketing channels in an orderly manner and at the same time afford the needed price protection to the farmer. Only then will agriculture again be free, sound, and profitable.

NATURAL RESOURCES

New emphasis has been placed on the care of our national parks. A ten year development program of our National Park System—Mission 66—was initiated and 633,000 acres of park land have been added since 1953.

Appropriations for fish and wildlife operations have more than doubled. Thirty-five new refuges, containing 11,342,000 acres, have been added to the national wildlife management system.

Our Nation's forests have been improved at the most rapid rate in history.

The largest sustained effort in water resources development in our history has taken place. In the field of reclamation alone, over 50 new projects, or project units, have been authorized since 1953—including the billion dollar Colorado River Storage Project. When all these projects have been completed they will have a storage capacity of nearly 43 million acre-feet—an increase of 50 percent over the Bureau of Reclamation's storage capacity in mid-1953. In addition, since 1953 over 450 new navigation flood control and multiple purpose projects of the Corps of Engineers have been started, costing nearly 6 billion dollars.

Soil and water conservation has been advanced as never before. One hundred forty-one projects are now being constructed under the Watershed Protection Program.

Hydroelectric power has been impressively developed through a policy which recognizes that the job to be done requires comprehensive development by Federal,

State, and local governments and private enterprise. Teamwork is essential to achieve this objective.

The Federal Columbia River power system has grown from two multipurpose dams with a 2.6 million kilowatt capacity to 17 multipurpose projects completed or under construction with an ultimate installed capacity of 8.1 million kilowatts. After years of negotiation, a Columbia River Storage Development agreement with Canada now opens the way for early realization of unparalleled power, flood control and resource conservation benefits for the Pacific Northwest. A treaty implementing this agreement will shortly be submitted to the Senate.

Page 2762

A farsighted and highly successful program for meeting urgent water needs is being carded out by converting salt water to fresh water. A 75 percent reduction in the cost of this process has already been realized.

Continuous resource development is essential for our expanding economy. We must continue vigorous, combined Federal, State and private programs, at the same time preserving to the maximum extent possible our natural and scenic heritage for future generations.

EDUCATION, SCIENCE, AND TECHNOLOGY

The National Defense Education Act of 1958 is already a milestone in the history of American education. It provides broad opportunities for the intellectual development of all children by strengthening courses of study in science, mathematics, and foreign languages, by developing new graduate programs to train additional teachers, and by providing loans for young people who need financial help to go to college.

The Administration proposed on numerous occasions a broad new five-year program of Federal aid to help overcome the classroom shortage in public elementary and secondary schools. Recommendations were also made to give assistance to colleges and universities for the construction of academic and residential buildings to meet future enrollment increases.

This Administration greatly expanded Federal loans for building dormitories for students, teachers, and nurses training, a program assisting in the construction of approximately 200,000 living accommodations during the past 8 years.

There has been a vigorous acceleration of health, resource and education programs designed to advance the role of the American Indian in our society. Last fall, for example, 91 percent of the Indian children between the ages of 6 and 18 on reservations were enrolled in school. This is a rise of 12 percent since 1953.

In the field of science and technology, startling strides have been made by the new National Aeronautics and Space Administration. In little more than two years, NASA has successfully launched meteorological satellites, such as Tiros I and Tiros II, that promise to revolutionize methods of weather forecasting; demonstrated the feasibility of satellites for global communications by the successful launching of Echo I; produced an enormous amount of valuable scientific data, such as the discovery of the Van Allen Radiation Belt; successfully launched deep-space probes that maintained communication over the greatest range man has ever tracked; and made real progress toward the goal of manned space flights.

These achievements unquestionably make us preeminent today in space exploration for the betterment of mankind. I believe the present organizational arrangements in this area, with the revisions proposed last year, are completely adequate for the tasks ahead.

Americans can look forward to new achievements in space exploration. The near future will hold such wonders as the orbital flight of an astronaut, the landing of instruments on the moon, the launching of the powerful giant Saturn rocket vehicles, and the reconnaissance of Mars and Venus by unmanned vehicles.

Page 2763

The application of atomic energy to industry, agriculture, and medicine has progressed from hope and experiment to reality. American industry and agriculture are making increasing use of radioisotopes to improve manufacturing, testing, and crop-raising. Atomic energy has improved the ability of the healing professions to combat disease, and holds promise for an eventual increase in man's life span.

Education, science, technology and balanced programs of every kind-these are the roadways to progress. With appropriate Federal support, the States and localities can assure opportunities for achieving excellence at all levels of the educational system; and with the Federal government continuing to give wholehearted support to basic scientific research and technology, we can expect to maintain our position of leadership in the world.

CIVIL RIGHTS

The first consequential Federal Civil Rights legislation in 85 years was enacted by Congress on recommendation of the Administration in 1957 and 1960.

A new Civil Rights Division in the Department of Justice has already moved to enforce constitutional rights in such areas as voting and the elimination of Jim Crow laws.

Greater equality of job opportunity in Federal employment and employment with Federal contractors has been effectively provided through the President's Committees on Government Contracts and Government Employment Practices.

The Civil Rights Commission has undertaken important surveys in the fields of housing, voting, and education.

Segregation has been abolished in the Armed Forces, in Veterans' Hospitals, in all Federal employment, and throughout the District of Columbia—administratively accomplished progress in this field that is unmatched in America's recent history.

This pioneering work in civil rights must go on. Not only because discrimination is morally wrong, but also because its impact is more than national—it is world-wide.

HEALTH AND WELFARE

Federal medical research expenditures have increased more than fourfold since 1954.

A vast variety of the approaches known to medical science has been explored to find better methods of treatment and prevention of major diseases, particularly heart diseases, cancer, and mental illness.

The control of air and water pollution has been greatly strengthened.

Americans now have greater protection against harmful, unclean, or misrepresented foods, drugs, or cosmetics through a strengthened Food and Drug Administration and by new legislation which requires that food additives be proved safe for human consumption before use.

A newly established Federal Radiation Council, along with the Department of Health, Education, and Welfare, analyzes and coordinates information regarding radiological activities which affect the public health.

Page 2764

Medical manpower has been increased by Federal grants for teaching and research.

Construction of new medical facilities has been stepped up and extended to include nursing homes, diagnostic and treatment centers, and rehabilitation facilities.

The vocational rehabilitation program has been significantly expanded. About 90,000 handicapped people are now being rehabilitated annually so they are again able to earn their own living with self-respect and dignity.

New legislation provides for better medical care for the needy aged, including those older persons, who, while otherwise self-sufficient, need help in meeting their health care costs. The Administration recommended a major expansion of this effort.

The coverage of the Social Security Act has been broadened since 1953 to make 11 million additional people eligible for retirement, disability or survivor benefits for themselves or their dependents, and the Social Security benefits have been substantially improved.

Grants to the States for maternal and child welfare services have been increased.

The States, aided by Federal grants, now assist some 6 million needy people through the programs of Old Age Assistance, Aid to Dependent Children, Aid to the Blind, and Aid to the Totally and Permanently Disabled.

HOUSING AND URBAN DEVELOPMENT

More houses have been built during the past eight years—over nine million—than during any previous eight years in history.

An historic new approach—Urban Renewal—now replaces piecemeal thrusts at slum pockets and urban blight. Communities engaged in urban renewal have doubled and renewal projects have more than tripled since 1953. An estimated 68 projects in 50 cities will be completed by the end of the current fiscal year; another 577 projects will be underway, and planning for 310 more will be in process. A total of $2 billion in Federal grants will ultimately be required to finance these 955 projects.

New programs have been initiated to provide more and better housing for elderly people. Approximately 25,000 units especially designed for the elderly have been built, started, or approved in the past three years.

For the first time, because of Federal help and .encouragement, 90 metropolitan areas and urban regions and 1140 smaller towns throughout the country are making comprehensive development plans for their future growth and development.

American communities have been helped to plan water and sanitation systems and schools through planning advances for 1600 public works projects with a construction cost of nearly $2 billion.

Mortgage insurance on individual homes has been greatly expanded. During the past eight years, the Federal Housing Administration alone insured over 21/2 million home mortgages valued at $27 billion, and in addition, insured more than ten million property improvement loans.

Page 2765

The Federal government must continue to provide leadership in order to make our cities and communities better places in which to live, work, and raise families, but without usurping rightful local authority, replacing individual responsibility, or stifling private initiative.

IMMIGRATION

Over 32,000 victims of Communist tyranny in Hungary were brought to our shores, and at this time our country is working to assist refugees from tyranny in Cuba.

Since 1953, the waiting period for naturalization applicants has been reduced from 18 months to 45 days.

The Administration also has made legislative recommendations to liberalize existing restrictions upon immigration while still safeguarding the national interest. It is imperative that our immigration policy be in the finest American tradition of providing a haven for oppressed peoples and fully in accord with our obligation as a leader of the free world.

VETERANS

In discharging the nation's obligation to our veterans, during the past eight years there have been:

The readjustment of World War II veterans was completed, and the five million Korean conflict veterans were assisted in achieving successful readjustment to civilian life;

Increases in compensation benefits for all eligible veterans with service connected disabilities;

Higher non-service connected pension benefits for needy veterans;

Greatly improved benefits to survivors of veterans dying in or as a result of service;

Authorization, by Presidential directive, of an increase in the number of beds available for sick and disabled veterans;

Development of a 12-year, $900 million construction program to modernize and improve our veterans hospitals;

New modern techniques brought into the administration of Veterans Affairs to provide the highest quality service possible to those who have defended us.

CONCLUSION

In concluding my final message to the Congress, it is fitting to look back to my first—to the aims and ideals I set forth on February 2, 1953: To use America's influence in world affairs to advance the cause of peace and justice, to conduct the affairs of the Executive Branch with integrity and efficiency, to encourage creative initiative in our economy, and to work toward the attainment of the well-being and equality of opportunity of all citizens.

Equally, we have honored our commitment to pursue and attain specific objectives. Among them, as stated eight years ago: strengthening of the mutual security program; development of world trade and commerce; ending of hostilities in Korea; creation of a powerful deterrent force; practicing fiscal responsibility; checking the menace of inflation; reducing the tax burden; providing an effective internal security program; developing and conserving our natural resources; reducing governmental interference in the affairs of the farmer; strengthening and improving services by the Department of Labor, and the vigilant guarding of civil and social fights.

Page 2766

I do not close this message implying that all is well—that all problems are solved. For progress implies both new and continuing problems and, unlike Presidential administrations, problems rarely have terminal dates.

Abroad, there is the continuing Communist threat to the freedom of Berlin, an explosive situation in Laos, the problems caused by Communist penetration of Cuba, as well as the many problems connected with the development of the new nations in Africa. These areas, in particular, call for delicate handling and constant review.

At home, several conspicuous problems remain: promoting higher levels of employment, with special emphasis on areas in which heavy unemployment has persisted; continuing to provide for steady economic growth and preserving a sound currency; bringing our balance of payments into more reasonable equilibrium and continuing a high level of confidence in our national and international systems; eliminating heavily excessive surpluses of a few farm commodities; and overcoming deficiencies in our health and educational programs.

Our goal always has been to add to the spiritual, moral, and material strength of our nation. I believe we have done this. But it is a process that must never end. Let us pray that leaders of both the near and distant future will be able to keep the nation strong and at peace, that they will advance the well-being of all our people, that they will lead us on to still higher moral standards, and that, in achieving these goals, they will maintain a reasonable balance between private and governmental responsibility.

***

State of the Union Address
John F. Kennedy
January 30, 1961

Mr. Speaker, Mr. Vice President, Members of the Congress:

It is a pleasure to return from whence I came. You are among my oldest friends in Washington—and this House is my oldest home. It was here, more than 14 years ago, that I first took the oath of Federal office. It was here, for 14 years, that I gained both knowledge and inspiration from members of both parties in both Houses—from your wise and generous leaders—and from the pronouncements which I can vividly recall, sitting where you now sit—including the programs of two great Presidents, the undimmed eloquence of Churchill, the soaring idealism of Nehru, the steadfast words of General de Gaulle. To speak from this same historic rostrum is a sobering experience. To be back among so many friends is a happy one.

I am confident that that friendship will continue. Our Constitution wisely assigns both joint and separate roles to each branch of the government; and a President and a

Congress who hold each other in mutual respect will neither permit nor attempt any trespass. For my part, I shall withhold from neither the Congress nor the people any fact or report, past, present, or future, which is necessary for an informed judgment of our conduct and hazards. I shall neither shift the burden of executive decisions to the Congress, nor avoid responsibility for the outcome of those decisions.

Page 2767

I speak today in an hour of national peril and national opportunity. Before my term has ended, we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The answers are by no means clear. All of us together—this Administration, this Congress, this nation—must forge those answers.

But today, were I to offer—after little more than a week in office—detailed legislation to remedy every national ill, the Congress would rightly wonder whether the desire for speed had replaced the duty of responsibility.

My remarks, therefore, will be limited. But they will also be candid. To state the facts frankly is not to despair the future nor indict the past. The prudent heir takes careful inventory of his legacies, and gives a faithful accounting to those whom he owes an obligation of trust. And, while the occasion does not call for another recital of our blessings and assets, we do have no greater asset than the willingness of a free and determined people, through its elected officials, to face all problems frankly and meet all dangers free from panic or fear.

I.

The present state of our economy is disturbing. We take office in the wake of seven months of recession, three and one-half years of slack, seven years of diminished economic growth, and nine years of falling farm income.

Business bankruptcies have reached their highest level since the Great Depression. Since 1951 farm income has been squeezed down by 25 percent. Save for a brief period in 1958, insured unemployment is at the highest peak in our history. Of some five and one-half million Americans who are without jobs, more than one million have been searching for work for more than four months. And during each month some 150,000 workers are exhausting their already meager jobless benefit rights.

Nearly one-eighth of those who are without jobs live almost without hope in nearly one hundred especially depressed and troubled areas. The rest include new school graduates unable to use their talents, farmers forced to give up their part-time jobs which helped balance their family budgets, skilled and unskilled workers laid off in such important industries as metals, machinery, automobiles and apparel.

Our recovery from the 1958 recession, moreover, was anemic and incomplete. Our Gross National Product never regained its full potential. Unemployment never returned to normal levels. Maximum use of our national industrial capacity was never restored.

In short, the American economy is in trouble. The most resourceful industrialized country on earth ranks among the last in the rate of economic growth. Since last spring our economic growth rate has actually receded. Business investment is in a decline.

Profits have fallen below predicted levels. Construction is off. A million unsold automobiles are in inventory. Fewer people are working—and the average work week has shrunk well below 40 hours. Yet prices have continued to rise—so that now too many Americans have less to spend for items that cost more to buy.

Page 2768

Economic prophecy is at best an uncertain art—as demonstrated by the prediction one year ago from this same podium that 1960 would be, and I quote, “the most prosperous year in our history.” Nevertheless, forecasts of continued slack and only slightly reduced unemployment through 1961 and 1962 have been made with alarming unanimity—and this Administration does not intend to stand helplessly by.

We cannot afford to waste idle hours and empty plants while awaiting the end of the recession. We must show the world what a free economy can do—to reduce unemployment, to put unused capacity to work, to spur new productivity, and to foster higher economic growth within a range of sound fiscal policies and relative price stability.

I will propose to the Congress within the next 14 days measures to improve unemployment compensation through temporary increases in duration on a self-supporting basis—to provide more food for the families of the unemployed, and to aid their needy children—to redevelop our areas of chronic labor surplus—to expand the services of the U.S. Employment Offices—to stimulate housing and construction—to secure more purchasing power for our lowest paid workers by raising and expanding the minimum wage—to offer tax incentives for sound plant investment—to increase the development of our natural resources—to encourage price stability—and to take other steps aimed at insuring a prompt recovery and paving the way for increased long-range growth. This is not a partisan program concentrating on our weaknesses—it is, I hope, a national program to realize our national strength.

II.

Efficient expansion at home, stimulating the new plant and technology that can make our goods more competitive, is also the key to the international balance of payments problem. Laying aside all alarmist talk and panicky solutions, let us put that knotty problem in its proper perspective.

It is true that, since 1958, the gap between the dollars we spend or invest abroad and the dollars returned to us has substantially widened. This overall deficit in our balance of payments increased by nearly $11 billion in the 3 years—and holders of dollars abroad converted them to gold in such a quantity as to cause a total outflow of nearly $5 billion of gold from our reserve. The 1959 deficit was caused in large part by the failure of our exports to penetrate foreign markets—the result both of restrictions on our goods and our own uncompetitive prices. The 1960 deficit, on the other hand, was more the result of an increase in private capital outflow seeking new opportunity, higher return or speculative advantage abroad.

Meanwhile this country has continued to bear more than its share of the West’s military and foreign aid obligations. Under existing policies, another deficit of $2 billion is predicted for 1961—and individuals in those countries whose dollar position once

depended on these deficits for improvement now wonder aloud whether our gold reserves will remain sufficient to meet our own obligations.

Page 2769

All this is cause for concern—but it is not cause for panic. For our monetary and financial position remains exceedingly strong. Including our drawing rights in the International Monetary Fund and the gold reserve held as backing for our currency and Federal Reserve deposits, we have some $22 billion in total gold stocks and other international monetary reserves available—and I now pledge that their full strength stands behind the value of the dollar for use if needed.

Moreover, we hold large assets abroad—the total owed this nation far exceeds the claims upon our reserves—and our exports once again substantially exceed our imports.

In short, we need not—and we shall not—take any action to increase the dollar price of gold from $35 an ounce—to impose exchange controls—to reduce our anti-recession efforts—to fall back on restrictive trade policies—or to weaken our commitments around the world.

This Administration will not distort the value of the dollar in any fashion. And this is a commitment.

Prudence and good sense do require, however, that new steps be taken to ease the payments deficit and prevent any gold crisis. Our success in world affairs has long depended in part upon foreign confidence in our ability to pay. A series of executive orders, legislative remedies and cooperative efforts with our allies will get underway immediately—aimed at attracting foreign investment and travel to this country—-promoting American exports, at stable prices and with more liberal government guarantees and financing—curbing tax and customs loopholes that encourage undue spending of private dollars abroad—and (through OECD, NATO and otherwise) sharing with our allies all efforts to provide for the common defense of the free world and the hopes for growth of the less developed lands. While the current deficit lasts, ways will be found to ease our dollar outlays abroad without placing the full burden on the families of men whom we have asked to serve our Flag overseas.

In short, whatever is required will be done to back up all our efforts abroad, and to make certain that, in the future as in the past, the dollar is as “sound as a dollar.”

III.

But more than our exchange of international payments is out of balance. The current Federal budget for fiscal 1961 is almost certain to show a net deficit. The budget already submitted for fiscal 1962 will remain in balance only if the Congress enacts all the revenue measures requested—and only if an earlier and sharper up-turn in the economy than my economic advisers now think likely produces the tax revenues estimated. Nevertheless, a new Administration must of necessity build on the spending and revenue estimates already submitted. Within that framework, barring the

development of urgent national defense needs or a worsening of the economy, it is my current intention to advocate a program of expenditures which, including revenues from a stimulation of the economy, will not of and by themselves unbalance the earlier Budget.

Page 2770

However, we will do what must be done. For our national household is cluttered with unfinished and neglected tasks. Our cities are being engulfed in squalor. Twelve long years after Congress declared our goal to be “a decent home and a suitable environment for every American family,” we still have 25 million Americans living in substandard homes. A new housing program under a new Housing and Urban Affairs Department will be needed this year.

Our classrooms contain 2 million more children than they can properly have room for, taught by 90,000 teachers not properly qualified to teach. One third of our most promising high school graduates are financially unable to continue the development of their talents. The war babies of the 1940’s, who overcrowded our schools in the 1950’s, are now descending in 1960 upon our colleges—with two college students for every one, ten years from now—and our colleges are ill prepared. We lack the scientists, the engineers and the teachers our world obligations require. We have neglected oceanography, saline water conversion, and the basic research that lies at the root of all progress. Federal grants for both higher and public school education can no longer be delayed.

Medical research has achieved new wonders—but these wonders are too often beyond the reach of too many people, owing to a lack of income (particularly among the aged), a lack of hospital beds, a lack of nursing homes and a lack of doctors and dentists. Measures to provide health care for the aged under Social Security, and to increase the supply of both facilities and personnel, must be undertaken this year.

Our supply of clean water is dwindling. Organized and juvenile crimes cost the taxpayers millions of dollars each year, making it essential that we have improved enforcement and new legislative safeguards. The denial of constitutional rights to some of our fellow Americans on account of race—at the ballot box and elsewhere—disturbs the national conscience, and subjects us to the charge of world opinion that our democracy is not equal to the high promise of our heritage. Morality in private business has not been sufficiently spurred by morality in public business. A host of problems and projects in all 50 States, though not possible to include in this Message, deserves—and will receive—the attention of both the Congress and the Executive Branch. On most of these matters, Messages will be sent to the Congress within the next two weeks.

IV.

But all these problems pale when placed beside those which confront us around the world. No man entering upon this office, regardless of his party, regardless of his previous service in Washington, could fail to be staggered upon learning—even in this brief 10 day period—the harsh enormity of the trials through which we must pass in the next four years. Each day the crises multiply. Each day their solution grows more difficult. Each day we draw nearer the hour of maximum danger, as weapons spread and hostile forces grow stronger. I feel I must inform the Congress that our analyses

over the last ten days make it clear that—in each of the principal areas of crisis—the tide of events has been running out and time has not been our friend.

Page 2771

In Asia, the relentless pressures of the Chinese Communists menace the security of the entire area—from the borders of India and South Viet Nam to the jungles of Laos, struggling to protect its newly-won independence. We seek in Laos what we seek in all Asia, and, indeed, in all of the world—freedom for the people and independence for the government. And this Nation shall persevere in our pursuit of these objectives.

In Africa, the Congo has been brutally torn by civil strife, political unrest and public disorder. We shall continue to support the heroic efforts of the United Nations to restore peace and order—efforts which are now endangered by mounting tensions, unsolved problems, and decreasing support from many member states.

In Latin America, Communist agents seeking to exploit that region's peaceful revolution of hope have established a base on Cuba, only 90 miles from our shores. Our objection with Cuba is not over the people's drive for a better life. Our objection is to their domination by foreign and domestic tyrannies. Cuban social and economic reform should be encouraged. Questions of economic and trade policy can always be negotiated. But Communist domination in this Hemisphere can never be negotiated.

We are pledged to work with our sister Republics to free the Americas of all such foreign domination and all tyranny, working toward the goal of a free hemisphere of free governments, extending from Cape Horn to the Arctic Circle.

In Europe our alliances are unfulfilled and in some disarray. The unity of NATO has been weakened by economic rivalry and partially eroded by national interest. It has not yet fully mobilized its resources nor fully achieved a common outlook. Yet no Atlantic power can meet on its own the mutual problems now facing us in defense, foreign aid, monetary reserves, and a host of other areas; and our close ties with those whose hopes and interests we share are among this Nation's most powerful assets.

Our greatest challenge is still the world that lies beyond the Cold War—but the first great obstacle is still our relations with the Soviet Union and Communist China. We must never be lulled into believing that either power has yielded its ambitions for world domination—ambitions which they forcefully restated only a short time ago. On the contrary, our task is to convince them that aggression and subversion will not be profitable routes to pursue these ends. Open and peaceful competition—for prestige, for markets, for scientific achievement, even for men's minds—is something else again. For if Freedom and Communism were to compete for man's allegiance in a world at peace, I would look to the future with ever increasing confidence.

To meet this array of challenges—to fulfill the role we cannot avoid on the world scene—we must reexamine and revise our whole arsenal of tools: military, economic and political.

One must not overshadow the other. On the Presidential Coat of Arms, the American eagle holds in his right talon the olive branch, while in his left he holds a bundle of arrows. We intend to give equal attention to both.

Page 2772

First, we must strengthen our military tools. We are moving into a period of uncertain risk and great commitment in which both the military and diplomatic possibilities require a Free World force so powerful as to make any aggression clearly futile. Yet in the past, lack of a consistent, coherent military strategy, the absence of basic assumptions about our national requirements and the faulty estimates and duplication arising from inter-service rivalries have all made it difficult to assess accurately how adequate—or inadequate—our defenses really are.

I have, therefore, instructed the Secretary of Defense to reappraise our entire defense strategy—our ability to fulfill our commitments—the effectiveness, vulnerability, and dispersal of our strategic bases, forces and warning systems—the efficiency and economy of our operation and organization—the elimination of obsolete bases and installations—and the adequacy, modernization and mobility of our present conventional and nuclear forces and weapons systems in the light of present and future dangers. I have asked for preliminary conclusions by the end of February—and I then shall recommend whatever legislative, budgetary or executive action is needed in the light of these conclusions.

In the meantime, I have asked the Defense Secretary to initiate immediately three new steps most clearly needed now:

First, I have directed prompt attention to increase our air-lift capacity. Obtaining additional air transport mobility—and obtaining it now—will better assure the ability of our conventional forces to respond, with discrimination and speed, to any problem at any spot on the globe at any moment's notice. In particular it will enable us to meet any deliberate effort to avoid or divert our forces by starting limited wars in widely scattered parts of the globe.

(b) I have directed prompt action to step up our Polaris submarine program. Using unobligated ship-building funds now (to let contracts originally scheduled for the next fiscal year) will build and place on station—at least nine months earlier than planned—-substantially more units of a crucial deterrent—a fleet that will never attack first, but possess sufficient powers of retaliation, concealed beneath the seas, to discourage any aggressor from launching an attack upon our security.

(c) I have directed prompt action to accelerate our entire missile program. Until the Secretary of Defense's reappraisal is completed, the emphasis here will be largely on improved organization and decision-making—on cutting down the wasteful duplications and the time-lag that have handicapped our whole family of missiles. If we are to keep the peace, we need an invulnerable missile force powerful enough to deter any aggressor from even threatening an attack that he would know could not destroy enough of our force to prevent his own destruction. For as I said upon taking the oath of office: "Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

Page 2773

Secondly, we must improve our economic tools. Our role is essential and unavoidable in the construction of a sound and expanding economy for the entire non-communist world, helping other nations build the strength to meet their own problems, to satisfy their own aspirations—to surmount their own dangers. The problems in achieving this goal are towering and unprecedented—the response must be towering and unprecedented as well, much as Lend-Lease and the Marshall Plan were in earlier years, which brought such fruitful results.

(a) I intend to ask the Congress for authority to establish a new and more effective program for assisting the economic, educational and social development of other countries and continents. That program must stimulate and take more effectively into account the contributions of our allies, and provide central policy direction for all our own programs that now so often overlap, conflict or diffuse our energies and resources. Such a program, compared to past programs, will require

—more flexibility for short run emergencies

—more commitment to long term development—new attention to education at all levels
—greater emphasis on the recipient nation's role, their effort, their purpose, with greater social justice for their people, broader distribution and participation by their people and more efficient public administration and more efficient tax systems of their own

—and orderly planning for national and regional development instead of a piecemeal approach.

I hope the Senate will take early action approving the Convention establishing the Organization for Economic Cooperation and Development. This will be an important instrument in sharing with our allies this development effort—working toward the time when each nation will contribute in proportion to its ability to pay. For, while we are prepared to assume our full share of these huge burdens, we cannot and must not be expected to bear them alone.

To our sister republics to the south, we have pledged a new alliance for progress—-alianza para progreso. Our goal is a free and prosperous Latin America, realizing for all its states and all its citizens a degree of economic and social progress that matches their historic contributions of culture, intellect and liberty. To start this nation's role at this time in that alliance of neighbors, I am recommending the following:

—That the Congress appropriate in full the $500 million fund pledged by the Act of Bogota, to be used not as an instrument of the Cold War, but as a first step in the sound development of the Americas.

—That a new Inter-Departmental Task Force be established under the leadership of the Department of State, to coordinate at the highest level all policies and programs of concern to the Americas.

—That our delegates to the *Oas*, working with those of other members, strengthen that body as an instrument to preserve the peace and to prevent foreign domination anywhere in the Hemisphere.

Page 2774

—That, in cooperation with other nations, we launch a new hemispheric attack on illiteracy and inadequate educational opportunities to all levels; and, finally,

—That a Food-for-Peace mission be sent immediately to Latin America to explore ways in which our vast food abundance can be used to help end hunger and malnutrition in certain areas of suffering in our own hemisphere.

This Administration is expanding its Food-for-Peace Program in every possible way. The product of our abundance must be used more effectively to relieve hunger and help economic growth in all corners of the globe. And I have asked the Director of this Program to recommend additional ways in which these surpluses can advance the interests of world peace—including the establishment of world food reserves.

An even more valuable national asset is our reservoir of dedicated men and women—-not only on our college campuses but in every age group—who have indicated their desire to contribute their skills, their efforts, and a part of their lives to the fight for world order. We can mobilize this talent through the formation of a National Peace Corps, enlisting the services of all those with the desire and capacity to help foreign lands meet their urgent needs for trained personnel.

Finally, while our attention is centered on the development of the non-communist world, we must never forget our hopes for the ultimate freedom and welfare of the Eastern European peoples. In order to be prepared to help re-establish historic ties of friendship, I am asking the Congress for increased discretion to use economic tools in this area whenever this is found to be clearly in the national interest. This will require amendment of the Mutual Defense Assistance Control Act along the lines I proposed as a member of the Senate, and upon which the Senate voted last summer. Meanwhile, I hope to explore with the Polish government the possibility of using our frozen Polish funds on projects of peace that will demonstrate our abiding friendship for and interest in the people of Poland.

Third, we must sharpen our political and diplomatic tools—the means of cooperation and agreement on which an enforceable world order must ultimately rest.

I have already taken steps to coordinate and expand our disarmament effort—to increase our programs of research and study—and to make arms control a central goal of our national policy under my direction. The deadly arms race, and the huge resources it absorbs, have too long overshadowed all else we must do. We must prevent that arms race from spreading to new nations, to new nuclear powers and to the reaches of outer space. We must make certain that our negotiators are better informed and better prepared—to formulate workable proposals of our own and to make sound judgments about the proposals of others.

I have asked the other governments concerned to agree to a reasonable delay in the talks on a nuclear test ban—and it is our intention to resume negotiations prepared to reach a final agreement with any nation that is equally willing to agree to an effective and enforceable treaty.

Page 2775

We must increase our support of the United Nations as an instrument to end the Cold War instead of an arena in which to fight it. In recognition of its increasing importance and the doubling of its membership

—we are enlarging and strengthening our own mission to the U.N.

—we shall help insure that it is properly financed.

—we shall work to see that the integrity of the office of the Secretary-General is maintained.

—And I would address a special plea to the smaller nations of the world—to join with us in strengthening this organization, which is far more essential to their security than it is to ours—the only body in the world where no nation need be powerful to be secure, where every nation has an equal voice, and where any nation can exert influence not according to the strength of its armies but according to the strength of its ideas. It deserves the support of all.

Finally, this Administration intends to explore promptly all possible areas of cooperation with the Soviet Union and other nations "to invoke the wonders of science instead of its terrors." Specifically, I now invite all nations—including the Soviet Union—to join with us in developing a weather prediction program, in a new communications satellite program and in preparation for probing the distant planets of Mars and Venus, probes which may someday unlock the deepest secrets of the universe.

Today this country is ahead in the science and technology of space, while the Soviet Union is ahead in the capacity to lift large vehicles into orbit. Both nations would help themselves as well as other nations by removing these endeavors from the bitter and wasteful competition of the Cold War. The United States would be willing to join with the Soviet Union and the scientists of all nations in a greater effort to make the fruits of this new knowledge available to all—and, beyond that, in an effort to extend farm technology to hungry nations—to wipe out disease—to increase the exchanges of scientists and their knowledge—and to make our own laboratories available to technicians of other lands who lack the facilities to pursue their own work. Where nature makes natural allies of us all, we can demonstrate that beneficial relations are possible even with those with whom we most deeply disagree—and this must someday be the basis of world peace and world law.

V.

I have commented on the state of the domestic economy, our balance of payments, our Federal and social budget and the state of the world. I would like to conclude with a few remarks about the state of the Executive branch. We have found it full of honest and useful public servants—but their capacity to act decisively at the exact time action is

needed has too often been muffled in the morass of committees, timidities and fictitious theories which have created a growing gap between decision and execution, between planning and reality. In a time of rapidly deteriorating situations at home and abroad, this is bad for the public service and particularly bad for the country; and we mean to make a change.

Page 2776

I have pledged myself and my colleagues in the cabinet to a continuous encouragement of initiative, responsibility and energy in serving the public interest. Let every public servant know, whether his post is high or low, that a man's rank and reputation in this Administration will be determined by the size of the job he does, and not by the size of his staff, his office or his budget. Let it be clear that this Administration recognizes the value of dissent and daring—that we greet healthy controversy as the hallmark of healthy change. Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and with honor in future years: "I served the United States government in that hour of our nation's need."

For only with complete dedication by us all to the national interest can we bring our country through the troubled years that lie ahead. Our problems are critical. The tide is unfavorable. The news will be worse before it is better. And while hoping and working for the best, we should prepare ourselves now for the worst.

We cannot escape our dangers—neither must we let them drive us into panic or narrow isolation. In many areas of the world where the balance of power already rests with our adversaries, the forces of freedom are sharply divided. It is one of the ironies of our time that the techniques of a harsh and repressive system should be able to instill discipline and ardor in its servants—while the blessings of liberty have too often stood for privilege, materialism and a life of ease.

But I have a different view of liberty.

Life in 1961 will not be easy. Wishing it, predicting it, even asking for it, will not make it so. There will be further setbacks before the tide is turned. But turn it we must. The hopes of all mankind rest upon us—not simply upon those of us in this chamber, but upon the peasant in Laos, the fisherman in Nigeria, the exile from Cuba, the spirit that moves every man and Nation who shares our hopes for freedom and the future. And in the final analysis, they rest most of all upon the pride and perseverance of our fellow citizens of the great Republic.

In the words of a great President, whose birthday we honor today, closing his final State of the Union Message sixteen years ago, "We pray that we may be worthy of the unlimited opportunities that God has given us."

***

State of the Union Address
John F. Kennedy
January 11, 1962

Mr. Vice President, my old colleague from Massachusetts and your new Speaker, John McCormack, Members of the 87th Congress, ladies and gentlemen:

This week we begin anew our joint and separate efforts to build the American future. But, sadly, we build without a man who linked a long past with the present and looked strongly to the future. “Mister Sam” Rayburn is gone. Neither this House nor the Nation is the same without him.

Page 2777

Members of the Congress, the Constitution makes us not rivals for power but partners for progress. We are all trustees for the American people, custodians of the American heritage. It is my task to report the State of the Union—to improve it is the task of us all.

In the past year, I have traveled not only across our own land but to other lands—to the North and the South, and across the seas. And I have found—as I am sure you have, in your travels—that people everywhere, in spite of occasional disappointments, look to us—not to our wealth or power, but to the splendor of our ideals. For our Nation is commissioned by history to be either an observer of freedom's failure or the cause of its success. Our overriding obligation in the months ahead is to fulfill the world's hopes by fulfilling our own faith.

I. STRENGTHENING THE ECONOMY

That task must begin at home. For if we cannot fulfill our own ideals here, we cannot expect others to accept them. And when the youngest child alive today has grown to the cares of manhood, our position in the world will be determined first of all by what provisions we make today—for his education, his health, and his opportunities for a good home and a good job and a good life.

At home, we began the year in the valley of recession—we completed it on the high road of recovery and growth. With the help of new Congressionally approved or Administratively increased stimulants to our economy, the number of major surplus labor areas has declined from 101 to 60; non-agricultural employment has increased by more than a million jobs; and the average factory work-week has risen to well over 40 hours. At year's end the economy which Mr. Khrushchev once called a "stumbling horse" was racing to new records in consumer spending, labor income, and industrial production.

We are gratified—but we are not satisfied. Too many unemployed are still looking for the blessings of prosperity. As those who leave our schools and farms demand new jobs, automation takes old jobs away. To expand our growth and job opportunities, I urge on the Congress three measures:

(1) First, the Manpower Training and Development Act, to stop the waste of able-bodied men and women who want to work, but whose only skill has been replaced by a machine, or moved with a mill, or shut down with a mine;

(2) Second, the Youth Employment Opportunities Act, to help train and place not only the one million young Americans who are both out of school and out of work, but the twenty-six million young Americans entering the labor market in this decade; and

(3) Third, the 8 percent tax credit for investment in machinery and equipment, which, combined with planned revisions of depreciation allowances, will spur our modernization, our growth, and our ability to compete abroad.

Moreover—pleasant as it may be to bask in the warmth of recovery—let us not forget that we have suffered three recessions in the last 7 years. The time to repair the roof is when the sun is shining—by filling three basic gaps in our anti-recession protection. We need:

Page 2778

(1) First, Presidential stand-by authority, subject to Congressional veto, to adjust personal income tax rates downward within a specified range and time, to slow down an economic decline before it has dragged us all down;

(2) Second, Presidential stand-by authority, upon a given rise in the rate of unemployment, to accelerate Federal and federally-aided capital improvement programs; and

(3) Third, a permanent strengthening of our unemployment compensation system—to maintain for our fellow citizens searching for a job who cannot find it, their purchasing power and their living standards without constant resort—as we have seen in recent years by the Congress and the Administrations—to temporary supplements.

If we enact this six-part program, we can show the whole world that a free economy need not be an unstable economy—that a free system need not leave men unemployed—and that a free society is not only the most productive but the most stable form of organization yet fashioned by man.

II. FIGHTING INFLATION

But recession is only one enemy of a free economy—inflation is another. Last year, 1961, despite rising production and demand, consumer prices held almost steady—and wholesale prices declined. This is the best record of overall price stability of any comparable period of recovery since the end of World War II.

Inflation too often follows in the shadow of growth—while price stability is made easy by stagnation or controls. But we mean to maintain both stability and growth in a climate of freedom.

Our first line of defense against inflation is the good sense and public spirit of business and labor—keeping their total increases in wages and profits in step with productivity. There is no single statistical test to guide each company and each union. But I strongly urge them—for their country's interest, and for their own—to apply the test of the public interest to these transactions.

Within this same framework of growth and wage-price stability:

—This administration has helped keep our economy competitive by widening the access of small business to credit and Government contracts, and by stepping up the drive against monopoly, price-fixing, and racketeering;

—We will submit a Federal Pay Reform bill aimed at giving our classified, postal, and other employees new pay scales more comparable to those of private industry;

—We are holding the fiscal 1962 budget deficit far below the level incurred after the last recession in 1958; and, finally,

—I am submitting for fiscal 1963 a balanced Federal Budget.

This is a joint responsibility, requiring Congressional cooperation on appropriations, and on three sources of income in particular:

(1) First, an increase in postal rates, to end the postal deficit;

(2) Second, passage of the tax reforms previously urged, to remove unwarranted tax preferences, and to apply to dividends and to interest the same withholding requirements we have long applied to wages; and

Page 2779

(3) Third, extension of the present excise and corporation tax rates, except for those changes—which will be recommended in a message—affecting transportation.

III. GETTING AMERICA MOVING

But a stronger nation and economy require more than a balanced Budget. They require progress in those programs that spur our growth and fortify our strength.

CITIES

A strong America depends on its cities—America's glory, and sometimes America's shame. To substitute sunlight for congestion and progress for decay, we have stepped up existing urban renewal and housing programs, and launched new ones—redoubled the attack on water pollution—speeded aid to airports, hospitals, highways, and our declining mass transit systems—and secured new weapons to combat organized crime, racketeering, and youth delinquency, assisted by the coordinated and hard-hitting efforts of our investigative services: the FBI, the Internal Revenue, the Bureau of Narcotics, and many others. We shall need further anti-crime, mass transit, and transportation legislation—and new tools to fight air pollution. And with all this effort under way, both equity and common sense require that our nation's urban areas—containing three-fourths of our population—sit as equals at the Cabinet table. I urge a new Department of Urban Affairs and Housing.

AGRICULTURE AND RESOURCES

A strong America also depends on its farms and natural resources. American farmers took heart in 1961—from a billion dollar rise in farm income—and from a hopeful start on reducing the farm surpluses. But we are still operating under a patchwork accumulation of old laws, which cost us $1 billion a year in CCC carrying charges alone, yet fail to halt rural poverty or boost farm earnings.

Our task is to master and turn to fully fruitful ends the magnificent productivity of our farms and farmers. The revolution on our own countryside stands in the sharpest contrast to the repeated farm failures of the Communist nations and is a source of pride to us all. Since 1950 our agricultural output per man-hour has actually doubled! Without new, realistic measures, it will someday swamp our farmers and our taxpayers in a national scandal or a farm depression.

I will, therefore, submit to the Congress a new comprehensive farm program—tailored to fit the use of our land and the supplies of each crop to the long-range needs of the sixties—and designed to prevent chaos in the sixties with a program of common sense.

We also need for the sixties—if we are to bequeath our full national estate to our heirs—a new long-range conservation and recreation program—expansion of our superb national parks and forests—preservation of our authentic wilderness areas—new starts on water and power projects as our population steadily increases—and expanded *Rea* generation and transmission loans.

Page 2780

CIVIL RIGHTS

But America stands for progress in human rights as well as economic affairs, and a strong America requires the assurance of full and equal rights to all its citizens, of any race or of any color. This Administration has shown as never before how much could be done through the full use of Executive powers—through the enforcement of laws already passed by the Congress—through persuasion, negotiation, and litigation, to secure the constitutional rights of all: the right to vote, the right to travel without hindrance across State lines, and the right to free public education.

I issued last March a comprehensive order to guarantee the right to equal employment opportunity in all Federal agencies and contractors. The Vice President's Committee thus created has done much, including the voluntary "Plans for Progress" which, in all sections of the country, are achieving a quiet but striking success in opening up to all races new professional, supervisory, and other job opportunities.

But there is much more to be done—by the Executive, by the courts, and by the Congress. Among the bills now pending before you, on which the executive departments will comment in detail, are appropriate methods of strengthening these basic rights which have our full support. The right to vote, for example, should no longer be denied through such arbitrary devices on a local level, sometimes abused, such as literacy tests and poll taxes. As we approach the 100th anniversary, next January, of the Emancipation Proclamation, let the acts of every branch of the Government—and every citizen—portray that "righteousness does exalt a nation."

HEALTH AND WELFARE

Finally, a strong America cannot neglect the aspirations of its citizens—the welfare of the needy, the health care of the elderly, the education of the young. For we are not developing the Nation's wealth for its own sake. Wealth is the means—and people are the ends. All our material riches will avail us little if we do not use them to expand the opportunities of our people.

Last year, we improved the diet of needy people—provided more hot lunches and fresh milk to school children—built more college dormitories—and, for the elderly, expanded private housing, nursing homes, health services, and social security. But we have just begun.

To help those least fortunate of all, I am recommending a new public welfare program, stressing services instead of support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency.

To relieve the critical shortage of doctors and dentists—and this is a matter which should concern us all—and expand research, I urge action to aid medical and dental colleges and scholarships and to establish new National Institutes of Health.

To take advantage of modern vaccination achievements, I am proposing a mass immunization program, aimed at the virtual elimination of such ancient enemies of our children as polio, diphtheria, whooping cough, and tetanus.

Page 2781

To protect our consumers from the careless and the unscrupulous, I shall recommend improvements in the Food and Drug laws—strengthening inspection and standards, halting unsafe and worthless products, preventing misleading labels, and cracking down on the illicit sale of habit-forming drugs.

But in matters of health, no piece of unfinished business is more important or more urgent than the enactment under the social security system of health insurance for the aged.

For our older citizens have longer and more frequent illnesses, higher hospital and medical bills and too little income to pay them. Private health insurance helps very few—for its cost is high and its coverage limited. Public welfare cannot help those too proud to seek relief but hard-pressed to pay their own bills. Nor can their children or grandchildren always sacrifice their own health budgets to meet this constant drain.

Social security has long helped to meet the hardships of retirement, death, and disability. I now urge that its coverage be extended without further delay to provide health insurance for the elderly.

EDUCATION

Equally important to our strength is the quality of our education. Eight million adult Americans are classified as functionally illiterate. This is a disturbing figure—reflected in Selective Service rejection rates—reflected in welfare rolls and crime rates. And I shall recommend plans for a massive attack to end this adult illiteracy.

I shall also recommend bills to improve educational quality, to stimulate the arts, and, at the college level, to provide Federal loans for the construction of academic facilities and Federally financed scholarships.

If this Nation is to grow in wisdom and strength, then every able high school graduate should have the opportunity to develop his talents. Yet nearly half lack either the funds or the facilities to attend college. Enrollments are going to double in our colleges in the short space of 10 years. The annual cost per student is skyrocketing to astronomical levels—now averaging $1,650 a year, although almost half of our families earn less than $5,000. They cannot afford such costs—but this Nation cannot afford to maintain its military power and neglect its brainpower.

But excellence in education must begin at the elementary level. I sent to the Congress last year a proposal for Federal aid to public school construction and teachers' salaries. I believe that bill, which passed the Senate and received House Committee approval, offered the minimum amount required by our needs and—in terms of across-the-board

aid—the maximum scope permitted by our Constitution. I therefore see no reason to weaken or withdraw that bill: and I urge its passage at this session.

“Civilization,” said H. G. Wells, “is a race between education and catastrophe.” It is up to you in this Congress to determine the winner of that race.

Page 2782

These are not unrelated measures addressed to specific gaps or grievances in our national life. They are the pattern of our intentions and the foundation of our hopes. "I believe in democracy," said Woodrow Wilson, "because it releases the energy of every human being." The dynamic of democracy is the power and the purpose of the individual, and the policy of this administration is to give to the individual the opportunity to realize his own highest possibilities.

Our program is to open to all the opportunity for steady and productive employment, to remove from all the handicap of arbitrary or irrational exclusion, to offer to all the facilities for education and health and welfare, to make society the servant of the individual and the individual the source of progress, and thus to realize for all the full promise of American life.

IV. OUR GOALS ABROAD

All of these efforts at home give meaning to our efforts abroad. Since the close of the Second World War, a global civil war has divided and tormented mankind. But it is not our military might, or our higher standard of living, that has most distinguished us from our adversaries. It is our belief that the state is the servant of the citizen and not his master.

This basic clash of ideas and wills is but one of the forces reshaping our globe—swept as it is by the tides of hope and fear, by crises in the headlines today that become mere footnotes tomorrow. Both the successes and the setbacks of the past year remain on our agenda of unfinished business. For every apparent blessing contains the seeds of danger—every area of trouble gives out a ray of hope—and the one unchangeable certainty is that nothing is certain or unchangeable.

Yet our basic goal remains the same: a peaceful world community of free and independent states—free to choose their own future and their own system, so long as it does not threaten the freedom of others.

Some may choose forms and ways that we would not choose for ourselves—but it is not for us that they are choosing. We can welcome diversity—the Communists cannot. For we offer a world of choice—they offer the world of coercion. And the way of the past shows clearly that freedom, not coercion, is the wave of the future. At times our goal has been obscured by crisis or endangered by conflict—but it draws sustenance from five basic sources of strength:

—the moral and physical strength of the United States;

—the united strength of the Atlantic Community;

—the regional strength of our Hemispheric relations;

—the creative strength of our efforts in the new and developing nations; and

—the peace-keeping strength of the United Nations.

V. OUR MILITARY STRENGTH

Our moral and physical strength begins at home as already discussed. But it includes our military strength as well. So long as fanaticism and fear brood over the affairs of men, we must arm to deter others from aggression.

Page 2783

In the past 12 months our military posture has steadily improved. We increased the previous defense budget by 15 percent—not in the expectation of war but for the preservation of peace. We more than doubled our acquisition rate of Polaris submarines—we doubled the production capacity for Minuteman missiles—and increased by 50 percent the number of manned bombers standing ready on a 15 minute alert. This year the combined force levels planned under our new Defense budget—-including nearly three hundred additional Polaris and Minuteman missiles—have been precisely calculated to insure the continuing strength of our nuclear deterrent.

But our strength may be tested at many levels. We intend to have at all times the capacity to resist non-nuclear or limited attacks—as a complement to our nuclear capacity, not as a substitute. We have rejected any all-or-nothing posture which would leave no choice but inglorious retreat or unlimited retaliation.

Thus we have doubled the number of ready combat divisions in the Army's strategic reserve—increased our troops in Europe—built up the Marines—added new sealift and airlift capacity—modernized our weapons and ammunition—expanded our anti-guerrilla forces—and increased the active fleet by more than 70 vessels and our tactical air forces by nearly a dozen wings.

Because we needed to reach this higher long-term level of readiness more quickly, 155,000 members of the Reserve and National Guard were activated under the Act of this Congress. Some disruptions and distress were inevitable. But the overwhelming majority bear their burdens—and their Nation's burdens—with admirable and traditional devotion.

In the coming year, our reserve programs will be revised—two Army Divisions will, I hope, replace those Guard Divisions on duty—and substantial other increases will boost our Air Force fighter units, the procurement of equipment, and our continental defense and warning efforts. The Nation's first serious civil defense shelter program is under way, identifying, marking, and stocking 50 million spaces; and I urge your approval of Federal incentives for the construction of public fall-out shelters in schools and hospitals and similar centers.

VI. THE UNITED NATIONS

But arms alone are not enough to keep the peace—it must be kept by men. Our instrument and our hope is the United Nations—and I see little merit in the impatience of those who would abandon this imperfect world instrument because they dislike our imperfect world. For the troubles of a world organization merely reflect the troubles of the world itself. And if the organization is weakened, these troubles can only increase. We may not always agree with every detailed action taken by every officer of the United Nations, or with every voting majority. But as an institution, it should have in the future,

as it has had in the past since its inception, no stronger or more faithful member than the United States of America.

Page 2784

In 1961 the peace-keeping strength of the United Nations was reinforced. And those who preferred or predicted its demise, envisioning a troika in the seat of Hammarskjold —or Red China inside the Assembly—have seen instead a new vigor, under a new Secretary General and a fully independent Secretariat. In making plans for a new forum and principles on disarmament —for peace-keeping in outer space—for a decade of development effort—the *un* fulfilled its Charter's lofty aim.

Eighteen months ago the tangled and turbulent Congo presented the *un* with its gravest challenge. The prospect was one of chaos—or certain big-power confrontation, with all of its hazards and all of its risks, to us and to others. Today the hopes have improved for peaceful conciliation within a united Congo. This is the objective of our policy in this important area.

No policeman is universally popular—particularly when he uses his stick to restore law and order on his beat. Those members who are willing to contribute their votes and their views—but very little else—have created a serious deficit by refusing to pay their share of special *un* assessments. Yet they do pay their annual assessments to retain their votes—and a new *un* Bond issue, financing special operations for the next 18 months, is to be repaid with interest from these regular assessments. This is clearly in our interest. It will not only keep the *un* solvent, but require all voting members to pay their fair share of its activities. Our share of special operations has long been much higher than our share of the annual assessment—and the bond issue will in effect reduce our disproportionate obligation, and for these reasons, I am urging Congress to approve our participation.

With the approval of this Congress, we have undertaken in the past year a great new effort in outer space. Our aim is not simply to be first on the moon, any more than Charles Lindbergh's real aim was to be the first to Paris. His aim was to develop the techniques of our own country and other countries in the field of air and the atmosphere, and our objective in making this effort, which we hope will place one of our citizens on the moon, is to develop in a new frontier of science, commerce and cooperation, the position of the United States and the Free World.

This Nation belongs among the first to explore it, and among the first—if not the first—-we shall be. We are offering our know-how and our cooperation to the United Nations. Our satellites will soon be providing other nations with improved weather observations. And I shall soon send to the Congress a measure to govern the financing and operation of an International Communications Satellite system, in a manner consistent with the public interest and our foreign policy.

But peace in space will help us naught once peace on earth is gone. World order will be secured only when the whole world has laid down these weapons which seem to offer us present security but threaten the future survival of the human race. That

armistice day seems very far away. The vast resources of this planet are being devoted more and more to the means of destroying, instead of enriching, human life.

Page 2785

But the world was not meant to be a prison in which man awaits his execution. Nor has mankind survived the tests and trials of thousands of years to surrender everything—-including its existence—now. This Nation has the will and the faith to make a supreme effort to break the log jam on disarmament and nuclear tests—and we will persist until we prevail, until the rule of law has replaced the ever dangerous use of force.

VII. LATIN AMERICA

I turn now to a prospect of great promise: our Hemispheric relations. The Alliance for Progress is being rapidly transformed from proposal to program. Last month in Latin America I saw for myself the quickening of hope, the revival of confidence, the new trust in our country—among workers and farmers as well as diplomats. We have pledged our help in speeding their economic, educational, and social progress. The Latin American Republics have in turn pledged a new and strenuous effort of self-help and self-reform.

To support this historic undertaking, I am proposing—under the authority contained in the bills of the last session of the Congress—a special long-term Alliance for Progress fund of $3 billion. Combined with our Food for Peace, Export-Import Bank, and other resources, this will provide more than $1 billion a year in new support for the Alliance. In addition, we have increased twelve-fold our Spanish and Portuguese language broadcasting in Latin America, and improved Hemispheric trade and defense. And while the blight of communism has been increasingly exposed and isolated in the Americas, liberty has scored a gain. The people of the Dominican Republic, with our firm encouragement and help, and those of our sister Republics of this Hemisphere, are safely passing through the treacherous course from dictatorship through disorder towards democracy.

VIII. THE NEW AND DEVELOPING NATIONS

Our efforts to help other new or developing nations, and to strengthen their stand for freedom, have also made progress. A newly unified Agency for International Development is reorienting our foreign assistance to emphasize long-term development loans instead of grants, more economic aid instead of military, individual plans to meet the individual needs of the nations, and new standards on what they must do to marshal their own resources.

A newly conceived Peace Corps is winning friends and helping people in fourteen countries—supplying trained and dedicated young men and women, to give these new nations a hand in building a society, and a glimpse of the best that is in our country. If there is a problem here, it is that we cannot supply the spontaneous and mounting demand.

A newly-expanded Food for Peace Program is feeding the hungry of many lands with the abundance of our productive farms—providing lunches for children in school, wages for economic development, relief for the victims of flood and famine, and a better diet for millions whose daily bread is their chief concern.

Page 2786

These programs help people; and, by helping people, they help freedom. The views of their governments may sometimes be very different from ours—but events in Africa, the Middle East, and Eastern Europe teach us never to write off any nation as lost to the Communists. That is the lesson of our time. We support the independence of those newer or weaker states whose history, geography, economy or lack of power impels them to remain outside "entangling alliances"—as we did for more than a century. For the independence of nations is a bar to the Communists' "grand design"—it is the basis of our own.

In the past year, for example, we have urged a neutral and independent Laos—regained there a common policy with our major allies—and insisted that a cease-fire precede negotiations. While a workable formula for supervising its independence is still to be achieved, both the spread of war—which might have involved this country also—and a Communist occupation have thus far been prevented.

A satisfactory settlement in Laos would also help to achieve and safeguard the peace in Viet-Nam—where the foe is increasing his tactics of terror—where our own efforts have been stepped up—and where the local government has initiated new programs and reforms to broaden the base of resistance. The systematic aggression now bleeding that country is not a "war of liberation"—for Viet-Nam is already free. It is a war of attempted subjugation—and it will be resisted.

IX. THE ATLANTIC COMMUNITY

Finally, the united strength of the Atlantic Community has flourished in the last year under severe tests. NATO has increased both the number and the readiness of its air, ground, and naval units—both its nuclear and non-nuclear capabilities. Even greater efforts by all its members are still required. Nevertheless our unity of purpose and will has been, I believe, immeasurably strengthened.

The threat to the brave city of Berlin remains. In these last 6 months the Allies have made it unmistakably clear that our presence in Berlin, our free access thereto, and the freedom of two million West Berliners would not be surrendered either to force or through appeasement—and to maintain those rights and obligations, we are prepared to talk, when appropriate, and to fight, if necessary. Every member of NATO stands with us in a common commitment to preserve this symbol of free man's will to remain free.

I cannot now predict the course of future negotiations over Berlin. I can only say that we are sparing no honorable effort to find a peaceful and mutually acceptable resolution of this problem. I believe such a resolution can be found, and with it an improvement in our relations with the Soviet Union, if only the leaders in the Kremlin will recognize the basic rights and interests involved, and the interest of all mankind in peace.

But the Atlantic Community is no longer concerned with purely military aims. As its common undertakings grow at an ever-increasing pace, we are, and increasingly will be, partners in aid, trade, defense, diplomacy, and monetary affairs.

Page 2787

The emergence of the new Europe is being matched by the emergence of new ties across the Atlantic. It is a matter of undramatic daily cooperation in hundreds of workaday tasks: of currencies kept in effective relation, of development loans meshed together, of standardized weapons, and concerted diplomatic positions. The Atlantic Community grows, not like a volcanic mountain, by one mighty explosion, but like a coral reef, from the accumulating activity of all.

Thus, we in the free world are moving steadily toward unity and cooperation, in the teeth of that old Bolshevik prophecy, and at the very time when extraordinary rumbles of discord can be heard across the Iron Curtain. It is not free societies which bear within them the seeds of inevitable disunity.

X. OUR BALANCE OF PAYMENTS

On one special problem, of great concern to our friends, and to us, I am proud to give the Congress an encouraging report. Our efforts to safeguard the dollar are progressing. In the 11 months preceding last February 1, we suffered a net loss of nearly $2 billion in gold. In the 11 months that followed, the loss was just over half a billion dollars. And our deficit in our basic transactions with the rest of the world—trade, defense, foreign aid, and capital, excluding volatile short-term flows—has been reduced from $2 billion for 1960 to about one-third that amount for 1961. Speculative fever against the dollar is ending—and confidence in the dollar has been restored.

We did not—and could not—achieve these gains through import restrictions, troop withdrawals, exchange controls, dollar devaluation or choking off domestic recovery. We acted not in panic but in perspective. But the problem is not yet solved. Persistently large deficits would endanger our economic growth and our military and defense commitments abroad. Our goal must be a reasonable equilibrium in our balance of payments. With the cooperation of the Congress, business, labor, and our major allies, that goal can be reached.

We shall continue to attract foreign tourists and investments to our shores, to seek increased military purchases here by our allies, to maximize foreign aid procurement from American firms, to urge increased aid from other fortunate nations to the less fortunate, to seek tax laws which do not favor investment in other industrialized nations or tax havens, and to urge coordination of allied fiscal and monetary policies so as to discourage large and disturbing capital movements.

TRADE

Above all, if we are to pay for our commitments abroad, we must expand our exports. Our businessmen must be export conscious and export competitive. Our tax policies

must spur modernization of our plants—our wage and price gains must be consistent with productivity to hold the line on prices—our export credit and promotion campaigns for American industries must continue to expand.

Page 2788

But the greatest challenge of all is posed by the growth of the European Common Market. Assuming the accession of the United Kingdom, there will arise across the Atlantic a trading partner behind a single external tariff similar to ours with an economy which nearly equals our own. Will we in this country adapt our thinking to these new prospects and patterns—or will we wait until events have passed us by?

This is the year to decide. The Reciprocal Trade Act is expiring. We need a new law—-a wholly new approach—a bold new instrument of American trade policy. Our decision could well affect the unity of the West, the course of the Cold War, and the economic growth of our Nation for a generation to come.

If we move decisively, our factories and farms can increase their sales to their richest, fastest-growing market. Our exports will increase. Our balance of payments position will improve. And we will have forged across the Atlantic a trading partnership with vast resources for freedom.

If, on the other hand, we hang back in deference to local economic pressures, we will find ourselves cut off from our major allies. Industries—and I believe this is most vital—industries will move their plants and jobs and capital inside the walls of the Common Market, and jobs, therefore, will be lost here in the United States if they cannot otherwise compete for its consumers. Our farm surpluses—our balance of trade, as you all know, to Europe, the Common Market, in farm products, is nearly three or four to one in our favor, amounting to one of the best earners of dollars in our balance of payments structure, and without entrance to this Market, without the ability to enter it, our farm surpluses will pile up in the Middle West, tobacco in the South, and other commodities, which have gone through Western Europe for 15 years. Our balance of payments position will worsen. Our consumers will lack a wider choice of goods at lower prices. And millions of American workers—whose jobs depend on the sale or the transportation or the distribution of exports or imports, or whose jobs will be endangered by the movement of our capital to Europe, or whose jobs can be maintained only in an expanding economy—these millions of workers in your home States and mine will see their real interests sacrificed.

Members of the Congress: The United States did not rise to greatness by waiting for others to lead. This Nation is the world's foremost manufacturer, farmer, banker, consumer, and exporter. The Common Market is moving ahead at an economic growth rate twice ours. The Communist economic offensive is under way. The opportunity is ours—the initiative is up to us—and I believe that 1962 is the time.

Page 2789

To seize that initiative, I shall shortly send to the Congress a new five-year Trade Expansion Action, far-reaching in scope but designed with great care to make certain that its benefits to our people far outweigh any risks. The bill will permit the gradual elimination of tariffs here in the United States and in the Common Market on those items in which we together supply 80 percent of the world's trade—mostly items in which our own ability to compete is demonstrated by the fact that we sell abroad, in these items, substantially more than we import. This step will make it possible for our major industries to compete with their counterparts in Western Europe for access to European consumers.

On other goods the bill will permit a gradual reduction of duties up to 50 percent—-permitting bargaining by major categories—and provide for appropriate and tested forms of assistance to firms and employees adjusting to import competition. We are not neglecting the safeguards provided by peril points, an escape clause, or the National Security Amendment. Nor are we abandoning our non-European friends or our traditional "most-favored nation" principle. On the contrary, the bill will provide new encouragement for their sale of tropical agricultural products, so important to our friends in Latin America, who have long depended upon the European market, who now find themselves faced with new challenges which we must join with them in overcoming.

Concessions, in this bargaining, must of course be reciprocal, not unilateral. The Common Market will not fulfill its own high promise unless its outside tariff walls are low. The dangers of restriction or timidity in our own policy have counterparts for our friends in Europe. For together we face a common challenge: to enlarge the prosperity of free men everywhere—to build in partnership a new trading community in which all free nations may gain from the productive energy of free competitive effort.

These various elements in our foreign policy lead, as I have said, to a single goal—the goal of a peaceful world of free and independent states. This is our guide for the present and our vision for the future—a free community of nations, independent but interdependent, uniting north and south, east and west, in one great family of man, outgrowing and transcending the hates and fears that rend our age.

We will not reach that goal today, or tomorrow. We may not reach it in our own lifetime. But the quest is the greatest adventure of our century. We sometimes chafe at the burden of our obligations, the complexity of our decisions, the agony of our choices. But there is no comfort or security for us in evasion, no solution in abdication, no relief in irresponsibility.

Page 2790

A year ago, in assuming the tasks of the Presidency, I said that few generations, in all history, had been granted the role of being the great defender of freedom in its hour of maximum danger. This is our good fortune; and I welcome it now as I did a year ago. For it is the fate of this generation—of you in the Congress and of me as President—to live with a struggle we did not start, in a world we did not make. But the pressures of life are not always distributed by choice. And while no nation has ever faced such a challenge, no nation has ever been so ready to seize the burden and the glory of freedom.

And in this high endeavor, may God watch over the United States of America.

***

State of the Union Address
John F. Kennedy
January 14, 1963

Mr. Vice President, Mr. Speaker, Members of the 88th Congress:

I congratulate you all—not merely on your electoral victory but on your selected role in history. For you and I are privileged to serve the great Republic in what could be the most decisive decade in its long history. The choices we make, for good or ill, may well shape the state of the Union for generations yet to come.

Little more than 100 weeks ago I assumed the office of President of the United States. In seeking the help of the Congress and our countrymen, I pledged no easy answers. I pledged—and asked—only toil and dedication. These the Congress and the people have given in good measure. And today, having witnessed in recent months a heightened respect for our national purpose and power—having seen the courageous calm of a united people in a perilous hour—and having observed a steady improvement in the opportunities and well-being of our citizens—I can report to you that the state of this old but youthful Union, in the 175th year of its life, is good.

In the world beyond our borders, steady progress has been made in building a world of order. The people of West Berlin remain both free and secure. A settlement, though still precarious, has been reached in Laos. The spearpoint of aggression has been blunted in Viet-Nam. The end of agony may be in sight in the Congo. The doctrine of troika is dead. And, while danger continues, a deadly threat has been removed in Cuba.

At home, the recession is behind us. Well over a million more men and women are working today than were working 2 years ago. The average factory work week is once again more than 40 hours; our industries are turning out more goods than ever before; and more than half of the manufacturing capacity that lay silent and wasted 100 weeks ago is humming with activity.

In short, both at home and abroad, there may now be a temptation to relax. For the road has been long, the burden heavy, and the pace consistently urgent.

But we cannot be satisfied to rest here. This is the side of the hill, not the top. The mere absence of war is not peace. The mere absence of recession is not growth. We have made a beginning—but we have only begun.

Page 2791

Now the time has come to make the most of our gains—to translate the renewal of our national strength into the achievement of our national purpose.

I.

America has enjoyed 22 months of uninterrupted economic recovery. But recovery is not enough. If we are to prevail in the long run, we must expand the long-run strength of our economy. We must move along the path to a higher rate of growth and full employment.

For this would mean tens of billions of dollars more each year in production, profits, wages, and public revenues. It would mean an end to the persistent slack which has kept our unemployment at or above 5 percent for 61 out of the past 62 months—and an end to the growing pressures for such restrictive measures as the 35-hour week, which alone could increase hourly labor costs by as much as 14 percent, start a new wage-price spiral of inflation, and undercut our efforts to compete with other nations.

To achieve these greater gains, one step, above all, is essential—the enactment this year of a substantial reduction and revision in Federal income taxes.

For it is increasingly clear—to those in Government, business, and labor who are responsible for our economy's success—that our obsolete tax system exerts too heavy a drag on private purchasing power, profits, and employment. Designed to check inflation in earlier years, it now checks growth instead. It discourages extra effort and risk. It distorts the use of resources. It invites recurrent recessions, depresses our Federal revenues, and causes chronic budget deficits.

Now, when the inflationary pressures of the war and the post-war years no longer threaten, and the dollar commands new respect—now, when no military crisis strains our resources—now is the time to act. We cannot afford to be timid or slow. For this is the most urgent task confronting the Congress in 1963.

In an early message, I shall propose a permanent reduction in tax rates which will lower liabilities by $13.5 billion. Of this, $11 billion results from reducing individual tax rates, which now range between 20 and 91 percent, to a more sensible range of 14 to 65 percent, with a split in the present first bracket. Two and one-half billion dollars results from reducing corporate tax rates, from 52 percent—which gives the Government today a majority interest in profits—to the permanent pre-Korean level of 47 percent. This is in addition to the more than $2 billion cut in corporate tax liabilities resulting from last year's investment credit and depreciation reform.

Page 2792

To achieve this reduction within the limits of a manageable budgetary deficit, I urge: first, that these cuts be phased over 3 calendar years, beginning in 1963 with a cut of some $6 billion at annual rates; second, that these reductions be coupled with selected structural changes, beginning in 1964, which will broaden the tax base, end unfair or unnecessary preferences, remove or lighten certain hardships, and in the net offset some $3.5 billion of the revenue loss; and third, that budgetary receipts at the outset be increased by $1.5 billion a year, without any change in tax liabilities, by gradually shifting the tax payments of large corporations to a more current time schedule. This combined program, by increasing the amount of our national income, will in time result in still higher Federal revenues. It is a fiscally responsible program—the surest and the soundest way of achieving in time a balanced budget in a balanced full employment economy.

This net reduction in tax liabilities of $10 billion will increase the purchasing power of American families and business enterprises in every tax bracket, with greatest increase going to our low-income consumers. It will, in addition, encourage the initiative and risk-taking on which our free system depends—induce more investment, production, and capacity use—help provide the 2 million new jobs we need every year—and reinforce the American principle of additional reward for additional effort.

I do not say that a measure for tax reduction and reform is the only way to achieve these goals.

No doubt a massive increase in Federal spending could also create jobs and growth, but in today's setting, private consumers, employers, and investors should be given a full opportunity first.

No doubt a temporary tax cut could provide a spur to our economy—but a long-run problem compels a long-run solution.

No doubt a reduction in either individual or corporation taxes alone would be of great help—but corporations need customers and job seekers need jobs.

No doubt tax reduction without reform would sound simpler and more attractive to many—but our growth is also hampered by a host of tax inequities and special preferences which have distorted the flow of investment.

And finally, there are no doubt some who would prefer to put off a tax cut in the hope that ultimately an end to the cold war would make possible an equivalent cut in expenditures—but that end is not in view and to wait for it would be costly and self-defeating.

In submitting a tax program which will, of course, temporarily increase the deficit but can ultimately end it—and in recognition of the need to control expenditures—I will shortly

submit a fiscal 1964 administrative budget which, while allowing for needed rises in defense, space, and fixed interest charges, holds total expenditures for all other purposes below this year's level.

Page 2793

This requires the reduction or postponement of many desirable programs, the absorption of a large part of last year's Federal pay raise through personnel and other economies, the termination of certain installations and projects, and the substitution in several programs of private for public credit. But I am convinced that the enactment this year of tax reduction and tax reform overshadows all other domestic problems in this Congress. For we cannot for long lead the cause of peace and freedom, if we ever cease to set the pace here at home.

II.

Tax reduction alone, however, is not enough to strengthen our society, to provide opportunities for the four million Americans who are born every year, to improve the lives of 32 million Americans who live on the outskirts of poverty.

The quality of American life must keep pace with the quantity of American goods.

This country cannot afford to be materially rich and spiritually poor.

Therefore, by holding down the budgetary cost of existing programs to keep within the limitations I have set, it is both possible and imperative to adopt other new measures that we cannot afford to postpone.

These measures are based on a series of fundamental premises, grouped under four related headings:

First, we need to strengthen our Nation by investing in our youth.

The future of any country which is dependent upon the will and wisdom of its citizens is damaged, and irreparably damaged, whenever any of its children is not educated to the full extent of his talent, from grade school through graduate school. Today, an estimated 4 out of every 10 students in the 5th grade will not even finish high school—and that is a waste we cannot afford.

In addition, there is no reason why one million young Americans, out of school and out of work, should all remain unwanted and often untrained on our city streets when their energies can be put to good use.

Finally, the overseas success of our Peace Corps volunteers, most of them young men and women carrying skills and ideas to needy people, suggests the merit of a similar corps serving our own community needs: in mental hospitals, on Indian reservations, in centers for the aged or for young delinquents, in schools for the illiterate or the handicapped. As the idealism of our youth has served world peace, so can it serve the domestic tranquility.

Second, we need to strengthen our Nation by safeguarding its health.

Our working men and women, instead of being forced to beg for help from public charity once they are old and ill, should start contributing now to their own retirement health program through the Social Security System.

Moreover, all our miracles of medical research will count for little if we cannot reverse the growing nationwide shortage of doctors, dentists, and nurses, and the widespread shortages of nursing homes and modern urban hospital facilities. Merely to keep the present ratio of doctors and dentists from declining any further, we must over the next 10 years increase the capacity of our medical schools by 50 percent and our dental schools by 100 percent.

Page 2794

Finally, and of deep concern, I believe that the abandonment of the mentally ill and the mentally retarded to the grim mercy of custodial institutions too often inflicts on them and on their families a needless cruelty which this Nation should not endure. The incidence of mental retardation in this country is three times as high as that of Sweden, for example—and that figure can and must be reduced.

Third, we need to strengthen our Nation by protecting the basic rights of its citizens.

The right to competent counsel must be assured to every man accused of crime in Federal court, regardless of his means.

And the most precious and powerful right in the world, the right to vote in a free American election, must not be denied to any citizen on grounds of his race or color. I wish that all qualified Americans permitted to vote were willing to vote, but surely in this centennial year of Emancipation all those who are willing to vote should always be permitted.

Fourth, we need to strengthen our Nation by making the best and the most economical use of its resources and facilities.

Our economic health depends on healthy transportation arteries; and I believe the way to a more modern, economical choice of national transportation service is through increased competition and decreased regulation. Local mass transit, faring even worse, is as essential a community service as hospitals and highways. Nearly three-fourths of our citizens live in urban areas, which occupy only 2 percent of our land—and if local transit is to survive and relieve the congestion of these cities, it needs Federal stimulation and assistance.

Next, this Government is in the storage and stockpile business to the melancholy tune of more than $16 billion. We must continue to support farm income, but we should not pile more farm surpluses on top of the $7.5 billion we already own. We must maintain a stockpile of strategic materials, but the $8.5 billion we have acquired—for reasons both good and bad—is much more than we need; and we should be empowered to dispose of the excess in ways which will not cause market disruption.

Finally, our already overcrowded national parks and recreation areas will have twice as many visitors 10 years from now as they do today. If we do not plan today for the future growth of these and other great natural assets—not only parks and forests but wildlife and wilderness preserves, and water projects of all kinds—our children and their children will be poorer in every sense of the word.

These are not domestic concerns alone. For upon our achievement of greater vitality and strength here at home hang our fate and future in the world: our ability to sustain and supply the security of free men and nations, our ability to command their respect for

our leadership, our ability to expand our trade without threat to our balance of payments, and our ability to adjust to the changing demands of cold war competition and challenge.

Page 2795

We shall be judged more by what we do at home than by what we preach abroad. Nothing we could do to help the developing countries would help them half as much as a booming U.S. economy. And nothing our opponents could do to encourage their own ambitions would encourage them half as much as a chronic, lagging U.S. economy. These domestic tasks do not divert energy from our security—they provide the very foundation for freedom's survival and success.

III.

Turning to the world outside, it was only a few years ago—in Southeast Asia, Africa, Eastern Europe, Latin America, even outer space—that communism sought to convey the image of a unified, confident, and expanding empire, closing in on a sluggish America and a free world in disarray. But few people would hold to that picture today.

In these past months we have reaffirmed the scientific and military superiority of freedom. We have doubled our efforts in space, to assure us of being first in the future. We have undertaken the most far-reaching defense improvements in the peacetime history of this country. And we have maintained the frontiers of freedom from Viet-Nam to West Berlin.

But complacency or self-congratulation can imperil our security as much as the weapons of tyranny. A moment of pause is not a promise of peace. Dangerous problems remain from Cuba to the South China Sea. The world's prognosis prescribes, in short, not a year's vacation for us, but a year of obligation and opportunity.

Four special avenues of opportunity stand out: the Atlantic Alliance, the developing nations, the new Sino-Soviet difficulties, and the search for worldwide peace.

IV.

First, how fares the grand alliance? Free Europe is entering into a new phase of its long and brilliant history. The era of colonial expansion has passed; the era of national rivalries is fading; and a new era of interdependence and unity is taking shape. Defying the old prophecies of Marx, consenting to what no conqueror could ever compel, the free nations of Europe are moving toward a unity of purpose and power and policy in every sphere of activity.

For 17 years this movement has had our consistent support, both political and economic. Far from resenting the new Europe, we regard her as a welcome partner, not a rival. For the road to world peace and freedom is still long, and there are burdens which only full partners can share—in supporting the common defense, in expanding world trade, in aligning our balance of payments, in aiding the emergent nations, in concerting political and economic policies, and in welcoming to our common effort other industrialized nations, notably Japan, whose remarkable economic and political

development of the 1950's permits it now to play on the world scene a major constructive role.

No doubt differences of opinion will continue to get more attention than agreements on action, as Europe moves from independence to more formal interdependence. But these are honest differences among honorable associates—more real and frequent, in fact, among our Western European allies than between them and the United States. For the unity of freedom has never relied on uniformity of opinion. But the basic agreement of this alliance on fundamental issues continues.

Page 2796

The first task of the alliance remains the common defense. Last month Prime Minister Macmillan and I laid plans for a new stage in our long cooperative effort, one which aims to assist in the wider task of framing a common nuclear defense for the whole alliance.

The Nassau agreement recognizes that the security of the West is indivisible, and so must be our defense. But it also recognizes that this is an alliance of proud and sovereign nations, and works best when we do not forget it. It recognizes further that the nuclear defense of the West is not a matter for the present nuclear powers alone—-that France will be such a power in the future—and that ways must be found without increasing the hazards of nuclear diffusion, to increase the role of our other partners in planning, manning, and directing a truly multilateral nuclear force within an increasingly intimate NATO alliance. Finally, the Nassau agreement recognizes that nuclear defense is not enough, that the agreed NATO levels of conventional strength must be met, and that the alliance cannot afford to be in a position of having to answer every threat with nuclear weapons or nothing.

We remain too near the Nassau decisions, and too far from their full realization, to know their place in history. But I believe that, for the first time, the door is open for the nuclear defense of the alliance to become a source of confidence, instead of a cause of contention.

The next most pressing concern of the alliance is our common economic goals of trade and growth. This Nation continues to be concerned about its balance-of-payments deficit, which, despite its decline, remains a stubborn and troublesome problem. We believe, moreover, that closer economic ties among all free nations are essential to prosperity and peace. And neither we nor the members of the European Common Market are so affluent that we can long afford to shelter high cost farms or factories from the winds of foreign competition, or to restrict the channels of trade with other nations of the free world. If the Common Market should move toward protectionism and restrictionism, it would undermine its own basic principles. This Government means to use the authority conferred on it last year by the Congress to encourage trade expansion on both sides of the Atlantic and around the world.

V.

Second, what of the developing and non-aligned nations? They were shocked by the Soviets' sudden and secret attempt to transform Cuba into a nuclear striking base—and by Communist China's arrogant invasion of India. They have been reassured by our prompt assistance to India, by our support through the United Nations of the Congo's unification, by our patient search for disarmament, and by the improvement in our treatment of citizens and visitors whose skins do not happen to be white. And as the older colonialism recedes, and the neo-colonialism of the Communist powers stands out

more starkly than ever, they realize more clearly that the issue in the world struggle is not communism versus capitalism, but coercion versus free choice.

Page 2797

They are beginning to realize that the longing for independence is the same the world over, whether it is the independence of West Berlin or Viet-Nam. They are beginning to realize that such independence runs athwart all Communist ambitions but is in keeping with our own—and that our approach to their diverse needs is resilient and resourceful, while the Communists are still relying on ancient doctrines and dogmas.

Nevertheless it is hard for any nation to focus on an external or subversive threat to its independence when its energies are drained in daily combat with the forces of poverty and despair. It makes little sense for us to assail, in speeches and resolutions, the horrors of communism, to spend $50 billion a year to prevent its military advance—and then to begrudge spending, largely on American products, less than one-tenth of that amount to help other nations strengthen their independence and cure the social chaos in which communism has always thrived.

I am proud—and I think most Americans are proud—of a mutual defense and assistance program, evolved with bipartisan support in three administrations, which has, with all its recognized problems, contributed to the fact that not a single one of the nearly fifty U.N. members to gain independence since the Second World War has succumbed to Communist control.

I am proud of a program that has helped to arm and feed and clothe millions of people who live on the front lines of freedom.

I am especially proud that this country has put forward for the 60's a vast cooperative effort to achieve economic growth and social progress throughout the Americas—the Alliance for Progress.

I do not underestimate the difficulties that we face in this mutual effort among our close neighbors, but the free states of this hemisphere, working in close collaboration, have begun to make this alliance a living reality. Today it is feeding one out of every four school age children in Latin America an extra food ration from our farm surplus. It has distributed 1.5 million school books and is building 17,000 classrooms. It has helped resettle tens of thousands of farm families on land they can call their own. It is stimulating our good neighbors to more self-help and self-reform—fiscal, social, institutional, and land reforms. It is bringing new housing and hope, new health and dignity, to millions who were forgotten. The men and women of this hemisphere know that the alliance cannot succeed if it is only another name for United States handouts—-that it can succeed only as the Latin American nations themselves devote their best effort to fulfilling its goals.

This story is the same in Africa, in the Middle East, and in Asia. Wherever nations are willing to help themselves, we stand ready to help them build new bulwarks of freedom. We are not purchasing votes for the cold war; we have gone to the aid of imperiled nations, neutrals and allies alike. What we do ask—and all that we ask—is that our help

be used to best advantage, and that their own efforts not be diverted by needless quarrels with other independent nations.

Page 2798

Despite all its past achievements, the continued progress of the Mutual Assistance Program requires a persistent discontent with present performance. We have been reorganizing this program to make it a more effective, efficient instrument—and that process will continue this year.

But free world development will still be an uphill struggle. Government aid can only supplement the role of private investment, trade expansion, commodity stabilization, and, above all, internal self-improvement. The processes of growth are gradual—-bearing fruit in a decade, not a day. Our successes will be neither quick nor dramatic. But if these programs were ever to be ended, our failures in a dozen countries would be sudden and certain.

Neither money nor technical assistance, however, can be our only weapon against poverty. In the end, the crucial effort is one of purpose, requiring the fuel of finance but also a torch of idealism. And nothing carries the spirit of this American idealism more effectively to the far corners of the earth than the American Peace Corps.

A year ago, less than 900 Peace Corps volunteers were on the job. A year from now they will number more than 9,000—men and women, aged 18 to 79, willing to give 2 years of their lives to helping people in other lands.

There are, in fact, nearly a million Americans serving their country and the cause of freedom in overseas posts, a record no other people can match. Surely those of us who stay at home should be glad to help indirectly; by supporting our aid programs; .by opening our doors to foreign visitors and diplomats and students; and by proving, day by day, by deed as well as word, that we are a just and generous people.

VI.

Third, what comfort can we take from the increasing strains and tensions within the Communist bloc? Here hope must be tempered with caution. For the Soviet-Chinese disagreement is over means, not ends. A dispute over how best to bury the free world is no grounds for Western rejoicing.

Nevertheless, while a strain is not a fracture, it is clear that the forces of diversity are at work inside the Communist camp, despite all the iron disciplines of regimentation and all the iron dogmatisms of ideology. Marx is proven wrong once again: for it is the closed Communist societies, not the free and open societies which carry within themselves the seeds of internal disintegration.

The disarray of the Communist empire has been heightened by two other formidable forces. One is the historical force of nationalism—and the yearning of all men to be free. The other is the gross inefficiency of their economies. For a closed society is not

open to ideas of progress—and a police state finds that it cannot command the grain to grow.

New nations asked to choose between two competing systems need only compare conditions in East and West Germany, Eastern and Western Europe, North and South Viet-Nam. They need only compare the disillusionment of Communist Cuba with the promise of the Alliance for Progress. And all the world knows that no successful system builds a wall to keep its people in and freedom out—and the wall of shame dividing Berlin is a symbol of Communist failure.

Page 2799

VII.

Finally, what can we do to move from the present pause toward enduring peace? Again I would counsel caution. I foresee no spectacular reversal in Communist methods or goals. But if all these trends and developments can persuade the Soviet Union to walk the path of peace, then let her know that all free nations will journey with her. But until that choice is made, and until the world can develop a reliable system of international security, the free peoples have no choice but to keep their arms nearby.

This country, therefore, continues to require the best defense in the world—a defense which is suited to the sixties. This means, unfortunately, a rising defense budget—for there is no substitute for adequate defense, and no “bargain basement” way of achieving it. It means the expenditure of more than $15 billion this year on nuclear weapons systems alone, a sum which is about equal to the combined defense budgets of our European Allies.

But it also means improved air and missile defenses, improved civil defense, a strengthened anti-guerrilla capacity and, of prime importance, more powerful and flexible non-nuclear forces. For threats of massive retaliation may not deter piecemeal aggression—and a line of destroyers in a quarantine, or a division of well-equipped men on a border, may be more useful to our real security than the multiplication of awesome weapons beyond all rational need.

But our commitment to national safety is not a commitment to expand our military establishment indefinitely. We do not dismiss disarmament as merely an idle dream. For we believe that, in the end, it is the only way to assure the security of all without impairing the interests of any. Nor do we mistake honorable negotiation for appeasement. While we shall never weary in the defense of freedom, neither shall we ever abandon the pursuit of peace.

In this quest, the United Nations requires our full and continued support. Its value in serving the cause of peace has been shown anew in its role in the West New Guinea settlement, in its use as a forum for the Cuban crisis, and in its task of unification in the Congo. Today the United Nations is primarily the protector of the small and the weak, and a safety valve for the strong. Tomorrow it can form the framework for a world of law—a world in which no nation dictates the destiny of another, and in which the vast resources now devoted to destructive means will serve constructive ends.

In short, let our adversaries choose. If they choose peaceful competition, they shall have it. If they come to realize that their ambitions cannot succeed—if they see their “wars of liberation” and subversion will ultimately fail—if they recognize that there is more security in accepting inspection than in permitting new nations to master the black arts of nuclear war—and if they are willing to turn their energies, as we are, to the great unfinished tasks of our own peoples—then, surely, the areas of agreement can be very

wide indeed: a clear understanding about Berlin, stability in Southeast Asia, an end to nuclear testing, new checks on surprise or accidental attack, and, ultimately, general and complete disarmament.

Page 2800

VIII.

For we seek not the worldwide victory of one nation or system but a worldwide victory of man. The modern globe is too small, its weapons are too destructive, and its disorders are too contagious to permit any other kind of victory.

To achieve this end, the United States will continue to spend a greater portion of its national production than any other people in the free world. For 15 years no other free nation has demanded so much of itself. Through hot wars and cold, through recession and prosperity, through the ages of the atom and outer space, the American people have never faltered and their faith has never flagged. If at times our actions seem to make life difficult for others, it is only because history has made life difficult for us all.

But difficult days need not be dark. I think these are proud and memorable days in the cause of peace and freedom. We are proud, for example, of Major Rudolf Anderson who gave his life over the island of Cuba. We salute Specialist James Allen Johnson who died on the border of South Korea. We pay honor to Sergeant Gerald Pendell who was killed in Viet-Nam. They are among the many who in this century, far from home, have died for our country. Our task now, and the task of all Americans is to live up to their commitment.

My friends: I close on a note of hope. We are not lulled by the momentary calm of the sea or the somewhat clearer skies above. We know the turbulence that lies below, and the storms that are beyond the horizon this year. But now the winds of change appear to be blowing more strongly than ever, in the world of communism as well as our own. For 175 years we have sailed with those winds at our back, and with the tides of human freedom in our favor. We steer our ship with hope, as Thomas Jefferson said, “leaving Fear astern.”

Today we still welcome those winds of change—and we have every reason to believe that our tide is running strong. With thanks to Almighty God for seeing us through a perilous passage, we ask His help anew in guiding the “Good Ship Union.”

***

State of the Union Address
Lyndon B. Johnson
January 8, 1964

Mr. Speaker, Mr. President, Members of the House and Senate, my fellow Americans:

I will be brief, for our time is necessarily short and our agenda is already long.

Last year's congressional session was the longest in peacetime history. With that foundation, let us work together to make this year's session the best in the Nation's history.

Let this session of Congress be known as the session which did more for civil rights than the last hundred sessions combined; as the session which enacted the most far-reaching tax cut of our time; as the session which declared all-out war on human poverty and unemployment in these United States; as the session which finally recognized the health needs of all our older citizens; as the session which reformed our tangled transportation and transit policies; as the session which achieved the most effective, efficient foreign aid program ever; and as the session which helped to build more homes, more schools, more libraries, and more hospitals than any single session of Congress in the history of our Republic.

Page 2801

All this and more can and must be done. It can be done by this summer, and it can be done without any increase in spending. In fact, under the budget that I shall shortly submit, it can be done with an actual reduction in Federal expenditures and Federal employment.

We have in 1964 a unique opportunity and obligation—to prove the success of our system; to disprove those cynics and critics at home and abroad who question our purpose and our competence.

If we fail, if we fritter and fumble away our opportunity in needless, senseless quarrels between Democrats and Republicans, or between the House and the Senate, or between the South and North, or between the Congress and the administration, then history will rightfully judge us harshly. But if we succeed, if we can achieve these goals by forging in this country a greater sense of union, then, and only then, can we take full satisfaction in the State of the Union. II.

Here in the Congress you can demonstrate effective legislative leadership by discharging the public business with clarity and dispatch, voting each important proposal up, or voting it down, but at least bringing it to a fair and a final vote.

Let us carry forward the plans and programs of John Fitzgerald Kennedy—not because of our sorrow or sympathy, but because they are right.

In his memory today, I especially ask all members of my own political faith, in this election year, to put your country ahead of your party, and to always debate principles; never debate personalities.

For my part, I pledge a progressive administration which is efficient, and honest and frugal. The budget to be submitted to the Congress shortly is in full accord with this pledge.

It will cut our deficit in half—from $10 billion to $4,900 million. It will be, in proportion to our national output, the smallest budget since 1951.

It will call for a substantial reduction in Federal employment, a feat accomplished only once before in the last 10 years. While maintaining the full strength of our combat defenses, it will call for the lowest number of civilian personnel in the Department of Defense since 1950.

It will call for total expenditures of $97,900 million—compared to $98,400 million for the current year, a reduction of more than $500 million. It will call for new obligational authority of $103,800 million—a reduction of more than $4 billion below last year's request of $107,900 million.

But it is not a standstill budget, for America cannot afford to stand still. Our population is growing. Our economy is more complex. Our people's needs are expanding.

But by closing down obsolete installations, by curtailing less urgent programs, by cutting back where cutting back seems to be wise, by insisting on a dollar's worth for a dollar spent, I am able to recommend in this reduced budget the most Federal support in history for education, for health, for retraining the unemployed, and for helping the economically and the physically handicapped.

Page 2802

This budget, and this year's legislative program, are designed to help each and every American citizen fulfill his basic hopes—his hopes for a fair chance to make good; his hopes for fair play from the law; his hopes for a full-time job on full-time pay; his hopes for a decent home for his family in a decent community; his hopes for a good school for his children with good teachers; and his hopes for security when faced with sickness or unemployment or old age. III.

Unfortunately, many Americans live on the outskirts of hope—some because of their poverty, and some because of theft color, and all too many because of both. Our task is to help replace their despair with opportunity.

This administration today, here and now, declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort.

It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won. The richest Nation on earth can afford to win it. We cannot afford to lose it. One thousand dollars invested in salvaging an unemployable youth today can return $40,000 or more in his lifetime.

Poverty is a national problem, requiring improved national organization and support. But this attack, to be effective, must also be organized at the State and the local level and must be supported and directed by State and local efforts.

For the war against poverty will not be won here in Washington. It must be won in the field, in every private home, in every public office, from the courthouse to the White House.

The program I shall propose will emphasize this cooperative approach to help that one-fifth of all American families with incomes too small to even meet their basic needs.

Our chief weapons in a more pinpointed attack will be better schools, and better health, and better homes, and better training, and better job opportunities to help more Americans, especially young Americans, escape from squalor and misery and unemployment rolls where other citizens help to carry them.

Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper in our failure to give our fellow citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children.

But whatever the cause, our joint Federal-local effort must pursue poverty, pursue it wherever it exists—in city slums and small towns, in sharecropper shacks or in migrant worker camps, on Indian Reservations, among whites as well as Negroes, among the young as well as the aged, in the boom towns and in the depressed areas.

Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it. No single piece of legislation, however, is going to suffice.

Page 2803

We will launch a special effort in the chronically distressed areas of Appalachia.

We must expand our small but our successful area redevelopment program.

We must enact youth employment legislation to put jobless, aimless, hopeless youngsters to work on useful projects.

We must distribute more food to the needy through a broader food stamp program.

We must create a National Service Corps to help the economically handicapped of our own country as the Peace Corps now helps those abroad.

We must modernize our unemployment insurance and establish a high-level commission on automation. If we have the brain power to invent these machines, we have the brain power to make certain that they are a boon and not a bane to humanity.

We must extend the coverage of our minimum wage laws to more than 2 million workers now lacking this basic protection of purchasing power.

We must, by including special school aid funds as part of our education program, improve the quality of teaching, training, and counseling in our hardest hit areas.

We must build more libraries in every area and more hospitals and nursing homes under the Hill-Burton Act, and train more nurses to staff them.

We must provide hospital insurance for our older citizens financed by every worker and his employer under Social Security, contributing no more than $1 a month during the employee's working career to protect him in his old age in a dignified manner without cost to the Treasury, against the devastating hardship of prolonged or repeated illness.

We must, as a part of a revised housing and urban renewal program, give more help to those displaced by slum clearance, provide more housing for our poor and our elderly, and seek as our ultimate goal in our free enterprise system a decent home for every American family.

We must help obtain more modern mass transit within our communities as well as low-cost transportation between them.

Above all, we must release $11 billion of tax reduction into the private spending stream to create new jobs and new markets in every area of this land. IV.

These programs are obviously not for the poor or the underprivileged alone. Every American will benefit by the extension of social security to cover the hospital costs of their aged parents. Every American community will benefit from the construction or modernization of schools, libraries, hospitals, and nursing homes, from the training of

more nurses and from the improvement of urban renewal in public transit. And every individual American taxpayer and every corporate taxpayer will benefit from the earliest possible passage of the pending tax bill from both the new investment it will bring and the new jobs that it will create.

That tax bill has been thoroughly discussed for a year. Now we need action. The new budget clearly allows it. Our taxpayers surely deserve it. Our economy strongly demands it. And every month of delay dilutes its benefits in 1964 for consumption, for investment, and for employment.

Page 2804

For until the bill is signed, its investment incentives cannot be deemed certain, and the withholding rate cannot be reduced—and the most damaging and devastating thing you can do to any businessman in America is to keep him in doubt and to keep him guessing on what our tax policy is. And I say that we should now reduce to 14 percent instead of 15 percent our withholding rate.

I therefore urge the Congress to take final action on this bill by the first of February, if at all possible. For however proud we may be of the unprecedented progress of our free enterprise economy over the last 3 years, we should not and we cannot permit it to pause.

In 1963, for the first time in history, we crossed the 70 million job mark, but we will soon need more than 75 million jobs. In 1963 our gross national product reached the $600 billion level—$100 billion higher than when we took office. But it easily could and it should be still $30 billion higher today than it is.

Wages and profits and family income are also at their highest levels in history—but I would remind you that 4 million workers and 13 percent of our industrial capacity are still idle today.

We need a tax cut now to keep this country moving. V.

For our goal is not merely to spread the work. Our goal is to create more jobs. I believe the enactment of a 35-hour week would sharply increase costs, would invite inflation, would impair our ability to compete, and merely share instead of creating employment. But I am equally opposed to the 45- or 50-hour week in those industries where consistently excessive use of overtime causes increased unemployment.

So, therefore, I recommend legislation authorizing the creation of a tripartite industry committee to determine on an industry-by-industry basis as to where a higher penalty rate for overtime would increase job openings without unduly increasing costs, and authorizing the establishment of such higher rates. VI.

Let me make one principle of this administration abundantly clear: All of these increased opportunities—in employment, in education, in housing, and in every field—-must be open to Americans of every color. As far as the writ of Federal law will run, we must abolish not some, but all racial discrimination. For this is not merely an economic issue, or a social, political, or international issue. It is a moral issue, and it must be met by the passage this session of the bill now pending in the House.

All members of the public should have equal access to facilities open to the public. All members of the public should be equally eligible for Federal benefits that are financed by the public. All members of the public should have an equal chance to vote for public

officials and to send their children to good public schools and to contribute their talents to the public good.

Today, Americans of all races stand side by side in Berlin and in Viet Nam. They died side by side in Korea. Surely they can work and eat and travel side by side in their own country. VII.

Page 2805

We must also lift by legislation the bars of discrimination against those who seek entry into our country, particularly those who have much needed skills and those joining their families.

In establishing preferences, a nation that was built by the immigrants of all lands can ask those who now seek admission: "What can you do for our country?" But we should not be asking: "In what country were you born?" VIII.

For our ultimate goal is a world without war, a world made safe for diversity, in which all men, goods, and ideas can freely move across every border and every boundary.

We must advance toward this goal in 1964 in at least 10 different ways, not as partisans, but as patriots.

First, we must maintain—and our reduced defense budget will maintain—that margin of military safety and superiority obtained through 3 years of steadily increasing both the quality and the quantity of our strategic, our conventional, and our antiguerilla forces. In 1964 we will be better prepared than ever before to defend the cause of freedom, whether it is threatened by outright aggression or by the infiltration practiced by those in Hanoi and Havana, who ship arms and men across international borders to foment insurrection. And we must continue to use that strength as John Kennedy used it in the Cuban crisis and for the test ban treaty—to demonstrate both the futility of nuclear war and the possibilities of lasting peace.

Second, we must take new steps—and we shall make new proposals at Geneva—-toward the control and the eventual abolition of arms. Even in the absence of agreement, we must not stockpile arms beyond our needs or seek an excess of military power that could be provocative as well as wasteful.

It is in this spirit that in this fiscal year we are cutting back our production of enriched uranium by 25 percent. We are shutting down four plutonium piles. We are closing many nonessential military installations. And it is in this spirit that we today call on our adversaries to do the same.

Third, we must make increased use of our food as an instrument of peace—making it available by sale or trade or loan or donation—to hungry people in all nations which tell us of their needs and accept proper conditions of distribution.

Fourth, we must assure our pre-eminence in the peaceful exploration of outer space, focusing on an expedition to the moon in this decade—in cooperation with other powers if possible, alone if necessary.

Fifth, we must expand world trade. Having recognized in the Act of 1962 that we must buy as well as sell, we now expect our trading partners to recognize that we must sell

as well as buy. We are willing to give them competitive access to our market, asking only that they do the same for us.

Sixth, we must continue, through such measures as the interest equalization tax, as well as the cooperation of other nations, our recent progress toward balancing our international accounts.

Page 2806

This administration must and will preserve the present gold value of the dollar.

Seventh, we must become better neighbors with the free states of the Americas, working with the councils of the *Oas*, with a stronger Alliance for Progress, and with all the men and women of this hemisphere who really believe in liberty and justice for all.

Eighth, we must strengthen the ability of free nations everywhere to develop their independence and raise their standard of living, and thereby frustrate those who prey on poverty and chaos. To do this, the rich must help the poor—and we must do our part. We must achieve a more rigorous administration of our development assistance, with larger roles for private investors, for other industrialized nations, and for international agencies and for the recipient nations themselves.

Ninth, we must strengthen our Atlantic and Pacific partnerships, maintain our alliances and make the United Nations a more effective instrument for national independence and international order.

Tenth, and finally, we must develop with our allies new means of bridging the gap between the East and the West, facing danger boldly wherever danger exists, but being equally bold in our search for new agreements which can enlarge the hopes of all, while violating the interests of none.

In short, I would say to the Congress that we must be constantly prepared for the worst, and constantly acting for the best. We must be strong enough to win any war, and we must be wise enough to prevent one.

We shall neither act as aggressors nor tolerate acts of aggression. We intend to bury no one, and we do not intend to be buried.

We can fight, if we must, as we have fought before, but we pray that we will never have to fight again. IX.

My good friends and my fellow Americans: In these last 7 sorrowful weeks, we have learned anew that nothing is so enduring as faith, and nothing is so degrading as hate.

John Kennedy was a victim of hate, but he was also a great builder of faith—faith in our fellow Americans, whatever their creed or their color or their station in life; faith in the future of man, whatever his divisions and differences.

This faith was echoed in all parts of the world. On every continent and in every land to which Mrs. Johnson and I traveled, we found faith and hope and love toward this land of America and toward our people.

So I ask you now in the Congress and in the country to join with me in expressing and fulfilling that faith in working for a nation, a nation that is free from want and a world that

is free from hate—a world of peace and justice, and freedom and abundance, for our time and for all time to come.

***

State of the Union Address
Lyndon B. Johnson
January 4, 1965

On this Hill which was my home, I am stirred by old friendships.

Though total agreement between the Executive and the Congress is impossible, total respect is important.

Page 2807

I am proud to be among my colleagues of the Congress whose legacy to their trust is their loyalty to their Nation.

I am not unaware of the inner emotions of the new Members of this body tonight.

Twenty-eight years ago, I felt as you do now. You will soon learn that you are among men whose first love is their country, men who try each day to do as best they can what they believe is right.

We are entering the third century of the pursuit of American union.

Two hundred years ago, in 1765, nine assembled colonies first joined together to demand freedom from arbitrary power.

For the first century we struggled to hold together the first continental union of democracy in the history of man. One hundred years ago, in 1865, following a terrible test of blood and fire, the compact of union was finally sealed.

For a second century we labored to establish a unity of purpose and interest among the many groups which make up the American community.

That struggle has often brought pain and violence. It is not yet over. But we have achieved a unity of interest among our people that is unmatched in the history of freedom.

And so tonight, now, in 1965, we begin a new quest for union. We seek the unity of man with the world that he has built—with the knowledge that can save or destroy him—with the cities which can stimulate or stifle him—with the wealth and the machines which can enrich or menace his spirit.

We seek to establish a harmony between man and society which will allow each of us to enlarge the meaning of his life and all of us to elevate the quality of our civilization. This is the search that we begin tonight.

STATE OF THE WORLD

But the unity we seek cannot realize its full promise in isolation. For today the state of the Union depends, in large measure, upon the state of the world.

Our concern and interest, compassion and vigilance, extend to every corner of a dwindling planet.

Yet, it is not merely our concern but the concern of all free men. We will not, and we should not, assume that it is the task of Americans alone to settle all the conflicts of a torn and troubled world.

Let the foes of freedom take no comfort from this. For in concert with other nations, we shall help men defend their freedom.

Our first aim remains the safety and the well-being of our own country.

We are prepared to live as good neighbors with all, but we cannot be indifferent to acts designed to injure our interests, or our citizens, or our establishments abroad. The community of nations requires mutual respect. We shall extend it—and we shall expect it.

In our relations with the world we shall follow the example of Andrew Jackson who said: “I intend to ask for nothing that is not clearly right and to submit to nothing that is wrong.” And he promised, that “the honor of my country shall never be stained by an apology from me for the statement of truth or for the performance of duty.” That was this Nation’s policy in the 1830’s and that is this Nation’s policy in the 1960’s.

Page 2808

Our own freedom and growth have never been the final goal of the American dream.

We were never meant to be an oasis of liberty and abundance in a worldwide desert of disappointed dreams. Our Nation was created to help strike away the chains of ignorance and misery and tyranny wherever they keep man less than God means him to be.

We are moving toward that destiny, never more rapidly than we have moved in the last 4 years.

In this period we have built a military power strong enough to meet any threat and destroy any adversary. And that superiority will continue to grow so long as this office is mine—and you sit on Capitol Hill.

In this period no new nation has become Communist, and the unity of the Communist empire has begun to crumble.

In this period we have resolved in friendship our disputes with our neighbors of the hemisphere, and joined in an Alliance for Progress toward economic growth and political democracy.

In this period we have taken more steps toward peace—including the test ban treaty—-than at any time since the cold war began.

In this period we have relentlessly pursued our advances toward the conquest of space.

Most important of all, in this period, the United States has reemerged into the fullness of its self-confidence and purpose. No longer are we called upon to get America moving. We are moving. No longer do we doubt our strength or resolution. We are strong and we have proven our resolve.

No longer can anyone wonder whether we are in the grip of historical decay. We know that history is ours to make. And if there is great danger, there is now also the excitement of great expectations.

AMERICA AND THE COMMUNIST NATIONS

Yet we still live in a troubled and perilous world. There is no longer a single threat. There are many. They differ in intensity and in danger. They require different attitudes and different answers.

With the Soviet Union we seek peaceful understandings that can lessen the danger to freedom.

Last fall I asked the American people to choose that course. I will carry forward their command.

If we are to live together in peace, we must come to know each other better.

I am sure that the American people would welcome a chance to listen to the Soviet leaders on our television—as I would like the Soviet people to hear our leaders on theirs.

I hope the new Soviet leaders can visit America so they can learn about our country at firsthand.

In Eastern Europe restless nations are slowly beginning to assert their identity. Your Government, assisted by the leaders in American labor and business, is now exploring ways to increase peaceful trade with these countries and with the Soviet Union. I will report our conclusions to the Congress.

In Asia, communism wears a more aggressive face. We see that in Viet-Nam. Why are we there?

Page 2809

We are there, first, because a friendly nation has asked us for help against the Communist aggression. Ten years ago our President pledged our help. Three Presidents have supported that pledge. We will not break it now.

Second, our own security is tied to the peace of Asia. Twice in one generation we have had to fight against aggression in the Far East. To ignore aggression now would only increase the danger of a much larger war.

Our goal is peace in southeast Asia. That will come only when aggressors leave their neighbors in peace.

What is at stake is the cause of freedom and in that cause America will never be found wanting.

THE NON-COMMUNIST WORLD

But communism is not the only source of trouble and unrest. There are older and deeper sources—in the misery of nations and in man's irrepressible ambition for liberty and a better life.

With the free Republics of Latin America I have always felt—and my country has always felt—very special ties of interest and affection. It will be the purpose of my administration to strengthen these ties. Together we share and shape the destiny of the new world. In the coming year I hope to pay a visit to Latin America. And I will steadily enlarge our commitment to the Alliance for Progress as the instrument of our war against poverty and injustice in this hemisphere.

In the Atlantic community we continue to pursue our goal of 20 years—a Europe that is growing in strength, unity, and cooperation with America. A great unfinished task is the reunification of Germany through self-determination.

This European policy is not based on any abstract design. It is based on the realities of common interests and common values, common dangers and common expectations. These realities will continue to have their way—especially, I think, in our expanding trade and especially in our common defense.

Free Americans have shaped the policies of the United States. And because we know these realities, those policies have been, and will be, in the interest of Europe.

Free Europeans must shape the course of Europe. And, for the same reasons, that course has been, and will be, in our interest and in the interest of freedom.

I found this truth confirmed in my talks with European leaders in the last year. I hope to repay these visits to some of our friends in Europe this year.

In Africa and Asia we are witnessing the turbulent unfolding of new nations and continents.

We welcome them to the society of nations.

We are committed to help those seeking to strengthen their own independence, and to work most closely with those governments dedicated to the welfare of all of their people.

We seek not fidelity to an iron faith, but a diversity of belief as varied as man himself. We seek not to extend the power of America but the progress of humanity. We seek not to dominate others but to strengthen the freedom of all people.

Page 2810

I will seek new ways to use our knowledge to help deal with the explosion in world population and the growing scarcity in world resources.

Finally, we renew our commitment to the continued growth and the effectiveness of the United Nations. The frustrations of the United Nations are a product of the world that we live in, and not of the institution which gives them voice. It is far better to throw these differences open to the assembly of nations than to permit them to fester in silent danger.

These are some of the goals of the American Nation in the world in which we live.

For ourselves we seek neither praise nor blame, neither gratitude nor obedience.

We seek peace.

We seek freedom.

We seek to enrich the life of man.

For that is the world in which we will flourish and that is the world that we mean for all men to ultimately have.

TOWARD THE GREAT SOCIETY

World affairs will continue to call upon our energy and our courage.

But today we can turn increased attention to the character of American life.

We are in the midst of the greatest upward surge of economic well-being in the history of any nation.

Our flourishing progress has been marked by price stability that is unequalled in the world. Our balance of payments deficit has declined and the soundness of our dollar is unquestioned. I pledge to keep it that way and I urge business and labor to cooperate to that end.

We worked for two centuries to climb this peak of prosperity. But we are only at the beginning of the road to the Great Society. Ahead now is a summit where freedom from the wants of the body can help fulfill the needs of the spirit.

We built this Nation to serve its people.

We want to grow and build and create, but we want progress to be the servant and not the master of man.

We do not intend to live in the midst of abundance, isolated from neighbors and nature, confined by blighted cities and bleak suburbs, stunted by a poverty of learning and an emptiness of leisure.

The Great Society asks not how much, but how good; not only how to create wealth but how to use it; not only how fast we are going, but where we are headed.

It proposes as the first test for a nation: the quality of its people.

This kind of society will not flower spontaneously from swelling riches and surging power.

It will not be the gift of government or the creation of presidents. It will require of every American, for many generations, both faith in the destination and the fortitude to make the journey.

And like freedom itself, it will always be challenge and not fulfillment. And tonight we accept that challenge.

A NATIONAL AGENDA

I propose that we begin a program in education to ensure every American child the fullest development of his mind and skills.

Page 2811

I propose that we begin a massive attack on crippling and killing diseases.

I propose that we launch a national effort to make the American city a better and a more stimulating place to live.

I propose that we increase the beauty of America and end the poisoning of our rivers and the air that we breathe.

I propose that we carry out a new program to develop regions of our country that are now suffering from distress and depression.

I propose that we make new efforts to control and prevent crime and delinquency.

I propose that we eliminate every remaining obstacle to the right and the opportunity to vote.

I propose that we honor and support the achievements of thought and the creations of art.

I propose that we make an all-out campaign against waste and inefficiency.

THE TASK

Our basic task is threefold:

First, to keep our economy growing;

—to open for all Americans the opportunity that is now enjoyed by most Americans;

—and to improve the quality of life for all.

In the next 6 weeks I will submit special messages with detailed proposals for national action in each of these areas.

Tonight I would like just briefly to explain some of my major recommendations in the three main areas of national need.

1. A *growing economy*

BASIC POLICIES

First, we must keep our Nation prosperous. We seek full employment opportunity for every American citizen. I will present a budget designed to move the economy forward. More money will be left in the hands of the consumer by a substantial cut in excise

taxes. We will continue along the path toward a balanced budget in a balanced economy.

I confidently predict—what every economic sign tells us tonight—the continued flourishing of the American economy.

But we must remember that fear of a recession can contribute to the fact of a recession. The knowledge that our Government will, and can, move swiftly will strengthen the confidence of investors and business.

Congress can reinforce this confidence by insuring that its procedures permit rapid action on temporary income tax cuts. And special funds for job-creating public programs should be made available for immediate use if recession threatens.

Our continued prosperity demands continued price stability. Business, labor, and the consumer all have a high stake in keeping wages and prices within the framework of the guideposts that have already served the Nation so well.

Finding new markets abroad for our goods depends on the initiative of American business. But we stand ready—with credit and other help—to assist the flow of trade which will benefit the entire Nation.

ON THE FARMS

Page 2812

Our economy owes much to the efficiency of our farmers. We must continue to assure them the opportunity to earn a fair reward. I have instructed the Secretary of Agriculture to lead a major effort to find new approaches to reduce the heavy cost of our farm programs and to direct more of our effort to the small farmer who needs the help the most.

INCREASED PROSPERITY

We can help insure continued prosperity through:

—a regional recovery program to assist the development of stricken areas left behind by our national progress;

—further efforts to provide our workers with the skills demanded by modern technology, for the laboring-man is an indispensable force in the American system;

—the extension of the minimum wage to more than 2 million unprotected workers;

—the improvement and the modernization of the unemployment compensation system.

And as pledged in our 1960 and 1964 Democratic platforms, I will propose to Congress changes in the Taft-Hartley Act including section 14(b). I will do so hoping to reduce the conflicts that for several years have divided Americans in various States of our Union.

In a country that spans a continent modern transportation is vital to continued growth.

TRANSPORTATION FOR GROWTH

I will recommend heavier reliance on competition in transportation and a new policy for our merchant marine.

I will ask for funds to study high-speed rail transportation between urban centers. We will begin with test projects between Washington and Boston. On high-speed trains, passengers could travel this distance in less than 4 hours.

II. OPPORTUNITY FOR ALL

Second, we must open opportunity to all our people.

Most Americans enjoy a good life. But far too many are still trapped in poverty and idleness and fear.

Let a just nation throw open to them the city of promise:

—to the elderly, by providing hospital care under social security and by raising benefit payments to those struggling to maintain the dignity of their later years;

—to the poor and the unfortunate, through doubling the war against poverty this year;

—to Negro Americans, through enforcement of the civil rights law and elimination of barriers to the right to vote;

—to those in other lands that are seeking the promise of America, through an immigration law based on the work a man can do and not where he was born or how he spells his name.

III. TO ENRICH THE LIFE OF ALL

Our third goal is to improve the quality of American life.

THROUGH EDUCATION

We begin with learning.

Page 2813

Every child must have the best education that this Nation can provide.

Thomas Jefferson said that no nation can be both ignorant and free. Today no nation can be both ignorant and great.

In addition to our existing programs, I will recommend a new program for schools and students with a first year authorization of $1,500 million.

It will help at every stage along the road to learning.

For the preschool years we will help needy children become aware of the excitement of learning.

For the primary and secondary school years we will aid public schools serving low-income families and assist students in both public and private schools.

For the college years we will provide scholarships to high school students of the greatest promise and the greatest need and we will guarantee low-interest loans to students continuing their college studies.

New laboratories and centers will help our schools—help them lift their standards of excellence and explore new methods of teaching. These centers will provide special training for those who need and those who deserve special treatment.

THROUGH BETTER HEALTH

Greatness requires not only an educated people but a healthy people.

Our goal is to match the achievements of our medicine to the afflictions of our people.

We already carry on a large program in this country for research and health.

In addition, regional medical centers can provide the most advanced diagnosis and treatment for heart disease and cancer and stroke and other major diseases.

New support for medical and dental education will provide the trained people to apply our knowledge.

Community centers can help the mentally ill and improve health care for school-age children from poor families, including services for the mentally retarded.

THROUGH IMPROVING THE WORLD WE LIVE IN

The City

An educated and healthy people require surroundings in harmony with their hopes. In our urban areas the central problem today is to protect and restore man's satisfaction in belonging to a community where he can find security and significance.

The first step is to break old patterns—to begin to think and work and plan for the development of the entire metropolitan areas. We will take this step with new programs of help for the basic community facilities and for neighborhood centers of health and recreation.

New and existing programs will be open to those cities which work together to develop unified long-range policies for metropolitan areas.

We must also make some very important changes in our housing programs if we are to pursue these same basic goals.

So a Department of Housing and Urban Development will be needed to spearhead this effort in our cities.

Page 2814

Every citizen has the right to feel secure in his home and on the streets of his community.

To help control crime, we will recommend programs:

—to train local law enforcement officers;

—to put the best techniques of modern science at their disposal;

—to discover the causes of crime and better ways to prevent it.

I will soon assemble a panel of outstanding experts of this Nation to search out answers to the national problem of crime and delinquency, and I welcome the recommendations and the constructive efforts of the Congress. The Beauty of America

For over three centuries the beauty of America has sustained our spirit and has enlarged our vision. We must act now to protect this heritage. In a fruitful new partnership with the States and the cities the next decade should be a conservation milestone. We must make a massive effort to save the countryside and to establish—as a green legacy for tomorrow—more large and small parks, more seashores and open spaces than have been created during any other period in our national history.

A new and substantial effort must be made to landscape highways to provide places of relaxation and recreation wherever our roads run,

Within our cities imaginative programs are needed to landscape streets and to transform open areas into places of beauty and recreation.

We will seek legal power to prevent pollution of our air and water before it happens. We will step up our effort to control harmful wastes, giving first priority to the cleanup of our most contaminated rivers. We will increase research to learn much more about the control of pollution.

We hope to make the Potomac a model of beauty here in the Capital, and preserve unspoiled stretches of some of our waterways with a Wild Rivers bill.

More ideas for a beautiful America will emerge from a White House Conference on Natural Beauty which I will soon call.

Art and Science

We must also recognize and encourage those who can be pathfinders for the Nation’s imagination and understanding.

To help promote and honor creative achievements, I will propose a National Foundation on the Arts.

To develop knowledge which will enrich our lives and ensure our progress, I will recommend programs to encourage basic science, particularly in the universities—and to bring closer the day when the oceans will supply our growing need for fresh water.

For government to serve these goals it must be modern in structure, efficient in action, and ready for any emergency.

I am busy, currently, reviewing the structure of the entire executive branch of this Government. I hope to reshape it and to reorganize it to meet more effectively the tasks of the 20th century.

Wherever waste is found, I will eliminate it.

Last year we saved almost $3,500 million by eliminating waste in the National Government.

Page 2815

And I intend to do better this year.

And very soon I will report to you on our progress and on new economies that your Government plans to make.

Even the best of government is subject to the worst of hazards.

I will propose laws to insure the necessary continuity of leadership should the President become disabled or die.

In addition, I will propose reforms in the electoral college—leaving undisturbed the vote by States—but making sure that no elector can substitute his will for that of the people.

Last year, in a sad moment, I came here and I spoke to you after 33 years of public service, practically all of them here on this Hill.

This year I speak after 1 year as President of the United States.

Many of you in this Chamber are among my oldest friends. We have shared many happy moments and many hours of work, and we have watched many Presidents together. Yet, only in the White House can you finally know the full weight of this Office.

The greatest burden is not running the huge operations of government—or meeting daily troubles, large and small—or even working with the Congress.

A President's hardest task is not to do what is right, but to know what is right.

Yet the Presidency brings no special gift of prophecy or foresight. You take an oath, you step into an office, and you must then help guide a great democracy.

The answer was waiting for me in the land where I was born.

It was once barren land. The angular hills were covered with scrub cedar and a few large live oaks. Little would grow in that harsh caliche soil of my country. And each spring the Pedernales River would flood our valley.

But men came and they worked and they endured and they built.

And tonight that country is abundant; abundant with fruit and cattle and goats and sheep, and there are pleasant homes and lakes and the floods are gone.

Why did men come to that once forbidding land?

Well, they were restless, of course, and they had to be moving on. But there was more than that. There was a dream—a dream of a place where a free man could build for

himself, and raise his children to a better life—a dream of a continent to be conquered, a world to be won, a nation to be made.

Remembering this, I knew the answer.

A President does not shape a new and personal vision of America.

He collects it from the scattered hopes of the American past.

It existed when the first settlers saw the coast of a new world, and when the first pioneers moved westward.

It has guided us every step of the way.

It sustains every President. But it is also your inheritance and it belongs equally to all the people that we all serve.

It must be interpreted anew by each generation for its own needs; as I have tried, in part, to do tonight.

Page 2816

It shall lead us as we enter the third century of the search for a more perfect union?

This, then, is the state of the Union: Free and restless, growing and full of hope.

So it was in the beginning.

So it shall always be, while God is willing, and we are strong enough to keep the faith.

***

State of the Union Address
Lyndon B. Johnson
January 12, 1966

Mr. Speaker, Mr. President, Members of the House and the Senate, my fellow Americans:

I come before you tonight to report on the State of the Union for the third time.

I come here to thank you and to add my tribute, once more, to the Nation's gratitude for this, the 89th Congress. This Congress has already reserved for itself an honored chapter in the history of America.

Our Nation tonight is engaged in a brutal and bitter conflict in Vietnam. Later on I want to discuss that struggle in some detail with you. It just must be the center of our concerns.

But we will not permit those who fire upon us in Vietnam to win a victory over the desires and the intentions of all the American people. This Nation is mighty enough, its society is healthy enough, its people are strong enough, to pursue our goals in the rest of the world while still building a Great Society here at home.

And that is what I have come here to ask of you tonight.

I recommend that you provide the resources to carry forward, with full vigor, the great health and education programs that you enacted into law last year.

I recommend that we prosecute with vigor and determination our war on poverty.

I recommend that you give a new and daring direction to our foreign aid program, designed to make a maximum attack on hunger and disease and ignorance in those countries that are determined to help themselves, and to help those nations that are trying to control population growth.

I recommend that you make it possible to expand trade between the United States and Eastern Europe and the Soviet Union.

I recommend to you a program to rebuild completely, on a scale never before attempted, entire central and slum areas of several of our cities in America.

I recommend that you attack the wasteful and degrading poisoning of our rivers, and, as the cornerstone of this effort, clean completely entire large river basins.

I recommend that you meet the growing menace of crime in the streets by building up law enforcement and by revitalizing the entire Federal system from prevention to probation.

I recommend that you take additional steps to insure equal justice to all of our people by effectively enforcing nondiscrimination in Federal and State jury selection, by making it a serious Federal crime to obstruct public and private efforts to secure civil rights, and by outlawing discrimination in the sale and rental of housing.

Page 2817

I recommend that you help me modernize and streamline the Federal Government by creating a new Cabinet level Department of Transportation and reorganizing several existing agencies. In turn, I will restructure our civil service in the top grades so that men and women can easily be assigned to jobs where they are most needed, and ability will be both required as well as rewarded.

I will ask you to make it possible for Members of the House of Representatives to work more effectively in the service of the Nation through a constitutional amendment extending the term of a Congressman to 4 years, concurrent with that of the President.
II.

Because of Vietnam we cannot do all that we should, or all that we would like to do. We will ruthlessly attack waste and inefficiency. We will make sure that every dollar is spent with the thrift and with the commonsense which recognizes how hard the taxpayer worked in order to earn it.

We will continue to meet the needs of our people by continuing to develop the Great Society.

Last year alone the wealth that we produced increased $47 billion, and it will soar again this year to a total over $720 billion.

Because our economic policies have produced rising revenues, if you approve every program that I recommend tonight, our total budget deficit will be one of the lowest in many years. It will be only $1.8 billion next year. Total spending in the administrative budget will be $112.8 billion. Revenues next year will be $111 billion.

On a cash basis—which is the way that you and I keep our family budget—the Federal budget next year will actually show a surplus. That is to say, if we include all the money that your Government will take in and all the money that your Government will spend, your Government next year will collect one-half billion dollars more than it will spend in the year 1967.

I have not come here tonight to ask for pleasant luxuries or for idle pleasures. I have come here to recommend that you, the representatives of the richest Nation on earth, you, the elected servants of a people who live in abundance unmatched on this globe, you bring the most urgent decencies of life to all of your fellow Americans.

There are men who cry out: We must sacrifice. Well, let us rather ask them: Who will they sacrifice? Are they going to sacrifice the children who seek the learning, or the sick who need medical care, or the families who dwell in squalor now brightened by the hope of home? Will they sacrifice opportunity for the distressed, the beauty of our land, the hope of our poor?

Time may require further sacrifices. And if it does, then we will make them.

But we will not heed those who wring it from the hopes of the unfortunate here in a land of plenty.

I believe that we can continue the Great Society while we fight in Vietnam. But if there are some who do not believe this, then, in the name of justice, let them call for the contribution of those who live in the fullness of our blessing, rather than try to strip it from the hands of those that are most in need.

Page 2818

And let no one think that the unfortunate and the oppressed of this land sit stifled and alone in their hope tonight. Hundreds of their servants and their protectors sit before me tonight here in this great Chamber. III.

The Great Society leads us along three roads—growth and justice and liberation.

I can report to you tonight what you have seen for yourselves already—in every city and countryside. This Nation is flourishing.

Workers are making more money than ever—with after-tax income in the past 5 years up 33 percent; in the last year alone, up 8 percent.

More people are working than ever before in our history—an increase last year of 2 1/2 million jobs.

Corporations have greater after-tax earnings than ever in history. For the past 5 years those earnings have been up over 65 percent, and last year alone they had a rise of 20 percent.

Average farm income is higher than ever. Over the past 5 years it is up 40 percent, and over the past year it is up 22 percent alone.

I was informed this afternoon by the distinguished Secretary of the Treasury that his preliminary estimates indicate that our balance of payments deficit has been reduced from $2.8 billion in 1964 to $1.3 billion, or less, in 1965. This achievement has been made possible by the patriotic voluntary cooperation of businessmen and bankers working with your Government.

We must now work together with increased urgency to wipe out this balance of payments deficit altogether in the next year.

And as our economy surges toward new heights we must increase our vigilance against the inflation which raises the cost of living and which lowers the savings of every family in this land. It is essential, to prevent inflation, that we ask both labor and business to exercise price and wage restraint, and I do so again tonight.

I believe it desirable, because of increased military expenditures, that you temporarily restore the automobile and certain telephone excise tax reductions made effective only 12 days ago. Without raising taxes—or even increasing the total tax bill paid—we should move to improve our withholding system so that Americans can more realistically pay as they go, speed up the collection of corporate taxes, and make other necessary simplifications of the tax structure at an early date.

I hope these measures will be adequate. But if the necessities of Vietnam require it, I will not hesitate to return to the Congress for additional appropriations, or additional revenues if they are needed.

I propose legislation to establish unavoidable requirements for nondiscriminatory jury selection in Federal and State courts—and to give the Attorney General the power necessary to enforce those requirements.

I propose legislation to strengthen authority of Federal courts to try those who murder, attack, or intimidate either civil rights workers or others exercising their constitutional rights—and to increase penalties to a level equal to the nature of the crime.

Page 2819

Legislation, resting on the fullest constitutional authority of the Federal Government, to prohibit racial discrimination in the sale or rental of housing.

For that other nation within a Nation—the poor—whose distress has now captured the conscience of America, I will ask the Congress not only to continue, but to speed up the war on poverty. And in so doing, we will provide the added energy of achievement with the increased efficiency of experience.

To improve the life of our rural Americans and our farm population, we will plan for the future through the establishment of several new Community Development Districts, improved education through the use of Teacher Corps teams, better health measures, physical examinations, and adequate and available medical resources.

For those who labor, I propose to improve unemployment insurance, to expand minimum wage benefits, and by the repeal of section 14(b) of the Taft-Hartley Act to make the labor laws in all our States equal to the laws of the 31 States which do not have tonight right-to-work measures.

And I also intend to ask the Congress to consider measures which, without improperly invading State and local authority, will enable us effectively to deal with strikes which threaten irreparable damage to the national interest.

Yet, slowly, painfully, on the edge of victory, has come the knowledge that shared prosperity is not enough. In the midst of abundance modern man walks oppressed by forces which menace and confine the quality of his life, and which individual abundance alone will not overcome.

We can subdue and we can master these forces—bring increased meaning to our lives—if all of us, Government and citizens, are bold enough to change old ways, daring enough to assault new dangers, and if the dream is dear enough to call forth the limitless capacities of this great people.

This year we must continue to improve the quality of American life.

Let us fulfill and improve the great health and education programs of last year, extending special opportunities to those who risk their lives in our Armed Forces.

I urge the House of Representatives to complete action on three programs already passed by the Senate—the Teacher Corps, rent assistance, and home rule for the District of Columbia.

In some of our urban areas we must help rebuild entire sections and neighborhoods containing, in some cases, as many as 100,000 people. Working together, private enterprise and government must press forward with the task of providing homes and

shops, parks and hospitals, and all the other necessary parts of a flourishing community where our people can come to live the good life.

I will offer other proposals to stimulate and to reward planning for the growth of entire metropolitan areas.

Of all the reckless devastations of our national heritage, none is really more shameful than the continued poisoning of our rivers and our air.

Page 2820

We must undertake a cooperative effort to end pollution in several river basins, making additional funds available to help draw the plans and construct the plants that are necessary to make the waters of our entire river systems clean, and make them a source of pleasure and beauty for all of our people.

To attack and to overcome growing crime and lawlessness, I think we must have a stepped-up program to help modernize and strengthen our local police forces.

Our people have a right to feel secure in their homes and on their streets—and that right just must be secured.

Nor can we fail to arrest the destruction of life and property on our highways.

I will propose a Highway Safety Act of 1966 to seek an end to this mounting tragedy.

We must also act to prevent the deception of the American consumer—requiring all packages to state clearly and truthfully their contents—all interest and credit charges to be fully revealed—and keeping harmful drugs and cosmetics away from our stores.

It is the genius of our Constitution that under its shelter of enduring institutions and rooted principles there is ample room for the rich fertility of American political invention. We must change to master change.

I propose to take steps to modernize and streamline the executive branch, to modernize the relations between city and State and Nation.

A new Department of Transportation is needed to bring together our transportation activities. The present structure—35 Government agencies, spending $5 billion yearly—makes it almost impossible to serve either the growing demands of this great Nation or the needs of the industry, or the right of the taxpayer to full efficiency and real frugality.

I will propose in addition a program to construct and to flight-test a new supersonic transport airplane that will fly three times the speed of sound—in excess of 2,000 miles per hour.

I propose to examine our Federal system—the relation between city, State, Nation, and the citizens themselves. We need a commission of the most distinguished scholars and men of public affairs to do this job. I will ask them to move on to develop a creative federalism to best use the wonderful diversity of our institutions and our people to solve the problems and to fulfill the dreams of the American people.

As the process of election becomes more complex and more costly, we must make it possible for those without personal wealth to enter public life without being obligated to a few large contributors.

Therefore, I will submit legislation to revise the present unrealistic restriction on contributions—to prohibit the endless proliferation of committees, bringing local and State committees under the act—to attach strong teeth and severe penalties to the requirement of full disclosure of contributions—and to broaden the participation of the people, through added tax incentives, to stimulate small contributions to the party and to the candidate of their choice.

Page 2821

To strengthen the work of Congress I strongly urge an amendment to provide a 4-year term for Members of the House of Representatives—which should not begin before 1972.

The present 2-year term requires most Members of Congress to divert enormous energies to an almost constant process of campaigning—depriving this Nation of the fullest measure of both their skill and their wisdom. Today, too, the work of government is far more complex than in our early years, requiring more time to learn and more time to master the technical tasks of legislating. And a longer term will serve to attract more men of the highest quality to political life. The Nation, the principle of democracy, and, I think, each congressional district, will all be better served by a 4-year term for Members of the House. And I urge your swift action. IV.

Tonight the cup of peril is full in Vietnam. That conflict is not an isolated episode, but another great event in the policy that we have followed with strong consistency since World War II.

The touchstone of that policy is the interest of the United States—the welfare and the freedom of the people of the United States. But nations sink when they see that interest only through a narrow glass.

In a world that has grown small and dangerous, pursuit of narrow aims could bring decay and even disaster.

An America that is mighty beyond description—yet living in a hostile or despairing world—would be neither safe nor free to build a civilization to liberate the spirit of man.

In this pursuit we helped rebuild Western Europe. We gave our aid to Greece and Turkey, and we defended the freedom of Berlin.

In this pursuit we have helped new nations toward independence. We have extended the helping hand of the Peace Corps and carried forward the largest program of economic assistance in the world.

And in this pursuit we work to build a hemisphere of democracy and of social justice.

In this pursuit we have defended against Communist aggression—in Korea under President Truman—in the Formosa Straits under President Eisenhower—in Cuba under President Kennedy—and again in Vietnam.

Tonight Vietnam must hold the center of our attention, but across the world problems and opportunities crowd in on the American Nation. I will discuss them fully in the months to come, and I will follow the five continuing lines of policy that America has followed under its last four Presidents.

While special Vietnam expenditures for the next fiscal year are estimated to increase by $5.8 billion, I can tell you that all the other expenditures put together in the entire Federal budget will rise this coming year by only $.6 billion. This is true because of the stringent cost-conscious economy program inaugurated in the Defense Department, and followed by the other departments of Government.

We will vigorously pursue existing proposals—and seek new ones—to control arms and to stop the spread of nuclear weapons.

Page 2822

By strengthening the common defense, by stimulating world commerce, by meeting new hopes, these associations serve the cause of a flourishing world.

We will take new steps this year to help strengthen the Alliance for Progress, the unity of Europe, the community of the Atlantic, the regional organizations of developing continents, and that supreme association—the United Nations.

We will work to strengthen economic cooperation, to reduce barriers to trade, and to improve international finance.

From the Marshall plan to this very moment tonight, that policy has rested on the claims of compassion, and the certain knowledge that only a people advancing in expectation will build secure and peaceful lands.

This year I propose major new directions in our program of foreign assistance to help those countries who will help themselves.

We will conduct a worldwide attack on the problems of hunger and disease and ignorance.

We will place the matchless skill and the resources of our own great America, in farming and in fertilizers, at the service of those countries committed to develop a modern agriculture.

We will aid those who educate the young in other lands, and we will give children in other continents the same head start that we are trying to give our own children. To advance these ends I will propose the International Education Act of 1966.

I will also propose the International Health Act of 1966 to strike at disease by a new effort to bring modern skills and knowledge to the uncared-for, those suffering in the world, and by trying to wipe out smallpox and malaria and control yellow fever over most of the world during this next decade; to help countries trying to control population growth, by increasing our research—and we will earmark funds to help their efforts.

In the next year, from our foreign aid sources, we propose to dedicate $1 billion to these efforts, and we call on all who have the means to join us in this work in the world.

For a peaceful world order will be possible only when each country walks the way that it has chosen to walk for itself.

We follow this principle by encouraging the end of colonial rule.

We follow this principle, abroad as well as at home, by continued hostility to the rule of the many by the few—or the oppression of one race by another.

We follow this principle by building bridges to Eastern Europe. And I will ask the Congress for authority to remove the special tariff restrictions which are a barrier to increasing trade between the East and the West.

The insistent urge toward national independence is the strongest force of today's world in which we live.

In Africa and Asia and Latin America it is shattering the designs of those who would subdue others to their ideas or their will.

It is eroding the unity of what was once a Stalinist empire.

Page 2823

In recent months a number of nations have east out those who would subject them to the ambitions of mainland China.

History is on the side of freedom and is on the side of societies shaped from the genius of each people. History does not favor a single system or belief—unless force is used to make it so.

That is why it has been necessary for us to defend this basic principle of our policy, to defend it in Berlin, in Korea, in Cuba—and tonight in Vietnam.

For tonight, as so many nights before, young Americans struggle and young Americans die in a distant land.

Tonight, as so many nights before, the American Nation is asked to sacrifice the blood of its children and the fruits of its labor for the love of its freedom.

How many times—in my lifetime and in yours—have the American people gathered, as they do now, to hear their President tell them of conflict and tell them of danger?

Each time they have answered. They have answered with all the effort that the security and the freedom of this Nation required.

And they do again tonight in Vietnam. Not too many years ago Vietnam was a peaceful, if troubled, land. In the North was an independent Communist government. In the South a people struggled to build a nation, with the friendly help of the United States.

There were some in South Vietnam who wished to force Communist rule on their own people. But their progress was slight. Their hope of success was dim. Then, little more than 6 years ago, North Vietnam decided on conquest. And from that day to this, soldiers and supplies have moved from North to South in a swelling stream that is swallowing the remnants of revolution in aggression.

As the assault mounted, our choice gradually became clear. We could leave, abandoning South Vietnam to its attackers and to certain conquest, or we could stay and fight beside the people of South Vietnam. We stayed.

And we will stay until aggression has stopped.

We will stay because a just nation cannot leave to the cruelties of its enemies a people who have staked their lives and independence on America's solemn pledge—a pledge which has grown through the commitments of three American Presidents.

We will stay because in Asia and around the world are countries whose independence rests, in large measure, on confidence in America's word and in America's protection. To yield to force in Vietnam would weaken that confidence, would undermine the

independence of many lands, and would whet the appetite of aggression. We would have to fight in one land, and then we would have to fight in another—or abandon much of Asia to the domination of Communists.

And we do not intend to abandon Asia to conquest.

Last year the nature of the war in Vietnam changed again. Swiftly increasing numbers of armed men from the North crossed the borders to join forces that were already in the South. Attack and terror increased, spurred and encouraged by the belief that the United States lacked the will to continue and that their victory was near.

Page 2824

Despite our desire to limit conflict, it was necessary to act: to hold back the mounting aggression, to give courage to the people of the South, and to make our firmness clear to the North. Thus. we began limited air action against military targets in North Vietnam. We increased our fighting force to its present strength tonight of 190,000 men.

These moves have not ended the aggression but they have prevented its success. The aims of the enemy have been put out of reach by the skill and the bravery of Americans and their allies—and by the enduring courage of the South Vietnamese who, I can tell you, have lost eight men last year for every one of ours.

The enemy is no longer close to victory. Time is no longer on his side. There is no cause to doubt the American commitment.

Our decision to stand firm has been matched by our desire for peace.

In 1965 alone we had 300 private talks for peace in Vietnam, with friends and adversaries throughout the world.

Since Christmas your Government has labored again, with imagination and endurance, to remove any barrier to peaceful settlement. For 20 days now we and our Vietnamese allies have dropped no bombs in North Vietnam.

Able and experienced spokesmen have visited, in behalf of America, more than 40 countries. We have talked to more than a hundred governments, all 113 that we have relations with, and some that we don't. We have talked to the United Nations and we have called upon all of its members to make any contribution that they can toward helping obtain peace.

In public statements and in private communications, to adversaries and to friends, in Rome and Warsaw, in Paris and Tokyo, in Africa and throughout this hemisphere, America has made her position abundantly clear.

We seek neither territory nor bases, economic domination or military alliance in Vietnam. We fight for the principle of self-determination—that the people of South Vietnam should be able to choose their own course, choose it in free elections without violence, without terror, and without fear.

The people of all Vietnam should make a free decision on the great question of reunification.

This is all we want for South Vietnam. It is all the people of South Vietnam want. And if there is a single nation on this earth that desires less than this for its own people, then let its voice be heard.

We have also made it clear—from Hanoi to New York—that there are no arbitrary limits to our search for peace. We stand by the Geneva Agreements of 1954 and 1962. We will meet at any conference table, we will discuss any proposals—four points or fourteen or forty—and we will consider the views of any group. We will work for a cease-fire now or once discussions have begun. We will respond if others reduce their use of force, and we will withdraw our soldiers once South Vietnam is securely guaranteed the right to shape its own future.

Page 2825

We have said all this, and we have asked—and hoped—and we have waited for a response.

So far we have received no response to prove either success or failure.

We have carried our quest for peace to many nations and peoples because we share this planet with others whose future, in large measure, is tied to our own action, and whose counsel is necessary to our own hopes.

We have found understanding and support. And we know they wait with us tonight for some response that could lead to peace.

I wish tonight that I could give you a blueprint for the course of this conflict over the coming months, but we just cannot know what the future may require. We may have to face long, hard combat or a long, hard conference, or even both at once.

Until peace comes, or if it does not come, our course is clear. We will act as we must to help protect the independence of the valiant people of South Vietnam. We will strive to limit the conflict, for we wish neither increased destruction nor do we want to invite increased danger.

But we will give our fighting men what they must have: every gun, and every dollar, and every decision—whatever the cost or whatever the challenge.

And we will continue to help the people of South Vietnam care for those that are ravaged by battle, create progress in the villages, and carry forward the healing hopes of peace as best they can amidst the uncertain terrors of war.

And let me be absolutely clear: The days may become months, and the months may become years, but we will stay as long as aggression commands us to battle.

There may be some who do not want peace, whose ambitions stretch so far that war in Vietnam is but a welcome and convenient episode in an immense design to subdue history to their will. But for others it must now be clear—the choice is not between peace and victory, it lies between peace and the ravages of a conflict from which they can only lose.

The people of Vietnam, North and South, seek the same things: the shared needs of man, the needs for food and shelter and education—the chance to build and work and till the soil, free from the arbitrary horrors of battle—the desire to walk in the dignity of those who master their own destiny. For many painful years, in war and revolution and infrequent peace, they have struggled to fulfill those needs.

It is a crime against mankind that so much courage, and so much will, and so many dreams, must be flung on the fires of war and death.

To all of those caught up in this conflict we therefore say again tonight: Let us choose peace, and with it the wondrous works of peace, and beyond that, the time when hope reaches toward consummation, and life is the servant of life.

In this work, we plan to discharge our duty to the people whom we serve. V.

This is the State of the Union.

But over it all—wealth, and promise, and expectation—lies our troubling awareness of American men at war tonight.

Page 2826

How many men who listen to me tonight have served their Nation in other wars? How very many are not here to listen?

The war in Vietnam is not like these other wars. Yet, finally, war is always the same. It is young men dying in the fullness of their promise. It is trying to kill a man that you do not even know well enough to hate.

Therefore, to know war is to know that there is still madness in this world.

Many of you share the burden of this knowledge tonight with me. But there is a difference. For finally I must be the one to order our guns to fire, against all the most inward pulls of my desire. For we have children to teach, and we have sick to be cured, and we have men to be freed. There are poor to be lifted up, and there are cities to be built, and there is a world to be helped.

Yet we do what we must.

I am hopeful, and I will try as best I can, with everything I have got, to end this battle and to return our sons to their desires.

Yet as long as others will challenge America's security and test the clearness of our beliefs with fire and steel, then we must stand or see the promise of two centuries tremble. I believe tonight that you do not want me to try that risk. And from that belief your President summons his strength for the trials that lie ahead in the days to come.

The work must be our work now. Scarred by the weaknesses of man, with whatever guidance God may offer us, we must nevertheless and alone with our mortality, strive to ennoble the life of man on earth.

Thank you, and goodnight.

***

State of the Union Address
Lyndon B. Johnson
January 10, 1967

Mr. Speaker, Mr. Vice President, distinguished Members of the Congress:

I share with all of you the grief that you feel at the death today of one of the most beloved, respected, and effective Members of this body, the distinguished Representative from Rhode Island, Mr. Fogarty.

I have come here tonight to report to you that this is a time of testing for our Nation.

At home, the question is whether we will continue working for better opportunities for all Americans, when most Americans are already living better than any people in history.

Abroad, the question is whether we have the staying power to fight a very costly war, when the objective is limited and the danger to us is seemingly remote.

So our test is not whether we shrink from our country's cause when the dangers to us are obvious and dose at hand, but, rather, whether we carry on when they seem obscure and distant—and some think that it is safe to lay down our burdens.

I have come tonight to ask this Congress and this Nation to resolve that issue: to meet our commitments at home and abroad—to continue to build a better America—and to reaffirm this Nation's allegiance to freedom.

As President Abraham Lincoln said, "We must ask where we are, and whither we are tending." I.

Page 2827

The last 3 years bear witness to our determination to make this a better country.

We have struck down legal barriers to equality.

We have improved the education of 7 million deprived children and this year alone we have enabled almost 1 million students to go to college.

We have brought medical care to older people who were unable to afford it. Three and one-half million Americans have already received treatment under Medicare since July.

We have built a strong economy that has put almost 3 million more Americans on the payrolls in the last year alone.

We have included more than 9 million new workers under a higher minimum wage.

We have launched new training programs to provide job skills for almost 1 million Americans.

We have helped more than a thousand local communities to attack poverty in the neighborhoods of the poor. We have set out to rebuild our cities on a scale that has never been attempted before. We have begun to rescue our waters from the menace of pollution and to restore the beauty of our land and our countryside, our cities and our towns.

We have given 1 million young Americans a chance to earn through the Neighborhood Youth Corps—or through Head Start, a chance to learn.

So together we have tried to meet the needs of our people. And, we have succeeded in creating a better life for the many as well as the few. Now we must answer whether our gains shall be the foundations of further progress, or whether they shall be only monuments to what might have been—abandoned now by a people who lacked the will to see their great work through.

I believe that our people do not want to quit—though the task is great, the work hard, often frustrating, and success is a matter not of days or months, but of years—and sometimes it may be even decades. II.

I have come here tonight to discuss with you five ways of carrying forward the progress of these last 3 years. These five ways concern programs, partnerships, priorities, prosperity, and peace.

First, programs. We must see to it, I think, that these new programs that we have passed work effectively and are administered in the best possible way.

Three years ago we set out to create these new instruments of social progress. This required trial and error—and it has produced both. But as we learn, through success and failure, we are changing our strategy and we are trying to improve our tactics. In the long run, these starts—some rewarding, others inadequate and disappointing—are crucial to *success*.

One example is the struggle to make life better for the less fortunate among us.

On a similar occasion, at this rostrum in 1949, I heard a great American President, Harry S. Truman, declare this: "The American people have decided that poverty is just as wasteful and just as unnecessary as preventable disease."

Page 2828

Many listened to President Truman that day here in this Chamber, but few understood what was required and did anything about it. The executive branch and the Congress waited 15 long years before ever taking any action on that challenge, as it did on many other challenges that great President presented. And when, 3 years ago, you here in the Congress joined with me in a declaration of war on poverty, then I warned, “It will not be a short or easy struggle—no single weapon... will suffice—but we shall not rest until that war is won.”

And I have come here to renew that pledge tonight.

I recommend that we intensify our efforts to give the poor a chance to enjoy and to join in this Nation’s progress.

I shall propose certain administrative changes suggested by the Congress—as well as some that we have learned from our own trial and error.

I shall urge special methods and special funds to reach the hundreds of thousands of Americans that are now trapped in the ghettos of our big cities and, through Head Start, to try to reach out to our very young, little children. The chance to learn is their brightest hope and must command our full determination. For learning brings skills; and skills bring jobs; and jobs bring responsibility and dignity, as well as taxes.

This war—like the war in Vietnam—is not a simple one. There is no single battle-line which you can plot each day on a chart. The enemy is not easy to perceive, or to isolate, or to destroy. There are mistakes and there are setbacks. But we are moving, and our direction is forward.

This is true with other programs that are making and breaking new ground. Some do not yet have the capacity to absorb well or wisely all the money that could be put into them. Administrative skills and trained manpower are just as vital to their success as dollars. And I believe those skills will come. But it will take time and patience and hard work. Success cannot be forced at a single stroke. So we must continue to strengthen the administration of every program if that success is to come—as we know it must.

We have done much in the space of 2 short years, working together.

I have recommended, and you, the Congress, have approved, 10 different reorganization plans, combining and consolidating many bureaus of this Government, and creating two entirely new Cabinet departments.

I have come tonight to propose that we establish a new department—a Department of Business and Labor.

By combining the Department of Commerce with the Department of Labor and other related agencies, I think we can create a more economical, efficient, and streamlined instrument that will better serve a growing nation.

This is our goal throughout the entire Federal Government. Every program will be thoroughly evaluated. Grant-in-aid programs will be improved and simplified as desired by many of our local administrators and our Governors.

Page 2829

Where there have been mistakes, we will try very hard to correct them.

Where there has been progress, we will try to build upon it.

Our second objective is partnership—to create an effective partnership at all levels of government. And I should treasure nothing more than to have that partnership begin between the executive and the Congress.

The 88th and the 89th Congresses passed more social and economic legislation than any two single Congresses in American history. Most of you who were Members of those Congresses voted to pass most of those measures. But your efforts will come to nothing unless it reaches the people.

Federal energy is essential. But it is not enough. Only a total working partnership among Federal, State, and local governments can succeed. The test of that partnership will be the concern of each public organization, each private institution, and each responsible citizen.

Each State, county, and city needs to examine its capacity for government in today's world, as we are examining ours in the executive department, and as I see you are examining yours. Some will need to reorganize and reshape their methods of administration—as we are doing. Others will need to revise their constitutions and their laws to bring them up to date—as we are doing. Above all, I think we must work together and find ways in which the multitudes of small jurisdictions can be brought together more efficiently.

During the past 3 years we have returned to State and local governments about $40 billion in grants-in-aid. This year alone, 70 percent of our Federal expenditures for domestic programs will be distributed through the State and local governments. With Federal assistance, State and local governments by 1970 will be spending close to $110 billion annually. These enormous sums must be used wisely, honestly, and effectively. We intend to work closely with the States and the localities to do exactly that.

Our third objective is priorities, to move ahead on the priorities that we have established within the resources that are available.

I wish, of course, that we could do all that should be done—and that we could do it now. But the Nation has many commitments and responsibilities which make heavy demands upon our total resources. No administration would more eagerly utilize for these programs all the resources they require than the administration that started them.

So let us resolve, now, to do all that we can, with what we have—knowing that it is far, far more than we have ever done before, and far, far less than our problems will ultimately require.

Let us create new opportunities for our children and our young Americans who need special help.

We should strengthen the Head Start program, begin it for children 3 years old, and maintain its educational momentum by following through in the early years.

Page 2830

We should try new methods of child development and care from the earliest years, before it is too late to correct.

And I will propose these measures to the 90th Congress.

Let us insure that older Americans, and neglected Americans, share in their Nation's progress.

We should raise social security payments by an overall average of 20 percent. That will add $4 billion 100 million to social security payments in the first year. I will recommend that each of the 23 million Americans now receiving payments get an increase of at least 15 percent.

I will ask that you raise the minimum payments by 59 percent—from $44 to $70 a month, and to guarantee a minimum benefit of $100 a month for those with a total of 25 years of coverage. We must raise the limits that retired workers can earn without losing social security income.

We must eliminate by law unjust discrimination in employment because of age.

We should embark upon a major effort to provide self-help assistance to the forgotten in our midst—the American Indians and the migratory farm workers. And we should reach with the hand of understanding to help those who live in rural poverty.

And I will propose these measures to the 90th Congress.

So let us keep on improving the quality of life and enlarging the meaning of justice for all of our fellow Americans.

We should transform our decaying slums into places of decency through the landmark Model Cities program. I intend to seek for this effort, this year, the full amount that you in Congress authorized last year.

We should call upon the genius of private industry and the most advanced technology to help rebuild our great cities.

We should vastly expand the fight for dean air with a total attack on pollution at its sources, and—because air, like water, does not respect manmade boundaries—we should set up "regional airsheds" throughout this great land.

We should continue to carry to every corner of the Nation our campaign for a beautiful America—to dean up our towns, to make them more beautiful, our cities, our countryside, by creating more parks, and more seashores, and more open spaces for our children to play in, and for the generations that come after us to enjoy.

We should continue to seek equality and justice for each citizen—before a jury, in seeking a job, in exercising his civil rights. We should find a solution to fair housing, so that every American, regardless of color, has a decent home of his choice.

We should modernize our Selective Service System. The National Commission on Selective Service will shortly submit its report. I will send you new recommendations to meet our military manpower needs. But let us resolve that this is to be the Congress that made our draft laws as fair and as effective as possible.

We should protect what Justice Brandeis called the “right most valued by civilized men”—the right to privacy. We should outlaw all wiretapping—public and private—-wherever and whenever it occurs, except when the security of this Nation itself is at stake—and only then with the strictest governmental safeguards. And we should exercise the full reach of our constitutional powers to outlaw electronic “bugging” and “snooping.”

Page 2831

I hope this Congress will try to help me do more for the consumer. We should demand that the cost of credit be clearly and honestly expressed where average citizens can understand it. We should immediately take steps to prevent massive power failures, to safeguard the home against hazardous household products, and to assure safety in the pipelines that carry natural gas across our Nation.

We should extend Medicare benefits that are now denied to 1,300,000 permanently and totally disabled Americans under 65 years of age.

We should improve the process of democracy by passing our election reform and financing proposals, by tightening our laws regulating lobbying, and by restoring a reasonable franchise to Americans who move their residences.

We should develop educational television into a vital public resource to enrich our homes, educate our families, and to provide assistance in our classrooms. We should insist that the public interest be fully served through the public's airwaves.

And I will propose these measures to the 90th Congress.

Now we come to a question that weighs very heavily on all our minds—on yours and mine. This Nation must make an all-out effort to combat crime.

The 89th Congress gave us a new start in the attack on crime by passing the Law Enforcement Assistance Act that I recommended. We appointed the National Crime Commission to study crime in America and to recommend the best ways to carry that attack forward.

And while we do not have all the answers, on the basis of its preliminary recommendations we are ready to move.

This is not a war that Washington alone can win. The idea of a national police force is repugnant to the American people. Crime must be rooted out in local communities by local authorities. Our policemen must be better trained, must be better paid, and must be better supported by the local citizens that they try to serve and to protect.

The National Government can and expects to help.

And so I will recommend to the 90th Congress the Safe Streets and Crime Control Act of 1967. It will enable us to assist those States and cities that try to make their streets and homes safer, their police forces better, their corrections systems more effective, and their courts more efficient.

When the Congress approves, the Federal Government will be able to provide a substantial percentage of the cost:

—90 percent of the cost of developing the State and local plans, master plans, to combat crime in their area;

—60 percent of the cost of training new tactical units, developing instant communications and special alarm systems, and introducing the latest equipment and techniques so that they can become weapons in the war on crime;

—50 percent of the cost of building crime laboratories and police academy-type centers so that our citizens can be protected by the best trained and served by the best equipped police to be found anywhere. We will also recommend new methods to prevent juvenile delinquents from becoming adult delinquents. We will seek new partnerships with States and cities in order to deal with this hideous narcotics problem. And we will recommend strict controls on the sale of firearms.

Page 2832

At the heart of this attack on crime must be the conviction that a free America—as Abraham Lincoln once said—must “let reverence for the laws . . . become the political religion of the Nation.”

Our country’s laws must be respected. Order must be maintained. And I will support—-with all the constitutional powers the President possesses—our Nation’s law enforcement officials in their attempt to control the crime and the violence that tear the fabric of our communities.

Many of these priority proposals will be built on foundations that have already been laid. Some will necessarily be small at first, but “every beginning is a consequence.” If we postpone this urgent work now, it will simply have to be done later, and later we will pay a much higher price.

Our fourth objective is prosperity, to keep our economy moving ahead, moving ahead steadily and safely.

We have now enjoyed 6 years of unprecedented and rewarding prosperity. Last year, in 1966:

—Wages were the highest in history—and the unemployment rate, announced yesterday, reached the lowest point in 13 years;

—Total after-tax income of American families rose nearly 5 percent;

—Corporate profits after taxes rose a little more than 5 percent;

—Our gross national product advanced 5.5 percent, to about $740 billion;

—Income per farm went up 6 percent.

Now we have been greatly concerned because consumer prices rose 4.5 percent over the 18 months since we decided to send troops to Vietnam. This was more than we had expected—and the Government tried to do everything that we knew how to do to hold it down. Yet we were not as successful as we wished to be. In the 18 months after we entered World War II, prices rose not 4.5 percent, but 13.5 percent. In the first 18 months after Korea, after the conflict broke out there, prices rose not 4.5 percent, but 11 percent. During those two periods we had OPA price control that the Congress gave us and War Labor Board wage controls.

Since Vietnam we have not asked for those controls and we have tried to avoid imposing them. We believe that we have done better, but we make no pretense of having been successful or doing as well as we wished.

Our greatest disappointment in the economy during 1966 was the excessive rise in interest rates and the tightening of credit. They imposed very severe and very unfair burdens on our home buyers and on our home builders, and all those associated with the home industry.

Last January, and again last September, I recommended fiscal and moderate tax measures to try to restrain the unbalanced pace of economic expansion. Legislatively and administratively we took several billions out of the economy. With these measures, in both instances, the Congress approved most of the recommendations rather promptly.

As 1966 ended, price stability was seemingly being restored. Wholesale prices are lower tonight than they were in August. So are retail food prices. Monetary conditions are also easing. Most interest rates have retreated from their earlier peaks. More money now seems to be available.

Page 2833

Given the cooperation of the Federal Reserve System, which I so earnestly seek, I am confident that this movement can continue. I pledge the American people that I will do everything in a President's power to lower interest rates and to ease money in this country. The Federal Home Loan Bank Board tomorrow morning will announce that it will make immediately available to savings and loan associations an additional $1 billion, and will lower from 6 percent to 5 3/4 percent the interest rate charged on those loans.

We shall continue on a sensible course of fiscal and budgetary policy that we believe will keep our economy growing without new inflationary spirals; that will finance responsibly the needs of our men in Vietnam and the progress of our people at home; that will support a significant improvement in our export surplus, and will press forward toward easier credit and toward lower interest rates.

I recommend to the Congress a surcharge of 6 percent on both corporate and individual income taxes—to last for 2 years or for so long as the unusual expenditures associated with our efforts in Vietnam continue. I will promptly recommend an earlier termination date if a reduction in these expenditures permits it. This surcharge will raise revenues by some $4.5 billion in the first year. For example, a person whose tax payment, the tax he owes, is $1,000, will pay, under this proposal, an extra $60 over the 12-month period, or $5 a month. The overwhelming majority of Americans who pay taxes today are below that figure and they will pay substantially less than $5 a month. Married couples with two children, with incomes up to $5,000 per year, will be exempt from this tax—as will single people with an income of up to $1,900 a year.

Now if Americans today still paid the income and excise tax rates in effect when I came into the Presidency, in the year 1964, their annual taxes would have been over $20 billion more than at present tax rates. So this proposal is that while we have this problem and this emergency in Vietnam, while we are trying to meet the needs of our people at home, your Government asks for slightly more than one-fourth of that tax cut each year in order to try to hold our budget deficit in fiscal 1968 within prudent limits and to give our country and to give our fighting men the help they need in this hour of trial.

For fiscal 1967, we estimate the budget expenditures to be $126.7 billion and revenues of $117 billion. That will leave us a deficit this year of $9.7 billion.

For fiscal 1968, we estimate budget expenditures of $135 billion. And with the tax measures recommended, and a continuing strong economy, we estimate revenues will be $126.9 billion. The deficit then will be $8.1 billion.

I will very soon forward all of my recommendations to the Congress. Yours is the responsibility to discuss and to debate them—to approve or modify or reject them.

Page 2834

I welcome your views, as I have welcomed working with you for 30 years as a colleague and as Vice President and President.

I should like to say to the Members of the opposition—whose numbers, if I am not mistaken, seem to have increased somewhat—that the genius of the American political system has always been best expressed through creative debate that offers choices and reasonable alternatives. Throughout our history, great Republicans and Democrats have seemed to understand this. So let there be light and reason in our relations. That is the way to a responsible session and a responsive government.

Let us be remembered as a President and a Congress who tried to improve the quality of life for every American—not just the rich, not just the poor, but every man, woman, and child in this great Nation of ours.

We all go to school—to good schools or bad schools. We all take air into our lungs—-clean air or polluted air. We all drink water—pure water or polluted water. We all face sickness someday, and some more often than we wish, and old age as well. We all have a stake in this Great Society—in its economic growth, in reduction of civil strife—a great stake in good government.

We just must not arrest the pace of progress we have established in this country in these years. Our children's children will pay the price if we are not wise enough, and courageous enough, and determined enough to stand up and meet the Nation's needs as well as we can in the time allotted us. III.

Abroad, as at home, there is also risk in change. But abroad, as at home, there is a greater risk in standing still. No part of our foreign policy is so sacred that it ever remains beyond review. We shall be flexible where conditions in the world change—-and where man's efforts can change them for the better.

We are in the midst of a great transition—a transition from narrow nationalism to international partnership; from the harsh spirit of the cold war to the hopeful spirit of common humanity on a troubled and a threatened planet.

In Latin America, the American chiefs of state will be meeting very shortly to give our hemispheric policies new direction.

We have come a long way in this hemisphere since the inter-American effort in economic and social development was launched by the conference at Bogota in 1960 under the leadership of President Eisenhower. The Alliance for Progress moved dramatically forward under President Kennedy. There is new confidence that the voice of the people is being heard; that the dignity of the individual is stronger than ever in this hemisphere, and we are facing up to and meeting many of the hemispheric problems together. In this hemisphere that reform under democracy can be made to happen—-

because it has happened. So together, I think, we must now move to strike down the barriers to full cooperation among the American nations, and to free the energies and the resources of two great continents on behalf of all of our citizens.

Page 2835

Africa stands at an earlier stage of development than Latin America. It has yet to develop the transportation, communications, agriculture, and, above all, the trained men and women without which growth is impossible. There, too, the job will best be done if the nations and peoples of Africa cooperate on a regional basis. More and more our programs for Africa are going to be directed toward self-help.

The future of Africa is shadowed by unsolved racial conflicts. Our policy will continue to reflect our basic commitments as a people to support those who are prepared to work towards cooperation and harmony between races, and to help those who demand change but reject the fool's gold of violence.

In the Middle East the spirit of good will toward all, unfortunately, has not yet taken hold. An already tortured peace seems to be constantly threatened. We shall try to use our influence to increase the possibilities of improved relations among the nations of that region. We are working hard at that task.

In the great subcontinent of South Asia live more than a sixth of the earth's population. Over the years we—and others—have invested very heavily in capital and food for the economic development of India and Pakistan.

We are not prepared to see our assistance wasted, however, in conflict. It must strengthen their capacity to help themselves. It must help these two nations—both our friends—to overcome poverty, to emerge as self-reliant leaders, and find terms for reconciliation and cooperation.

In Western Europe we shall maintain in NATO an integrated common defense. But we also look forward to the time when greater security can be achieved through measures of arms control and disarmament, and through other forms of practical agreement.

We are shaping a new future of enlarged partnership in nuclear affairs, in economic and technical cooperation, in trade negotiations, in political consultation, and in working together with the governments and peoples of Eastern Europe and the Soviet Union.

The emerging spirit of confidence is precisely what we hoped to achieve when we went to work a generation ago to put our shoulder to the wheel and try to help rebuild Europe. We faced new challenges and opportunities then and there—and we faced also some dangers. But I believe that the peoples on both sides of the Atlantic, as well as both sides of this Chamber, wanted to face them together.

Our relations with the Soviet Union and Eastern Europe are also in transition. We have avoided both the acts and the rhetoric of the cold war. When we have differed with the Soviet Union, or other nations, for that matter, I have tried to differ quietly and with courtesy, and without venom.

Our objective is not to continue the cold war, but to end it.

We have reached an agreement at the United Nations on the peaceful uses of outer space.

Page 2836

We have agreed to open direct air flights with the Soviet Union.

We have removed more than 400 nonstrategic items from export control.

We are determined that the Export-Import Bank can allow commercial credits to Poland, Hungary, Bulgaria, and Czechoslovakia, as well as to Romania and Yugoslavia.

We have entered into a cultural agreement with the Soviet Union for another 2 years.

We have agreed with Bulgaria and Hungary to upgrade our legations to embassies.

We have started discussions with international agencies on ways of increasing contacts with Eastern European countries.

This administration has taken these steps even as duty compelled us to fulfill and execute alliances and treaty obligations throughout the world that were entered into before I became President.

So tonight I now ask and urge this Congress to help our foreign and our commercial trade policies by passing an East-West trade bill and by approving our consular convention with the Soviet Union.

The Soviet Union has in the past year increased its long-range missile capabilities. It has begun to place near Moscow a limited antimissile defense. My first responsibility to our people is to assure that no nation can ever find it rational to launch a nuclear attack or to use its nuclear power as a credible threat against us or against our allies.

I would emphasize that that is why an important link between Russia and the United States is in our common interest, in arms control and in disarmament. We have the solemn duty to slow down the arms race between us, if that is at all possible, in both conventional and nuclear weapons and defenses. I thought we were making some progress in that direction the first few months I was in office. I realize that any additional race would impose on our peoples, and on all mankind, for that matter, an additional waste of resources with no gain in security to either side.

I expect in the days ahead to closely consult and seek the advice of the Congress about the possibilities of international agreements bearing directly upon this problem.

Next to the pursuit of peace, the really greatest challenge to the human family is the race between food supply and population increase. That race tonight is being lost.

The time for rhetoric has clearly passed. The time for concerted action is here and we must get on with the job.

We believe that three principles must prevail if our policy is to succeed:

First, the developing nations must give highest priority to food production, including the use of technology and the capital of private enterprise.

Second, nations with food deficits must put more of their resources into voluntary family planning programs.

And third, the developed nations must all assist other nations to avoid starvation in the short run and to move rapidly towards the ability to feed themselves.

Page 2837

Every member of the world community now bears a direct responsibility to help bring our most basic human account into balance. IV.

I come now finally to Southeast Asia—and to Vietnam in particular. Soon I will submit to the Congress a detailed report on that situation. Tonight I want to just review the essential points as briefly as I can.

We are in Vietnam because the United States of America and our allies are committed by the *seato* Treaty to “act to meet the common danger” of aggression in Southeast Asia.

We are in Vietnam because an international agreement signed by the United States, North Vietnam, and others in 1962 is being systematically violated by the Communists. That violation threatens the independence of all the small nations in Southeast Asia, and threatens the peace of the entire region and perhaps the world.

We are there because the people of South Vietnam have as much right to remain non-Communist—if that is what they choose—as North Vietnam has to remain Communist.

We are there because the Congress has pledged by solemn vote to take all necessary measures to prevent further aggression.

No better words could describe our present course than those once spoken by the great Thomas Jefferson:

“It is the melancholy law of human societies to be compelled sometimes to choose a great evil in order to ward off a greater.”

We have chosen to fight a limited war in Vietnam in an attempt to prevent a larger war—a war almost certain to follow, I believe, if the Communists succeed in overrunning and taking over South Vietnam by aggression and by force. I believe, and I am supported by some authority, that if they are not checked now the world can expect to pay a greater price to check them later.

That is what our statesmen said when they debated this treaty, and that is why it was ratified 82 to 1 by the Senate many years ago.

You will remember that we stood in Western Europe 20 years ago. Is there anyone in this Chamber tonight who doubts that the course of freedom was not changed for the better because of the courage of that stand?

Sixteen years ago we and others stopped another kind of aggression—this time it was in Korea. Imagine how different Asia might be today if we had failed to act when the Communist army of North Korea marched south. The Asia of tomorrow will be far

different because we have said in Vietnam, as we said 16 years ago in Korea: "This far and no further."

I think I reveal no secret when I tell you that we are dealing with a stubborn adversary who is committed to the use of force and terror to settle political questions.

I wish I could report to you that the conflict is almost over. This I cannot do. We face more cost, more loss, and more agony. For the end is not yet. I cannot promise you that it will come this year—or come next year. Our adversary still believes, I think, tonight, that he can go on fighting longer than we can, and longer than we and our allies will be prepared to stand up and resist.

Page 2838

Our men in that area—there are nearly 500,000 now—have borne well “the burden and the heat of the day.” Their efforts have deprived the Communist enemy of the victory that he sought and that he expected a year ago. We have steadily frustrated his main forces. General Westmoreland reports that the enemy can no longer succeed on the battlefield.

So I must say to you that our pressure must be sustained—and will be sustained—until he realizes that the war he started is costing him more than he can ever gain.

I know of no strategy more likely to attain that end than the strategy of “accumulating slowly, but inexorably, every kind of material resource”—of “laboriously teaching troops the very elements of their trade.” That, and patience—and I mean a great deal of patience.

Our South Vietnamese allies are also being tested tonight. Because they must provide real security to the people living in the countryside. And this means reducing the terrorism and the armed attacks which kidnaped and killed 26,900 civilians in the last 32 months, to levels where they can be successfully controlled by the regular South Vietnamese security forces. It means bringing to the villagers an effective civilian government that they can respect, and that they can rely upon and that they can participate in, and that they can have a personal stake in. We hope that government is now beginning to emerge.

While I cannot report the desired progress in the pacification effort, the very distinguished and able Ambassador, Henry Cabot Lodge, reports that South Vietnam is turning to this task with a new sense of urgency. We can help, but only they can win this part of the war. Their task is to build and protect a new life in each rural province.

One result of our stand in Vietnam is already clear.

It is this: The peoples of Asia now know that the door to independence is not going to be slammed shut. They know that it is possible for them to choose their own national destinies—without coercion.

The performance of our men in Vietnam—backed by the American people—has created a feeling of confidence and unity among the independent nations of Asia and the Pacific. I saw it in their faces in the 19 days that I spent in their homes and in their countries. Fear of external Communist conquest in many Asian nations is already subsiding—and with this, the spirit of hope is rising. For the first time in history, a common outlook and common institutions are already emerging.

This forward movement is rooted in the ambitions and the interests of Asian nations themselves. It was precisely this movement that we hoped to accelerate when I spoke at Johns Hopkins in Baltimore in April 1965, and I pledged “a much more massive effort

to improve the life of man” in that part of the world, in the hope that we could take some of the funds that we were spending on bullets and bombs and spend it on schools and production.

Page 2839

Twenty months later our efforts have produced a new reality: The doors of the billion dollar Asian Development Bank that I recommended to the Congress, and you endorsed almost unanimously, I am proud to tell you are already open. Asians are engaged tonight in regional efforts in a dozen new directions. Their hopes are high. Their faith is strong. Their confidence is deep.

And even as the war continues, we shall play our part in carrying forward this constructive historic development. As recommended by the Eugene Black mission, and if other nations will join us, I will seek a special authorization from the Congress of $200 million for East Asian regional programs.

We are eager to turn our resources to peace. Our efforts in behalf of humanity I think need not be restricted by any parallel or by any boundary line. The moment that peace comes, as I pledged in Baltimore, I will ask the Congress for funds to join in an international program of reconstruction and development for all the people of Vietnam —and their deserving neighbors who wish our help.

We shall continue to hope for a reconciliation between the people of Mainland China and the world community—including working together in all the tasks of arms control, security, and progress on which the fate of the Chinese people, like their fellow men elsewhere, depends.

We would be the first to welcome a China which decided to respect her neighbors' rights. We would be the first to applaud her were she to apply her great energies and intelligence to improving the welfare of her people. And we have no intention of trying to deny her legitimate needs for security and friendly relations with her neighboring countries.

Our hope that all of this will someday happen rests on the conviction that we, the American people and our allies, will and are going to see Vietnam through to an honorable peace.

We will support all appropriate initiatives by the United Nations, and others, which can bring the several parties together for unconditional discussions of peace—anywhere, any time. And we will continue to take every possible initiative ourselves to constantly probe for peace.

Until such efforts succeed, or until the infiltration ceases, or until the conflict subsides, I think the course of wisdom for this country is that we just must firmly pursue our present course. We will stand firm in Vietnam.

I think you know that our fighting men there tonight bear the heaviest burden of all. With their lives they serve their Nation. We must give them nothing less than our full support —and we have given them that—nothing less than the determination that Americans

have always given their fighting men. Whatever our sacrifice here, even if it is more than $5 a month, it is small compared to their own.

How long it will take I cannot prophesy. I only know that the will of the American people, I think, is tonight being tested.

Page 2840

Whether we can fight a war of limited objectives over a period of time, and keep alive the hope of independence and stability for people other than ourselves; whether we can continue to act with restraint when the temptation to “get it over with” is inviting but dangerous; whether we can accept the necessity of choosing “a great evil in order to ward off a greater”; whether we can do these without arousing the hatreds and the passions that are ordinarily loosed in time of war—on all these questions so much turns.

The answers will determine not only where we are, but “whither we are tending.”

A time of testing—yes. And a time of transition. The transition is sometimes slow; sometimes unpopular; almost always very painful; and often quite dangerous.

But we have lived with danger for a long time before, and we shall live with it for a long time yet to come. We know that “man is born unto trouble.” We also know that this Nation was not forged and did not survive and grow and prosper without a great deal of sacrifice from a great many men.

For all the disorders that we must deal with, and all the frustrations that concern us, and all the anxieties that we are called upon to resolve, for all the issues we must face with the agony that attends them, let us remember that “those who expect to reap the blessings of freedom must, like men, undergo the fatigues of supporting it.”

But let us also count not only our burdens but our blessings—for they are many.

And let us give thanks to the One who governs us all.

Let us draw encouragement from the signs of hope—for they, too, are many.

Let us remember that we have been tested before and America has never been found wanting.

So with your understanding, I would hope your confidence, and your support, we are going to persist—and we are going to succeed.

***

State of the Union Address
Lyndon B. Johnson
January 17, 1968

Mr. Speaker, Mr. President, Members of the Congress, and my fellow Americans:

I was thinking as I was walking down the aisle tonight of what Sam Rayburn told me many years ago: The Congress always extends a very warm welcome to the President—as he comes in.

Thank all of you very, very much.

I have come once again to this Chamber—the home of our democracy—to give you, as the Constitution requires, “Information of the State of the Union.”

I report to you that our country is challenged, at home and abroad:

—that it is our will that is being tried, not our strength; our sense of purpose, not our ability to achieve a better America;

—that we have the strength to meet our every challenge; the physical strength to hold the course of decency and compassion at home; and the moral strength to support the cause of peace in the world.

And I report to you that I believe, with abiding conviction, that this people—nurtured by their deep faith, tutored by their hard lessons, moved by their high aspirations—have the will to meet the trials that these times impose.

Page 2841

Since I reported to you last January:

—Three elections have been held in Vietnam—in the midst of war and under the constant threat of violence.

—A President, a Vice President, a House and Senate, and village officials have been chosen by popular, contested ballot.

—The enemy has been defeated in battle after battle.

—The number of South Vietnamese living in areas under Government protection tonight has grown by more than a million since January of last year.

These are all marks of progress. Yet:

—The enemy continues to pour men and material across frontiers and into battle, despite his continuous heavy losses.

—He continues to hope that America's will to persevere can be broken. Well—he is wrong. America will persevere. Our patience and our perseverance will match our power. Aggression will never prevail.

But our goal is peace—and peace at the earliest possible moment.

Right now we are exploring the meaning of Hanoi's recent statement. There is no mystery about the questions which must be answered before the bombing is stopped.

We believe that any talks should follow the San Antonio formula that I stated last September, which said:

—The bombing would stop immediately if talks would take place promptly and with reasonable hopes that they would be productive.

—And the other side must not take advantage of our restraint as they have in the past. This Nation simply cannot accept anything less without jeopardizing the lives of our men and of our allies.

If a basis for peace talks can be established on the San Antonio foundations—and it is my hope and my prayer that they can—we would consult with our allies and with the other side to see if a complete cessation of hostilities—a really true cease-fire—could be made the first order of business. I will report at the earliest possible moment the results of these explorations to the American people.

I have just recently returned from a very fruitful visit and talks with His Holiness the Pope and I share his hope—as he expressed it earlier today—that both sides will

extend themselves in an effort to bring an end to the war in Vietnam. I have today assured him that we and our allies will do our full part to bring this about.

Since I spoke to you last January, other events have occurred that have major consequences for world peace.

—The Kennedy Round achieved the greatest reduction in tariff barriers in all the history of trade negotiations.

—The nations of Latin America at Punta del Este resolved to move toward economic integration.

—In Asia, the nations from Korea and Japan to Indonesia and Singapore worked behind America's shield to strengthen their economies and to broaden their political cooperation.

—In Africa, from which the distinguished Vice President has just returned, he reports to me that there is a spirit of regional cooperation that is beginning to take hold in very practical ways.

Page 2842

These events we all welcomed. Yet since I last reported to you, we and the world have been confronted by a number of crises:

—During the Arab-Israeli war last June, the hot line between Washington and Moscow was used for the first time in our history. A cease-fire was achieved without a major power confrontation.

Now the nations of the Middle East have the opportunity to cooperate with Ambassador Jarring's U.N. mission and they have the responsibility to find the terms of living together in stable peace and dignity, and we shall do all in our power to help them achieve that result.

—Not far from this scene of conflict, a crisis flared on Cyprus involving two peoples who are America's friends: Greece and Turkey. Our very able representative, Mr. Cyrus Vance, and others helped to ease this tension.

—Turmoil continues on the mainland of China after a year of violent disruption. The radical extremism of their Government has isolated the Chinese people behind their own borders. The United States, however, remains willing to permit the travel of journalists to both our countries; to undertake cultural and educational exchanges; and to talk about the exchange of basic food crop materials.

Since I spoke to you last, the United States and the Soviet Union have taken several important steps toward the goal of international cooperation.

As you will remember, I met with Chairman Kosygin at Glassboro and we achieved if not accord, at least a clearer understanding of our respective positions after 2 days of meeting.

Because we believe the nuclear danger must be narrowed, we have worked with the Soviet Union and with other nations to reach an agreement that will halt the spread of nuclear weapons. On the basis of communications from Ambassador Fisher in Geneva this afternoon, I am encouraged to believe that a draft treaty can be laid before the conference in Geneva in the very near future. I hope to be able to present that treaty to the Senate this year for the Senate's approval.

We achieved, in 1967, a consular treaty with the Soviets, the first commercial air agreement between the two countries, and a treaty banning weapons in outer space. We shall sign, and submit to the Senate shortly, a new treaty with the Soviets and with others for the protection of astronauts.

Serious differences still remain between us, yet in these relations, we have made some progress since Vienna, the Berlin Wall, and the Cuban missile crisis.

But despite this progress, we must maintain a military force that is capable of deterring any threat to this Nation's security, whatever the mode of aggression. Our choices must not be confined to total war—or to total acquiescence.

We have such a military force today. We shall maintain it.

I wish—with all of my heart—that the expenditures that are necessary to build and to protect our power could all be devoted to the programs of peace. But until world conditions permit, and until peace is assured, America's might—and America's bravest sons who wear our Nation's uniform—must continue to stand guard for all of us—as they gallantly do tonight in Vietnam and other places in the world.

Page 2843

Yet neither great weapons nor individual courage can provide the conditions of peace.

For two decades America has committed itself against the tyranny of want and ignorance in the world that threatens the peace. We shall sustain that commitment. This year I shall propose:

—That we launch, with other nations, an exploration of the ocean depths to tap its wealth, and its energy, and its abundance.

—That we contribute our fair share to a major expansion of the International Development Association, and to increase the resources of the Asian Development Bank.

—That we adopt a prudent aid program, rooted in the principle of self-help.

—That we renew and extend the food for freedom program.

Our food programs have already helped millions avoid the horrors of famine.

But unless the rapid growth of population in developing countries is slowed, the gap between rich and poor will widen steadily.

Governments in the developing countries must take such facts into consideration. We in the United States are prepared to help assist them in those efforts.

But we must also improve the lives of children already born in the villages and towns and cities on this earth. They can be taught by great teachers through space communications and the miracle of satellite television—and we are going to bring to bear every resource of mind and technology to help make this dream come true.

Let me speak now about some matters here at home.

Tonight our Nation is accomplishing more for its people than has ever been accomplished before. Americans are prosperous as men have never been in recorded history. Yet there is in the land a certain restlessness—a questioning.

The total of our Nation's annual production is now above $800 billion. For 83 months this Nation has been on a steady upward trend of growth.

All about them, most American families can see the evidence of growing abundance: higher paychecks, humming factories, new cars moving down new highways. More and more families own their own homes, equipped with more than 70 million television sets.

A new college is founded every week. Today more than half of the high school graduates go on to college.

There are hundreds of thousands of fathers and mothers who never completed grammar school—who will see their children graduate from college.

Why, then, this restlessness?

Because when a great ship cuts through the sea, the waters are always stirred and troubled.

And our ship is moving. It is moving through troubled and new waters; it is moving toward new and better shores.

We ask now, not how can we achieve abundance?—but how shall we use our abundance? Not, is there abundance enough for all?—but, how can all share in our abundance?

While we have accomplished much, much remains for us to meet and much remains for us to master.

Page 2844

—In some areas, the jobless rate is still three or four times the national average.

—Violence has shown its face in some of our cities.

—Crime increases on our streets.

—Income for farm workers remains far behind that for urban workers; and parity for our farmers who produce our food is still just a hope—not an achievement.

—New housing construction is far less than we need—to assure decent shelter for every family.

—Hospital and medical costs are high, and they are rising.

—Many rivers—and the air in many cities—remain badly polluted. And our citizens suffer from breathing that air.

We have lived with conditions like these for many, many years. But much that we once accepted as inevitable, we now find absolutely intolerable.

In our cities last summer, we saw how wide is the gulf for some Americans between the promise and the reality of our society.

We know that we cannot change all of this in a day. It represents the bitter consequences of more than three centuries.

But the issue is not whether we can change this; the issue is whether we will change this.

Well, I know we can. And I believe we will.

This then is the work we should do in the months that are ahead of us in this Congress.

The first essential is more jobs, useful jobs for tens of thousands who can become productive and can pay their own way.

Our economy has created 7 1/2 million new jobs in the past 4 years. It is adding more than a million and a half new jobs this year.

Through programs passed by the Congress, job training is being given tonight to more than a million Americans in this country.

This year, the time has come when we must get to those who are last in line—the hard-core unemployed—the hardest to reach.

Employment officials estimate that 500,000 of these persons are now unemployed in the major cities of America. Our objective is to place these 500,000 in private industry jobs within the next 3 years.

To do this, I propose a $2. 1 billion manpower program in the coming fiscal year—a 25 percent increase over the current year. Most of this increase will be used to start a new partnership between government and private industry to train and to hire the hard-core unemployed persons. I know of no task before us of more importance to us, to the country, or to our future.

Another essential is to rebuild our cities.

Last year the Congress authorized $662 million for the Model Cities program. I requested the full amount of that authorization to help meet the crisis in the cities of America. But the Congress appropriated only $312 million—less than half.

This year I urge the Congress to honor my request for model cities funds to rebuild the centers of American cities by granting us the full amount that you in the Congress authorized—$1 billion.

Page 2845

The next essential is more housing—and more housing now.

Surely a nation that can go to the moon can place a decent home within the reach of its families.

Therefore we must call together the resources of industry and labor, to start building 300,000 housing units for low- and middle-income families next year—that is three times more than this year. We must make it possible for thousands of families to become homeowners, not rent-payers.

I propose, for the consideration of this Congress, a 10-year campaign to build 6 million new housing units for low and middle-income families. Six million units in the next 10 years. We have built 530,000 the last 10 years.

Better health for our children—all of our children—is essential if we are to have a better America.

Last year, Medicare, Medicaid, and other new programs that you passed in the Congress brought better health to more than 25 million Americans.

American medicine—with the very strong support and cooperation of public resources—has produced a phenomenal decline in the death rate from many of the dread diseases.

But it is a shocking fact that, in saving the lives of babies, America ranks 15th among the nations of the world. And among children, crippling defects are often discovered too late for any corrective action. This is a tragedy that Americans can, and Americans should, prevent.

I shall, therefore, propose to the Congress a child health program to provide, over the next 5 years, for families unable to afford it—access to health services from prenatal care of the mother through the child's first year.

When we do that you will find it is the best investment we ever made because we will get these diseases in their infancy and we will find a cure in a great many instances that we can never find by overcrowding our hospitals when they are grown.

Now when we act to advance the consumer's cause I think we help every American.

Last year, with very little fanfare the Congress and the executive branch moved in that field.

We enacted the Wholesome Meat Act, the Flammable Fabrics Act, the Product Safety Commission, and a law to improve clinical laboratories.

And now, I think, the time has come to complete our unfinished work. The Senate has already passed the truth-in-lending bill, the fire safety bill, and the pipeline safety laws.

Tonight I plead with the House to immediately act upon these measures and I hope take favorable action upon all of them. I call upon the Congress to enact, without delay, the remainder of the 12 vital consumer protection laws that I submitted to the Congress last year.

I also urge final action on a measure that is already passed by the House to guard against fraud and manipulation in the Nation's commodity exchange market.

These measures are a pledge to our people—to keep them safe in their homes and at work, and to give them a fair deal in the marketplace.

Page 2846

And I think we must do more. I propose:

—New powers for the Federal Trade Commission to stop those who defraud and who swindle our public.

—New safeguards to insure the quality of fish and poultry, and the safety of our community water supplies.

—A major study of automobile insurance.

—Protection against hazardous radiation from television sets and other electronic equipment.

And to give the consumer a stronger voice, I plan to appoint a consumer counsel in the Justice Department—a lawyer for the American consumer—to work directly under the Attorney General, to serve the President's Special Assistant for Consumer Affairs, and to serve the consumers of this land.

This Congress—Democrats and Republicans—can earn the thanks of history. We can make this truly a new day for the American consumer, and by giving him this protection we can live in history as the consumer-conscious Congress.

So let us get on with the work. Let us act soon.

We, at every level of the government, State, local, Federal, know that the American people have had enough of rising crime and lawlessness in this country.

They recognize that law enforcement is first the duty of local police and local government.

They recognize that the frontline headquarters against crime is in the home, the church, the city hall and the county courthouse and the statehouse—not in the far-removed National Capital of Washington.

But the people also recognize that the National Government can and the National Government should help the cities and the States in their war on crime to the full extent of its resources and its constitutional authority. And this we shall do.

This does not mean a national police force. It does mean help and financial support:

—to develop State and local master plans to combat crime,

—to provide better training and better pay for police, and

—to bring the most advanced technology to the war on crime in every city and every county in America.

There is no more urgent business before this Congress than to pass the Safe Streets Act this year that I proposed last year. That law will provide these required funds. They are so critically needed that I have doubled my request under this act to $100 million in fiscal 1969.

And I urge the Congress to stop the trade in mail-order murder, to stop it this year by adopting a proper gun control law.

This year, I will propose a Drug Control Act to provide stricter penalties for those who traffic in LSD and other dangerous drugs with our people.

Page 2847

I will ask for more vigorous enforcement of all of our drug laws by increasing the number of Federal drug and narcotics control officials by more than 30 percent. The time has come to stop the sale of slavery to the young. I also request you to give us funds to add immediately 100 assistant United States attorneys throughout the land to help prosecute our criminal laws. We have increased our judiciary by 40 percent and we have increased our prosecutors by 16 percent. The dockets are full of cases because we don't have assistant district attorneys to go before the Federal judge and handle them. We start these young lawyers at $8,200 a year. And the docket is clogged because we don't have authority to hire more of them.

I ask the Congress for authority to hire 100 more. These young men will give special attention to this drug abuse, too.

Finally, I ask you to add 100 FBI agents to strengthen law enforcement in the Nation and to protect the individual rights of every citizen.

A moment ago I spoke of despair and frustrated hopes in the cities where the fires of disorder burned last summer. We can—and in time we will—change that despair into confidence, and change those frustrations into achievements. But violence will never bring progress.

We can make progress only by attacking the causes of violence and only where there is civil order founded on justice.

Today we are helping local officials improve their capacity to deal promptly with disorders.

Those who preach disorder and those who preach violence must know that local authorities are able to resist them swiftly, to resist them sternly, and to resist them decisively.

I shall recommend other actions:

—To raise the farmers' income by establishing a security commodity reserve that will protect the market from price-depressing stocks and protect the consumer from food scarcity.

—I shall recommend programs to help farmers bargain more effectively for fair prices.

—I shall recommend programs for new air safety measures.

—Measures to stem the rising costs of medical care.

—Legislation to encourage our returning veterans to devote themselves to careers in community service such as teaching, and being firemen, and joining our police force, and our law enforcement officials.

—I shall recommend programs to strengthen and finance our anti-pollution efforts.

—Fully funding all of the $2.18 billion poverty program that you in the Congress had just authorized in order to bring opportunity to those who have been left far behind.

—I shall recommend an Educational Opportunity Act to speed up our drive to break down the financial barriers that are separating our young people from college.

I shall also urge the Congress to act on several other vital pending bills—especially the civil rights measures—fair jury trials, protection of Federal rights, enforcement of equal employment opportunity, and fair housing.

Page 2848

The unfinished work of the first session must be completed—the Higher Education Act, the Juvenile Delinquency Act, conservation measures to save the redwoods of California, and to preserve the wonders of our scenic rivers, the Highway Beautification Act—and all the other measures for a cleaner, and for a better, and for a more beautiful America.

Next month we'll begin our 8th year of uninterrupted prosperity. The economic outlook for this year is one of steady growth—if we are vigilant.

True, there are some clouds on the horizon. Prices are rising. Interest rates have passed the peak of 1966; and if there is continued inaction on the tax bill, they will climb even higher.

I warn the Congress and the Nation tonight that this failure to act on the tax bill will sweep us into an accelerating spiral of price increases, a slump in homebuilding, and a continuing erosion of the American dollar.

This would be a tragedy for every American family. And I predict that if this happens, they will all let us know about it.

We—those of us in the executive branch, in the Congress, and the leaders of labor and business—must do everything we can to prevent that kind of misfortune.

Under the new budget, the expenditures for 1969 will increase by $10.4 billion. Receipts will increase by $22.3 billion including the added tax revenues. Virtually all of this expenditure increase represents the mandatory cost of our defense efforts, $3 billion; increased interest, almost $1 billion; or mandatory payments under laws passed by Congress—such as those provided in the Social Security Act that you passed in 1967, and to Medicare and Medicaid beneficiaries, veterans, and farmers, of about $4 1/2 billion; and the additional $1 billion 600 million next year for the pay increases that you passed in military and civilian pay. That makes up the $10 billion that is added to the budget. With few exceptions, very few, we are holding the fiscal 1969 budget to last year's level, outside of those mandatory and required increases.

A Presidential commission composed of distinguished congressional fiscal leaders and other prominent Americans recommended this year that we adopt a new budget approach. I am carrying out their recommendations in this year's budget. This budget, therefore, for the first time accurately covers all Federal expenditures and all Federal receipts, including for the first time in one budget $47 billion from the social security, Medicare, highway, and other trust funds.

The fiscal 1969 budget has expenditures of approximately $186 billion, with total estimated revenues, including the tax bill, of about $178 billion.

If the Congress enacts the tax increase, we will reduce the budget deficit by some $12 billion. The war in Vietnam is costing us about $25 billion and we are asking for about $12 billion in taxes—and if we get that $12 billion tax bill we will reduce the deficit from about $20 billion in 1968 to about $8 billion in 1969.

Page 2849

Now, this is a tight budget. It follows the reduction that I made in cooperation with the Congress—a reduction made after you had reviewed every appropriations bill and reduced the appropriations by some $5 or $6 billion and expenditures by $1.5 billion. We conferred together and I recommended to the Congress and you subsequently approved taking 2 percent from payrolls and 10 percent from controllable expenditures. We therefore reduced appropriations almost $10 billion last session and expenditures over $4 billion. Now, that was in the budget last year.

I ask the Congress to recognize that there are certain selected programs that meet the Nation's most urgent needs and they have increased. We have insisted that decreases in very desirable but less urgent programs be made before we would approve any increases. So I ask the Congress tonight:

—to hold its appropriations to the budget requests, and

—to act responsibly early this year by enacting the tax surcharge which for the average American individual amounts to about a penny out of each dollar's income.

This tax increase would yield about half of the $23 billion per year that we returned to the people in the tax reduction bills of 1964 and 1965.

This must be a temporary measure, which expires in less than 2 years. Congress can repeal it sooner if the need has passed. But Congress can never repeal inflation.

The leaders of American business and the leaders of American labor—those who really have power over wages and prices—must act responsibly, and in their Nation's interest by keeping increases in line with productivity. If our recognized leaders do not do this, they and those for whom they speak and all of us are going to suffer very serious consequences.

On January 1st, I outlined a program to reduce our balance of payments deficit sharply this year. We will ask the Congress to help carry out those parts of the program which require legislation. We must restore equilibrium to our balance of payments.

We must also strengthen the international monetary system. We have assured the world that America's full gold stock stands behind our commitment to maintain the price of gold at $35 an ounce. We must back this commitment by legislating now to free our gold reserves.

Americans, traveling more than any other people in history, took $4 billion out of their country last year in travel costs. We must try to reduce the travel deficit that we have of more than $2 billion. We are hoping that we can reduce it by $500 million—without unduly penalizing the travel of teachers, students, business people who have essential and necessary travel, or people who have relatives abroad whom they want to see.

Even with this reduction of $500 million, the American people will still be traveling more overseas than they did in 1967, 1966, or 1965 or any other year in their history.

Page 2850

If we act together as I hope we can, I believe we can continue our economic expansion which has already broken all past records. And I hope that we can continue that expansion in the days ahead.

Each of these questions I have discussed with you tonight is a question of policy for our people. Therefore, each of them should be—and doubtless will be—debated by candidates for public office this year.

I hope those debates will be marked by new proposals and by a seriousness that matches the gravity of the questions themselves.

These are not appropriate subjects for narrow partisan oratory. They go to the heart of what we Americans are all about—all of us, Democrats and Republicans.

Tonight I have spoken of some of the goals I should like to see America reach. Many of them can be achieved this year—others by the time we celebrate our Nation's 200th birthday—the bicentennial of our independence.

Several of these goals are going to be very hard to reach. But the State of our Union will be much stronger 8 years from now on our 200th birthday if we resolve to reach these goals now. They are more important—much more important—than the identity of the party or the President who will then be in office.

These goals are what the fighting and our alliances are really meant to protect.

Can we achieve these goals?

Of course we can—if we will.

If ever there was a people who sought more than mere abundance, it is our people.

If ever there was a nation that was capable of solving its problems, it is this Nation.

If ever there were a time to know the pride and the excitement and the hope of being an American—it is this time.

So this, my friends, is the State of our Union: seeking, building, tested many times in this past year—and always equal to the test.

Thank you and good night.

***

State of the Union Address
Lyndon B. Johnson
January 14, 1969

Mr. Speaker, Mr. President, Members of the Congress and my fellow Americans:

For the sixth and the last time, I present to the Congress my assessment of the State of the Union.

I shall speak to you tonight about challenge and opportunity—and about the commitments that all of us have made together that will, if we carry them out, give America our best chance to achieve the kind of great society that we all want. Every President lives, not only with what is, but with what has been and what could be.

Most of the great events in his Presidency are part of a larger sequence extending back through several years and extending back through several other administrations.

Urban unrest, poverty, pressures on welfare, education of our people, law enforcement and law and order, the continuing crisis in the Middle East, the conflict in Vietnam, the dangers of nuclear war, the great difficulties of dealing with the Communist powers, all have this much in common: They and their causes—the causes that gave rise to them—all of these have existed with us for many years. Several Presidents have already sought to try to deal with them. One or more Presidents will try to resolve them or try to contain them in the years that are ahead of us.

Page 2851

But if the Nation's problems are continuing, so are this great Nation's assets:

—our economy,

—the democratic system,

—our sense of exploration, symbolized most recently by the wonderful flight of the Apollo 8, in which all Americans took great pride,

—the good commonsense and sound judgment of the American people, and

—their essential love of justice.

We must not ignore our problems. But .neither should we ignore our strengths. Those strengths are available to sustain a President of either party—to support his progressive efforts both at home and overseas.

Unfortunately, the departure of an administration does not mean the end of the problems that this administration has faced. The effort to meet the problems must go on, year after year, if the momentum that we have all mounted together in these past years is not to be lost.

Although the struggle for progressive change is continuous, there are times when a watershed is reached—when there is—if not really a break with the past—at least the fulfillment of many of its oldest hopes, and a stepping forth into a new environment, to seek new goals. I think the past 5 years have been such a time.

We have finished a major part of the old agenda.

Some of the laws that we wrote have already, in front of our eyes, taken on the flesh of achievement.

Medicare that we were unable to pass for so many years is now a part of American life.

Voting rights and the voting booth that we debated so long back in the riffles, and the doors to public service, are open at last to all Americans regardless of their color.

Schools and school children all over America tonight are receiving Federal assistance to go to good schools.

Preschool education—Head Start—is already here to stay and, I think, so are the Federal programs that tonight are keeping more than a million and a half of the cream of our young people in the colleges and the universities of this country.

Part of the American earth—not only in description on a map, but in the reality of our shores, our hills, our parks, our forests, and our mountains—has been permanently set aside for the American public and for their benefit. And there is more that will be set aside before this administration ends.

Five million Americans have been trained for jobs in new Federal programs.

I think it is most important that we all realize tonight that this Nation is close to full employment—with less unemployment than we have had at any time in almost 20 years. That is not in theory; that is in fact. Tonight, the unemployment rate is down to 3.3 percent. The number of jobs has grown more than 8 1/2 million in the last 5 years. That is more than in all the preceding 12 years.

These achievements completed the full cycle, from idea to enactment and, finally, to a place in the lives of citizens all across this country.

Page 2852

I wish it were possible to say that everything that this Congress and the administration achieved during this period had already completed that cycle. But a great deal of what we have committed needs additional funding to become a tangible realization.

Yet the very existence of these commitments—these promises to the American people, made by this Congress and by the executive branch of the Government—are achievements in themselves, and failure to carry through on our commitments would be a tragedy for this Nation.

This much is certain: No one man or group of men made these commitments alone. Congress and the executive branch, with their checks and balances, reasoned together and finally wrote them into the law of the land. They now have all the moral force that the American political system can summon when it acts as one.

They express America's common determination to achieve goals. They imply action.

In most cases, you have already begun that action—but it is not fully completed, of course.

Let me speak for a moment about these commitments. I am going to speak in the language which the Congress itself spoke when it passed these measures. I am going to quote from your words.

In 1966, Congress declared that "improving the quality of urban life is the most critical domestic problem facing the United States." Two years later it affirmed the historic goal of "a decent home . . . for every American family." That is your language.

Now to meet these commitments, we must increase our support for the model cities program, where blueprints of change are already being prepared in more than 150 American cities.

To achieve the goals of the Housing Act of 1968 that you have already passed, we should begin this year more than 500,000 homes for needy families in the coming fiscal year. Funds are provided in the new budget to do just this. This is almost 10 times—10 times—the average rate of the past 10 years.

Our cities and our towns are being pressed for funds to meet the needs of their growing populations. So I believe an urban development bank should be created by the Congress. This bank could obtain resources through the issuance of taxable bonds and it could then lend these resources at reduced rates to the communities throughout the land for schools, hospitals, parks, and other public facilities.

Since we enacted the Social Security Act back in 1935, Congress has recognized the necessity to "make more adequate provision for aged persons . . . through maternal and

child welfare . . . and public health." Those are the words of the Congress—"more adequate."

The time has come, I think, to make it more adequate. I believe we should increase social security benefits, and I am so recommending tonight.

I am suggesting that there should be an overall increase in benefits of at least 13 percent. Those who receive only the minimum of $55 should get $80 a month.

Page 2853

Our Nation, too, is rightfully proud of our medical advances. But we should remember that our country ranks 15th among the nations of the world in its infant mortality rate.

I think we should assure decent medical care for every expectant mother and for their children during the first year of their life in the United States of America.

I think we should protect our children and their families from the costs of catastrophic illness.

As we pass on from medicine, I think nothing is clearer to the Congress than the commitment that the Congress made to end poverty. Congress expressed it well, I think, in 1964, when they said: "It is the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation."

This is the richest nation in the world. The antipoverty program has had many achievements. It also has some failures. But we must not cripple it after only 3 years of trying to solve the human problems that have been with us and have been building up among us for generations.

I believe the Congress this year will want to improve the administration of the poverty program by reorganizing portions of it and transferring them to other agencies. I believe, though, it will want to continue, until we have broken the back of poverty, the efforts we are now making throughout this land.

I believe, and I hope the next administration—I believe they believe—that the key to success in this effort is jobs. It is work for people who want to work.

In the budget for fiscal 1970, I shall recommend a total of $3.5 billion for our job training program, and that is five times as much as we spent in 1964 trying to prepare Americans where they can work to earn their own living.

The Nation's commitment in the field of civil rights began with the Declaration of Independence. They were extended by the 13th, 14th, and 15th amendments. They have been powerfully strengthened by the enactment of three far-reaching civil rights laws within the past 5 years, that this Congress, in its wisdom, passed.

On January 1 of this year, the Fair Housing Act of 1968 covered over 20 million American homes and apartments. The prohibition against racial discrimination in that act should be remembered and it should be vigorously enforced throughout this land.

I believe we should also extend the vital provisions of the Voting Rights Act for another 5 years.

In the Safe Streets Act of 1968, Congress determined "To assist state and local governments in reducing the incidence of crime."

This year I am proposing that the Congress provide the full $300 million that the Congress last year authorized to do just that.

I hope the Congress will put the money where the authorization is.

I believe this is an essential contribution to justice and to public order in the United States. I hope these grants can be made to the States and they can be used effectively to reduce the crime rate in this country.

Page 2854

But all of this is only a small part of the total effort that must be made—I think chiefly by the local governments throughout the Nation—if we expect to reduce the toll of crime that we all detest.

Frankly, as I leave the Office of the Presidency, one of my greatest disappointments is our failure to secure passage of a licensing and registration act for firearms. I think if we had passed that act, it would have reduced the incidence of crime. I believe that the Congress should adopt such a law, and I hope that it will at a not too distant date.

In order to meet our long-standing commitment to make government as efficient as possible, I believe that we should reorganize our postal system along the lines of the Kappel[1] report.

[Footnote 1: Frederick R. Kappel, Chairman of the Commission on Executive, Legislative and Judicial Salaries.]

I hope we can all agree that public service should never impose an unreasonable financial sacrifice on able men and women who want to serve their country.

I believe that the recommendations of the Commission on Executive, Legislative and Judicial Salaries are generally sound. Later this week, I shall submit a special message which I reviewed with the leadership this evening containing a proposal that has been reduced and has modified the Commission's recommendation to some extent on the congressional salaries.

For Members of Congress, I will recommend the basic compensation not of the $50,000 unanimously recommended by the Kappel Commission and the other distinguished Members, but I shall reduce that $50,000 to $42,500. I will suggest that Congress appropriate a very small additional allowance for official expenses, so that Members will not be required to use their salary increase for essential official business.

I would have submitted the Commission's recommendations, except the advice that I received from the leadership—and you usually are consulted about matters that affect the Congress—was that the Congress would not accept the $50,000 recommendation, and if I expected my recommendation to be seriously considered, I should make substantial reductions. That is the only reason I didn't go along with the Kappel report.

In 1967 I recommended to the Congress a fair and impartial random selection system for the draft. I submit it again tonight for your most respectful consideration.

I know that all of us recognize that most of the things we do to meet all of these commitments I talk about will cost money. If we maintain the strong rate of growth that we have had in this country for the past 8 years, I think we shall generate the resources that we need to meet these commitments.

We have already been able to increase our support for major social programs—-although we have heard a lot about not being able to do anything on the home front because of Vietnam; but we have been able in the last 5 years to increase our commitments for such things as health and education from $30 billion in 1964 to $68 billion in the coming fiscal year. That is more than double. That is more than it has ever been increased in the 188 years of this Republic, notwithstanding Vietnam.

Page 2855

We must continue to budget our resources and budget them responsibly in a way that will preserve our prosperity and will strengthen our dollar.

Greater revenues and the reduced Federal spending required by Congress last year have changed the budgetary picture dramatically since last January when we made our estimates. At that time, you will remember that we estimated we would have a deficit of $8 billion. Well, I am glad to report to you tonight that the fiscal year ending June 30, 1969, this June, we are going to have not a deficit, but we are going to have a $2.4 billion surplus.

You will receive the budget tomorrow. The budget for the next fiscal year, that begins July 1—which you will want to examine very carefully in the days ahead—will provide a $3.4 billion surplus.

This budget anticipates the extension of the surtax that Congress enacted last year. I have communicated with the President-elect, Mr. Nixon, in connection with this policy of continuing the surtax for the time being.

I want to tell you that both of us want to see it removed just as soon as circumstances will permit, but the President-elect has told me that he has concluded that until his administration, and this Congress, can examine the appropriation bills, and each item in the budget, and can ascertain that the facts justify permitting the surtax to expire or to be reduced, he, Mr. Nixon, will support my recommendation that the surtax be continued.

Americans, I believe, are united in the hope that the Paris talks will bring an early peace to Vietnam. And if our hopes for an early settlement of the war are realized, then our military expenditures can be reduced and very substantial savings can be made to be used for other desirable purposes, as the Congress may determine.

In any event, I think it is imperative that we do all that we responsibly can to resist inflation while maintaining our prosperity. I think all Americans know that our prosperity is broad and it is deep, and it has brought record profits, the highest in our history, and record wages.

Our gross national product has grown more in the last 5 years than any other period in our Nation's history. Our wages have been the highest. Our profits have been the best. This prosperity has enabled millions to escape the poverty that they would have otherwise had the last few years.

I think also you will be very glad to hear that the Secretary of the Treasury informs me tonight that in 1968 in our balance of payments we have achieved a surplus. It appears that we have, in fact, done better this year than we have done in any year in this regard since the year 1957.

The quest for a durable peace, I think, has absorbed every administration since the end of World War II. It has required us to seek a limitation of arms races not only among the superpowers, but among the smaller nations as well. We have joined in the test ban treaty of 1963, the outer space treaty of 1967, and the treaty against the spread of nuclear weapons in 1968.

Page 2856

This latter agreement—the nonproliferation treaty—is now pending in the Senate and it has been pending there since last July. In my opinion, delay in ratifying it is not going to be helpful to the cause of peace. America took the lead in negotiating this treaty and America should now take steps to have it approved at the earliest possible date.

Until a way can be found to scale down the level of arms among the superpowers, mankind cannot view the future without fear and great apprehension. So, I believe that we should resume the talks with the Soviet Union about limiting offensive and defensive missile systems. I think they would already have been resumed except for Czechoslovakia and our election this year.

It was more than 20 years ago that we embarked on a program of trying to aid the developing nations. We knew then that we could not live in good conscience as a rich enclave on an earth that was seething in misery.

During these years there have been great advances made under our program, particularly against want and hunger, although we are disappointed at the appropriations last year. We thought they were woefully inadequate. This year I am asking for adequate funds for economic assistance in the hope that we can further peace throughout the world.

I think we must continue to support efforts in regional cooperation. Among those efforts, that of Western Europe has a very special place in America's concern.

The only course that is going to permit Europe to play the great world role that its resources permit is to go forward to unity. I think America remains ready to work with a united Europe, to work as a partner on the basis of equality.

For the future, the quest for peace, I believe, requires:

—that we maintain the liberal trade policies that have helped us become the leading nation in world trade,

—that we strengthen the international monetary system as an instrument of world prosperity, and

—that we seek areas of agreement with the Soviet Union where the interests of both nations and the interests of world peace are properly served.

The strained relationship between us and the world's leading Communist power has not ended—especially in the light of the brutal invasion of Czechoslovakia. But totalitarianism is no less odious to us because we are able to reach some accommodation that reduces the danger of world catastrophe.

What we do, we do in the interest of peace in the world. We earnestly hope that time will bring a Russia that is less afraid of diversity and individual freedom.

The quest for peace tonight continues in Vietnam, and in the Paris talks.

I regret more than any of you know that it has not been possible to restore peace to South Vietnam.

The prospects, I think, for peace are better today than at any time since North Vietnam began its invasion with its regular forces more than 4 years ago.

Page 2857

The free nations of Asia know what they were not sure of at that time: that America cares about their freedom, and it also cares about America's own vital interests in Asia and throughout the Pacific.

The North Vietnamese know that they cannot achieve their aggressive purposes by force. There may be hard fighting before a settlement is reached; but, I can assure you, it will yield no victory to the Communist cause.

I cannot speak to you tonight about Vietnam without paying a very personal tribute to the men who have carried the battle out there for all of us. I have been honored to be their Commander in Chief. The Nation owes them its unstinting support while the battle continues—and its enduring gratitude when their service is done.

Finally, the quest for stable peace in the Middle East goes on in many capitals tonight. America fully supports the unanimous resolution of the U.N. Security Council which points the way. There must be a settlement of the armed hostility that exists in that region of the world today. It is a threat not only to Israel and to all the Arab States, but it is a threat to every one of us and to the entire world as well.

Now, my friends in Congress, I want to conclude with a few very personal words to you.

I rejected and rejected and then finally accepted the congressional leadership's invitation to come here to speak this farewell to you in person tonight.

I did that for two reasons. One was philosophical. I wanted to give you my judgment, as I saw it, on some of the issues before our Nation, as I view them, before I leave.

The other was just pure sentimental. Most all of my life as a public official has been spent here in this building. For 38 years—since I worked on that gallery as a doorkeeper in the House of Representatives—I have known these halls, and I have known most of the men pretty well who walked them.

I know the questions that you face. I know the conflicts that you endure. I know the ideals that you seek to serve.

I left here first to become Vice President, and then to become, in a moment of tragedy, the President of the United States.

My term of office has been marked by a series of challenges, both at home and throughout the world.

In meeting some of these challenges, the Nation has found a new confidence. In meeting others, it knew turbulence and doubt, and fear and hate.

Throughout this time, I have been sustained by my faith in representative democracy—a faith that I had learned here in this Capitol Building as an employee and as a Congressman and as a Senator.

I believe deeply in the ultimate purposes of this Nation—described by the Constitution, tempered by history, embodied in progressive laws, and given life by men and women that have been elected to serve their fellow citizens.

Now for 5 most demanding years in the White House, I have been strengthened by the counsel and the cooperation of two great former Presidents, Harry S. Truman and Dwight David Eisenhower. I have been guided by the memory of my pleasant and close association with the beloved John F. Kennedy, and with our greatest modern legislator, Speaker Sam Rayburn.

Page 2858

I have been assisted by my friend every step of the way, Vice President Hubert Humphrey. I am so grateful that I have been supported daily by the loyalty of Speaker McCormack and Majority Leader Albert.

I have benefited from the wisdom of Senator Mike Mansfield, and I am sure that I have avoided many dangerous pitfalls by the good commonsense counsel of the President Pro Tem of the Senate, Senator Richard Brevard Russell.

I have received the most generous cooperation from the leaders of the Republican Party in the Congress of the United States, Senator Dirksen and Congressman Gerald Ford, the Minority Leader.

No President should ask for more, although I did upon occasions. But few Presidents have ever been blessed with so much.

President-elect Nixon, in the days ahead, is going to need your understanding, just as I did. And he is entitled to have it. I hope every Member will remember that the burdens he will bear as our President, will be borne for all of us. Each of us should try not to increase these burdens for the sake of narrow personal or partisan advantage.

Now, it is time to leave. I hope it may be said, a hundred years from now, that by working together we helped to make our country more just, more just for all of its people, as well as to insure and guarantee the blessings of liberty for all of our posterity.

That is what I hope. But I believe that at least it will be said that we tried.

***

State of the Union Address
Richard Nixon
January 22, 1970

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests and my fellow Americans:

To address a joint session of the Congress in this great Chamber in which I was once privileged to serve is an honor for which I am deeply grateful.

The State of the Union Address is traditionally an occasion for a lengthy and detailed account by the President of what he has accomplished in the past, what he wants the Congress to do in the future, and, in an election year, to lay the basis for the political issues which might be decisive in the fall.

Occasionally there comes a time when profound and far-reaching events command a break with tradition. This is such a time.

I say this not only because 1970 marks the beginning of a new decade in which America will celebrate its 200th birthday. I say it because new knowledge and hard experience argue persuasively that both our programs and our institutions in America need to be reformed.

The moment has arrived to harness the vast energies and abundance of this land to the creation of a new American experience, an experience richer and deeper and more truly a reflection of the goodness and grace of the human spirit.

The seventies will be a time of new beginnings, a time of exploring both on the earth and in the heavens, a time of discovery. But the time has also come for emphasis on developing better ways of managing what we have and of completing what man's genius has begun but left unfinished.

Page 2859

Our land, this land that is ours together, is a great and a good land. It is also an unfinished land, and the challenge of perfecting it is the summons of the seventies.

It is in that spirit that I address myself to those great issues facing our Nation which are above partisanship.

When we speak of America's priorities the first priority must always be peace for America and the world.

The major immediate goal of our foreign policy is to bring an end to the war in Vietnam in a way that our generation will be remembered not so much as the generation that suffered in war, but more for the fact that we had the courage and character to win the kind of a just peace that the next generation was able to keep.

We are making progress toward that goal.

The prospects for peace are far greater today than they were a year ago.

A major part of the credit for this development goes to the Members of this Congress who, despite their differences on the conduct of the war, have overwhelmingly indicated their support of a just peace. By this action, you have completely demolished the enemy's hopes that they can gain in Washington the victory our fighting men have denied them in Vietnam.

No goal could be greater than to make the next generation the first in this century in which America was at peace with every nation in the world.

I shall discuss in detail the new concepts and programs designed to achieve this goal in a separate report on foreign policy, which I shall submit to the Congress at a later date.

Today, let me describe the directions of our new policies.

We have based our policies on an evaluation of the world as it is, not as it was 25 years ago at the conclusion of World War II. Many of the policies which were necessary and right then are obsolete today.

Then, because of America's overwhelming military and economic strength, because of the weakness of other major free world powers and the inability of scores of newly independent nations to defend, or even govern, themselves, America had to assume the major burden for the defense of freedom in the world.

In two wars, first in Korea and now in Vietnam, we furnished most of the money, most of the arms, most of the men to help other nations defend their freedom.

Today the great industrial nations of Europe, as well as Japan, have regained their economic strength; and the nations of Latin America—and many of the nations who acquired their freedom from colonialism after World War II in Asia and Africa—have a new sense of pride and dignity and a determination to assume the responsibility for their own defense.

That is the basis of the doctrine I announced at Guam.

Neither the defense nor the development of other nations can be exclusively or primarily an American undertaking.

The nations of each part of the world should assume the primary responsibility for their own well-being; and they themselves should determine the terms of that well-being.

Page 2860

We shall be faithful to our treaty commitments, but we shall reduce our involvement and our presence in other nations' affairs.

To insist that other nations play a role is not a retreat from responsibility; it is a sharing of responsibility.

The result of this new policy has been not to weaken our alliances, but to give them new life, new strength, a new sense of common purpose.

Relations with our European allies are once again strong and healthy, based on mutual consultation and mutual responsibility.

We have initiated a new approach to Latin America in which we deal with those nations as partners rather than patrons.

The new partnership concept has been welcomed in Asia. We have developed an historic new basis for Japanese-American friendship and cooperation, which is the linchpin for peace in the Pacific.

If we are to have peace in the last third of the century, a major factor will be the development of a new relationship between the United States and the Soviet Union.

I would not underestimate our differences, but we are moving with precision and purpose from an era of confrontation to an era of negotiation.

Our negotiations on strategic arms limitations and in other areas will have far greater chance for success if both sides enter them motivated by mutual self-interest rather than naive sentimentality.

It is with this same spirit that we have resumed discussions with Communist China in our talks at Warsaw.

Our concern in our relations with both these nations is to avoid a catastrophic collision and to build a solid basis for peaceful settlement of our differences.

I would be the last to suggest that the road to peace is not difficult and dangerous, but I believe our new policies have contributed to the prospect that America may have the best chance since World War II to enjoy a generation of uninterrupted peace. And that chance will be enormously increased if we continue to have a relationship between Congress and the Executive in which, despite differences in detail, where the security of America and the peace of mankind are concerned, we act not as Republicans, not as Democrats, but as Americans.

As we move into the decade of the seventies, we have the greatest opportunity for progress at home of any people in world history.

Our gross national product will increase by $500 billion in the next 10 years. This increase alone is greater than the entire growth of the American economy from 1790 to 1950.

The critical question is not whether we will grow, but how we will use that growth.

The decade of the sixties was also a period of great growth economically. But in that same 10-year period we witnessed the greatest growth of crime, the greatest increase in inflation, the greatest social unrest in America in 100 years. Never has a nation seemed to have had more and enjoyed it less.

Page 2861

At heart, the issue is the effectiveness of government.

Ours has become—as it continues to be, and should remain—a society of large expectations. Government helped to generate these expectations. It undertook to meet them. Yet, increasingly, it proved unable to do so.

As a people, we had too many visions—and too little vision.

Now, as we enter the seventies, we should enter also a great age of reform of the institutions of American government.

Our purpose in this period should not be simply better management of the programs of the past. The time has come for a new quest—a quest not for a greater quantity of what we have, but for a new quality of life in America.

A major part of the substance for an unprecedented advance in this Nation's approach to its problems and opportunities is contained in more than two score legislative proposals which I sent to the Congress last year and which still await enactment.

I will offer at least a dozen more major programs in the course of this session.

At this point I do not intend to go through a detailed listing of what I have proposed or will propose, but I would like to mention three areas in which urgent priorities demand that we move and move now:

First, we cannot delay longer in accomplishing a total reform of our welfare system. When a system penalizes work, breaks up homes, robs recipients of dignity, there is no alternative to abolishing that system and adopting in its place the program of income support, job training, and work incentives which I recommended to the Congress last year.

Second, the time has come to assess and reform all of our institutions of government at the Federal, State, and local level. It is time for a New Federalism, in which, after 190 years of power flowing from the people and local and State governments to Washington, D.C., it will begin to flow from Washington back to the States and to the people of the United States.

Third, we must adopt reforms which will expand the range of opportunities for all Americans. We can fulfill the American dream only when each person has a fair chance to fulfill his own dreams. This means equal voting rights, equal employment opportunity, and new opportunities for expanded ownership. Because in order to be secure in their human rights, people need access to property rights.

I could give similar examples of the need for reform in our programs for health, education, housing, transportation, as well as other critical areas which directly affect the well-being of millions of Americans.

The people of the United States should wait no longer for these reforms that would so deeply enhance the quality of their life.

When I speak of actions which would be beneficial to the American people, I can think of none more important than for the Congress to join this administration in the battle to stop the rise in the cost of living.

Page 2862

Now, I realize it is tempting to blame someone else for inflation. Some blame business for raising prices. Some blame unions for asking for more wages.

But a review of the stark fiscal facts of the 1960's clearly demonstrates where the primary blame for rising prices must be placed.

In the decade of the sixties the Federal Government spent $57 billion more than it took in in taxes.

In that same decade the American people paid the bill for that deficit in price increases which raised the cost of living for the average family of four by $200 per month in America.

Now millions of Americans are forced to go into debt today because the Federal Government decided to go into debt yesterday. We must balance our Federal budget so that American families will have a better chance to balance their family budgets.

Only with the cooperation of the Congress can we meet this highest priority objective of responsible government. We are on the right track.

We had a balanced budget in 1969. This administration cut more than $7 billion out of spending plans in order to produce a surplus in 1970, and in spite of the fact that Congress reduced revenues by $3 billion, I shall recommend a balanced budget for 1971.

But I can assure you that not only to present, but to stay within, a balanced budget requires some very hard decisions. It means rejecting spending programs which would benefit some of the people when their net effect would result in price increases for all the people.

It is time to quit putting good money into bad programs. Otherwise, we will end up with bad money and bad programs.

I recognize the political popularity of spending programs, and particularly in an election year. But unless we stop the rise in prices, the cost of living for millions of American families will become unbearable and government's ability to plan programs for progress for the future will become impossible.

In referring to budget cuts, there is one area where I have ordered an increase rather than a cut—and that is the requests of those agencies with the responsibilities for law enforcement.

We have heard a great deal of overblown rhetoric during the sixties in which the word "war" has perhaps too often been used—the war on poverty, the war on misery, the war on disease, the war on hunger. But if there is one area where the word "war" is

appropriate it is in the fight against crime. We must declare and win the war against the criminal elements which increasingly threaten our cities, our homes, and our lives.

We have a tragic example of this problem in the Nation's Capital, for whose safety the Congress and the Executive have the primary responsibility. I doubt if many Members of this Congress who live more than a few blocks from here would dare leave their cars in the Capitol garage and walk home alone tonight.

Last year this administration sent to the Congress 13 separate pieces of legislation dealing with organized crime, pornography, street crime, narcotics, crime in the District of Columbia.

Page 2863

None of these bills has reached my desk for signature.

I am confident that the Congress will act now to adopt the legislation I placed before you last year. We in the Executive have done everything we can under existing law, but new and stronger weapons are needed in that fight.

While it is true that State and local law enforcement agencies are the cutting edge in the effort to eliminate street crime, burglaries, murder, my proposals to you have embodied my belief that the Federal Government should play a greater role in working in partnership with these agencies.

That is why 1971 Federal spending for local law enforcement will double that budgeted for 1970.

The primary responsibility for crimes that affect individuals is with local and State rather than with Federal Government. But in the field of organized crime, narcotics, pornography, the Federal Government has a special responsibility it should fulfill. And we should make Washington, D.C., where we have the primary responsibility, an example to the Nation and the world of respect for law rather than lawlessness.

I now turn to a subject which, next to our desire for peace, may well become the major concern of the American people in the decade of the seventies.

In the next 10 years we shall increase our wealth by 50 percent. The profound question is: Does this mean we will be 50 percent richer in a real sense, 50 percent better off, 50 percent happier?

Or does it mean that in the year 1980 the President standing in this place will look back on a decade in which 70 percent of our people lived in metropolitan areas choked by traffic, suffocated by smog, poisoned by water, deafened by noise, and terrorized by crime?

These are not the great questions that concern world leaders at summit conferences. But people do not live at the summit. They live in the foothills of everyday experience, and it is time for all of us to concern ourselves with the way real people live in real life.

The great question of the seventies is, shall we surrender to our surroundings, or shall we make our peace with nature and begin to make reparations for the damage we have done to our air, to our land, and to our water?

Restoring nature to its natural state is a cause beyond party and beyond factions. It has become a common cause of all the people of this country. It is a cause of particular concern to young Americans, because they more than we will reap the grim consequences of our failure to act on programs which are needed now if we are to prevent disaster later.

Clean air, clean water, open spaces—these should once again be the birthright of every American. If we act now, they can be.

We still think of air as free. But clean air is not free, and neither is clean water. The price tag on pollution control is high. Through our years of past carelessness we incurred a debt to nature, and now that debt is being called.

Page 2864

The program I shall propose to Congress will be the most comprehensive and costly program in this field in America's history.

It is not a program for just one year. A year's plan in this field is no plan at all. This is a time to look ahead not a year, but 5 years or 10 years—whatever time is required to do the job.

I shall propose to this Congress a $10 billion nationwide clean waters program to put modern municipal waste treatment plants in every place in America where they are needed to make our waters clean again, and do it now. We have the industrial capacity, if we begin now, to build them all within 5 years. This program will get them built within 5 years.

As our cities and suburbs relentlessly expand, those priceless open spaces needed for recreation areas accessible to their people are swallowed up—often forever. Unless we preserve these spaces while they are still available, we will have none to preserve. Therefore, I shall propose new financing methods for purchasing open space and parklands now, before they are lost to us.

The automobile is our worst polluter of the air. Adequate control requires further advances in engine design and fuel composition. We shall intensify our research, set increasingly strict standards, and strengthen enforcement procedures—and we shall do it now.

We can no longer afford to consider air and water common property, free to be abused by anyone without regard to the consequences. Instead, we should begin now to treat them as scarce resources, which we are no more free to contaminate than we are free to throw garbage into our neighbor's yard.

This requires comprehensive new regulations. It also requires that, to the extent possible, the price of goods should be made to include the costs of producing and disposing of them without damage to the environment.

Now, I realize that the argument is often made that there is a fundamental contradiction between economic growth and the quality of life, so that to have one we must forsake the other.

The answer is not to abandon growth, but to redirect it. For example, we should turn toward ending congestion and eliminating smog the same reservoir of inventive genius that created them in the first place.

Continued vigorous economic growth provides us with the means to enrich life itself and to enhance our planet as a place hospitable to man.

Each individual must enlist in this fight if it is to be won.

It has been said that no matter how many national parks and historical monuments we buy and develop, the truly significant environment for each of us is that in which we spend 80 percent of our time—in our homes, in our places of work, the streets over which we travel.

Street litter, rundown parking strips and yards, dilapidated fences, broken windows, smoking automobiles, dingy working places, all should be the object of our fresh view.

Page 2865

We have been too tolerant of our surroundings and too willing to leave it to others to clean up our environment. It is time for those who make massive demands on society to make some minimal demands on themselves. Each of us must resolve that each day he will leave his home, his property, the public places of the city or town a little cleaner, a little better, a little more pleasant for himself and those around him.

With the help of people we can do anything, and without their help, we can do nothing. In this spirit, together, we can reclaim our land for ours and generations to come.

Between now and the year 2000, over 100 million children will be born in the United States. Where they grow up—and how—will, more than any one thing, measure the quality of American life in these years ahead.

This should be a warning to us.

For the past 30 years our population has also been growing and shifting. The result is exemplified in the vast areas of rural America emptying out of people and of promise—a third of our counties lost population in the sixties.

The violent and decayed central cities of our great metropolitan complexes are the most conspicuous area of failure in American life today.

I propose that before these problems become insoluble, the Nation develop a national growth policy.

In the future, government decisions as to where to build highways, locate airports, acquire land, or sell land should be made with a clear objective of aiding a balanced growth for America.

In particular, the Federal Government must be in a position to assist in the building of new cities and the rebuilding of old ones.

At the same time, we will carry our concern with the quality of life in America to the farm as well as the suburb, to the village as well as to the city. What rural America needs most is a new kind of assistance. It needs to be dealt with, not as a separate nation, but as part of an overall growth policy for America. We must create a new rural environment which will not only stem the migration to urban centers, but reverse it. If we seize our growth as a challenge, we can make the 1970's an historic period when by conscious choice we transformed our land into what we want it to become.

America, which has pioneered in the new abundance, and in the new technology, is called upon today to pioneer in meeting the concerns which have followed in their wake—in turning the wonders of science to the service of man.

In the majesty of this great Chamber we hear the echoes of America's history, of debates that rocked the Union and those that repaired it, of the summons to war and the search for peace, of the uniting of the people, the building of a nation.

Those echoes of history remind us of our roots and our strengths.

They remind us also of that special genius of American democracy, which at one critical turning point after another has led us to spot the new road to the future and given us the wisdom and the courage to take it.

Page 2866

As I look down that new road which I have tried to map out today, I see a new America as we celebrate our 200th anniversary 6 years from now.

I see an America in which we have abolished hunger, provided the means for every family in the Nation to obtain a minimum income, made enormous progress in providing better housing, faster transportation, improved health, and superior education.

I see an America in which we have checked inflation, and waged a winning war against crime.

I see an America in which we have made great strides in stopping the pollution of our air, cleaning up our water, opening up our parks, continuing to explore in space.

Most important, I see an America at peace with all the nations of the world.

This is not an impossible dream. These goals are all within our reach.

In times past, our forefathers had the vision but not the means to achieve such goals.

Let it not be recorded that we were the first American generation that had the means but not the vision to make this dream come true.

But let us, above all, recognize a fundamental truth. We can be the best clothed, best fed, best housed people in the world, enjoying clean air, clean water, beautiful parks, but we could still be the unhappiest people in the world without an indefinable spirit—the lift of a driving dream which has made America, from its beginning, the hope of the world.

Two hundred years ago this was a new nation of 3 million people, weak militarily, poor economically. But America meant something to the world then which could not be measured in dollars, something far more important than military might.

Listen to President Thomas Jefferson in 1802: We act not “for ourselves alone, but for the whole human race.”

We had a spiritual quality then which caught the imagination of millions of people in the world.

Today, when we are the richest and strongest nation in the world, let it not be recorded that we lack the moral and spiritual idealism which made us the hope of the world at the time of our birth.

The demands of us in 1976 are even greater than in 1776.

It is no longer enough to live and let live. Now we must live and help live.

We need a fresh climate in America, one in which a person can breathe freely and breathe in freedom.

Our recognition of the truth that wealth and happiness are not the same thing requires us to measure success or failure by new criteria.

Even more than the programs I have described today, what this Nation needs is an example from its elected leaders in providing the spiritual and moral leadership which no programs for material progress can satisfy.

Above all, let us inspire young Americans with a sense of excitement, a sense of destiny, a sense of involvement, in meeting the challenges we face in this great period of our history. Only then are they going to have any sense of satisfaction in their lives.

Page 2867

The greatest privilege an individual can have is to serve in a cause bigger than himself. We have such a cause.

How we seize the opportunities I have described today will determine not only our future, but the future of peace and freedom in this world in the last third of the century.

May God give us the wisdom, the strength and, above all, the idealism to be worthy of that challenge, so that America can fulfill its destiny of being the world's best hope for liberty, for opportunity, for progress and peace for all peoples.

***

State of the Union Address
Richard Nixon
January 22, 1971

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests, my fellow Americans:

As this 92d Congress begins its session, America has lost a great Senator, and all of us who had the privilege to know him have lost a loyal friend. I had the privilege of visiting Senator Russell in the hospital just a few days before he died. He never spoke about himself. He only spoke eloquently about the need for a strong national defense. In tribute to one of the most magnificent Americans of all time, I respectfully ask that all those here will rise in silent prayer for Senator Russell.

Thank you.

Mr. Speaker, before I begin my formal address, I want to use this opportunity to congratulate all of those who were winners in the rather spirited contest for leadership positions in the House and the Senate and, also, to express my condolences to the losers. I know how both of you feel.

And I particularly want to join with all of the Members of the House and the Senate as well in congratulating the new Speaker of the United States Congress.

To those new Members of this House who may have some doubts about the possibilities for advancement in the years ahead, I would remind you that the Speaker and I met just 24 years ago in this Chamber as freshmen Members of the 80th Congress. As you see, we both have come up in the world a bit since then.

Mr. Speaker, this 92d Congress has a chance to be recorded as the greatest Congress in America's history.

In these troubled years just past, America has been going through a long nightmare of war and division, of crime and inflation. Even more deeply, we have gone through a long, dark night of the American spirit. But now that night is ending. Now we must let our spirits soar again. Now we are ready for the lift of a driving dream.

The people of this Nation are eager to get on with the quest for new greatness. They see challenges, and they are prepared to meet those challenges. It is for us here to open the doors that will set free again the real greatness of this Nation—the genius of the American people.

How shall we meet this challenge? How can we truly open the doors, and set free the full genius of our people?

The way in which the 92d Congress answers these questions will determine its place in history. More importantly, it can determine this Nation's place in history as we enter the third century of our independence.

Page 2868

Tonight I shall present to the Congress six great goals. I shall ask not simply for more new programs in the old framework. I shall ask to change the framework of government itself——to reform the entire structure of American government so we can make it again fully responsive to the needs and the wishes of the American people.

If we act boldly—if we seize this moment and achieve these goals—we can close the gap between promise and performance in American government. We can bring together the resources of this Nation and the spirit of the American people.

In discussing these great goals, I shall deal tonight only with matters on the domestic side of the Nation's agenda. I shall make a separate report to the Congress and the Nation next month on developments in foreign policy.

The first of these great goals is already before the Congress.

I urge that the unfinished business of the 91st Congress be made the first priority business of the 92d Congress.

Over the next 2 weeks, I will call upon Congress to take action on more than 35 pieces of proposed legislation on which action was not completed last year.

The most important is welfare reform.

The present welfare system has become a monstrous, consuming outrage—an outrage against the community, against the taxpayer, and particularly against the children it is supposed to help.

We may honestly disagree, as we do, on what to do about it. But we can all agree that we must meet the challenge, not by pouring more money into a bad program, but by abolishing the present welfare system and adopting a new one.

So let us place a floor under the income of every family with children in America—and without those demeaning, soul-stifling affronts to human dignity that so blight the lives of welfare children today. But let us also establish an effective work incentive and an effective work requirement.

Let us provide the means by which more can help themselves. This shall be our goal.

Let us generously help those who are not able to help themselves. But let us stop helping those who are able to help themselves but refuse to do so.

The second great goal is to achieve what Americans have not enjoyed since 1957—full prosperity in peacetime.

The tide of inflation has turned. The rise in the cost of living, which had been gathering dangerous momentum in the late sixties, was reduced last year. Inflation will be further reduced this year.

But as we have moved from runaway inflation toward reasonable price stability and at the same time as we have been moving from a wartime economy to a peacetime economy, we have paid a price in increased unemployment.

We should take no comfort from the fact that the level of unemployment in this transition from a wartime to a peacetime economy is lower than in any peacetime year of the sixties.

Page 2869

This is not good enough for the man who is unemployed in the seventies. We must do better for workers in peacetime and we will do better.

To achieve this, I will submit an expansionary budget this year—one that will help stimulate the economy and thereby open up new job opportunities for millions of Americans.

It will be a full employment budget, a budget designed to be in balance if the economy were operating at its peak potential. By spending as if we were at full employment, we will help to bring about full employment.

I ask the Congress to accept these expansionary policies—to accept the concept of a full employment budget. At the same time, I ask the Congress to cooperate in resisting expenditures that go beyond the limits of the full employment budget. For as we wage a campaign to bring about a widely shared prosperity, we must not reignite the fires of inflation and so undermine that prosperity.

With the stimulus and the discipline of a full employment budget, with the commitment of the independent Federal Reserve System to provide fully for the monetary needs of a growing economy, and with a much greater effort on the part of labor and management to make their wage and price decisions in the light of the national interest and their own self-interest—then for the worker, the farmer, the consumer, for Americans everywhere we shall gain the goal of a new prosperity: more jobs, more income, more profits, without inflation and without war.

This is a great goal, and one that we can achieve together.

The third great goal is to continue the effort so dramatically begun last year: to restore and enhance our natural environment.

Building on the foundation laid in the 37-point program that I submitted to Congress last year, I will propose a strong new set of initiatives to clean up our air and water, to combat noise, and to preserve and restore our surroundings.

I will propose programs to make better use of our land, to encourage a balanced national growth—growth that will revitalize our rural heartland and enhance the quality of life in America.

And not only to meet today's needs but to anticipate those of tomorrow, I will put forward the most extensive program ever proposed by a President of the United States to expand the Nation's parks, recreation areas, open spaces, in a way that truly brings parks to the people where the people are. For only if we leave a legacy of parks will the next generation have parks to enjoy.

As a fourth great goal, I will offer a far-reaching set of proposals for improving America's health care and making it available more fairly to more people.

I will propose:

—A program to insure that no American family will be prevented from obtaining basic medical care by inability to pay.

—I will propose a major increase in and redirection of aid to medical schools, to greatly increase the number of doctors and other health personnel.

Page 2870

—Incentives to improve the delivery of health services, to get more medical care resources into those areas that have not been adequately served, to make greater use of medical assistants, and to slow the alarming rise in the costs of medical care.

—New programs to encourage better preventive medicine, by attacking the causes of disease and injury, and by providing incentives to doctors to keep people well rather than just to treat them when they are sick.

I will also ask for an appropriation of an extra $100 million to launch an intensive campaign to find a cure for cancer, and I will ask later for whatever additional funds can effectively be used. The time has come in America when the same kind of concentrated effort that split the atom and took man to the moon should be turned toward conquering this dread disease. Let us make a total national commitment to achieve this goal.

America has long been the wealthiest nation in the world. Now it is time we became the healthiest nation in the world.

The fifth great goal is to strengthen and to renew our State and local governments.

As we approach our 200th anniversary in 1976, we remember that this Nation launched itself as a loose confederation of separate States, without a workable central government. At that time, the mark of its leaders' vision was that they quickly saw the need to balance the separate powers of the States with a government of central powers.

And so they gave us a constitution of balanced powers, of unity with diversity—and so clear was their vision that it survives today as the oldest written constitution still in force in the world.

For almost two centuries since—and dramatically in the 1930's—at those great turning points when the question has been between the States and the Federal Government, that question has been resolved in favor of a stronger central Federal Government.

During this time the Nation grew and the Nation prospered. But one thing history tells us is that no great movement goes in the same direction forever. Nations change, they adapt, or they slowly die.

The time has now come in America to reverse the flow of power and resources from the States and communities to Washington, and start power and resources flowing back from Washington to the States and communities and, more important, to the people all across America.

The time has come for a new partnership between the Federal Government and the States and localities—a partnership in which we entrust the States and localities with a larger share of the Nation's responsibilities, and in which we share our Federal revenues with them so that they can meet those responsibilities.

To achieve this goal, I propose to the Congress tonight that we enact a plan of revenue sharing historic in scope and bold in concept.

All across America today, States and cities are confronted with a financial crisis. Some have already been cutting back on essential services——for example, just recently San Diego and Cleveland cut back on trash collections. Most are caught between the prospects of bankruptcy on the one hand and adding to an already crushing tax burden on the other.

Page 2871

As one indication of the rising costs of local government, I discovered the other day that my home town of Whittier, California—which has a population of 67,000—has a larger budget for 1971 than the entire Federal budget was in 1791.

Now the time has come to take a new direction, and once again to introduce a new and more creative balance to our approach to government.

So let us put the money where the needs are. And let us put the power to spend it where the people are.

I propose that the Congress make a $16 billion investment in renewing State and local government. Five billion dollars of this will be in new and unrestricted funds to be used as the States and localities see fit. The other $11 billion will be provided by allocating $1 billion of new funds and converting one-third of the money going to the present narrow-purpose aid programs into Federal revenue sharing funds for six broad purposes—for urban development, rural development, education, transportation, job training, and law enforcement—but with the States and localities making their own decisions on how it should be spent within each category.

For the next fiscal year, this would increase total Federal aid to the States and localities more than 25 percent over the present level.

The revenue sharing proposals I send to the Congress will include the safeguards against discrimination that accompany all other Federal funds allocated to the States. Neither the President nor the Congress nor the conscience of this Nation can permit money which comes from all the people to be used in a way which discriminates against some of the people.

The Federal Government will still have a large and vital role to play in achieving our national progress. Established functions that are clearly and essentially Federal in nature will still be performed by the Federal Government. New functions that need to be sponsored or performed by the Federal Government—such as those I have urged tonight in welfare and health—will be added to the Federal agenda. Whenever it makes the best sense for us to act as a whole nation, the Federal Government should and will lead the way. But where States or local governments can better do what needs to be done, let us see that they have the resources to do it there.

Under this plan, the Federal Government will provide the States and localities with more money and less interference—and by cutting down the interference the same amount of money will go a lot further.

Let us share our resources.

Let us share them to rescue the States and localities from the brink of financial crisis.

Let us share them to give homeowners and wage earners a chance to escape from ever-higher property taxes and sales taxes.

Let us share our resources for two other reasons as well.

The first of these reasons has to do with government itself, and the second has to do with each of us, with the individual.

Page 2872

Let's face it. Most Americans today are simply fed up with government at all levels. They will not—and they should not—continue to tolerate the gap between promise and performance in government.

The fact is that we have made the Federal Government so strong it grows muscle-bound and the States and localities so weak they approach impotence.

If we put more power in more places, we can make government more creative in more places. That way we multiply the number of people with the ability to make things happen—and we can open the way to a new burst of creative energy throughout America.

The final reason I urge this historic shift is much more personal, for each and for every one of us.

As everything seems to have grown bigger and more complex in America, as the forces that shape our lives seem to have grown more distant and more impersonal, a great feeling of frustration has crept across this land.

Whether it is the workingman who feels neglected, the black man who feels oppressed, or the mother concerned about her children, there has been a growing feeling that "Things are in the saddle, and ride mankind."

Millions of frustrated young Americans today are crying out—asking not what will government do for me, but what can I do, how can I contribute, how can I matter?

And so let us answer them. Let us say to them and let us say to all Americans, "We hear you. We will give you a chance. We are going to give you a new chance to have more to say about the decisions that affect your future—a chance to participate in government—because we are going to provide more centers of power where what you do can make a difference that you can see and feel in your own life and the life of your whole community."

The further away government is from people, the stronger government becomes and the weaker people become. And a nation with a strong government and a weak people is an empty shell.

I reject the patronizing idea that government in Washington, D.C., is inevitably more wise, more honest, and more efficient than government at the local or State level. The honesty and efficiency of government depends on people. Government at all levels has good people and bad people. And the way to get more good people into government is to give them more opportunity to do good things.

The idea that a bureaucratic elite in Washington knows best what is best for people everywhere and that you cannot trust local governments is really a contention that you

cannot trust people to govern themselves. This notion is completely foreign to the American experience. Local government is the government closest to the people, it is most responsive to the individual person. It is people's government in a far more intimate way than the Government in Washington can ever be.

People came to America because they wanted to determine their own future rather than to live in a country where others determined their future for them.

Page 2873

What this change means is that once again in America we are placing our trust in people.

I have faith in people. I trust the judgment of people. Let us give the people of America a chance, a bigger voice in deciding for themselves those questions that so greatly affect their lives.

The sixth great goal is a complete reform of the Federal Government itself.

Based on a long and intensive study with the aid of the best advice obtainable, I have concluded that a sweeping reorganization of the executive branch is needed if the Government is to keep up with the times and with the needs of the people.

I propose, therefore, that we reduce the present 12 Cabinet Departments to eight.

I propose that the Departments of State, Treasury, Defense, and Justice remain, but that all the other departments be consolidated into four: Human Resources, Community Development, Natural Resources, and Economic Development.

Let us look at what these would be:

—First, a department dealing with the concerns of people—as individuals, as members of a family—a department focused on human needs.

—Second, a department concerned with the community—rural communities and urban communities—and with all that it takes to make a community function as a community.

—Third, a department concerned with our physical environment, with the preservation and balanced use of those great natural resources on which our Nation depends.

—And fourth, a department concerned with our prosperity—with our jobs, our businesses, and those many activities that keep our economy running smoothly and well.

Under this plan, rather than dividing up our departments by narrow subjects, we would organize them around the great purposes of government. Rather than scattering responsibility by adding new levels of bureaucracy, we would focus and concentrate the responsibility for getting problems solved.

With these four departments, when we have a problem we will know where to go—and the department will have the authority and the resources to do something about it.

Over the years we have added departments and created agencies at the Federal level, each to serve a new constituency, to handle a particular task—and these have grown and multiplied in what has become a hopeless confusion of form and function.

The time has come to match our structure to our purposes——to look with a fresh eye, to organize the Government by conscious, comprehensive design to meet the new needs of a new era.

One hundred years ago, Abraham Lincoln stood on a battlefield and spoke of a "government of the people, by the people, for the people." Too often since then, we have become a nation of the Government, by the Government, for the Government.

By enacting these reforms, we can renew that principle that Lincoln stated so simply and so well.

Page 2874

By giving everyone's voice a chance to be heard, we will have government that truly is of the people.

By creating more centers of meaningful power, more places where decisions that really count can be made, by giving more people a chance to do something, we can have government that truly is by the people.

And by setting up a completely modern, functional system of government at the national level, we in Washington will at last be able to provide government that is truly for the people.

I realize that what I am asking is that not only the executive branch in Washington but that even this Congress will have to change by giving up some of its power.

Change is hard. But without change there can be no progress. And for each of us the question then becomes, not "Will change cause me inconvenience?" but "Will change bring progress for America?"

Giving up power is hard. But I would urge all of you, as leaders of this country, to remember that the truly revered leaders in world history are those who gave power to people, and not those who took it away.

As we consider these reforms we will be acting, not for the next 2 years or for the next 10 years, but for the next 100 years.

So let us approach these six great goals with a sense not only of this moment in history but also of history itself.

Let us act with the willingness to work together and the vision and the boldness and the courage of those great Americans who met in Philadelphia almost 190 years ago to write a constitution.

Let us leave a heritage as they did—not just for our children but for millions yet unborn—of a nation where every American will have a chance not only to live in peace and to enjoy prosperity and opportunity but to participate in a system of government where he knows not only his votes but his ideas count—a system of government which will provide the means for America to reach heights of achievement undreamed of before.

Those men who met at Philadelphia left a great heritage because they had a vision—-not only of what the Nation was but of what it could become.

As I think of that vision, I recall that America was founded as the land of the open door—as a haven for the oppressed, a land of opportunity, a place of refuge, of hope.

When the first settlers opened the door of America three and a half centuries ago, they came to escape persecution and to find opportunity—and they left wide the door of welcome for others to follow.

When the Thirteen Colonies declared their independence almost two centuries ago, they opened the door to a new vision of liberty and of human fulfillment—not just for an elite but for all.

To the generations that followed, America's was the open door that beckoned millions from the old world to the new in search of a better life, a freer life, a fuller life, and in which, by their own decisions, they could shape their own destinies.

Page 2875

For the black American, the Indian, the Mexican-American, and for those others in our land who have not had an equal chance, the Nation at last has begun to confront the need to press open the door of full and equal opportunity, and of human dignity.

For all Americans, with these changes I have proposed tonight we can open the door to a new era of opportunity. We can open the door to full and effective participation in the decisions that affect their lives. We can open the door to a new partnership among governments at all levels, between those governments and the people themselves. And by so doing, we can open wide the doors of human fulfillment for millions of people here in America now and in the years to come.

In the next few weeks I will spell out in greater detail the way I propose that we achieve these six great goals. I ask this Congress to be responsive. If it is, then the 92d Congress, your Congress, our Congress, at the end of its term, will be able to look back on a record more splendid than any in our history.

This can be the Congress that helped us end the longest war in the Nation's history, and end it in a way that will give us at last a genuine chance to enjoy what we have not had in this century: a full generation of peace.

This can be the Congress that helped achieve an expanding economy, with full employment and without inflation—and without the deadly stimulus of war.

This can be the Congress that reformed a welfare system that has robbed recipients of their dignity and robbed States and cities of their resources.

This can be the Congress that pressed forward the rescue of our environment, and established for the next generation an enduring legacy of parks for the people.

This can be the Congress that launched a new era in American medicine, in which the quality of medical care was enhanced while the costs were made less burdensome.

But above all, what this Congress can be remembered for is opening the way to a new American revolution—a peaceful revolution in which power was turned back to the people—in which government at all levels was refreshed and renewed and made truly responsive. This can be a revolution as profound, as far-reaching, as exciting as that first revolution almost 200 years ago—and it can mean that just 5 years from now America will enter its third century as a young nation new in spirit, with all the vigor and the freshness with which it began its first century.

My colleagues in the Congress, these are great goals. They can make the sessions of this Congress a great moment for America. So let us pledge together to go forward together—by achieving these goals to give America the foundation today for a new

greatness tomorrow and in all the years to come, and in so doing to make this the greatest Congress in the history of this great and good country.

***

State of the Union Address
Richard Nixon
January 20, 1972

Page 2876

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests, my fellow Americans:

Twenty-five years ago I sat here as a freshman Congressman—along with Speaker Albert—and listened for the first time to the President address the State of the Union.

I shall never forget that moment. The Senate, the diplomatic corps, the Supreme Court, the Cabinet entered the Chamber, and then the President of the United States. As all of you are aware, I had some differences with President Truman. He had some with me. But I remember that on that day—the day he addressed that joint session of the newly elected Republican 80th Congress, he spoke not as a partisan, but as President of all the people—calling upon the Congress to put aside partisan considerations in the national interest.

The Greek-Turkish aid program, the Marshall Plan, the great foreign policy initiatives which have been responsible for avoiding a world war for over 25 years were approved by the 80th Congress, by a bipartisan majority of which I was proud to be a part.

Nineteen hundred seventy-two is now before us. It holds precious time in which to accomplish good for the Nation. We must not waste it. I know the political pressures in this session of the Congress will be great. There are more candidates for the Presidency in this Chamber today than there probably have been at any one time in the whole history of the Republic. And there is an honest difference of opinion, not only between the parties, but within each party, on some foreign policy issues and on some domestic policy issues.

However, there are great national problems that are so vital that they transcend partisanship. So let us have our debates. Let us have our honest differences. But let us join in keeping the national interest first. Let us join in making sure that legislation the Nation needs does not become hostage to the political interests of any party or any person.

There is ample precedent, in this election year, for me to present you with a huge list of new proposals, knowing full well that there would not be any possibility of your passing them if you worked night and day.

I shall not do that.

I have presented to the leaders of the Congress today a message of 15,000 words discussing in some detail where the Nation stands and setting forth specific legislative items on which I have asked the Congress to act. Much of this is legislation which I proposed in 1969, in 1970, and also in the first session of this 92d Congress and on which I feel it is essential that action be completed this year.

I am not presenting proposals which have attractive labels but no hope of passage. I am presenting only vital programs which are within the capacity of this Congress to enact, within the capacity of the budget to finance, and which I believe should be above partisanship—programs which deal with urgent priorities for the Nation, which should and must be the subject of bipartisan action by this Congress in the interests of the country in 1972.

Page 2877

When I took the oath of office on the steps of this building just 3 years ago today, the Nation was ending one of the most tortured decades in its history.

The 1960's were a time of great progress in many areas. But as we all know, they were also times of great agony—the agonies of war, of inflation, of rapidly rising crime, of deteriorating titles, of hopes raised and disappointed, and of anger and frustration that led finally to violence and to the worst civil disorder in a century.

I recall these troubles not to point any fingers of blame. The Nation was so torn in those final years of the sixties that many in both parties questioned whether America could be governed at all.

The Nation has made significant progress in these first years of the seventies:

Our cities are no longer engulfed by civil disorders.

Our colleges and universities have again become places of learning instead of battlegrounds.

A beginning has been made in preserving and protecting our environment.

The rate of increase in crime has been slowed—and here in the District of Columbia, the one city where the Federal Government has direct jurisdiction, serious crime in 1971 was actually reduced by 13 percent from the year before.

Most important, because of the beginnings that have been made, we can say today that this year 1972 can be the year in which America may make the greatest progress in 25 years toward achieving our goal of being at peace with all the nations of the world.

As our involvement in the war in Vietnam comes to an end, we must now go on to build a generation of peace.

To achieve that goal, we must first face realistically the need to maintain our defense.

In the past 3 years, we have reduced the burden of arms. For the first time in 20 years, spending on defense has been brought below spending on human resources.

As we look to the future, we find encouraging progress in our negotiations with the Soviet Union on limitation of strategic arms. And looking further into the future, we hope there can eventually be agreement on the mutual reduction of arms. But until there is such a mutual agreement, we must maintain the strength necessary to deter war.

And that is why, because of rising research and development costs, because of increases in military and civilian pay, because of the need to proceed with new weapons

systems, my budget for the coming fiscal year will provide for an increase in defense spending.

Strong military defenses are not the enemy of peace; they are the guardians of peace.

There could be no more misguided set of priorities than one which would tempt others by weakening America, and thereby endanger the peace of the world.

In our foreign policy, we have entered a new era. The world has changed greatly in the 11 years since President John Kennedy said in his Inaugural Address, "... we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty."

Page 2878

Our policy has been carefully and deliberately adjusted to meet the new realities of the new world we live in. We make today only those commitments we are able and prepared to meet.

Our commitment to freedom remains strong and unshakable. But others must bear their share of the burden of defending freedom around the world.

And so this, then, is our policy:

—We will maintain a nuclear deterrent adequate to meet any threat to the security of the United States or of our allies.

—We will help other nations develop the capability of defending themselves.

—We will faithfully honor all of our treaty commitments.

—We will act to defend our interests, whenever and wherever they are threatened anyplace in the world.

—But where our interests or our treaty commitments are not involved, our role will be limited.

—We will not intervene militarily.

—But we will use our influence to prevent war.

—If war comes, we will use our influence to stop it.

—Once it is over, we will do our share in helping to bind up the wounds of those who have participated in it.

As you know, I will soon be visiting the People's Republic of China and the Soviet Union. I go there with no illusions. We have great differences with both powers. We shall continue to have great differences. But peace depends on the ability of great powers to live together on the same planet despite their differences.

We would not be true to our obligation to generations yet unborn if we failed to seize this moment to do everything in our power to insure that we will be able to talk about those differences, rather than to fight about them, in the future.

As we look back over this century, let us, in the highest spirit of bipartisanship, recognize that we can be proud of our Nation's record in foreign affairs.

America has given more generously of itself toward maintaining freedom, preserving peace, alleviating human suffering around the globe, than any nation has ever done in the history of man.

We have fought four wars in this century, but our power has never been used to break the peace, only to keep it; never been used to destroy freedom, only to defend it. We now have within our reach the goal of insuring that the next generation can be the first generation in this century to be spared the scourges of war.

Turning to our problems at home, we are making progress toward our goal of a new prosperity without war.

Industrial production, consumer spending, retail sales, personal income all have been rising. Total employment, real income are the highest in history. New home building starts this past year reached the highest level ever. Business and consumer confidence have both been rising. Interest rates are down. The rate of inflation is down. We can look with confidence to 1972 as the year when the back of inflation will be broken.

Page 2879

Now, this a good record, but it is not good enough—not when we still have an unemployment rate of 6 percent.

It is not enough to point out that this was the rate of the early peacetime years of the sixties, or that if the more than 2 million men released from the Armed Forces and defense-related industries were still in their wartime jobs, unemployment would be far lower.

Our goal in this country is full employment in peacetime. We intend to meet that goal, and we can.

The Congress has helped to meet that goal by passing our job-creating tax program last month.

The historic monetary agreements, agreements that we have reached with the major European nations, Canada, and Japan, will help meet it by providing new markets for American products, new jobs for American workers.

Our budget will help meet it by being expansionary without being inflationary—a job-producing budget that will help take up the gap as the economy expands to full employment.

Our program to raise farm income will help meet it by helping to revitalize rural America, by giving to America's farmers their fair share of America's increasing productivity.

We also will help meet our goal of full employment in peacetime with a set of major initiatives to stimulate more imaginative use of America's great capacity for technological advance, and to direct it toward improving the quality of life for every American.

In reaching the moon, we demonstrated what miracles American technology is capable of achieving. Now the time has come to move more deliberately toward making full use of that technology here on earth, of harnessing the wonders of science to the service of man.

I shall soon send to the Congress a special message proposing a new program of Federal partnership in technological research and development—with Federal incentives to increase private research, federally supported research on projects designed to improve our everyday lives in ways that will range from improving mass transit to developing new systems of emergency health care that could save thousands of lives annually.

Historically, our superior technology and high productivity have made it possible for American workers to be the highest paid in the world by far, and yet for our goods still to compete in world markets.

Now we face a new situation. As other nations move rapidly forward in technology, the answer to the new competition is not to build a wall around America, but rather to remain competitive by improving our own technology still further and by increasing productivity in American industry.

Our new monetary and trade agreements will make it possible for American goods to compete fairly in the world's markets—but they still must compete. The new technology program will put to use the skills of many highly trained Americans, skills that might otherwise be wasted. It will also meet the growing technological challenge from abroad, and it will thus help to create new industries, as well as creating more jobs for America's workers in producing for the world's markets.

Page 2880

This second session of the 92d Congress already has before it more than 90 major Administration proposals which still await action.

I have discussed these in the extensive written message that I have presented to the Congress today.

They include, among others, our programs to improve life for the aging; to combat crime and drug abuse; to improve health services and to ensure that no one will be denied needed health care because of inability to pay; to protect workers' pension rights; to promote equal opportunity for members of minorities, and others who have been left behind; to expand consumer protection; to improve the environment; to revitalize rural America; to help the cities; to launch new initiatives in education; to improve transportation, and to put an end to costly labor tie-ups in transportation.

The west coast dock strike is a case in point. This Nation cannot and will not tolerate that kind of irresponsible labor tie-up in the future.

The messages also include basic reforms which are essential if our structure of government is to be adequate in the decades ahead.

They include reform of our wasteful and outmoded welfare system—substitution of a new system that provides work requirements and work incentives for those who can help themselves, income support for those who cannot help themselves, and fairness to the working poor.

They include a $17 billion program of Federal revenue sharing with the States and localities as an investment in their renewal, an investment also of faith in the American people.

They also include a sweeping reorganization of the executive branch of the Federal Government so that it will be more efficient, more responsive, and able to meet the challenges of the decades ahead.

One year ago, standing in this place, I laid before the opening session of this Congress six great goals. One of these was welfare reform. That proposal has been before the Congress now for nearly 2 1/2 years.

My proposals on revenue sharing, government reorganization, health care, and the environment have now been before the Congress for nearly a year. Many of the other major proposals that I have referred to have been here that long or longer.

Now, 1971, we can say, was a year of consideration of these measures. Now let us join in making 1972 a year of action on them, action by the Congress, for the Nation and for the people of America.

Now, in addition, there is one pressing need which I have not previously covered, but which must be placed on the national agenda.

We long have looked in this Nation to the local property tax as the main source of financing for public primary and secondary education.

As a result, soaring school costs, soaring property tax rates now threaten both our communities and our schools. They threaten communities because property taxes, which more than doubled in the 10 years from 1960 to ’70, have become one of the most oppressive and discriminatory of all taxes, hitting most cruelly at the elderly and the retired; and they threaten schools, as hard-pressed voters understandably reject new bond issues at the polls.

Page 2881

The problem has been given even greater urgency by four recent court decisions, which have held that the conventional method of financing schools through local property taxes is discriminatory and unconstitutional.

Nearly 2 years ago, I named a special Presidential commission to study the problems of school finance, and I also directed the Federal departments to look into the same problems. We are developing comprehensive proposals to meet these problems.

This issue involves two complex and interrelated sets of problems: support of the schools and the basic relationships of Federal, State, and local governments in any tax reforms.

Under the leadership of the Secretary of the Treasury, we are carefully reviewing all of the tax aspects, and I have this week enlisted the Advisory Commission on Intergovernmental Relations in addressing the intergovernmental relations aspects.

I have asked this bipartisan Commission to review our proposals for Federal action to cope with the gathering crisis of school finance and property taxes. Later in the year, when both Commissions have completed their studies, I shall make my final recommendations for relieving the burden of property taxes and providing both fair and adequate financing for our children's education.

These recommendations will be revolutionary. But all these recommendations, however, will be rooted in one fundamental principle with which there can be no compromise: Local school boards must have control over local schools.

As we look ahead over the coming decades, vast new growth and change are not only certainties, they will be the dominant reality of this world, and particularly of our life in America.

Surveying the certainty of rapid change, we can be like a fallen rider caught in the stirrups—or we can sit high in the saddle, the masters of change, directing it on a course we choose.

The secret of mastering change in today's world is to reach back to old and proven principles, and to adapt them with imagination and intelligence to the new realities of a new age.

That is what we have done in the proposals that I have laid before the Congress. They are rooted in basic principles that are as enduring as human nature, as robust as the American experience; and they are responsive to new conditions. Thus they represent a spirit of change that is truly renewal.

As we look back at those old principles, we find them as timely as they are timeless.

We believe in independence, and self-reliance, and the creative value of the competitive spirit.

We believe in full and equal opportunity for all Americans and in the protection of individual rights and liberties.

We believe in the family as the keystone of the community, and in the community as the keystone of the Nation.

We believe in compassion toward those in need.

We believe in a system of law, justice, and order as the basis of a genuinely free society.

Page 2882

We believe that a person should get what he works for—and that those who can, should work for what they get.

We believe in the capacity of people to make their own decisions in their own lives, in their own communities—and we believe in their right to make those decisions.

In applying these principles, we have done so with the full understanding that what we seek in the seventies, what our quest is, is not merely for more, but for better for a better quality of life for all Americans.

Thus, for example, we are giving a new measure of attention to cleaning up our air and water, making our surroundings more attractive. We are providing broader support for the arts, helping stimulate a deeper appreciation of what they can contribute to the Nation's activities and to our individual lives.

But nothing really matters more to the quality of our lives than the way we treat one another, than our capacity to live respectfully together as a unified society, with a full, generous regard for the rights of others and also for the feelings of others.

As we recover from the turmoil and violence of recent years, as we learn once again to speak with one another instead of shouting at one another, we are regaining that capacity.

As is customary here, on this occasion, I have been talking about programs. Programs are important. But even more important than programs is what we are as a Nation—-what we mean as a Nation, to ourselves and to the world.

In New York Harbor stands one of the most famous statues in the world—the Statue of Liberty, the gift in 1886 of the people of France to the people of the United States. This statue is more than a landmark; it is a symbol—a symbol of what America has meant to the world.

It reminds us that what America has meant is not its wealth, and not its power, but its spirit and purpose—a land that enshrines liberty and opportunity, and that has held out a hand of welcome to millions in search of a better and a fuller and, above all, a freer life.

The world's hopes poured into America, along with its people. And those hopes, those dreams, that have been brought here from every corner of the world, have become a part of the hope that we now hold out to the world.

Four years from now, America will celebrate the 200th anniversary of its founding as a Nation. There are those who say that the old Spirit of '76 is dead—that we no longer have the strength of character, the idealism, the faith in our founding purposes that that spirit represents.

Those who say this do not know America.

We have been undergoing self-doubts and self-criticism. But these are only the other side of our growing sensitivity to the persistence of want in the midst of plenty, of our impatience with the slowness with which age-old ills are being overcome.

If we were indifferent to the shortcomings of our society, or complacent about our institutions, or blind to the lingering inequities—then we would have lost our way.

Page 2883

But the fact that we have those concerns is evidence that our ideals, deep down, are still strong. Indeed, they remind us that what is really best about America is its compassion. They remind us that in the final analysis, America is great not because it is strong, not because it is rich, but because this is a good country.

Let us reject the narrow visions of those who would tell us that we are evil because we are not yet perfect, that we are corrupt because we are not yet pure, that all the sweat and toil and sacrifice that have gone into the building of America were for naught because the building is not yet done.

Let us see that the path we are traveling is wide, with room in it for all of us, and that its direction is toward a better Nation and a more peaceful world.

Never has it mattered more that we go forward together.

Look at this Chamber. The leadership of America is here today—the Supreme Court, the Cabinet, the Senate, the House of Representatives.

Together, we hold the future of the Nation, and the conscience of the Nation in our hands.

Because this year is an election year, it will be a time of great pressure.

If we yield to that pressure and fail to deal seriously with the historic challenges that we face, we will have failed the trust of millions of Americans and shaken the confidence they have a right to place in us, in their Government.

Never has a Congress had a greater opportunity to leave a legacy of a profound and constructive reform for the Nation than this Congress.

If we succeed in these tasks, there will be credit enough for all—not only for doing what is right, but doing it in the right way, by rising above partisan interest to serve the national interest.

And if we fail, more than any one of us, America will be the loser.

That is why my call upon the Congress today is for a high statesmanship, so that in the years to come Americans will look back and say because it withstood the intense pressures of a political year, and achieved such great good for the American people and for the future of this Nation, this was truly a great Congress.

***

State of the Union Address
Richard Nixon
February 2, 1973

To the Congress of the United States:

The traditional form of the President's annual report giving "to the Congress Information of the State of the Union" is a single message or address. As the affairs and concerns of our Union have multiplied over the years, however, so too have the subjects that require discussion in State of the Union Messages.

This year in particular, with so many changes in Government programs under consideration—and with our very philosophy about the relationship between the individual and the State at an historic crossroads—a single, all-embracing State of the Union Message would not appear to be adequate.

Page 2884

I have therefore decided to present my 1973 State of the Union report in the form of a series of messages during these early weeks of the 93rd Congress. The purpose of this first message in the series is to give a concise overview of where we stand as a people today, and to outline some of the general goals that I believe we should pursue over the next year and beyond. In coming weeks, I will send to the Congress further State of the Union reports on specific areas of policy including economic affairs, natural resources, human resources, community development and foreign and defense policy.

The new course these messages will outline represents a fresh approach to Government: an approach that addresses the realities of the 1970s, not those of the 1930s or of the 1960s. The role of the Federal Government as we approach our third century of independence should not be to dominate any facet of American life, but rather to aid and encourage people, communities and institutions to deal with as many of the difficulties and challenges facing them as possible, and to help see to it that every American has a full and equal opportunity to realize his or her potential.

If we were to continue to expand the Federal Government at the rate of the past several decades, it soon would consume us entirely. The time has come when we must make clear choices—choices between old programs that set worthy goals but failed to reach them and new programs that provide a better way to realize those goals; and choices, too, between competing programs—all of which may be desirable in themselves but only some of which we can afford with the finite resources at our command.

Because our resources are not infinite, we also face a critical choice in 1973 between holding the line in Government spending and adopting expensive programs which will surely force up taxes and refuel inflation.

Finally, it is vital at this time that we restore a greater sense of responsibility at the State and local level, and among individual Americans.

WHERE WE STAND

The basic state of our Union today is sound, and full of promise.

We enter 1973 economically strong, militarily secure and, most important of all, at peace after a long and trying war.

America continues to provide a better and more abundant life for more of its people than any other nation in the world. We have passed through one of the most difficult periods in our history without surrendering to despair and without dishonoring our ideals as a people.

Looking back, there is a lesson in all this for all of us. The lesson is one that we sometimes had to learn the hard way over the past few years. But we did learn it. That

lesson is that even potentially destructive forces can be converted into positive forces when we know how to channel them, and when we use common sense and common decency to create a climate of mutual respect and goodwill.

Page 2885

By working together and harnessing the forces of nature, Americans have unlocked some of the great mysteries of the universe.

Men have walked the surface of the moon and soared to new heights of discovery.

This same spirit of discovery is helping us to conquer disease and suffering that have plagued our own planet since the dawn of time.

By working together with the leaders of other nations, we have been able to build a new hope for lasting peace—for a structure of world order in which common interest outweighs old animosities, and in which a new generation of the human family can grow up at peace in a changing world.

At home, we have learned that by working together we can create prosperity without fanning inflation; we can restore order without weakening freedom.

THE CHALLENGES WE FACE

These first years of the 1970s have been good years for America.

Our job—all of us together—is to make 1973 and the years to come even better ones. I believe that we can. I believe that we can make the years leading to our Bicentennial the best four years in American history.

But we must never forget that nothing worthwhile can be achieved without the will to succeed and the strength to sacrifice.

Hard decisions must be made, and we must stick by them.

In the field of foreign policy, we must remember that a strong America—an America whose word is believed and whose strength is respected—is essential to continued peace and understanding in the world. The peace with honor we have achieved in Vietnam has strengthened this basic American credibility. We must act in such a way in coming years that this credibility will remain intact, and with it, the world stability of which it is so indispensable a part.

At home, we must reject the mistaken notion—a notion that has dominated too much of the public dialogue for too long—that ever bigger Government is the answer to every problem.

We have learned only too well that heavy taxation and excessive Government spending are not a cure-all. In too many cases, instead of solving the problems they were aimed at, they have merely placed an ever heavier burden on the shoulders of the American taxpayer, in the form of higher taxes and a higher cost of living. At the same time they

have deceived our people because many of the intended beneficiaries received far less than was promised, thus undermining public faith in the effectiveness of Government as a whole.

The time has come for us to draw the line. The time has come for the responsible leaders of both political parties to take a stand against overgrown Government and for the American taxpayer. We are not spending the Federal Government's money, we are spending the taxpayer's money, and it must be spent in a way which guarantees his money's worth and yields the fullest possible benefit to the people being helped.

Page 2886

The answer to many of the domestic problems we face is not higher taxes and more spending. It is less waste, more results and greater freedom for the individual American to earn a rightful place in his own community—and for States and localities to address their own needs in their own ways, in the light of their own priorities.

By giving the people and their locally elected leaders a greater voice through changes such as revenue sharing, and by saying “no” to excessive Federal spending and higher taxes, we can help achieve this goal.

COMING MESSAGES

The policies which I will outline to the Congress in the weeks ahead represent a reaffirmation, not an abdication, of Federal responsibility. They represent a pragmatic rededication to social compassion and national excellence, in place of the combination of good intentions and fuzzy follow-through which too often in the past was thought sufficient.

In the field of economic affairs, our objectives will be to hold down taxes, to continue controlling inflation, to promote economic growth, to increase productivity, to encourage foreign trade, to keep farm income high, to bolster small business, and to promote better labor-management relations.

In the area of natural resources, my recommendations will include programs to preserve and enhance the environment, to advance science and technology, and to assure balanced use of our irreplaceable natural resources.

In developing human resources, I will have recommendations to advance the Nation’s health and education, to improve conditions of people in need, to carry forward our increasingly successful attacks on crime, drug abuse and injustice, and to deal with such important areas of special concern as consumer affairs. We will continue and improve our Nation’s efforts to assist those who have served in the Armed Services in Vietnam through better job and training opportunities.

We must do a better job in community development—in creating more livable communities, in which all of our children can grow up with fuller access to opportunity and greater immunity to the social evils and blights which now plague so many of our towns and cities. I shall have proposals to help us achieve this.

I shall also deal with our defense and foreign policies, and with our new approaches to the role and structure of Government itself.

Considered as a whole, this series of messages will be a blueprint for modernizing the concept and the functions of American Government to meet the needs of our people.

Converting it into reality will require a spirit of cooperation and shared commitment on the part of all branches of the Government, for the goals we seek are not those of any single party or faction, they are goals for the betterment of all Americans. As President, I recognize that I cannot do this job alone. The Congress must help, and I pledge to do my part to achieve a constructive working relationship with the Congress. My sincere hope is that the executive and legislative branches can work together in this great undertaking in a positive spirit of mutual respect and cooperation.

Page 2887

Working together—the Congress, the President and the people—I am confident that we can translate these proposals into an action program that can reform and revitalize American Government and, even more important, build a better life for all Americans.

The White House,

February 2, 1973.

***

State of the Union Address
Richard Nixon
January 30, 1974

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests, my fellow Americans:

We meet here tonight at a time of great challenge and great opportunities for America. We meet at a time when we face great problems at home and abroad that will test the strength of our fiber as a nation. But we also meet at a time when that fiber has been tested, and it has proved strong.

America is a great and good land, and we are a great and good land because we are a strong, free, creative people and because America is the single greatest force for peace anywhere in the world. Today, as always in our history, we can base our confidence in what the American people will achieve in the future on the record of what the American people have achieved in the past.

Tonight, for the first time in 12 years, a President of the United States can report to the Congress on the state of a Union at peace with every nation of the world. Because of this, in the 22,000-word message on the state of the Union that I have just handed to the Speaker of the House and the President of the Senate, I have been able to deal primarily with the problems of peace with what we can do here at home in America for the American people—rather than with the problems of war.

The measures I have outlined in this message set an agenda for truly significant progress for this Nation and the world in 1974. Before we chart where we are going, let us see how far we have come.

It was 5 years ago on the steps of this Capitol that I took the oath of office as your President. In those 5 years, because of the initiatives undertaken by this Administration, the world has changed. America has changed. As a result of those changes, America is safer today, more prosperous today, with greater opportunity for more of its people than ever before in our history.

Five years ago, America was at war in Southeast Asia. We were locked in confrontation with the Soviet Union. We were in hostile isolation from a quarter of the world's people who lived in Mainland China.

Five years ago, our cities were burning and besieged.

Five years ago, our college campuses were a battleground.

Five years ago, crime was increasing at a rate that struck fear across the Nation.

Five years ago, the spiraling rise in drug addiction was threatening human and social tragedy of massive proportion, and there was no program to deal with it.

Five years ago—as young Americans had done for a generation before that—America's youth still lived under the shadow of the military draft.

Page 2888

Five years ago, there was no national program to preserve our environment. Day by day, our air was getting dirtier, our water was getting more foul.

And 5 years ago, American agriculture was practically a depressed industry with 100,000 farm families abandoning the farm every year.

As we look at America today, we find ourselves challenged by new problems. But we also find a record of progress to confound the professional criers of doom and prophets of despair. We met the challenges we faced 5 years ago, and we will be equally confident of meeting those that we face today.

Let us see for a moment how we have met them.

After more than 10 years of military involvement, all of our troops have returned from Southeast Asia, and they have returned with honor. And we can be proud of the fact that our courageous prisoners of war, for whom a dinner was held in Washington tonight, that they came home with their heads high, on their feet and not on their knees.

In our relations with the Soviet Union, we have turned away from a policy of confrontation to one of negotiation. For the first time since World War II, the world's two strongest powers are working together toward peace in the world. With the People's Republic of China after a generation of hostile isolation, we have begun a period of peaceful exchange and expanding trade.

Peace has returned to our cities, to our campuses. The 17-year rise in crime has been stopped. We can confidently say today that we are finally beginning to win the war against crime. Right here in this Nation's Capital—which a few years ago was threatening to become the crime capital of the world—the rate in crime has been cut in half. A massive campaign against drug abuse has been organized. And the rate of new heroin addiction, the most vicious threat of all, is decreasing rather than increasing.

For the first time in a generation, no young Americans are being drafted into the armed services of the United States. And for the first time ever, we have organized a massive national effort to protect the environment. Our air is getting cleaner, our water is getting purer, and our agriculture, which was depressed, is prospering. Farm income is up 70 percent, farm production is setting all-time records, and the billions of dollars the taxpayers were paying in subsidies has been cut to nearly zero.

Overall, Americans are living more abundantly than ever before, today. More than 2 1/2 million new jobs were created in the past year alone. That is the biggest percentage increase in nearly 20 years. People are earning more. What they earn buys more, more than ever before in history. In the past 5 years, the average American's real spendable income—that is, what you really can buy with your income, even after allowing for taxes and inflation—has increased by 16 percent.

Despite this record of achievement, as we turn to the year ahead we hear once again the familiar voice of the perennial prophets of gloom telling us now that because of the need to fight inflation, because of the energy shortage, America may be headed for a recession.

Page 2889

Let me speak to that issue head on. There will be no recession in the United States of America. Primarily due to our energy crisis, our economy is passing through a difficult period. But I pledge to you tonight that the full powers of this Government will be used to keep America's economy producing and to protect the jobs of America's workers.

We are engaged in a long and hard fight against inflation. There have been, and there will be in the future, ups and downs in that fight. But if this Congress cooperates in our efforts to hold down the cost of Government, we shall win our fight to hold down the cost of living for the American people.

As we look back over our history, the years that stand out as the ones of signal achievement are those in which the Administration and the Congress, whether one party or the other, working together, had the wisdom and the foresight to select those particular initiatives for which the Nation was ready and the moment was right—and in which they seized the moment and acted.

Looking at the year 1974 which lies before us, there are 10 key areas in which landmark accomplishments are possible this year in America. If we make these our national agenda, this is what we will achieve in 1974:

We will break the back of the energy crisis; we will lay the foundation for our future capacity to meet America's energy needs from America's own resources.

And we will take another giant stride toward lasting peace in the world—not only by continuing our policy of negotiation rather than confrontation where the great powers are concerned but also by helping toward the achievement of a just and lasting settlement in the Middle East.

We will check the rise in prices without administering the harsh medicine of recession, and we will move the economy into a steady period of growth at a sustainable level.

We will establish a new system that makes high-quality health care available to every American in a dignified manner and at a price he can afford.

We will make our States and localities more responsive to the needs of their own citizens.

We will make a crucial breakthrough toward better transportation in our towns and in our cities across America.

We will reform our system of Federal aid to education, to provide it when it is needed, where it is needed, so that it will do the most for those who need it the most.

We will make an historic beginning on the task of defining and protecting the right of personal privacy for every American.

And we will start on a new road toward reform of a welfare system that bleeds the taxpayer, corrodes the community, and demeans those it is intended to assist.

And together with the other nations of the world, we will establish the economic framework within which Americans will share more fully in an expanding worldwide trade and prosperity in the years ahead, with more open access to both markets and supplies.

Page 2890

In all of the 186 State of the Union messages delivered from this place, in our history this is the first in which the one priority, the first priority, is energy. Let me begin by reporting a new development which I know will be welcome news to every American. As you know, we have committed ourselves to an active role in helping to achieve a just and durable peace in the Middle East, on the basis of full implementation of Security Council Resolutions 242 and 338. The first step in the process is the disengagement of Egyptian and Israeli forces which is now taking place.

Because of this hopeful development, I can announce tonight that I have been assured, through my personal contacts with friendly leaders in the Middle Eastern area, that an urgent meeting will be called in the immediate future to discuss the lifting of the oil embargo.

This is an encouraging sign. However, it should be clearly understood by our friends in the Middle East that the United States will not be coerced on this issue.

Regardless of the outcome of this meeting, the cooperation of the American people in our energy conservation program has already gone a long way towards achieving a goal to which I am deeply dedicated. Let us do everything we can to avoid gasoline rationing in the United States of America.

Last week, I sent to the Congress a comprehensive special message setting forth our energy situation, recommending the legislative measures which are necessary to a program for meeting our needs. If the embargo is lifted, this will ease the crisis, but it will not mean an end to the energy shortage in America. Voluntary conservation will continue to be necessary. And let me take this occasion to pay tribute once again to the splendid spirit of cooperation the American people have shown which has made possible our success in meeting this emergency up to this time.

The new legislation I have requested will also remain necessary. Therefore, I urge again that the energy measures that I have proposed be made the first priority of this session of the Congress. These measures will require the oil companies and other energy producers to provide the public with the necessary information on their supplies. They will prevent the injustice of windfall profits for a few as a result of the sacrifices of the millions of Americans. And they will give us the organization, the incentives, the authorities needed to deal with the short-term emergency and to move toward meeting our long-term needs.

Just as 1970 was the year in which we began a full-scale effort to protect the environment, 1974 must be the year in which we organize a full-scale effort to provide for our energy needs, not only in this decade but through the 21st century.

As we move toward the celebration 2 years from now of the 200th anniversary of this Nation's independence, let us press vigorously on toward the goal I announced last

November for Project Independence. Let this be our national goal: At the end of this decade, in the year 1980, the United States will not be dependent on any other country for the energy we need to provide our jobs, to heat our homes, and to keep our transportation moving.

Page 2891

To indicate the size of the Government commitment, to spur energy research and development, we plan to spend $10 billion in Federal funds over the next 5 years. That is an enormous amount. But during the same 5 years, private enterprise will be investing as much as $200 billion—and in 10 years, $500 billion—to develop the new resources, the new technology, the new capacity America will require for its energy needs in the 1980's. That is just a measure of the magnitude of the project we are undertaking.

But America performs best when called to its biggest tasks. It can truly be said that only in America could a task so tremendous be achieved so quickly, and achieved not by regimentation, but through the effort and ingenuity of a free people, working in a free system.

Turning now to the rest of the agenda for 1974, the time is at hand this year to bring comprehensive, high quality health care within the reach of every American. I shall propose a sweeping new program that will assure comprehensive health insurance protection to millions of Americans who cannot now obtain it or afford it, with vastly improved protection against catastrophic illnesses. This will be a plan that maintains the high standards of quality in America's health care. And it will not require additional taxes.

Now, I recognize that other plans have been put forward that would cost $80 billion or even $100 billion and that would put our whole health care system under the heavy hand of the Federal Government. This is the wrong approach. This has been tried abroad, and it has failed. It is not the way we do things here in America. This kind of plan would threaten the quality of care provided by our whole health care system. The right way is one that builds on the strengths of the present system and one that does not destroy those strengths, one based on partnership, not paternalism. Most important of all, let us keep this as the guiding principle of our health programs. Government has a great role to play, but we must always make sure that our doctors will be working for their patients and not for the Federal Government.

Many of you will recall that in my State of the Union Address 3 years ago, I commented that "Most Americans today are simply fed up with government at all levels," and I recommended a sweeping set of proposals to revitalize State and local governments, to make them more responsive to the people they serve. I can report to you today that as a result of revenue sharing passed by the Congress, and other measures, we have made progress toward that goal. After 40 years of moving power from the States and the communities to Washington, D.C., we have begun moving power back from Washington to the States and communities and, most important, to the people of America.

Page 2892

In this session of the Congress, I believe we are near the breakthrough point on efforts which I have suggested, proposals to let people themselves make their own decisions for their own communities and, in particular, on those to provide broad new flexibility in Federal aid for community development, for economic development, for education. And I look forward to working with the Congress, with members of both parties in resolving whatever remaining differences we have in this legislation so that we can make available nearly $5 1/2 billion to our States and localities to use not for what a Federal bureaucrat may want, but for what their own people in those communities want. The decision should be theirs.

I think all of us recognize that the energy crisis has given new urgency to the need to improve public transportation, not only in our cities but in rural areas as well. The program I have proposed this year will give communities not only more money but also more freedom to balance their own transportation needs. It will mark the strongest Federal commitment ever to the improvement of mass transit as an essential element of the improvement of life in our towns and cities.

One goal on which all Americans agree is that our children should have the very best education this great Nation can provide.

In a special message last week, I recommended a number of important new measures that can make 1974 a year of truly significant advances for our schools and for the children they serve. If the Congress will act on these proposals, more flexible funding will enable each Federal dollar to meet better the particular need of each particular school district. Advance funding will give school authorities a chance to make each year's plans, knowing ahead of time what Federal funds they are going to receive. Special targeting will give special help to the truly disadvantaged among our people. College students faced with rising costs for their education will be able to draw on an expanded program of loans and grants. These advances are a needed investment in America's most precious resource, our next generation. And I urge the Congress to act on this legislation in 1974.

One measure of a truly free society is the vigor with which it protects the liberties of its individual citizens. As technology has advanced in America, it has increasingly encroached on one of those liberties—what I term the right of personal privacy. Modern information systems, data banks, credit records, mailing list abuses, electronic snooping, the collection of personal data for one purpose that may be used for another—all these have left millions of Americans deeply concerned by the privacy they cherish.

And the time has come, therefore, for a major initiative to define the nature and extent of the basic rights of privacy and to erect new safeguards to ensure that those rights are respected.

I shall launch such an effort this year at the highest levels of the Administration, and I look forward again to working with this Congress in establishing a new set of standards that respect the legitimate needs of society, but that also recognize personal privacy as a cardinal principle of American liberty.

Page 2893

Many of those in this Chamber tonight will recall that it was 3 years ago that I termed the Nation's welfare system "a monstrous, consuming outrage—an outrage against the community, against the taxpayer, and particularly against the children that it is supposed to help."

That system is still an outrage. By improving its administration, we have been able to reduce some of the abuses. As a result, last year, for the first time in 18 years, there has been a halt in the growth of the welfare caseload. But as a system, our welfare program still needs reform as urgently today as it did when I first proposed in 1969 that we completely replace it with a different system.

In these final 3 years of my Administration, I urge the Congress to join me in mounting a major new effort to replace the discredited present welfare system with one that works, one that is fair to those who need help or cannot help themselves, fair to the community, and fair to the taxpayer. And let us have as our goal that there will be no Government program which makes it more profitable to go on welfare than to go to work.

I recognize that from the debates that have taken place within the Congress over the past 3 years on this program that we cannot expect enactment overnight of a new reform. But I do propose that the Congress and the Administration together make this the year in which we discuss, debate, and shape such a reform so that it can be enacted as quickly as possible.

America's own prosperity in the years ahead depends on our sharing fully and equitably in an expanding world prosperity. Historic negotiations will take place this year that will enable us to ensure fair treatment in international markets for American workers, American farmers, American investors, and American consumers.

It is vital that the authorities contained in the trade bill I submitted to the Congress be enacted so that the United States can negotiate flexibly and vigorously on behalf of American interests. These negotiations can usher in a new era of international trade that not only increases the prosperity of all nations but also strengthens the peace among all nations.

In the past 5 years, we have made more progress toward a lasting structure of peace in the world than in any comparable time in the Nation's history. We could not have made that progress if we had not maintained the military strength of America. Thomas Jefferson once observed that the price of liberty is eternal vigilance. By the same token, and for the same reason, in today's world the price of peace is a strong defense as far as the United States is concerned.

In the past 5 years, we have steadily reduced the burden of national defense as a share of the budget, bringing it down from 44 percent in 1969 to 29 percent in the current

year. We have cut our military manpower over the past 5 years by more than a third, from 3.5 million to 2.2 million.

Page 2894

In the coming year, however, increased expenditures will be needed. They will be needed to assure the continued readiness of our military forces, to preserve present force levels in the face of rising costs, and to give us the military strength we must have if our security is to be maintained and if our initiatives for peace are to succeed.

The question is not whether we can afford to maintain the necessary strength of our defense, the question is whether we can afford not to maintain it, and the answer to that question is no. We must never allow America to become the second strongest nation in the world.

I do not say this with any sense of belligerence, because I recognize the fact that is recognized around the world. America's military strength has always been maintained to keep the peace, never to break it. It has always been used to defend freedom, never to destroy it. The world's peace, as well as our own, depends on our remaining as strong as we need to be as long as we need to be.

In this year 1974, we will be negotiating with the Soviet Union to place further limits on strategic nuclear arms. Together with our allies, we will be negotiating with the nations of the Warsaw Pact on mutual and balanced reduction of forces in Europe. And we will continue our efforts to promote peaceful economic development in Latin America, in Africa, in Asia. We will press for full compliance with the peace accords that brought an end to American fighting in Indochina, including particularly a provision that promised the fullest possible accounting for those Americans who are missing in action.

And having in mind the energy crisis to which I have referred to earlier, we will be working with the other nations of the world toward agreement on means by which oil supplies can be assured at reasonable prices on a stable basis in a fair way to the consuming and producing nations alike.

All of these are steps toward a future in which the world's peace and prosperity, and ours as well as a result, are made more secure.

Throughout the 5 years that I have served as your President, I have had one overriding aim, and that was to establish a new structure of peace in the world that can free future generations of the scourge of war. I can understand that others may have different priorities. This has been and this will remain my first priority and the chief legacy I hope to leave from the 8 years of my Presidency.

This does not mean that we shall not have other priorities, because as we strengthen the peace, we must also continue each year a steady strengthening of our society here at home. Our conscience requires it, our interests require it, and we must insist upon it.

As we create more jobs, as we build a better health care system, as we improve our education, as we develop new sources of energy, as we provide more abundantly for

the elderly and the poor, as we strengthen the system of private enterprise that produces our prosperity—as we do all of this and even more, we solidify those essential bonds that hold us together as a nation.

Page 2895

Even more importantly, we advance what in the final analysis government in America is all about.

What it is all about is more freedom, more security, a better life for each one of the 211 million people that live in this land.

We cannot afford to neglect progress at home while pursuing peace abroad. But neither can we afford to neglect peace abroad while pursuing progress at home. With a stable peace, all is possible, but without peace, nothing is possible.

In the written message that I have just delivered to the Speaker and to the President of the Senate, I commented that one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives, selecting each year among many worthy projects those that are ripe for action at that time.

What is true in terms of our domestic initiatives is true also in the world. This period we now are in, in the world—and I say this as one who has seen so much of the world, not only in these past 5 years but going back over many years—we are in a period which presents a juncture of historic forces unique in this century. They provide an opportunity we may never have again to create a structure of peace solid enough to last a lifetime and more, not just peace in our time but peace in our children's time as well. It is on the way we respond to this opportunity, more than anything else, that history will judge whether we in America have met our responsibility. And I am confident we will meet that great historic responsibility which is ours today.

It was 27 years ago that John F. Kennedy and I sat in this Chamber, as freshmen Congressmen, hearing our first State of the Union address delivered by Harry Truman. I know from my talks with him, as members of the Labor Committee on which we both served, that neither of us then even dreamed that either one or both might eventually be standing in this place that I now stand in now and that he once stood in, before me. It may well be that one of the freshmen Members of the 93d Congress, one of you out there, will deliver his own State of the Union message 27 years from now, in the year 2001.

Well, whichever one it is, I want you to be able to look back with pride and to say that your first years here were great years and recall that you were here in this 93d Congress when America ended its longest war and began its longest peace.

Mr. Speaker, and Mr. President, and my distinguished colleagues and our guests: I would like to add a personal word with regard to an issue that has been of great concern to all Americans over the past year. I refer, of course, to the investigations of the so-called Watergate affair. As you know, I have provided to the Special Prosecutor voluntarily a great deal of material. I believe that I have provided all the material that he

needs to conclude his investigations and to proceed to prosecute the guilty and to clear the innocent.

Page 2896

I believe the time has come to bring that investigation and the other investigations of this matter to an end. One year of Watergate is enough.

And the time has come, my colleagues, for not only the Executive, the President, but the Members of Congress, for all of us to join together in devoting our full energies to these great issues that I have discussed tonight which involve the welfare of all of the American people in so many different ways, as well as the peace of the world.

I recognize that the House Judiciary Committee has a special responsibility in this area, and I want to indicate on this occasion that I will cooperate with the Judiciary Committee in its investigation. I will cooperate so that it can conclude its investigation, make its decision, and I will cooperate in any way that I consider consistent with my responsibilities to the Office of the Presidency of the United States.

There is only one limitation. I will follow the precedent that has been followed by and defended by every President from George Washington to Lyndon B. Johnson of never doing anything that weakens the Office of the President of the United States or impairs the ability of the Presidents of the future to make the great decisions that are so essential to this Nation and the world.

Another point I should like to make very briefly: Like every Member of the House and Senate assembled here tonight, I was elected to the office that I hold. And like every Member of the House and Senate, when I was elected to that office, I knew that I was elected for the purpose of doing a job and doing it as well as I possibly can. And I want you to know that I have no intention whatever of ever walking away from the job that the people elected me to do for the people of the United States.

Now, needless to say, it would be understatement if I were not to admit that the year 1973 was not a very easy year for me personally or for my family. And as I have already indicated, the year 1974 presents very great and serious problems, as very great and serious opportunities are also presented.

But my colleagues, this I believe: With the help of God, who has blessed this land so richly, with the cooperation of the Congress, and with the support of the American people, we can and we will make the year 1974 a year of unprecedented progress toward our goal of building a structure of lasting peace in the world and a new prosperity without war in the United States of America.

***

State of the Union Address
Gerald R. Ford
January 15, 1975

Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests:

Twenty-six years ago, a freshman Congressman, a young fellow with lots of idealism who was out to change the world, stood before Sam Rayburn in the well of the House and solemnly swore to the same oath that all of you took yesterday—an unforgettable experience, and I congratulate you all.

Page 2897

Two days later, that same freshman stood at the back of this great Chamber—over there someplace—as President Truman, all charged up by his single-handed election victory, reported as the Constitution requires on the state of the Union.

When the bipartisan applause stopped, President Truman said, “I am happy to report to this 81st Congress that the state of the Union is good. Our Nation is better able than ever before to meet the needs of the American people, and to give them their fair chance in the pursuit of happiness. [It] is foremost among the nations of the world in the search for peace.”

Today, that freshman Member from Michigan stands where Mr. Truman stood, and I must say to you that the state of the Union is not good:

Millions of Americans are out of work.

Recession and inflation are eroding the money of millions more.

Prices are too high, and sales are too slow.

This year’s Federal deficit will be about $30 billion; next year’s probably $45 billion.

The national debt will rise to over $500 billion.

Our plant capacity and productivity are not increasing fast enough.

We depend on others for essential energy.

Some people question their Government’s ability to make hard decisions and stick with them; they expect Washington politics as usual.

Yet, what President Truman said on January 5, 1949, is even more true in 1975. We are better able to meet our people’s needs. All Americans do have a fairer chance to pursue happiness. Not only are we still the foremost nation in the pursuit of peace but today’s prospects of attaining it are infinitely brighter.

There were 59 million Americans employed at the start of 1949; now there are more than 85 million Americans who have jobs. In comparable dollars, the average income of the American family has doubled during the past 26 years.

Now, I want to speak very bluntly. I’ve got bad news, and I don’t expect much, if any, applause. The American people want action, and it will take both the Congress and the President to give them what they want. Progress and solutions can be achieved, and they will be achieved.

My message today is not intended to address all of the complex needs of America. I will send separate messages making specific recommendations for domestic legislation, such as the extension of general revenue sharing and the Voting Rights Act.

The moment has come to move in a new direction. We can do this by fashioning a new partnership between the Congress on the one hand, the White House on the other, and the people we both represent.

Let us mobilize the most powerful and most creative industrial nation that ever existed on this Earth to put all our people to work. The emphasis on our economic efforts must now shift from inflation to jobs.

To bolster business and industry and to create new jobs, I propose a 1-year tax reduction of $16 billion. Three-quarters would go to individuals and one-quarter to promote business investment.

Page 2898

This cash rebate to individuals amounts to 12 percent of 1974 tax payments—a total cut of $12 billion, with a maximum of $1,000 per return.

I call on the Congress to act by April 1. If you do—and I hope you will—the Treasury can send the first check for half of the rebate in May and the second by September.

The other one-fourth of the cut, about $4 billion, will go to business, including farms, to promote expansion and to create more jobs. The 1-year reduction for businesses would be in the form of a liberalized investment tax credit increasing the rate to 12 percent for all businesses.

This tax cut does not include the more fundamental reforms needed in our tax system. But it points us in the right direction—allowing taxpayers rather than the Government to spend their pay.

Cutting taxes now is essential if we are to turn the economy around. A tax cut offers the best hope of creating more jobs. Unfortunately, it will increase the size of the budget deficit. Therefore, it is more important than ever that we take steps to control the growth of Federal expenditures.

Part of our trouble is that we have been self-indulgent. For decades, we have been voting ever-increasing levels of Government benefits, and now the bill has come due. We have been adding so many new programs that the size and the growth of the Federal budget has taken on a life of its own.

One characteristic of these programs is that their cost increases automatically every year because the number of people eligible for most of the benefits increases every year. When these programs are enacted, there is no dollar amount set. No one knows what they will cost. All we know is that whatever they cost last year, they will cost more next year.

It is a question of simple arithmetic. Unless we check the excessive growth of Federal expenditures or impose on ourselves matching increases in taxes, we will continue to run huge inflationary deficits in the Federal budget.

If we project the current built-in momentum of Federal spending through the next 15 years, State, Federal, and local government expenditures could easily comprise half of our gross national product. This compares with less than a third in 1975.

I have just concluded the process of preparing the budget submissions for fiscal year 1976. In that budget, I will propose legislation to restrain the growth of a number of existing programs. I have also concluded that no new spending programs can be initiated this year, except for energy. Further, I will not hesitate to veto any new spending programs adopted by the Congress.

As an additional step toward putting the Federal Government's house in order, I recommend a 5-percent limit on Federal pay increases in 1975. In all Government programs tied to the Consumer Price Index—including social security, civil service and military retirement pay, and food stamps—I also propose a 1-year maximum increase of 5 percent.

Page 2899

None of these recommended ceiling limitations, over which Congress has final authority, are easy to propose, because in most cases they involve anticipated payments to many, many deserving people. Nonetheless, it must be done. I must emphasize that I am not asking to eliminate, to reduce, to freeze these payments. I am merely recommending that we slow down the rate at which these payments increase and these programs grow.

Only a reduction in the growth of spending can keep Federal borrowing down and reduce the damage to the private sector from high interest rates. Only a reduction in spending can make it possible for the Federal Reserve System to avoid an inflationary growth in the money supply and thus restore balance to our economy. A major reduction in the growth of Federal spending can help dispel the uncertainty that so many feel about our economy and put us on the way to curing our economic ills.

If we don't act to slow down the rate of increase in Federal spending, the United States Treasury will be legally obligated to spend more than $360 billion in fiscal year 1976, even if no new programs are enacted. These are not matters of conjecture or prediction, but again, a matter of simple arithmetic. The size of these numbers and their implications for our everyday life and the health of our economic system are shocking.

I submitted to the last Congress a list of budget deferrals and rescissions. There will be more cuts recommended in the budget that I will submit. Even so, the level of outlays for fiscal year 1976 is still much, much too high. Not only is it too high for this year but the decisions we make now will inevitably have a major and growing impact on expenditure levels in future years. I think this is a very fundamental issue that we, the Congress and I, must jointly solve.

Economic disruptions we and others are experiencing stem in part from the fact that the world price of petroleum has quadrupled in the last year. But in all honesty, we cannot put all of the blame on the oil-exporting nations. We, the United States, are not blameless. Our growing dependence upon foreign sources has been adding to our vulnerability for years and years, and we did nothing to prepare ourselves for such an event as the embargo of 1973.

During the 1960's, this country had a surplus capacity of crude oil which we were able to make available to our trading partners whenever there was a disruption of supply. This surplus capacity enabled us to influence both supplies and prices of crude oil throughout the world. Our excess capacity neutralized any effort at establishing an effective cartel, and thus the rest of the world was assured of adequate supplies of oil at reasonable prices.

By 1970, our surplus capacity had vanished, and as a consequence, the latent power of the oil cartel could emerge in full force. Europe and Japan, both heavily dependent on imported oil, now struggle to keep their economies in balance. Even the United States,

our country, which is far more self-sufficient than most other industrial countries, has been .put under serious pressure.

Page 2900

I am proposing a program which will begin to restore our country's surplus capacity in total energy. In this way, we will be able to assure ourselves reliable and adequate energy and help foster a new world energy stability for other major consuming nations.

But this Nation and, in fact, the world must face the prospect of energy difficulties between now and 1985. This program will impose burdens on all of us with the aim of reducing our consumption of energy and increasing our production. Great attention has been paid to the considerations of fairness, and I can assure you that the burdens will not fall more harshly on those less able to bear them.

I am recommending a plan to make us invulnerable to cutoffs of foreign oil. It will require sacrifices, but it—and this is most important—it will work.

I have set the following national energy goals to assure that our future is as secure and as productive as our past:

First, we must reduce oil imports by 1 million barrels per day by the end of this year and by 2 million barrels per day by the end of 1977.

Second, we must end vulnerability to economic disruption by foreign suppliers by 1985.

Third, we must develop our energy technology and resources so that the United States has the ability to supply a significant share of the energy needs of the free world by the end of this century.

To attain these objectives, we need immediate action to cut imports. Unfortunately, in the short term there are only a limited number of actions which can increase domestic supply. I will press for all of them.

I urge quick action on the necessary legislation to allow commercial production at the Elk Hills, California, Naval Petroleum Reserve. In order that we make greater use of domestic coal resources, I am submitting amendments to the Energy Supply and Environmental Coordination Act which will greatly increase the number of powerplants that can be promptly converted to coal.

Obviously, voluntary conservation continues to be essential, but tougher programs are needed—and needed now. Therefore, I am using Presidential powers to raise the fee on all imported crude oil and petroleum products. The crude oil fee level will be increased $1 per barrel on February 1, by $2 per barrel on March 1, and by $3 per barrel on April 1. I will take actions to reduce undue hardships on any geographical region. The foregoing are interim administrative actions. They will be rescinded when the broader but necessary legislation is enacted.

To that end, I am requesting the Congress to act within 90 days on a more comprehensive energy tax program. It includes: excise taxes and import fees totaling

$2 per barrel on product imports and on all crude oil; deregulation of new natural gas and enactment of a natural gas excise tax.

I plan to take Presidential initiative to decontrol the price of domestic crude oil on April 1. I urge the Congress to enact a windfall profits tax by that date to ensure that oil producers do not profit unduly.

Page 2901

The sooner Congress acts, the more effective the oil conservation program will be and the quicker the Federal revenues can be returned to our people.

I am prepared to use Presidential authority to limit imports, as necessary, to guarantee success.

I want you to know that before deciding on my energy conservation program, I considered rationing and higher gasoline taxes as alternatives. In my judgment, neither would achieve the desired results and both would produce unacceptable inequities.

A massive program must be initiated to increase energy supply, to cut demand, and provide new standby emergency programs to achieve the independence we want by 1985. The largest part of increased oil production must come from new frontier areas on the Outer Continental Shelf and from the Naval Petroleum Reserve No. 4 in Alaska. It is the intent of this Administration to move ahead with exploration, leasing, and production on those frontier areas of the Outer Continental Shelf where the environmental risks are acceptable.

Use of our most abundant domestic resource—coal—is severely limited. We must strike a reasonable compromise on environmental concerns with coal. I am submitting Clean Air amendments which will allow greater coal use without sacrificing clean air goals.

I vetoed the strip mining legislation passed by the last Congress. With appropriate changes, I will sign a revised version when it comes to the White House.

I am proposing a number of actions to energize our nuclear power program. I will submit legislation to expedite nuclear leasing and the rapid selection of sites.

In recent months, utilities have cancelled or postponed over 60 percent of planned nuclear expansion and 30 percent of planned additions to non-nuclear capacity. Financing problems for that industry are worsening. I am therefore recommending that the 1-year investment tax credit of 12 percent be extended an additional 2 years to specifically speed the construction of powerplants that do not use natural gas or oil. I am also submitting proposals for selective reform of State utility commission regulations.

To provide the critical stability for our domestic energy production in the face of world price uncertainty, I will request legislation to authorize and require tariffs, import quotas, or price floors to protect our energy prices at levels which will achieve energy independence.

Increasing energy supplies is not enough. We must take additional steps to cut long-term consumption. I therefore propose to the Congress: legislation to make thermal

efficiency standards mandatory for all new buildings in the United States; a new tax credit of up to $150 for those homeowners who install insulation equipment; the establishment of an energy conservation program to help low-income families purchase insulation supplies; legislation to modify and defer automotive pollution standards for 5 years, which will enable us to improve automobile gas mileage by 40 percent by 1980.

Page 2902

These proposals and actions, cumulatively, can reduce our dependence on foreign energy supplies from 3 to 5 million barrels per day by 1985. To make the United States invulnerable to foreign disruption, I propose standby emergency legislation and a strategic storage program of 1 billion barrels of oil for domestic needs and 300 million barrels for national defense purposes.

I will ask for the funds needed for energy research and development activities. I have established a goal of 1 million barrels of synthetic fuels and shale oil production per day by 1985 together with an incentive program to achieve it.

I have a very deep belief in America's capabilities. Within the next 10 years, my program envisions: 200 major nuclear powerplants; 250 major new coal mines; 150 major coal-fired powerplants; 30 major new refineries; 20 major new synthetic fuel plants; the drilling of many thousands of new oil wells; the insulation of 18 million homes; and the manufacturing and the sale of millions of new automobiles, trucks, and buses that use much less fuel.

I happen to believe that we can do it. In another crisis—the one in 1942 President Franklin D. Roosevelt said this country would build 60,000 military aircraft. By 1943, production in that program had reached 125,000 aircraft annually. They did it then. We can do it now.

If the Congress and the American people will work with me to attain these targets, they will be achieved and will be surpassed. From adversity, let us seize opportunity. Revenues of some $30 billion from higher energy taxes designed to encourage conservation must be refunded to the American people in a manner which corrects distortions in our tax system wrought by inflation.

People have been pushed into higher tax brackets by inflation, with consequent reduction in their actual spending power. Business taxes are similarly distorted because inflation exaggerates reported profits, resulting in excessive taxes.

Accordingly, I propose that future individual income taxes be reduced by $16.5 billion. This will be done by raising the low-income allowance and reducing tax rates. This continuing tax cut will primarily benefit lower-and middle-income taxpayers.

For example, a typical family of four with a gross income of $5,600 now pays $185 in Federal income taxes. Under this tax cut plan, they would pay nothing. A family of four with a gross income of $12,500 now pays $1,260 in Federal taxes. My proposal reduces that total by $300. Families grossing $20,000 would receive a reduction of $210.

Those with the very lowest incomes, who can least afford higher costs, must also be compensated. I propose a payment of $80 to every person 18 years of age and older in that very limited category.

State and local governments will receive $2 billion in additional revenue sharing to offset their increased energy costs.

To offset inflationary distortions and to generate more economic activity, the corporate tax rate will be reduced from 48 percent to 42 percent.

Page 2903

Now let me turn, if I might, to the international dimension of the present crisis. At no time in our peacetime history has the state of the Nation depended more heavily on the state of the world. And seldom, if ever, has the state of the world depended more heavily on the state of our Nation.

The economic distress is global. We will not solve it at home unless we help to remedy the profound economic dislocation abroad. World trade and monetary structure provides markets, energy, food, and vital raw materials—for all nations. This international system is now in jeopardy.

This Nation can be proud of significant achievements in recent years in solving problems and crises. The Berlin agreement, the *salt* agreements, our new relationship with China, the unprecedented efforts in the Middle East are immensely encouraging. But the world is not free from crisis. In a world of 150 nations, where nuclear technology is proliferating and regional conflicts continue, international security cannot be taken for granted.

So, let there be no mistake about it: International cooperation is a vital factor of our lives today. This is not a moment for the American people to turn inward. More than ever before, our own well-being depends on America's determination and America's leadership in the whole wide world.

We are a great Nation—spiritually, politically, militarily, diplomatically, and economically. America's commitment to international security has sustained the safety of allies and friends in many areas—in the Middle East, in Europe, and in Asia. Our turning away would unleash new instabilities, new dangers around the globe, which, in turn, would threaten our own security.

At the end of World War II, we turned a similar challenge into an historic opportunity and, I might add, an historic achievement. An old order was in disarray; political and economic institutions were shattered. In that period, this Nation and its partners built new institutions, new mechanisms of mutual support and cooperation. Today, as then, we face an historic opportunity. If we act imaginatively and boldly, as we acted then, this period will in retrospect be seen as one of the great creative moments of our Nation's history. The whole world is watching to see how we respond.

A resurgent American economy would do more to restore the confidence of the world in its own future than anything else we can do. The program that this Congress passes can demonstrate to the world that we have started to put our own house in order. If we can show that this Nation is able and willing to help other nations meet the common challenge, it can demonstrate that the United States will fulfill its responsibilities as a leader among nations.

Quite frankly, at stake is the future of industrialized democracies, which have perceived their destiny in common and sustained it in common for 30 years.

Page 2904

The developing nations are also at a turning point. The poorest nations see their hopes of feeding their hungry and developing their societies shattered by the economic crisis. The long-term economic future for the producers of raw materials also depends on cooperative solutions.

Our relations with the Communist countries are a basic factor of the world environment. We must seek to build a long-term basis for coexistence. We will stand by our principles. We will stand by our interests. We will act firmly when challenged. The kind of a world we want depends on a broad policy of creating mutual incentives for restraint and for cooperation.

As we move forward to meet our global challenges and opportunities, we must have the tools to do the job.

Our military forces are strong and ready. This military strength deters aggression against our allies, stabilizes our relations with former adversaries, and protects our homeland. Fully adequate conventional and strategic forces cost many, many billions, but these dollars are sound insurance for our safety and for a more peaceful world.

Military strength alone is not sufficient. Effective diplomacy is also essential in preventing conflict, in building world understanding. The Vladivostok negotiations with the Soviet Union represent a major step in moderating strategic arms competition. My recent discussions with the leaders of the Atlantic community, Japan, and South Korea have contributed to meeting the common challenge.

But we have serious problems before us that require cooperation between the President and the Congress. By the Constitution and tradition, the execution of foreign policy is the responsibility of the President.

In recent years, under the stress of the Vietnam war, legislative restrictions on the President's ability to execute foreign policy and military decisions have proliferated. As a Member of the Congress, I opposed some and I approved others. As President, I welcome the advice and cooperation of the House and the Senate.

But if our foreign policy is to be successful, we cannot rigidly restrict in legislation the ability of the President to act. The conduct of negotiations is ill-suited to such limitations. Legislative restrictions, intended for the best motives and purposes, can have the opposite result, as we have seen most recently in our trade relations with the Soviet Union.

For my part, I pledge this Administration will act in the closest consultation with the Congress as we face delicate situations and troubled times throughout the globe.

When I became President only 5 months ago, I promised the last Congress a policy of communication, conciliation, compromise, and cooperation. I renew that pledge to the new Members of this Congress.

Let me sum it up. America needs a new direction, which I have sought to chart here today—a change of course which will: put the unemployed back to work; increase real income and production; restrain the growth of Federal Government spending; achieve energy independence; and advance the cause of world understanding.

Page 2905

We have the ability. We have the know-how. In partnership with the American people, we will achieve these objectives.

As our 200th anniversary approaches, we owe it to ourselves and to posterity to rebuild our political and economic strength. Let us make America once again and for centuries more to come what it has so long been—a stronghold and a beacon-light of liberty for the whole world.

Thank you.

***

State of the Union Address
Gerald R. Ford
January 19, 1976

Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests:

As we begin our Bicentennial, America is still one of the youngest nations in recorded history. Long before our forefathers came to these shores, men and women had been struggling on this planet to forge a better life for themselves and their families.

In man's long, upward march from savagery and slavery—throughout the nearly 2,000 years of the Christian calendar, the nearly 6,000 years of Jewish reckoning—there have been many deep, terrifying valleys, but also many bright and towering peaks.

One peak stands highest in the ranges of human history. One example shines forth of a people uniting to produce abundance and to share the good life fairly and with freedom. One union holds out the promise of justice and opportunity for every citizen: That union is the United States of America.

We have not remade paradise on Earth. We know perfection will not be found here. But think for a minute how far we have come in 200 years.

We came from many roots, and we have many branches. Yet all Americans across the eight generations that separate us from the stirring deeds of 1776, those who know no other homeland and those who just found refuge among our shores, say in unison:

I am proud of America, and I am proud to be an American. Life will be a little better here for my children than for me. I believe this not because I am told to believe it, but because life has been better for me than it was for my father and my mother. I know it will be better for my children because my hands, my brains, my voice, and my vote can help make it happen.

It has happened here in America. It has happened to you and to me. Government exists to create and preserve conditions in which people can translate their ideas into practical reality. In the best of times, much is lost in translation. But we try. Sometimes we have tried and failed. Always we have had the best of intentions.

But in the recent past, we sometimes forgot the sound principles that guided us through most of our history. We wanted to accomplish great things and solve age-old problems. And we became overconfident of our abilities. We tried to be a policeman abroad and the indulgent parent here at home.

Page 2906

We thought we could transform the country through massive national programs, but often the programs did not work. Too often they only made things worse. In our rush to accomplish great deeds quickly, we trampled on sound principles of restraint and endangered the rights of individuals. We unbalanced our economic system by the huge and unprecedented growth of Federal expenditures and borrowing. And we were not totally honest with ourselves about how much these programs would cost and how we would pay for them. Finally, we shifted our emphasis from defense to domestic problems while our adversaries continued a massive buildup of arms.

The time has now come for a fundamentally different approach for a new realism that is true to the great principles upon which this Nation was founded.

We must introduce a new balance to our economy—a balance that favors not only sound, active government but also a much more vigorous, healthy economy that can create new jobs and hold down prices.

We must introduce a new balance in the relationship between the individual and the government—a balance that favors greater individual freedom and self-reliance.

We must strike a new balance in our system of federalism—a balance that favors greater responsibility and freedom for the leaders of our State and local governments.

We must introduce a new balance between the spending on domestic programs and spending on defense—a balance that ensures we will fully meet our obligation to the needy while also protecting our security in a world that is still hostile to freedom.

And in all that we do, we must be more honest with the American people, promising them no more than we can deliver and delivering all that we promise.

The genius of America has been its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity.

History and experience tells us that moral progress cannot come in comfortable and in complacent times, but out of trial and out of confusion. Tom Paine aroused the troubled Americans of 1776 to stand up to the times that try men's souls because the harder the conflict, the more glorious the triumph.

Just a year ago I reported that the state of the Union was not good. Tonight, I report that the state of our Union is better—in many ways a lot better—but still not good enough.

To paraphrase Tom Paine, 1975 was not a year for summer soldiers and sunshine patriots. It was a year of fears and alarms and of dire forecasts—most of which never happened and won't happen.

Page 2907

As you recall, the year 1975 opened with rancor and with bitterness. Political misdeeds of the past had neither been forgotten nor forgiven. The longest, most divisive war in our history was winding toward an unhappy conclusion. Many feared that the end of that foreign war of men and machines meant the beginning of a domestic war of recrimination and reprisal. Friends and adversaries abroad were asking whether America had lost its nerve. Finally, our economy was ravaged by inflation—inflation that was plunging us into the worst recession in four decades. At the same time, Americans became increasingly alienated from big institutions. They were steadily losing confidence, not just in big government but in big business, big labor, and big education, among others. Ours was a troubled land.

And so, 1975 was a year of hard decisions, difficult compromises, and a new realism that taught us something important about America. It brought back a needed measure of common sense, steadfastness, and self-discipline.

Americans did not panic or demand instant but useless cures. In all sectors, people met their difficult problems with the restraint and with responsibility worthy of their great heritage.

Add up the separate pieces of progress in 1975, subtract the setbacks, and the sum total shows that we are not only headed in a new direction, a direction which I proposed 12 months ago, but it turned out to be the right direction.

It is the right direction because it follows the truly revolutionary American concept of 1776, which holds that in a free society the making of public policy and successful problem-solving involves much more than government. It involves a full partnership among all branches and all levels of government, private institutions, and individual citizens.

Common sense tells me to stick to that steady course.

Take the state of our economy. Last January, most things were rapidly getting worse. This January, most things are slowly but surely getting better.

The worst recession since World War II turned around in April. The best cost-of-living news of the past year is that double-digit inflation of 12 percent or higher was cut almost in half. The worst—unemployment remains far too high.

Today, nearly 1,700,000 more Americans are working than at the bottom of the recession. At year's end, people were again being hired much faster than they were being laid off.

Yet, let's be honest. Many Americans have not yet felt these changes in their daily lives. They still see prices going up far too fast, and they still know the fear of unemployment.

We are also a growing nation. We need more and more jobs every year. Today's economy has produced over 85 million jobs for Americans, but we need a lot more jobs, especially for the young.

My first objective is to have sound economic growth without inflation.

Page 2908

We all know from recent experience what runaway inflation does to ruin every other worthy purpose. We are slowing it. We must stop it cold.

For many Americans, the way to a healthy, noninflationary economy has become increasingly apparent. The Government must stop spending so much and stop borrowing so much of our money. More money must remain in private hands where it will do the most good. To hold down the cost of living, we must hold down the cost of government.

In the past decade, the Federal budget has been growing at an average rate of over 10 percent a year. The budget I am submitting Wednesday cuts this rate of growth in half. I have kept my promise to submit a budget for the next fiscal year of $395 billion. In fact, it is $394.2 billion.

By holding down the growth of Federal spending, we can afford additional tax cuts and return to the people who pay taxes more decisionmaking power over their own lives.

Last month I signed legislation to extend the 1975 tax reductions for the first 6 months of this year. I now propose that effective July 1, 1976, we give our taxpayers a tax cut of approximately $10 billion more than Congress agreed to in December.

My broader tax reduction would mean that for a family of four making $15,000 a year, there will be $227 more in take-home pay annually. Hardworking Americans caught in the middle can really use that kind of extra cash.

My recommendations for a firm restraint on the growth of Federal spending and for greater tax reduction are simple and straightforward. For every dollar saved in cutting the growth in the Federal budget, we can have an added dollar of Federal tax reduction.

We can achieve a balanced budget by 1979 if we have the courage and the wisdom to continue to reduce the growth of Federal spending.

One test of a healthy economy is a job for every American who wants to work. Government—our kind of government—cannot create that many jobs. But the Federal Government can create conditions and incentives for private business and industry to make more and more jobs.

Five out of six jobs in this country are in private business and in industry. Common sense tells us this is the place to look for more jobs and to find them faster. I mean real, rewarding, permanent jobs.

To achieve this we must offer the American people greater incentives to invest in the future. My tax proposals are a major step in that direction. To supplement these proposals, I ask that Congress enact changes in Federal tax laws that will speed up plant expansion and the purchase of new equipment. My recommendations will

concentrate this job-creation tax incentive in areas where the unemployment rate now runs over 7 percent. Legislation to get this started must be approved at the earliest possible date.

Within the strict budget total that I will recommend for the coming year, I will ask for additional housing assistance for 500,000 families. These programs will expand housing opportunities, spur construction, and help to house moderate- and low-income families.

Page 2909

We had a disappointing year in the housing industry in 1975. But with lower interest rates and available mortgage money, we can have a healthy recovery in 1976.

A necessary condition of a healthy economy is freedom from the petty tyranny of massive government regulation. We are wasting literally millions of working hours costing billions of taxpayers' and consumers' dollars because of bureaucratic redtape. The American farmer, who now feeds 215 million Americans, but also millions worldwide, has shown how much more he can produce without the shackles of government control.

Now, we badly need reforms in other key areas in our economy: the airlines, trucking, railroads, and financial institutions. I have submitted concrete plans in each of these areas, not to help this or that industry, but to foster competition and to bring prices down for the consumer.

This administration, in addition, will strictly enforce the Federal antitrust laws for the very same purposes.

Taking a longer look at America's future, there can be neither sustained growth nor more jobs unless we continue to have an assured supply of energy to run our economy. Domestic production of oil and gas is still declining. Our dependence on foreign oil at high prices is still too great, draining jobs and dollars away from our own economy at the rate of $125 per year for every American.

Last month, I signed a compromise national energy bill which enacts a part of my comprehensive energy independence program. This legislation was late, not the complete answer to energy independence, but still a start in the right direction.

I again urge the Congress to move ahead immediately on the remainder of my energy proposals to make America invulnerable to the foreign oil cartel.

My proposals, as all of you know, would reduce domestic natural gas shortages; allow production from Federal petroleum reserves; stimulate effective conservation, including revitalization of our railroads and the expansion of our urban transportation systems; develop more and cleaner energy from our vast coal resources; expedite clean and safe nuclear power production; create a new national energy independence authority to stimulate vital energy investment; and accelerate development of technology to capture energy from the Sun and the Earth for this and future generations.

Also, I ask, for the sake of future generations, that we preserve the family farm and family-owned small business. Both strengthen America and give stability to our economy. I will propose estate tax changes so that family businesses and family farms can be handed down from generation to generation without having to be sold to pay taxes.

I propose tax changes to encourage people to invest in America's future, and their own, through a plan that gives moderate-income families income tax benefits if they make long-term investments in common stock in American companies.

Page 2910

The Federal Government must and will respond to clear-cut national needs—for this and future generations.

Hospital and medical services in America are among the best in the world, but the cost of a serious and extended illness can quickly wipe out a family's lifetime savings. Increasing health costs are of deep concern to all and a powerful force pushing up the cost of living. The burden of catastrophic illness can be borne by very few in our society. We must eliminate this fear from every family.

I propose catastrophic health insurance for everybody covered by Medicare. To finance this added protection, fees for short-term care will go up somewhat, but nobody after reaching age 65 will have to pay more than $500 a year for covered hospital or nursing home care, nor more than $250 for 1 year's doctor bills.

We cannot realistically afford federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of such plans. But I do envision the day when we may use the private health insurance system to offer more middle-income families high quality health services at prices they can afford and shield them also from their catastrophic illnesses.

Using resources now available, I propose improving the Medicare and other Federal health programs to help those who really need protection—older people and the poor. To help States and local governments give better health care to the poor, I propose that we combine 16 existing Federal programs, including Medicaid, into a single $10 billion Federal grant.

Funds would be divided among States under a new formula which provides a larger share of Federal money to those States that have a larger share of low-income families.

I will take further steps to improve the quality of medical and hospital care for those who have served in our Armed Forces.

Now let me speak about social security. Our Federal social security system for people who have worked and contributed to it for all their lives is a vital part of our economic system. Its value is no longer debatable. In my budget for fiscal year 1977, I am recommending that the full cost-of-living increases in the social security benefits be paid during the coming year.

But I am concerned about the integrity of our Social Security Trust Fund that enables people—those retired and those still working who will retire—to count on this source of retirement income. Younger workers watch their deductions rise and wonder if they will be adequately protected in the future. We must meet this challenge head on. Simple arithmetic warns all of us that the Social Security Trust Fund is headed for trouble.

Unless we act soon to make sure the fund takes in as much as it pays out, there will be no security for old or for young.

I must, therefore, recommend a three-tenths of 1 percent increase in both employer and employee social security taxes effective January 1, 1977. This will cost each covered employee less than 1 extra dollar a week and will ensure the integrity of the trust fund.

Page 2911

As we rebuild our economy, we have a continuing responsibility to provide a temporary cushion to the unemployed. At my request, the Congress enacted two extensions and two expansions in unemployment insurance which helped those who were jobless during 1975. These programs will continue in 1976.

In my fiscal year 1977 budget, I am also requesting funds to continue proven job training and employment opportunity programs for millions of other Americans.

Compassion and a sense of community—two of America's greatest strengths throughout our history—tell us we must take care of our neighbors who cannot take care of themselves. The host of Federal programs in this field reflect our generosity as a people.

But everyone realizes that when it comes to welfare, government at all levels is not doing the job well. Too many of our welfare programs are inequitable and invite abuse. Too many of our welfare programs have problems from beginning to end. Worse, we are wasting badly needed resources without reaching many of the truly needy.

Complex welfare programs cannot be reformed overnight. Surely we cannot simply dump welfare into the laps of the 50 States, their local taxpayers, or their private charities, and just walk away from it. Nor is it the right time for massive and sweeping changes while we are still recovering from the recession.

Nevertheless, there are still plenty of improvements that we can make. I will ask Congress for Presidential authority to tighten up the rules for eligibility and benefits.

Last year I twice sought long overdue reform of the scandal-riddled food stamp program. This year I say again: Let's give food stamps to those most in need. Let's not give any to those who don't need them.

Protecting the life and property of the citizen at home is the responsibility of all public officials, but is primarily the job of local and State law enforcement authorities.

Americans have always found the very thought of a Federal police force repugnant, and so do I. But there are proper ways in which we can help to insure domestic tranquility as the Constitution charges us.

My recommendations on how to control violent crime were submitted to the Congress last June with strong emphasis on protecting the innocent victims of crime. To keep a convicted criminal from committing more crimes, we must put him in prison so he cannot harm more law-abiding citizens. To be effective, this punishment must be swift and it must be certain.

Too often, criminals are not sent to prison after conviction but are allowed to return to the streets. Some judges are reluctant to send convicted criminals to prison because of

inadequate facilities. To alleviate this problem at the Federal level, my new budget proposes the construction of four new Federal facilities.

To speed Federal justice, I propose an increase this year in the United States attorneys prosecuting Federal crimes and the reinforcement of the number of United States marshals. Additional Federal judges are needed, as recommended by me and the Judicial Conference.

Page 2912

Another major threat to every American's person and property is the criminal carrying a handgun. The way to cut down on the criminal use of guns is not to take guns away from the law-abiding citizen, but to impose mandatory sentences for crimes in which a gun is used, make it harder to obtain cheap guns for criminal purposes, and concentrate gun control enforcement in highcrime areas.

My budget recommends 500 additional Federal agents in the 11 largest metropolitan high-crime areas to help local authorities stop criminals from selling and using handguns.

The sale of hard drugs is tragically on the increase again. I have directed all agencies of the Federal Government to step up law enforcement efforts against those who deal in drugs. In 1975, I am glad to report, Federal agents seized substantially more heroin coming into our country than in 1974.

As President, I have talked personally with the leaders of Mexico, Colombia, and Turkey to urge greater efforts by their Governments to control effectively the production and shipment of hard drugs.

I recommended months ago that the Congress enact mandatory fixed sentences for persons convicted of Federal crimes involving the sale of hard drugs. Hard drugs, we all know, degrade the spirit as they destroy the body of their users.

It is unrealistic and misleading to hold out the hope that the Federal Government can move into every neighborhood and clean up crime. Under the Constitution, the greatest responsibility for curbing crime lies with State and local authorities. They are the frontline fighters in the war against crime.

There are definite ways in which the Federal Government can help them. I will propose in the new budget that Congress authorize almost $7 billion over the next 5 years to assist State and local governments to protect the safety and property of all their citizens.

As President, I pledge the strict enforcement of Federal laws and—by example, support, and leadership—to help State and local authorities enforce their laws. Together, we must protect the victims of crime and ensure domestic tranquility.

Last year I strongly recommended a 5-year extension of the existing revenue sharing legislation, which thus far has provided $23 1/2 billion to help State and local units of government solve problems at home. This program has been effective with decisionmaking transferred from the Federal Government to locally elected officials. Congress must act this year, or State and local units of government will have to drop programs or raise local taxes.

Including my health care program reforms, I propose to consolidate some 59 separate Federal programs and provide flexible Federal dollar grants to help States, cities, and local agencies in such important areas as education, child nutrition, and social services. This flexible system will do the job better and do it closer to home.

Page 2913

The protection of the lives and property of Americans from foreign enemies is one of my primary responsibilities as President.

In a world of instant communications and intercontinental ballistic missiles, in a world economy that is global and interdependent, our relations with other nations become more, not less, important to the lives of Americans.

America has had a unique role in the world since the day of our independence 200 years ago. And ever since the end of World War II, we have borne—successfully—a heavy responsibility for ensuring a stable world order and hope for human progress.

Today, the state of our foreign policy is sound and strong. We are at peace, and I will do all in my power to keep it that way.

Our military forces are capable and ready. Our military power is without equal, and I intend to keep it that way.

Our principal alliances with the industrial democracies of the Atlantic community and Japan have never been more solid.

A further agreement to limit the strategic arms race may be achieved.

We have an improving relationship with China, the world's most populous nation.

The key elements for peace among the nations of the Middle East now exist. Our traditional friendships in Latin America, Africa, and Asia continue.

We have taken the role of leadership in launching a serious and hopeful dialog between the industrial world and the developing world.

We have helped to achieve significant reform of the international monetary system.

We should be proud of what America, what our country, has accomplished in these areas, and I believe the American people are.

The American people have heard too much about how terrible our mistakes, how evil our deeds, and how misguided our purposes. The American people know better.

The truth is we are the world's greatest democracy. We remain the symbol of man's aspiration for liberty and well-being. We are the embodiment of hope for progress.

I say it is time we quit downgrading ourselves as a nation. Of course, it is our responsibility to learn the right lesson from past mistakes. It is our duty to see that they never happen again. But our greater duty is to look to the future. The world's troubles will not go away.

The American people want strong and effective international and defense policies. In our constitutional system, these policies should reflect consultation and accommodation between the President and the Congress. But in the final analysis, as the framers of our Constitution knew from hard experience, the foreign relations of the United States can be conducted effectively only if there is strong central direction that allows flexibility of action. That responsibility clearly rests with the President.

I pledge to the American people policies which seek a secure, just, and peaceful world. I pledge to the Congress to work with you to that end.

Page 2914

We must not face a future in which we can no longer help our friends, such as Angola, even in limited and carefully controlled ways. We must not lose all capacity to respond short of military intervention.

Some hasty actions of the Congress during the past year—most recently in respect to Angola—were, in my view, very shortsighted. Unfortunately, they are still very much on the minds of our allies and our adversaries.

A strong defense posture gives weight to our values and our views in international negotiations. It assures the vigor of our alliances. And it sustains our efforts to promote settlements of international conflicts. Only from a position of strength can we negotiate a balanced agreement to limit the growth of nuclear arms. Only a balanced agreement will serve our interests and minimize the threat of nuclear confrontation.

The defense budget I will submit to the Congress for fiscal year 1977 will show an essential increase over the current year. It provides for real growth in purchasing power over this year's defense budget, which includes the cost of the all-volunteer force.

We are continuing to make economies to enhance the efficiency of our military forces. But the budget I will submit represents the necessity of American strength for the real world in which we live.

As conflict and rivalry persist in the world, our United States intelligence capabilities must be the best in the world.

The crippling of our foreign intelligence services increases the danger of American involvement in direct armed conflict. Our adversaries are encouraged to attempt new adventures while our own ability to monitor events and to influence events short of military action is undermined. Without effective intelligence capability, the United States stands blindfolded and hobbled.

In the near future, I will take actions to reform and strengthen our intelligence community. I ask for your positive cooperation. It is time to go beyond sensationalism and ensure an effective, responsible, and responsive intelligence capability.

Tonight I have spoken about our problems at home and abroad. I have recommended policies that will meet the challenge of our third century. I have no doubt that our Union will endure, better, stronger, and with more individual freedom. We can see forward only dimly—1 year, 5 years, a generation perhaps. Like our forefathers, we know that if we meet the challenges of our own time with a common sense of purpose and conviction, if we remain true to our Constitution and to our ideals, then we can know that the future will be better than the past.

I see America today crossing a threshold, not just because it is our Bicentennial but because we have been tested in adversity. We have taken a new look at what we want to be and what we want our Nation to become.

I see America resurgent, certain once again that life will be better for our children than it is for us, seeking strength that cannot be counted in megatons and riches that cannot be eroded by inflation.

Page 2915

I see these United States of America moving forward as before toward a more perfect Union where the government serves and the people rule.

We will not make this happen simply by making speeches, good or bad, yours or mine, but by hard work and hard decisions made with courage and with common sense.

I have heard many inspiring Presidential speeches, but the words I remember best were spoken by Dwight D. Eisenhower. “America is not good because it is great,” the President said. “America is great because it is good.”

President Eisenhower was raised in a poor but religious home in the heart of America. His simple words echoed President Lincoln’s eloquent testament that “right makes might.” And Lincoln in turn evoked the silent image of George Washington kneeling in prayer at Valley Forge.

So, all these magic memories which link eight generations of Americans are summed up in the inscription just above me. How many times have we seen it? “In God We Trust.”

Let us engrave it now in each of our hearts as we begin our Bicentennial.

***

State of the Union Address
Gerald R. Ford
January 12, 1977

Mr. Speaker, Mr. Vice President, Members of the 95th Congress, and distinguished guests:

In accordance with the Constitution, I come before you once again to report on the state of the Union.

This report will be my last—maybe—[laughter]—but for the Union it is only the first of such reports in our third century of independence, the close of which none of us will ever see. We can be confident, however, that 100 years from now a freely elected President will come before a freely elected Congress chosen to renew our great Republic’s pledge to the Government of the people, by the people, and for the people.

For my part I pray the third century we are beginning will bring to all Americans, our children and their children’s children, a greater measure of individual equality, opportunity, and justice, a greater abundance of spiritual and material blessings, and a higher quality of life, liberty, and the pursuit of happiness.

The state of the Union is a measurement of the many elements of which it is composed —a political union of diverse States, an economic union of varying interests, an intellectual union of common convictions, and a moral union of immutable ideals.

Taken in sum, I can report that the state of the Union is good. There is room for improvement, as always, but today we have a more perfect Union than when my stewardship began.

As a people we discovered that our Bicentennial was much more than a celebration of the past; it became a joyous reaffirmation of all that it means to be Americans, a confirmation before all the world of the vitality and durability of our free institutions. I am proud to have been privileged to preside over the affairs of our Federal Government during these eventful years when we proved, as I said in my first words upon assuming office, that “our Constitution works; our great Republic is a Government of laws and not of men. Here the people rule.”

Page 2916

The people have spoken; they have chosen a new President and a new Congress to work their will. I congratulate you—particularly the new Members—as sincerely as I did President-elect Carter. In a few days it will be his duty to outline for you his priorities and legislative recommendations. Tonight I will not infringe on that responsibility, but rather wish him the very best in all that is good for our country.

During the period of my own service in this Capitol and in the White House, I can recall many orderly transitions of governmental responsibility—of problems as well as of position, of burdens as well as of power. The genius of the American system is that we do this so naturally and so normally. There are no soldiers marching in the street except in the Inaugural Parade; no public demonstrations except for some of the dancers at the Inaugural Ball; the opposition party doesn't go underground, but goes on functioning vigorously in the Congress and in the country; and our vigilant press goes right on probing and publishing our faults and our follies, confirming the wisdom of the framers of the first amendment.

Because of the transfer of authority in our form of government affects the state of the Union and of the world, I am happy to report to you that the current transition is proceeding very well. I was determined that it should; I wanted the new President to get off on an easier start than I had.

When I became President on August 9, 1974, our Nation was deeply divided and tormented. In rapid succession the Vice President and the President had resigned in disgrace. We were still struggling with the after-effects of a long, unpopular, and bloody war in Southeast Asia. The economy was unstable and racing toward the worst recession in 40 years. People were losing jobs. The cost of living was soaring. The Congress and the Chief Executive were at loggerheads. The integrity of our constitutional process and other institutions was being questioned. For more than 15 years domestic spending had soared as Federal programs multiplied, and the expense escalated annually. During the same period our national security needs were steadily shortchanged. In the grave situation which prevailed in August 1974, our will to maintain our international leadership was in doubt.

I asked for your prayers and went to work.

In January 1975 I reported to the Congress that the state of the Union was not good. I proposed urgent action to improve the economy and to achieve energy independence in 10 years. I reassured America's allies and sought to reduce the danger of confrontation with potential adversaries. I pledged a new direction for America. 1975 was a year of difficult decisions, but Americans responded with realism, common sense, and self-discipline.

By January 1976 we were headed in a new direction, which I hold to be the right direction for a free society. It was guided by the belief that successful problem-solving

requires more than Federal action alone, that it involves a full partnership among all branches and all levels of government and public policies which nurture and promote the creative energies of private enterprises, institutions, and individual citizens.

Page 2917

A year ago I reported that the state of the Union was better—in many ways a lot better—but still not good enough. Common sense told me to stick to the steady course we were on, to continue to restrain the inflationary growth of government, to reduce taxes as well as spending, to return local decisions to local officials, to provide for long-range sufficiency in energy and national security needs. I resisted the immense pressures of an election year to open the floodgates of Federal money and the temptation to promise more than I could deliver. I told it as it was to the American people and demonstrated to the world that in our spirited political competition, as in this chamber, Americans can disagree without being disagreeable.

Now, after 30 months as your President, I can say that while we still have a way to go, I am proud of the long way we have come together.

I am proud of the part I have had in rebuilding confidence in the Presidency, confidence in our free system, and confidence in our future. Once again, Americans believe in themselves, in their leaders, and in the promise that tomorrow holds for their children.

I am proud that today America is at peace. None of our sons are fighting and dying in battle anywhere in the world. And the chance for peace among all nations is improved by our determination to honor our vital commitments in defense of peace and freedom.

I am proud that the United States has strong defenses, strong alliances, and a sound and courageous foreign policy.

Our alliances with major partners, the great industrial democracies of Western Europe, Japan, and Canada, have never been more solid. Consultations on mutual security, defense, and East-West relations have grown closer. Collaboration has branched out into new fields such as energy, economic policy, and relations with the Third World. We have used many avenues for cooperation, including summit meetings held among major allied countries. The friendship of the democracies is deeper, warmer, and more effective than at any time in 30 years.

We are maintaining stability in the strategic nuclear balance and pushing back the specter of nuclear war. A decisive step forward was taken in the Vladivostok Accord which I negotiated with General Secretary Brezhnev—joint recognition that an equal ceiling should be placed on the number of strategic weapons on each side. With resolve and wisdom on the part of both nations, a good agreement is well within reach this year.

The framework for peace in the Middle East has been built. Hopes for future progress in the Middle East were stirred by the historic agreements we reached and the trust and confidence that we formed. Thanks to American leadership, the prospects for peace in the Middle East are brighter than they have been in three decades. The Arab states and Israel continue to look to us to lead them from confrontation and war to a new era of

accommodation and peace. We have no alternative but to persevere, and I am sure we will. The opportunities for a final settlement are great, and the price of failure is a return to the bloodshed and hatred that for too long have brought tragedy to all of the peoples of this area and repeatedly edged the world to the brink of war.

Page 2918

Our relationship with the People's Republic of China is proving its importance and its durability. We are finding more and more common ground between our two countries on basic questions of international affairs.

In my two trips to Asia as President, we have reaffirmed America's continuing vital interest in the peace and security of Asia and the Pacific Basin, established a new partnership with Japan, confirmed our dedication to the security of Korea, and reinforced our ties with the free nations of Southeast Asia.

An historic dialog has begun between industrial nations and developing nations. Most proposals on the table are the initiatives of the United States, including those on food, energy, technology, trade, investment, and commodities. We are well launched on this process of shaping positive and reliable economic relations between rich nations and poor nations over the long term.

We have made progress in trade negotiations and avoided protectionism during recession. We strengthened the international monetary system. During the past 2 years the free world's most important economic powers have already brought about important changes that serve both developed and developing economies. The momentum already achieved must be nurtured and strengthened, for the prosperity of the rich and poor depends upon it.

In Latin America, our relations have taken on a new maturity and a sense of common enterprise.

In Africa the quest for peace, racial justice, and economic progress is at a crucial point. The United States, in close cooperation with the United Kingdom, is actively engaged in this historic process. Will change come about by warfare and chaos and foreign intervention? Or will it come about by negotiated and fair solutions, ensuring majority rule, minority rights, and economic advance? America is committed to the side of peace and justice and to the principle that Africa should shape its own future, free of outside intervention.

American leadership has helped to stimulate new international efforts to stem the proliferation of nuclear weapons and to shape a comprehensive treaty governing the use of oceans.

I am gratified by these accomplishments. They constitute a record of broad success for America and for the peace and prosperity of all mankind. This administration leaves to its successor a world in better condition than we found. We leave, as well, a solid foundation for progress on a range of issues that are vital to the well-being of America.

What has been achieved in the field of foreign affairs and what can be accomplished by the new administration demonstrate the genius of Americans working together for the

common good. It is this, our remarkable ability to work together, that has made us a unique nation. It is Congress, the President, and the people striving for a better world.

I know all patriotic Americans want this Nation's foreign policy to succeed. I urge members of my party in this Congress to give the new President loyal support in this area. I express the hope that this new Congress will reexamine its constitutional role in international affairs.

Page 2919

The exclusive right to declare war, the duty to advise and consent on the part of the Senate, the power of the purse on the part of the House are ample authority for the legislative branch and should be jealously guarded. But because we may have been too careless of these powers in the past does not justify congressional intrusion into, or obstruction of, the proper exercise of Presidential responsibilities now or in the future. There can be only one Commander in Chief. In these times crises cannot be managed and wars cannot be waged by committee, nor can peace be pursued solely by parliamentary debate. To the ears of the world, the President speaks for the Nation. While he is, of course, ultimately accountable to the Congress, the courts, and the people, he and his emissaries must not be handicapped in advance in their relations with foreign governments as has sometimes happened in the past.

At home I am encouraged by the Nation's recovery from the recession and our steady return to sound economic growth. It is now continuing after the recent period of uncertainty, which is part of the price we pay for free elections.

Our most pressing need today and the future is more jobs—productive, permanent jobs created by a thriving economy. We must revise our tax system both to ease the burden of heavy taxation and to encourage the investment necessary for the creation of productive jobs for all Americans who want to work.

Earlier this month I proposed a permanent income tax reduction of $10 billion below current levels, including raising the personal exemption from $750 to $1,000. I also recommended a series of measures to stimulate investment, such as accelerated depreciation for new plants and equipment in areas of high unemployment, a reduction in the corporate tax rate from 48 to 46 percent, and eliminating the present double taxation of dividends. I strongly urge the Congress to pass these measures to help create the productive, permanent jobs in the private economy that are so essential for our future.

All the basic trends are good; we are not on the brink of another recession or economic disaster. If we follow prudent policies that encourage productive investment and discourage destructive inflation, we will come out on top, and I am sure we will.

We have successfully cut inflation by more than half. When I took office, the Consumer Price Index was rising at 12.2 percent a year. During 1976 the rate of inflation was 5 percent.

We have created more jobs—over 4 million more jobs today than in the spring of 1975. Throughout this Nation today we have over 88 million people in useful, productive jobs—more than at any other time in our Nation's history. But there are still too many Americans unemployed. This is the greatest regret that I have as I leave office.

Page 2920

We brought about with the Congress, after much delay, the renewal of the general revenue sharing. We expanded community development and Federal manpower programs. We began a significant urban mass transit program. Federal programs today provide more funds for our States and local governments than ever before—$70 billion for the current fiscal year. Through these programs and others that provide aid directly to individuals, we have kept faith with our tradition of compassionate help for those who need it. As we begin our third century we can be proud of the progress that we have made in meeting human needs for all of our citizens.

We have cut the growth of crime by nearly 90 percent. Two years ago crime was increasing at the rate of 18 percent annually. In the first three quarters of 1976, that growth rate had been cut to 2 percent. But crime, and the fear of crime, remains one of the most serious problems facing our citizens.

We have had some successes, and there have been some disappointments. Bluntly, I must remind you that we have not made satisfactory progress toward achieving energy independence. Energy is absolutely vital to the defense of our country, to the strength of our economy, and to the quality of our lives.

Two years ago I proposed to the Congress the first comprehensive national energy program—a specific and coordinated set of measures that would end our vulnerability to embargo, blockade, or arbitrary price increases and would mobilize U.S. technology and resources to supply a significant share of the free world's energy after 1985. Of the major energy proposals I submitted 2 years ago, only half, belatedly, became law. In 1973 we were dependent upon foreign oil imports for 36 percent of our needs. Today, we are 40-percent dependent, and we'll pay out $34 billion for foreign oil this year. Such vulnerability at present or in the future is intolerable and must be ended.

The answer to where we stand on our national energy effort today reminds me of the old argument about whether the tank is half full or half empty. The pessimist will say we have half failed to achieve our 10-year energy goals; the optimist will say that we have half succeeded. I am always an optimist, but we must make up for lost time.

We have laid a solid foundation for completing the enormous task which confronts us. I have signed into law five major energy bills which contain significant measures for conservation, resource development, stockpiling, and standby authorities. We have moved forward to develop the naval petroleum reserves; to build a 500-million barrel strategic petroleum stockpile; to phase out unnecessary Government allocation and price controls; to develop a lasting relationship with other oil consuming nations; to improve the efficiency of energy use through conservation in automobiles, buildings, and industry; and to expand research on new technology and renewable resources such as wind power, geothermal and solar energy. All these actions, significant as they are for the long term, are only the beginning.

Page 2921

I recently submitted to the Congress my proposals to reorganize the Federal energy structure and the hard choices which remain if we are serious about reducing our dependence upon foreign energy. These include programs to reverse our declining production of natural gas and increase incentives for domestic crude oil production. I proposed to minimize environmental uncertainties affecting coal development, expand nuclear power generation, and create an energy independence authority to provide government financial assistance for vital energy programs where private capital is not available.

We must explore every reasonable prospect for meeting our energy needs when our current domestic reserves of oil and natural gas begin to dwindle in the next decade. I urgently ask Congress and the new administration to move quickly on these issues. This Nation has the resources and the capability to achieve our energy goals if its Government has the will to proceed, and I think we do.

I have been disappointed by inability to complete many of the meaningful organizational reforms which I contemplated for the Federal Government, although a start has been made. For example, the Federal judicial system has long served as a model for other courts. But today it is threatened by a shortage of qualified Federal judges and an explosion of litigation claiming Federal jurisdiction. I commend to the new administration and the Congress the recent report and recommendations of the Department of Justice, undertaken at my request, on “the needs of the Federal Courts.” I especially endorse its proposals for a new commission on the judicial appointment process.

While the judicial branch of our Government may require reinforcement, the budgets and payrolls of the other branches remain staggering. I cannot help but observe that while the White House staff and the Executive Office of the President have been reduced and the total number of civilians in the executive branch contained during the 1970’s, the legislative branch has increased substantially although the membership of the Congress remains at 535. Congress now costs the taxpayers more than a million dollars per Member; the whole legislative budget has passed the billion dollar mark.

We have made some progress in cutting back the expansion of government and its intrusion into individual lives, but believe me, there is much more to be done—and you and I know it. It can only be done by tough and temporarily painful surgery by a Congress as prepared as the President to face up to this very real political problem. Again, I wish my successor, working with a substantial majority of his own party, the best of success in reforming the costly and cumbersome machinery of the Federal Government.

The task of self-government is never finished. The problems are great; the opportunities are greater.

America's first goal is and always will be peace with honor. America must remain first in keeping peace in the world. We can remain first in peace only if we are never second in defense.

Page 2922

In presenting the state of the Union to the Congress and to the American people, I have a special obligation as Commander in Chief to report on our national defense. Our survival as a free and independent people requires, above all, strong military forces that are well equipped and highly trained to perform their assigned mission.

I am particularly gratified to report that over the past 2 1/2 years, we have been able to reverse the dangerous decline of the previous decade in real resources this country was devoting to national defense. This was an immediate problem I faced in 1974. The evidence was unmistakable that the Soviet Union had been steadily increasing the resources it applied to building its military strength. During this same period the United States real defense spending declined. In my three budgets we not only arrested that dangerous decline, but we have established the positive trend which is essential to our ability to contribute to peace and stability in the world.

The Vietnam war, both materially and psychologically, affected our overall defense posture. The dangerous anti-military sentiment discouraged defense spending and unfairly disparaged the men and women who serve in our Armed Forces.

The challenge that now confronts this country is whether we have the national will and determination to continue this essential defense effort over the long term, as it must be continued. We can no longer afford to oscillate from year to year in so vital a matter; indeed, we have a duty to look beyond the immediate question of budgets and to examine the nature of the problem we will face over the next generation.

I am the first recent President able to address long-term, basic issues without the burden of Vietnam. The war in Indochina consumed enormous resources at the very time that the overwhelming strategic superiority we once enjoyed was disappearing. In past years, as a result of decisions by the United States, our strategic forces leveled off, yet the Soviet Union continued a steady, constant buildup of its own forces, committing a high percentage of its national economic effort to defense.

The United States can never tolerate a shift in strategic balance against us or even a situation where the American people or our allies believe the balance is shifting against us. The United States would risk the most serious political consequences if the world came to believe that our adversaries have a decisive margin of superiority.

To maintain a strategic balance we must look ahead to the 1980's and beyond. The sophistication of modern weapons requires that we make decisions now if we are to ensure our security 10 years from now. Therefore, I have consistently advocated and strongly urged that we pursue three critical strategic programs: the Trident missile launching submarine; the B-1 bomber, with its superior capability to penetrate modern air defenses; and a more advanced intercontinental ballistic missile that will be better able to survive nuclear attack and deliver a devastating retaliatory strike.

Page 2923

In an era where the strategic nuclear forces are in rough equilibrium, the risks of conflict below the nuclear threshold may grow more perilous. A major, long-term objective, therefore, is to maintain capabilities to deal with, and thereby deter, conventional challenges and crises, particularly in Europe.

We cannot rely solely on strategic forces to guarantee our security or to deter all types of aggression. We must have superior naval and marine forces to maintain freedom of the seas, strong multipurpose tactical air forces, and mobile, modern ground forces. Accordingly, I have directed a long-term effort to improve our worldwide capabilities to deal with regional crises.

I have submitted a 5-year naval building program indispensable to the Nation's maritime strategy. Because the security of Europe and the integrity of NATO remain the cornerstone of American defense policy, I have initiated a special, long-term program to ensure the capacity of the Alliance to deter or defeat aggression in Europe.

As I leave office I can report that our national defense is effectively deterring conflict today. Our Armed Forces are capable of carrying out the variety of missions assigned to them. Programs are underway which will assure we can deter war in the years ahead. But I also must warn that it will require a sustained effort over a period of years to maintain these capabilities. We must have the wisdom, the stamina, and the courage to prepare today for the perils of tomorrow, and I believe we will.

As I look to the future—and I assure you I intend to go on doing that for a good many years—I can say with confidence that the state of the Union is good, but we must go on making it better and better.

This gathering symbolizes the constitutional foundation which makes continued progress possible, synchronizing the skills of three independent branches of Government, reserving fundamental sovereignty to the people of this great land. It is only as the temporary representatives and servants of the people that we meet here, we bring no hereditary status or gift of infallibility, and none follows us from this place.

Like President Washington, like the more fortunate of his successors, I look forward to the status of private citizen with gladness and gratitude. To me, being a citizen of the United States of America is the greatest honor and privilege in this world.

From the opportunities which fate and my fellow citizens have given me, as a Member of the House, as Vice President and President of the Senate, and as President of all the people, I have come to understand and place the highest value on the checks and balances which our founders imposed on government through the separation of powers among co-equal legislative, executive, and judicial branches. This often results in difficulty and delay, as I well know, but it also places supreme authority under God, beyond any one person, any one branch, any majority great or small, or any one party.

The Constitution is the bedrock of all our freedoms. Guard and cherish it, keep honor and order in your own house, and the Republic will endure.

Page 2924

It is not easy to end these remarks. In this Chamber, along with some of you, I have experienced many, many of the highlights of my life. It was here that I stood 28 years ago with my freshman colleagues, as Speaker Sam Rayburn administered the oath. I see some of you now—Charlie Bennett, Dick Bolling, Carl Perkins, Pete Rodino, Harley Staggers, Tom Steed, Sid Yates, Clem Zablocki-and I remember those who have gone to their rest. It was here we waged many, many a lively battle—won some, lost some, but always remaining friends. It was here, surrounded by such friends, that the distinguished Chief Justice swore me in as Vice President on December 6, 1973. It was here I returned 8 months later as your President to ask not for a honeymoon, but for a good marriage.

I will always treasure those memories and your many, many kindnesses. I thank you for them all.

My fellow Americans, I once asked you for your prayers, and now I give you mine: May God guide this wonderful country, its people, and those they have chosen to lead them. May our third century be illuminated by liberty and blessed with brotherhood, so that we and all who come after us may be the humble servants of thy peace. Amen.

Good night. God bless you.

***

State of the Union Address
Jimmy Carter
January 19, 1978

Two years ago today we had the first caucus in Iowa, and one year ago tomorrow, I walked from here to the White House to take up the duties of President of the United States. I didn't know it then when I walked, but I've been trying to save energy ever since.

I return tonight to fulfill one of those duties of the Constitution: to give to the Congress, and to the Nation, information on the state of the Union.

Militarily, politically, economically, and in spirit, the state of our Union is sound.

We are a great country, a strong country, a vital and dynamic country, and so we will remain.

We are a confident people and a hardworking people, a decent and a compassionate people, and so we will remain.

I want to speak to you tonight about where we are and where we must go, about what we have done and what we must do. And I want to pledge to you my best efforts and ask you to pledge yours.

Each generation of Americans has to face circumstances not of its own choosing, but by which its character is measured and its spirit is tested.

There are times of emergency, when a nation and its leaders must bring their energies to bear on a single urgent task. That was the duty Abraham Lincoln faced when our land was torn apart by conflict in the War Between the States. That was the duty faced by Franklin Roosevelt when he led America out of an economic depression and again when he led America to victory in war.

There are other times when there is no single overwhelming crisis, yet profound national interests are at stake.

Page 2925

At such times the risk of inaction can be equally great. It becomes the task of leaders to call forth the vast and restless energies of our people to build for the future.

That is what Harry Truman did in the years after the Second World War, when we helped Europe and Japan rebuild themselves and secured an international order that has protected freedom from aggression.

We live in such times now, and we face such duties.

We've come through a long period of turmoil and doubt, but we've once again found our moral course, and with a new spirit, we are striving to express our best instincts to the rest of the world.

There is all across our land a growing sense of peace and a sense of common purpose. This sense of unity cannot be expressed in programs or in legislation or in dollars. It's an achievement that belongs to every individual American. This unity ties together, and it towers over all our efforts here in Washington, and it serves as an inspiring beacon for all of us who are elected to serve.

This new atmosphere demands a new spirit, a partnership between those of us who lead and those who elect. The foundations of this partnership are truth, the courage to face hard decisions, concern for one another and the common good over special interests, and a basic faith and trust in the wisdom and strength and judgment of the American people.

For the first time in a generation, we are not haunted by a major international crisis or by domestic turmoil, and we now have a rare and a priceless opportunity to address persistent problems and burdens which come to us as a nation, quietly and steadily getting worse over the years.

As President, I've had to ask you, the Members of Congress, and you, the American people, to come to grips with some of the most difficult and hard questions facing our society.

We must make a maximum effort, because if we do not aim for the best, we are very likely to achieve little. I see no benefit to the country if we delay, because the problems will only get worse.

We need patience and good will, but we really need to realize that there is a limit to the role and the function of government. Government cannot solve our problems, it can't set our goals, it cannot define our vision. Government cannot eliminate poverty or provide a bountiful economy or reduce inflation or save our cities or cure illiteracy or provide energy. And government cannot mandate goodness. Only a true partnership between government and the people can ever hope to reach these goals.

Those of us who govern can sometimes inspire, and we can identify needs and marshal resources, but we simply cannot be the managers of everything and everybody.

We here in Washington must move away from crisis management, and we must establish clear goals for the future, immediate and the distant future, which will let us work together and not in conflict. Never again should we neglect a growing crisis like the shortage of energy, where further delay will only lead to more harsh and painful solutions.

Page 2926

Every day we spend more than $120 million for foreign oil. This slows our economic growth, it lowers the value of the dollar overseas, and it aggravates unemployment and inflation here at home.

Now we know what we must do, increase production. We must cut down on waste. And we must use more of those fuels which are plentiful and more permanent. We must be fair to people, and we must not disrupt our Nation's economy and our budget.

Now, that sounds simple. But I recognize the difficulties involved. I know that it is not easy for the Congress to act. But the fact remains that on the energy legislation, we have failed the American people. Almost 5 years after the oil embargo dramatized the problem for us all, we still do not have a national energy program. Not much longer can we tolerate this stalemate. It undermines our national interest both at home and abroad. We must succeed, and I believe we will.

Our main task at home this year, with energy a central element, is the Nation's economy. We must continue the recovery and further cut unemployment and inflation.

Last year was a good one for the United States. We reached all of our major economic goals for 1977. Four million new jobs were created, an alltime record, and the number of unemployed dropped by more than a million. Unemployment right now is the lowest it has been since 1974, and not since World War II has such a high percentage of American people been employed.

The rate of inflation went down. There was a good growth in business profits and investments, the source of more jobs for our workers, and a higher standard of living for all our people. After taxes and inflation, there was a healthy increase in workers' wages.

And this year, our country will have the first $2 trillion economy in the history of the world.

Now, we are proud of this progress the first year, but we must do even better in the future.

We still have serious problems on which all of us must work together. Our trade deficit is too large. Inflation is still too high, and too many Americans still do not have a job.

Now, I didn't have any simple answers for all these problems. But we have developed an economic policy that is working, because it's simple, balanced, and fair. It's based on four principles: First, the economy must keep on expanding to produce new jobs and better income, which our people need. The fruits of growth must be widely shared. More jobs must be made available to those who have been bypassed until now. And the tax system must be made fairer and simpler.

Secondly, private business and not the Government must lead the expansion in the future.

Third, we must lower the rate of inflation and keep it down. Inflation slows down economic growth, and it's the most cruel to the poor and also to the elderly and others who live on fixed incomes.

And fourth, we must contribute to the strength of the world economy.

Page 2927

I will announce detailed proposals for improving our tax system later this week. We can make our tax laws fairer, we can make them simpler and easier to understand, and at the same time, we can, and we will, reduce the tax burden on American citizens by $25 billion.

The tax reforms and the tax reductions go together. Only with the long overdue reforms will the full tax cut be advisable.

Almost $17 billion in income tax cuts will go to individuals. Ninety-six percent of all American taxpayers will see their taxes go down. For a typical family of four, this means an annual saving of more than $250 a year, or a tax reduction of about 20 percent. A further $2 billion cut in excise taxes will give more relief and also contribute directly to lowering the rate of inflation.

And we will also provide strong additional incentives for business investment and growth through substantial cuts in the corporate tax rates and improvement in the investment tax credit.

Now, these tax proposals will increase opportunity everywhere in the Nation. But additional jobs for the disadvantaged deserve special attention.

We've already passed laws to assure equal access to the voting booth and to restaurants and to schools, to housing, and laws to permit access to jobs. But job opportunity, the chance to earn a decent living, is also a basic human right, which we cannot and will not ignore.

A major priority for our Nation is the final elimination of the barriers that restrict the opportunities available to women and also to black people and Hispanics and other minorities. We've come a long way toward that goal. But there is still much to do. What we inherited from the past must not be permitted to shackle us in the future.

I'll be asking you for a substantial increase in funds for public jobs for our young people, and I also am recommending that the Congress continue the public service employment programs at more than twice the level of a year ago. When welfare reform is completed, we will have more than a million additional jobs so that those on welfare who are able to work can work.

However, again, we know that in our free society, private business is still the best source of new jobs. Therefore, I will propose a new program to encourage businesses to hire young and disadvantaged Americans. These young people only need skills and a chance in order to take their place in our economic system. Let's give them the chance they need. A major step in the right direction would be the early passage of a greatly improved Humphrey-Hawkins bill.

My budget for 1979 addresses these national needs, but it is lean and tight. I have cut waste wherever possible.

I am proposing an increase of less than 2 percent after adjusting for inflation, the smallest increase in the Federal budget in 4 years.

Lately, Federal spending has taken a steadily increasing portion of what Americans produce. Our new budget reverses that trend, and later I hope to bring the Government's toll down even further. And with your help, we'll do that.

Page 2928

In time of high employment and a strong economy, deficit spending should not be a feature of our budget. As the economy continues to gain strength and as our unemployment rates continue to fall, revenues will grow. With careful planning, efficient management, and proper restraint on spending, we can move rapidly toward a balanced budget, and we will.

Next year the budget deficit will be only slightly less than this year. But one-third of the deficit is due to the necessary tax cuts that I've proposed. This year the right choice is to reduce the burden on taxpayers and provide more jobs for our people.

The third element in our program is a renewed attack on inflation. We've learned the hard way that high unemployment will not prevent or cure inflation. Government can help us by stimulating private investment and by maintaining a responsible economic policy. Through a new top-level review process, we will do a better job of reducing Government regulation that drives up costs and drives up prices.

But again, Government alone cannot bring down the rate of inflation. When a level of high inflation is expected to continue, then companies raise prices to protect their profit margins against prospective increases in wages and other costs, while workers demand higher wages as protection against expected price increases. It's like an escalation in the arms race, and understandably, no one wants to disarm alone.

Now, no one firm or a group of workers can halt this process. It's an effort that we must all make together. I'm therefore asking government, business, labor, and other groups to join in a voluntary program to moderate inflation by holding wage and price increases in each sector of the economy during 1978 below the average increases of the last 2 years.

I do not believe in wage and price controls. A sincere commitment to voluntary constraint provides a way, perhaps the only way, to fight inflation without Government interference.

As I came into the Capitol tonight, I saw the farmers, my fellow farmers, standing out in the snow. I'm familiar with their problem, and I know from Congress' action that you are too. When I was running Carters Warehouse, we had spread on our own farms 5-10-15 fertilizer for about $40 a ton. The last time I was home, the price was about $100 a ton. The cost of nitrogen has gone up 150 percent, and the price of products that farmers sell has either stayed the same or gone down a little.

Now, this past year in 1977, you, the Congress, and I together passed a new agricultural act. It went into effect October 1. It'll have its first impact on the 1978 crops. It will help a great deal. It'll add $6 1/2 billion or more to help the farmers with their price supports and target prices.

Last year we had the highest level of exports of farm products in the history of our country, $24 billion. We expect to have more this year. We'll be working together. But I think it's incumbent on us to monitor very carefully the farm situation and continue to work harmoniously with the farmers of our country. What's best for the farmers, the farm families, in the long run is also best for the consumers of our country.

Page 2929

Economic success at home is also the key to success in our international economic policy. An effective energy program, strong investment and productivity, and controlled inflation will provide [improve] our trade balance and balance it, and it will help to protect the integrity of the dollar overseas.

By working closely with our friends abroad, we can promote the economic health of the whole world, with fair and balanced agreements lowering the barriers to trade.

Despite the inevitable pressures that build up when the world economy suffers from high unemployment, we must firmly resist the demands for self-defeating protectionism. But free trade must also be fair trade. And I am determined to protect American industry and American workers against foreign trade practices which are unfair or illegal.

In a separate written message to Congress, I've outlined other domestic initiatives, such as welfare reform, consumer protection, basic education skills, urban policy, reform of our labor laws, and national health care later on this year. I will not repeat these tonight. But there are several other points that I would like to make directly to you.

During these past years, Americans have seen our Government grow far from us.

For some citizens, the Government has almost become like a foreign country, so strange and distant that we've often had to deal with it through trained ambassadors who have sometimes become too powerful and too influential, lawyers, accountants, and lobbyists. This cannot go on.

We must have what Abraham Lincoln wanted, a government for the people.

We've made progress toward that kind of government. You've given me the authority I requested to reorganize the Federal bureaucracy. And I am using that authority.

We've already begun a series of reorganization plans which will be completed over a period of 3 years. We have also proposed abolishing almost 500 Federal advisory and other commissions and boards. But I know that the American people are still sick and tired of Federal paperwork and redtape. Bit by bit we are chopping down the thicket of unnecessary Federal regulations by which Government too often interferes in our personal lives and our personal business. We've cut the public's Federal paperwork load by more than 12 percent in less than a year. And we are not through cutting.

We've made a good start on turning the gobbledygook of Federal regulations into plain English that people can understand. But we know that we still have a long way to go.

We've brought together parts of 11 Government agencies to create a new Department of Energy. And now it's time to take another major step by creating a separate Department of Education.

But even the best organized Government will only be as effective as the people who carry out its policies. For this reason, I consider civil service reform to be absolutely vital. Worked out with the civil servants themselves, this reorganization plan will restore the merit principle to a system which has grown into a bureaucratic maze. It will provide greater management flexibility and better rewards for better performance without compromising job security.

Page 2930

Then and only then can we have a government that is efficient, open, and truly worthy of our people's understanding and respect. I have promised that we will have such a government, and I intend to keep that promise.

In our foreign policy, the separation of people from government has been in the past a source of weakness and error. In a democratic system like ours, foreign policy decisions must be able to stand the test of public examination and public debate. If we make a mistake in this administration, it will be on the side of frankness and openness with the American people.

In our modern world, when the deaths of literally millions of people can result from a few terrifying seconds of destruction, the path of national strength and security is identical to the path of peace.

Tonight, I am happy to report that because we are strong, our Nation is at peace with the world.

We are a confident nation. We've restored a moral basis for our foreign policy. The very heart of our identity as a nation is our firm commitment to human rights.

We stand for human rights because we believe that government has as a purpose to promote the well-being of its citizens. This is true in our domestic policy; it's also true in our foreign policy. The world must know that in support of human rights, the United States will stand firm.

We expect no quick or easy results, but there has been significant movement toward greater freedom and humanity in several parts of the world.

Thousands of political prisoners have been freed. The leaders of the world, even our ideological adversaries, now see that their attitude toward fundamental human rights affects their standing in the international community, and it affects their relations with the United States.

To serve the interests of every American, our foreign policy has three major goals.

The first and prime concern is and will remain the security of our country.

Security is based on our national will, and security is based on the strength of our Armed Forces. We have the will, and militarily we are very strong.

Security also comes through the strength of our alliances. We have reconfirmed our commitment to the defense of Europe, and this year we will demonstrate that commitment by further modernizing and strengthening our military capabilities there.

Security can also be enhanced by agreements with potential adversaries which reduce the threat of nuclear disaster while maintaining our own relative strategic capability.

In areas of peaceful competition with the Soviet Union, we will continue to more than hold our own.

At the same time, we are negotiating with quiet confidence, without haste, with careful determination, to ease the tensions between us and to ensure greater stability and security.

The strategic arms limitation talks have been long and difficult. We want a mutual limit on both the quality and the quantity of the giant nuclear arsenals of both nations, and then we want actual reductions in strategic arms as a major step toward the ultimate elimination of nuclear weapons from the face of the Earth.

Page 2931

If these talks result in an agreement this year, and I trust they will, I pledge to you that the agreement will maintain and enhance the stability of the world's strategic balance and the security of the United States.

For 30 years, concerted but unsuccessful efforts have been made to ban the testing of atomic explosives, both military weapons and peaceful nuclear devices.

We are hard at work with Great Britain and the Soviet Union on an agreement which will stop testing and will protect our national security and provide for adequate verification of compliance. We are now making, I believe, good progress toward this comprehensive ban on nuclear explosions.

We are also working vigorously to halt the proliferation of nuclear weapons among the nations of the world which do not now have them and to reduce the deadly global traffic in conventional arms sales. Our stand for peace is suspect if we are also the principal arms merchant of the world. So, we've decided to cut down our arms transfers abroad on a year-by-year basis and to work with other major arms exporters to encourage their similar constraint.

Every American has a stake in our second major goal, a world at peace. In a nuclear age, each of us is threatened when peace is not secured everywhere. We are trying to promote harmony in those parts of the world where major differences exist among other nations and threaten international peace.

In the Middle East, we are contributing our good offices to maintain the momentum of the current negotiations and to keep open the lines of communication among the Middle Eastern leaders. The whole world has a great stake in the success of these efforts. This is a precious opportunity for a historic settlement of a longstanding conflict, an opportunity which may never come again in our lifetime.

Our role has been difficult and sometimes thankless and controversial. But it has been constructive and it has been necessary, and it will continue.

Our third major foreign policy goal is one that touches the life of every American citizen every day, world economic growth and stability.

This requires strong economic performance by the industrialized democracies like ourselves and progress in resolving the global energy crisis. Last fall, with the help of others, we succeeded in our vigorous efforts to maintain the stability of the price of oil. But as many foreign leaders have emphasized to me personally and, I am sure, to you, the greatest future contribution that America can make to the world economy would be an effective energy conservation program here at home. We will not hesitate to take the actions needed to protect the integrity of the American dollar.

We are trying to develop a more just international system. And in this spirit, we are supporting the struggle for human development in Africa, in Asia, and in Latin America.

Finally, the world is watching to see how we act on one of our most important and controversial items of business, approval of the Panama Canal treaties. The treaties now before the Senate are the result of the work of four administrations, two Democratic, two Republican.

Page 2932

They guarantee that the canal will be open always for unrestricted use by the ships of the world. Our ships have the right to go to the head of the line for priority of passage in times of emergency or need. We retain the permanent right to defend the canal with our own military forces, if necessary, to guarantee its openness and its neutrality.

The treaties are to the clear advantage of ourselves, the Panamanians, and the other users of the canal. Ratifying the Panama Canal treaties will demonstrate our good faith to the world, discourage the spread of hostile ideologies in this hemisphere, and directly contribute to the economic well-being and the security of the United States.

I have to say that that's very welcome applause.

There were two moments on my recent journey which, for me, confirmed the final aims of our foreign policy and what it always must be.

One was in a little village in India, where I met a people as passionately attached to their rights and liberties as we are, but whose children have a far smaller chance for good health or food or education or human fulfillment than a child born in this country.

The other moment was in Warsaw, capital of a nation twice devastated by war in this century. There, people have rebuilt the city which war's destruction took from them. But what was new only emphasized clearly what was lost.

What I saw in those two places crystalized for me the purposes of our own Nation's policy: to ensure economic justice, to advance human rights, to resolve conflicts without violence, and to proclaim in our great democracy our constant faith in the liberty and dignity of human beings everywhere.

We Americans have a great deal of work to do together. In the end, how well we do that work will depend on the spirit in which we approach it. We must seek fresh answers, unhindered by the stale prescriptions of the past.

It has been said that our best years are behind us. But I say again that America's best is still ahead. We have emerged from bitter experiences chastened but proud, confident once again, ready to face challenges once again, and united once again.

We come together tonight at a solemn time. Last week the Senate lost a good and honest man, Lee Metcalf of Montana.

And today, the flag of the United States flew at half-mast from this Capitol and from American installations and ships all over the world, in mourning for Senator Hubert Humphrey.

Because he exemplified so well the joy and the zest of living, his death reminds us not so much of our own mortality, but of the possibilities offered to us by life. He always

looked to the future with a special American kind of confidence, of hope and enthusiasm. And the best way that we can honor him is by following his example.

Our task, to use the words of Senator Humphrey, is “reconciliation, rebuilding, and rebirth.”

Page 2933

Reconciliation of private needs and interests into a higher purpose.

Rebuilding the old dreams of justice and liberty, and country and community.

Rebirth of our faith in the common good.

Each of us here tonight, and all who are listening in your homes, must rededicate ourselves to serving the common good. We are a community, a beloved community, all of us. Our individual fates are linked, our futures intertwined. And if we act in that knowledge and in that spirit, together, as the Bible says, we can move mountains.

Thank you very much.

***

State of the Union Address
Jimmy Carter
January 25, 1979

Tonight I want to examine in a broad sense the state of our American Union—how we are building a new foundation for a peaceful and a prosperous world.

Our children who will be born this year will come of age in the 21st century. What kind of society, what kind of world are we building for them? Will we ourselves be at peace? Will our children enjoy a better quality of life? Will a strong and united America still be a force for freedom and prosperity around the world?

Tonight, there is every sign that the state of our Union is sound.

Our economy offers greater prosperity for more of our people than ever before. Real per capita income and real business profits have risen substantially in the last 2 years. Farm exports are setting an all-time record each year, and farm income last year, net farm income, was up more than 25 percent.

Our liberties are secure. Our military defenses are strong and growing stronger. And more importantly, tonight, America—our beloved country—is at peace.

Our earliest national commitments, modified and reshaped by succeeding generations, have served us well. But the problems that we face today are different from those that confronted earlier generations of Americans. They are more subtle, more complex, and more interrelated. At home, we are recognizing ever more clearly that government alone cannot solve these problems. And abroad, few of them can be solved by the United States alone. But Americans as a united people, working with our allies and friends, have never been afraid to face problems and to solve problems, either here or abroad.

The challenge to us is to build a new and firmer foundation for the future—for a sound economy, for a more effective government, for more political trust, and for a stable peace—so that the America our children inherit will be even stronger and even better than it is today.

We cannot resort to simplistic or extreme solutions which substitute myths for common sense.

In our economy, it is a myth that we must choose endlessly between inflation and recession. Together, we build the foundation for a strong economy, with lower inflation, without contriving either a recession with its high unemployment or unworkable, mandatory government controls.

Page 2934

In our government, it is a myth that we must choose between compassion and competence. Together, we build the foundation for a government that works, and works for people.

In our relations with our potential adversaries, it is a myth that we must choose between confrontation and capitulation. Together, we build the foundation for a stable world of both diversity and peace.

Together, we've already begun to build the foundation for confidence in our economic system. During the last 2 years, in bringing our economy out of the deepest recession since the 1930's, we've created 7,100,000 new jobs. The unemployment rate has gone down 25 percent. And now we must redouble our fight against the persistent inflation that has wracked our country for more than a decade. That's our important domestic issue, and we must do it together.

We know that inflation is a burden for all Americans, but it's a disaster for the poor, the sick, and the old. No American family should be forced to choose among food, warmth, health care, or decent housing because the cost of any of these basic necessities has climbed out of reach.

Three months ago, I outlined to the Nation a balanced anti-inflation program that couples responsible government restraint with responsible wage and price restraint. It's based upon my knowledge that there is a more powerful force than government compulsion—the force created by the cooperative efforts of millions of Americans working toward a common goal.

Business and labor have been increasingly supportive. It's imperative that we in government do our part. We must stop excessive government growth, and we must control government spending habits.

I've sent to this Congress a stringent but a fair budget, one that, since I ran for President in 1976, will have cut the Federal deficit in half. And as a percentage of our gross national product, the deficit will have dropped by almost 75 percent.

This Congress had a good record last year, and I now ask the 96th Congress to continue this partnership in holding the line on excess Federal spending. It will not be easy. But we must be strong, and we must be persistent.

This budget is a clear message that, with the help of you and the American people, I am determined, as President, to bring inflation under control.

The 1980 budget provides enough spending restraint to begin unwinding inflation, but enough support for our country to keep American workers productive and to encourage the investments that provide new jobs. We will continue to mobilize our Nation's

resources to reduce our trade deficit substantially this year and to maintain the strength of the American dollar.

We've demonstrated in this restrained budget that we can build on the gains of the past 2 years to provide additional support to educate disadvantaged children, to care for the elderly, to provide nutrition and legal services for the poor, and to strengthen the economic base of our urban communities and, also, our rural areas.

Page 2935

This year, we will take our first steps to develop a national health plan.

We must never accept a permanent group of unemployed Americans, with no hope and no stake in building our society. For those left out of the economy because of discrimination, a lack of skills, or poverty, we must maintain high levels of training, and we must continue to provide jobs.

A responsible budget is not our only weapon to control inflation. We must act now to protect all Americans from health care costs that are rising $1 million per hour, 24 hours a day, doubling every 5 years. We must take control of the largest contributor to that inflation: skyrocketing hospital costs.

There will be no clearer test of the commitment of this Congress to the anti-inflation fight than the legislation that I will submit again this year to hold down inflation in hospital care.

Over the next 5 years, my proposals will save Americans a total of $60 billion, of which $25 billion will be savings to the American taxpayer in the Federal budget itself. The American people have waited long enough. This year we must act on hospital cost containment.

We must also fight inflation by improvements and better enforcement of our antitrust laws and by reducing government obstacles to competition in the private sector.

We must begin to scrutinize the overall effect of regulation in our economy. Through deregulation of the airline industry we've increased profits, cut prices for all Americans, and begun—for one of the few times in the history of our Nation—to actually dismantle a major Federal bureaucracy. This year, we must begin the effort to reform our regulatory processes for the railroad, bus, and the trucking industries.

America has the greatest economic system in the world. Let's reduce government interference and give it a chance to work.

I call on Congress to take other anti-inflation action—to expand our exports to protect American jobs threatened by unfair trade, to conserve energy, to increase production and to speed development of solar power, and to reassess our Nation's technological superiority. American workers who enlist in the fight against inflation deserve not just our gratitude, but they deserve the protection of the real wage insurance proposal that I have already made to the Congress.

To be successful, we must change our attitudes as well as our policies. We cannot afford to live beyond our means. We cannot afford to create programs that we can neither manage nor finance, or to waste our natural resources, and we cannot tolerate

mismanagement and fraud. Above all, we must meet the challenges of inflation as a united people.

With the support of the American people, government in recent decades has helped to dismantle racial barriers, has provided assistance for the jobless and the retired, has fed the hungry, has protected the safety, health, and bargaining rights of American workers, and has helped to preserve our natural heritage.

Page 2936

But it's not enough to have created a lot of government programs. Now we must make the good programs more effective and improve or weed out those which are wasteful or unnecessary.

With the support of the Congress, we've begun to reorganize and to get control of the bureaucracy. We are reforming the civil service system, so that we can recognize and reward those who do a good job and correct or remove those who do not.

This year, we must extend major reorganization efforts to education, to economic development, and to the management of our natural resources. We need to enact a sunshine [sunset] law that when government programs have outlived their value, they will automatically be terminated.

There's no such thing as an effective and a noncontroversial reorganization and reform. But we know that honest, effective government is essential to restore public faith in our public action.

None of us can be satisfied when two-thirds of the American citizens chose not to vote last year in a national election. Too many Americans feel powerless against the influence of private lobbying groups and the unbelievable flood of private campaign money which threatens our electoral process.

This year, we must regain the public's faith by requiring limited financial funds from public funds for congressional election campaigns. House bill 1 provides for this public financing of campaigns. And I look forward with a great deal of anticipation to signing it at an early date.

A strong economy and an effective government will restore confidence in America. But the path of the future must be charted in peace. We must continue to build a new and a firm foundation for a stable world community.

We are building that new foundation from a position of national strength—the strength of our own defenses, the strength of our friendships with other nations, and of our oldest American ideals.

America's military power is a major force for security and stability in the world. We must maintain our strategic capability and continue the progress of the last 2 years with our NATO Allies, with whom we have increased our readiness, modernized our equipment, and strengthened our defense forces in Europe. I urge you to support the strong defense budget which I have proposed to the Congress.

But our national security in this complicated age requires more than just military might. In less than a lifetime, world population has more than doubled, colonial empires have disappeared, and a hundred new nations have been born, and migration to the world's

cities have all awakened new yearnings for economic justice and human rights among people everywhere.

This demand for justice and human rights is a wave of the future. In such a world, the choice is not which super power will dominate the world. None can and none will. The choice instead is between a world of anarchy and destruction, or a world of cooperation and peace.

Page 2937

In such a world, we seek not to stifle inevitable change, but to influence its course in helpful and constructive ways that enhance our values, our national interests, and the cause of peace.

Towering over this volatile, changing world, like a thundercloud on a summer day, looms the awesome power of nuclear weapons.

We will continue to help shape the forces of change, to anticipate emerging problems of nuclear proliferation and conventional arms sales, and to use our great strength parts of the world before they erupt and spread.

We have no desire to be the world's policeman. But America does want to be the world's peacemaker.

We are building the foundation for truly global cooperation, not only with Western and industrialized nations but with the developing countries as well. Our ties with Japan and our European allies are stronger than ever, and so are our friendly relations with the people of Latin America, Africa, and the Western Pacific and Asia.

We've won new respect in this hemisphere with the Panama Canal treaties. We've gained new trust with the developing world through our opposition to racism, our commitment to human rights, and our support for majority rule in Africa.

The multilateral trade negotiations are now reaching a successful conclusion, and congressional approval is essential to the economic well-being of our own country and of the world. This will be one of our top priorities in 1979.

We are entering a hopeful era in our relations with one-fourth of the world's people who live in China. The presence of Vice Premier Deng Xiaoping next week will help to inaugurate that new era. And with prompt congressional action on authorizing legislation, we will continue our commitment to a prosperous, peaceful, and secure life for the people of Taiwan.

I'm grateful that in the past year, as in the year before, no American has died in combat anywhere in the world. And in Iran, Nicaragua, Cyprus, Namibia, and Rhodesia, our country is working for peaceful solutions to dangerous conflicts.

In the Middle East, under the most difficult circumstances, we have sought to help ancient enemies lay aside deep-seated differences that have produced four bitter wars in our lifetime.

Our firm commitment to Israel's survival and security is rooted in our deepest convictions and in our knowledge of the strategic importance to our own Nation of a stable Middle East. To promote peace and reconciliation in the region, we must retain

the trust and the confidence both of Israel and also of the Arab nations that are sincerely searching for peace.

I am determined, as President, to use the full, beneficial influence of our country so that the precious opportunity for lasting peace between Israel and Egypt will not be lost.

The new foundation of international cooperation that we seek excludes no nation. Cooperation with the Soviet Union serves the cause of peace, for in this nuclear age, world peace must include peace between the super powers—and it must mean the control of nuclear arms.

Page 2938

Ten years ago, the United States and the Soviet Union made the historic decision to open the strategic arms limitations talks, or *salt*. The purpose of *salt*, then as now, is not to gain a unilateral advantage for either nation, but to protect the security of both nations, to reverse the costly and dangerous momentum of the nuclear arms race, to preserve a stable balance of nuclear forces, and to demonstrate to a concerned world that we are determined to help preserve the peace.

The first *salt* agreement was concluded in 1972. And since then, during 6 years of negotiation by both Republican and Democratic leaders, nearly all issues of *salt* II have been resolved. If the Soviet Union continues to negotiate in good faith, a responsible *salt* agreement will be reached.

It's important that the American people understand the nature of the *salt* process.

Salt II is not based on sentiment; it's based on self-interest—of the United States and of the Soviet Union. Both nations share a powerful common interest in reducing the threat of a nuclear war. I will sign no agreement which does not enhance our national security.

Salt II does not rely on trust; it will be verifiable. We have very sophisticated, proven means, including our satellites, to determine for ourselves whether or not the Soviet Union is meeting its treaty obligations. I will sign no agreement which cannot be verified.

The American nuclear deterrent will remain strong after *salt* II. For example, just one of our relatively invulnerable Poseidon submarines—comprising less than 2 percent of our total nuclear force of submarines, aircraft, and land-based missiles—carries enough warheads to destroy every large- and medium-sized city in the Soviet Union. Our deterrent is overwhelming, and I will sign no agreement unless our deterrent force will remain overwhelming.

A *salt* agreement, of course, cannot substitute for wise diplomacy or a strong defense, nor will it end the danger of nuclear war. But it will certainly reduce that danger. It will strengthen our efforts to ban nuclear tests and to stop the spread of atomic weapons to other nations. And it can begin the process of negotiating new agreements which will further limit nuclear arms.

The path of arms control, backed by a strong defense, the path our Nation and every President has walked for 30 years, can lead to a world of law and of international negotiation and consultation in which all peoples might live in peace. In this year 1979, nothing is more important than that the Congress and the people of the United States resolve to continue with me on that path of nuclear arms control and world peace. This is paramount.

Page 2939

I've outlined some of the changes that have transformed the world and which are continuing as we meet here tonight. But we in America need not fear change. The values on which our Nation was founded: individual liberty, self-determination, the potential for human fulfillment in freedom, all of these endure. We find these democratic principles praised, even in books smuggled out of totalitarian nations and on wallposters in lands which we thought were closed to our influence. Our country has regained its special place of leadership in the worldwide struggle for human rights. And that is a commitment that we must keep at home, as well as abroad.

The civil rights revolution freed all Americans, black and white, but its full promise still remains unrealized. I will continue to work with all my strength for equal opportunity for all Americans—and for affirmative action for those who carry the extra burden of past denial of equal opportunity.

We remain committed to improving our labor laws to better protect the rights of American workers. And our Nation must make it clear that the legal rights of women as citizens are guaranteed under the laws of our land by ratifying the equal rights amendment.

As long as I'm President, at home and around the world America's examples and America's influence will be marshaled to advance the cause of human rights.

To establish those values, two centuries ago a bold generation of Americans risked their property, their position, and life itself. We are their heirs, and they are sending us a message across the centuries. The words they made so vivid are now growing faintly indistinct, because they are not heard often enough. They are words like "justice," "equality," "unity," "truth," "sacrifice," "liberty," "faith," and "love."

These words remind us that the duty of our generation of Americans is to renew our Nation's faith, not focused just against foreign threats but against the threats of selfishness, cynicism, and apathy.

The new foundation I've discussed tonight can help us build a nation and a world where every child is nurtured and can look to the future with hope, where the resources now wasted on war can be turned towards meeting human needs, where all people have enough to eat, a decent home, and protection against disease.

It can help us build a nation and a world where all people are free to seek the truth and to add to human understanding, so that all of us may live our lives in peace.

Tonight, I ask you, the Members of the Congress, to join me in building that new foundation, a better foundation, for our beloved country and our world.

Thank you very much.

***

State of the Union Address
Jimmy Carter
January 21, 1980

This last few months has not been an easy time for any of us. As we meet tonight, it has never been more clear that the state of our Union depends on the state of the world. And tonight, as throughout our own generation, freedom and peace in the world depend on the state of our Union.

Page 2940

The 1980's have been born in turmoil, strife, and change. This is a time of challenge to our interests and our values and it's a time that tests our wisdom and our skills.

At this time in Iran, 50 Americans are still held captive, innocent victims of terrorism and anarchy. Also at this moment, massive Soviet troops are attempting to subjugate the fiercely independent and deeply religious people of Afghanistan. These two acts—one of international terrorism and one of military aggression—present a serious challenge to the United States of America and indeed to all the nations of the world. Together, we will meet these threats to peace.

I'm determined that the United States will remain the strongest of all nations, but our power will never be used to initiate a threat to the security of any nation or to the rights of any human being. We seek to be and to remain secure—a nation at peace in a stable world. But to be secure we must face the world as it is.

Three basic developments have helped to shape our challenges: the steady growth and increased projection of Soviet military power beyond its own borders; the overwhelming dependence of the Western democracies on oil supplies from the Middle East; and the press of social and religious and economic and political change in the many nations of the developing world, exemplified by the revolution in Iran.

Each of these factors is important in its own right. Each interacts with the others. All must be faced together, squarely and courageously. We will face these challenges, and we will meet them with the best that is in us. And we will not fail.

In response to the abhorrent act in Iran, our Nation has never been aroused and unified so greatly in peacetime. Our position is clear. The United States will not yield to blackmail.

We continue to pursue these specific goals: first, to protect the present and long-range interests of the United States; secondly, to preserve the lives of the American hostages and to secure, as quickly as possible, their safe release, if possible, to avoid bloodshed which might further endanger the lives of our fellow citizens; to enlist the help of other nations in condemning this act of violence, which is shocking and violates the moral and the legal standards of a civilized world; and also to convince and to persuade the Iranian leaders that the real danger to their nation lies in the north, in the Soviet Union and from the Soviet troops now in Afghanistan, and that the unwarranted Iranian quarrel with the United States hampers their response to this far greater danger to them.

If the American hostages are harmed, a severe price will be paid. We will never rest until every one of the American hostages are released.

But now we face a broader and more fundamental challenge in this region because of the recent military action of the Soviet Union.

Now, as during the last 3 1/2 decades, the relationship between our country, the United States of America, and the Soviet Union is the most critical factor in determining whether the world will live at peace or be engulfed in global conflict.

Page 2941

Since the end of the Second World War, America has led other nations in meeting the challenge of mounting Soviet power. This has not been a simple or a static relationship. Between us there has been cooperation, there has been competition, and at times there has been confrontation.

In the 1940's we took the lead in creating the Atlantic Alliance in response to the Soviet Union's suppression and then consolidation of its East European empire and the resulting threat of the Warsaw Pact to Western Europe.

In the 1950's we helped to contain further Soviet challenges in Korea and in the Middle East, and we rearmed to assure the continuation of that containment.

In the 1960's we met the Soviet challenges in Berlin, and we faced the Cuban missile crisis. And we sought to engage the Soviet Union in the important task of moving beyond the cold war and away from confrontation.

And in the 1970's three American Presidents negotiated with the Soviet leaders in attempts to halt the growth of the nuclear arms race. We sought to establish rules of behavior that would reduce the risks of conflict, and we searched for areas of cooperation that could make our relations reciprocal and productive, not only for the sake of our two nations but for the security and peace of the entire world.

In all these actions, we have maintained two commitments: to be ready to meet any challenge by Soviet military power, and to develop ways to resolve disputes and to keep the peace.

Preventing nuclear war is the foremost responsibility of the two superpowers. That's why we've negotiated the strategic arms limitation treaties—*salt* I and *salt* II. Especially now, in a time of great tension, observing the mutual constraints imposed by the terms of these treaties will be in the best interest of both countries and will help to preserve world peace. I will consult very closely with the Congress on this matter as we strive to control nuclear weapons. That effort to control nuclear weapons will not be abandoned.

We superpowers also have the responsibility to exercise restraint in the use of our great military force. The integrity and the independence of weaker nations must not be threatened. They must know that in our presence they are secure.

But now the Soviet Union has taken a radical and an aggressive new step. It's using its great military power against a relatively defenseless nation. The implications of the Soviet invasion of Afghanistan could pose the most serious threat to the peace since the Second World War.

The vast majority of nations on Earth have condemned this latest Soviet attempt to extend its colonial domination of others and have demanded the immediate withdrawal

of Soviet troops. The Moslem world is especially and justifiably outraged by this aggression against an Islamic people. No action of a world power has ever been so quickly and so overwhelmingly condemned. But verbal condemnation is not enough. The Soviet Union must pay a concrete price for their aggression.

Page 2942

While this invasion continues, we and the other nations of the world cannot conduct business as usual with the Soviet Union. That's why the United States has imposed stiff economic penalties on the Soviet Union. I will not issue any permits for Soviet ships to fish in the coastal waters of the United States. I've cut Soviet access to high-technology equipment and to agricultural products. I've limited other commerce with the Soviet Union, and I've asked our allies and friends to join with us in restraining their own trade with the Soviets and not to replace our own embargoed items. And I have notified the Olympic Committee that with Soviet invading forces in Afghanistan, neither the American people nor I will support sending an Olympic team to Moscow.

The Soviet Union is going to have to answer some basic questions: Will it help promote a more stable international environment in which its own legitimate, peaceful concerns can be pursued? Or will it continue to expand its military power far beyond its genuine security needs, and use that power for colonial conquest? The Soviet Union must realize that its decision to use military force in Afghanistan will be costly to every political and economic relationship it values.

The region which is now threatened by Soviet troops in Afghanistan is of great strategic importance: It contains more than two-thirds of the world's exportable oil. The Soviet effort to dominate Afghanistan has brought Soviet military forces to within 300 miles of the Indian Ocean and close to the Straits of Hormuz, a waterway through which most of the world's oil must flow. The Soviet Union is now attempting to consolidate a strategic position, therefore, that poses a grave threat to the free movement of Middle East oil.

This situation demands careful thought, steady nerves, and resolute action, not only for this year but for many years to come. It demands collective efforts to meet this new threat to security in the Persian Gulf and in Southwest Asia. It demands the participation of all those who rely on oil from the Middle East and who are concerned with global peace and stability. And it demands consultation and close cooperation with countries in the area which might be threatened.

Meeting this challenge will take national will, diplomatic and political wisdom, economic sacrifice, and, of course, military capability. We must call on the best that is in us to preserve the security of this crucial region.

Let our position be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.

During the past 3 years, you have joined with me to improve our own security and the prospects for peace, not only in the vital oil-producing area of the Persian Gulf region but around the world. We've increased annually our real commitment for defense, and we will sustain this increase of effort throughout the Five Year Defense Program. It's

imperative that Congress approve this strong defense budget for 1981, encompassing a 5-percent real growth in authorizations, without any reduction.

Page 2943

We are also improving our capability to deploy U.S. military forces rapidly to distant areas. We've helped to strengthen NATO and our other alliances, and recently we and other NATO members have decided to develop and to deploy modernized, intermediate-range nuclear forces to meet an unwarranted and increased threat from the nuclear weapons of the Soviet Union.

We are working with our allies to prevent conflict in the Middle East. The peace treaty between Egypt and Israel is a notable achievement which represents a strategic asset for America and which also enhances prospects for regional and world peace. We are now engaged in further negotiations to provide full autonomy for the people of the West Bank and Gaza, to resolve the Palestinian issue in all its aspects, and to preserve the peace and security of Israel. Let no one doubt our commitment to the security of Israel. In a few days we will observe an historic event when Israel makes another major withdrawal from the Sinai and when Ambassadors will be exchanged between Israel and Egypt.

We've also expanded our own sphere of friendship. Our deep commitment to human rights and to meeting human needs has improved our relationship with much of the Third World. Our decision to normalize relations with the People's Republic of China will help to preserve peace and stability in Asia and in the Western Pacific.

We've increased and strengthened our naval presence in the Indian Ocean, and we are now making arrangements for key naval and air facilities to be used by our forces in the region of northeast Africa and the Persian Gulf.

We've reconfirmed our 1959 agreement to help Pakistan preserve its independence and its integrity. The United States will take action consistent with our own laws to assist Pakistan in resisting any outside aggression. And I'm asking the Congress specifically to reaffirm this agreement. I'm also working, along with the leaders of other nations, to provide additional military and economic aid for Pakistan. That request will come to you in just a few days.

Finally, we are prepared to work with other countries in the region to share a cooperative security framework that respects differing values and political beliefs, yet which enhances the independence, security, and prosperity of all.

All these efforts combined emphasize our dedication to defend and preserve the vital interests of the region and of the nation which we represent and those of our allies—in Europe and the Pacific, and also in the parts of the world which have such great strategic importance to us, stretching especially through the Middle East and Southwest Asia. With your help, I will pursue these efforts with vigor and with determination. You and I will act as necessary to protect and to preserve our Nation's security.

Page 2944

The men and women of America's Armed Forces are on duty tonight in many parts of the world. I'm proud of the job they are doing, and I know you share that pride. I believe that our volunteer forces are adequate for current defense needs, and I hope that it will not become necessary to impose a draft. However, we must be prepared for that possibility. For this reason, I have determined that the Selective Service System must now be revitalized. I will send legislation and budget proposals to the Congress next month so that we can begin registration and then meet future mobilization needs rapidly if they arise.

We also need clear and quick passage of a new charter to define the legal authority and accountability of our intelligence agencies. We will guarantee that abuses do not recur, but we must tighten our controls on sensitive intelligence information, and we need to remove unwarranted restraints on America's ability to collect intelligence.

The decade ahead will be a time of rapid change, as nations everywhere seek to deal with new problems and age-old tensions. But America need have no fear. We can thrive in a world of change if we remain true to our values and actively engaged in promoting world peace. We will continue to work as we have for peace in the Middle East and southern Africa. We will continue to build our ties with developing nations, respecting and helping to strengthen their national independence which they have struggled so hard to achieve. And we will continue to support the growth of democracy and the protection of human rights.

In repressive regimes, popular frustrations often have no outlet except through violence. But when peoples and their governments can approach their problems together through open, democratic methods, the basis for stability and peace is far more solid and far more enduring. That is why our support for human rights in other countries is in our own national interest as well as part of our own national character.

Peace—a peace that preserves freedom—remains America's first goal. In the coming years, as a mighty nation we will continue to pursue peace. But to be strong abroad we must be strong at home. And in order to be strong, we must continue to face up to the difficult issues that confront us as a nation today.

The crises in Iran and Afghanistan have dramatized a very important lesson: Our excessive dependence on foreign oil is a clear and present danger to our Nation's security. The need has never been more urgent. At long last, we must have a clear, comprehensive energy policy for the United States.

As you well know, I have been working with the Congress in a concentrated and persistent way over the past 3 years to meet this need. We have made progress together. But Congress must act promptly now to complete final action on this vital energy legislation. Our Nation will then have a major conservation effort, important initiatives to develop solar power, realistic pricing based on the true value of oil, strong

incentives for the production of coal and other fossil fuels in the United States, and our Nation's most massive peacetime investment in the development of synthetic fuels.

Page 2945

The American people are making progress in energy conservation. Last year we reduced overall petroleum consumption by 8 percent and gasoline consumption by 5 percent below what it was the year before. Now we must do more.

After consultation with the Governors, we will set gasoline conservation goals for each of the 50 States, and I will make them mandatory if these goals are not met.

I've established an import ceiling for 1980 of 8.2 million barrels a day—well below the level of foreign oil purchases in 1977. I expect our imports to be much lower than this, but the ceiling will be enforced by an oil import fee if necessary. I'm prepared to lower these imports still further if the other oil-consuming countries will join us in a fair and mutual reduction. If we have a serious shortage, I will not hesitate to impose mandatory gasoline rationing immediately.

The single biggest factor in the inflation rate last year, the increase in the inflation rate last year, was from one cause: the skyrocketing prices of OPEC oil. We must take whatever actions are necessary to reduce our dependence on foreign oil—and at the same time reduce inflation.

As individuals and as families, few of us can produce energy by ourselves. But all of us can conserve energy—every one of us, every day of our lives. Tonight I call on you—in fact, all the people of America—to help our Nation. Conserve energy. Eliminate waste. Make 1980 indeed a year of energy conservation.

Of course, we must take other actions to strengthen our Nation's economy.

First, we will continue to reduce the deficit and then to balance the Federal budget.

Second, as we continue to work with business to hold down prices, we'll build also on the historic national accord with organized labor to restrain pay increases in a fair fight against inflation.

Third, we will continue our successful efforts to cut paperwork and to dismantle unnecessary Government regulation.

Fourth, we will continue our progress in providing jobs for America, concentrating on a major new program to provide training and work for our young people, especially minority youth. It has been said that "a mind is a terrible thing to waste." We will give our young people new hope for jobs and a better life in the 1980's.

And fifth, we must use the decade of the 1980's to attack the basic structural weaknesses and problems in our economy through measures to increase productivity, savings, and investment.

With these energy and economic policies, we will make America even stronger at home in this decade—just as our foreign and defense policies will make us stronger and safer throughout the world. We will never abandon our struggle for a just and a decent society here at home. That's the heart of America—and it's the source of our ability to inspire other people to defend their own rights abroad.

Page 2946

Our material resources, great as they are, are limited. Our problems are too complex for simple slogans or for quick solutions. We cannot solve them without effort and sacrifice. Walter Lippmann once reminded us, “You took the good things for granted. Now you must earn them again. For every right that you cherish, you have a duty which you must fulfill. For every good which you wish to preserve, you will have to sacrifice your comfort and your ease. There is nothing for nothing any longer.”

Our challenges are formidable. But there’s a new spirit of unity and resolve in our country. We move into the 1980’s with confidence and hope and a bright vision of the America we want: an America strong and free, an America at peace, an America with equal rights for all citizens—and for women, guaranteed in the United States Constitution—an America with jobs and good health and good education for every citizen, an America with a clean and bountiful life in our cities and on our farms, an America that helps to feed the world, an America secure in filling its own energy needs, an America of justice, tolerance, and compassion. For this vision to come true, we must sacrifice, but this national commitment will be an exciting enterprise that will unify our people.

Together as one people, let us work to build our strength at home, and together as one indivisible union, let us seek peace and security throughout the world.

Together let us make of this time of challenge and danger a decade of national resolve and of brave achievement.

Thank you very much.

***

State of the Union Address
Jimmy Carter
January 16, 1981

To the Congress of the United States:

The State of the Union is sound. Our economy is recovering from a recession. A national energy plan is in place and our dependence on foreign oil is decreasing. We have been at peace for four uninterrupted years.

But, our Nation has serious problems. Inflation and unemployment are unacceptably high. The world oil market is increasingly tight. There are trouble spots throughout the world, and 52 American hostages are being held in Iran against international law and against every precept of human affairs.

However, I firmly believe that, as a result of the progress made in so many domestic and international areas over the past four years, our Nation is stronger, wealthier, more

compassionate and freer than it was four years ago. I am proud of that fact. And I believe the Congress should be proud as well, for so much of what has been accomplished over the past four years has been due to the hard work, insights and cooperation of Congress. I applaud the Congress for its efforts and its achievements.

In this State of the Union Message I want to recount the achievements and progress of the last four years and to offer recommendations to the Congress for this year. While my term as President will end before the 97th Congress begins its work in earnest, I hope that my recommendations will serve as a guide for the direction this country should take so we build on the record of the past four years.

Page 2947

RECORD OF PROGRESS

When I took office, our Nation faced a number of serious domestic and international problems:

—no national energy policy existed, and our dependence on foreign oil was rapidly increasing;

—public trust in the integrity and openness of the government was low;

—the Federal government was operating inefficiently in administering essential programs and policies;

—major social problems were being ignored or poorly addressed by the Federal government;

—our defense posture was declining as a result of a defense budget which was continuously shrinking in real terms;

—the strength of the NATO Alliance needed to be bolstered;

—tensions between Israel and Egypt threatened another Middle East war; and

—America's resolve to oppose human rights violations was under serious question.

Over the past 48 months, clear progress has been made in solving the challenges we found in January of 1977:

—almost all of our comprehensive energy program have been enacted, and the Department of Energy has been established to administer the program; confidence in the government's integrity has been restored, and respect for the government's openness and fairness has been renewed;

—the government has been made more effective and efficient: the Civil Service system was completely reformed for the first time this century;

—14 reorganization initiatives have been proposed to the Congress, approved, and implemented;

—two new Cabinet departments have been created to consolidate and streamline the government's handling of energy and education problems;

—inspectors general have been placed in each Cabinet department to combat fraud, waste and other abuses;

—the regulatory process has been reformed through creation of the Regulatory Council, implementation of Executive Order 12044 and its requirement for cost-impact analyses, elimination of unnecessary regulation, and passage of the Regulatory Flexibility Act;

—procedures have been established to assure citizen participation in government;

—and the airline, trucking, rail and communications industries are being deregulated;

—critical social problems, many long ignored by the Federal government, have been addressed directly;

—an urban policy was developed and implemented to reverse the decline in our urban areas;

—the Social Security System was refinanced to put it on a sound financial basis;

—the Humphrey-Hawkins Full Employment Act was enacted;

—Federal assistance for education was expanded by more than 75 percent;

—the minimum wage was increased to levels needed to ease the effects of inflation;

—affirmative action has been pursued aggressively; more blacks, Hispanics and women have been appointed to senior government positions and to judgeships than at any other time in our history;

Page 2948

—the *era* ratification deadline was extended to aid the ratification effort;

—and minority business procurement by the Federal government has more than doubled;

—the Nation's first sectoral policies were put in place, for the auto and steel industries, with my Administration demonstrating the value of cooperation between the government, business and labor;

—reversing previous trends, real defense spending has increased every year since 1977;

—the real increase in FY 1980 defense spending is well above 3 percent and I expect FY 1981 defense spending to be even higher;

—looking ahead, the defense program I am proposing is premised on a real increase in defense spending over the next five years of 20 percent or more;

—the NATO Alliance has proven its unity in responding to the situations in Eastern Europe and Southwest Asia and in agreeing on the issues to be addressed in the review of the Helsinki Final Act currently underway in Madrid;

—the peace process in the Middle East established at Camp David and by the Peace Treaty between Egypt and Israel is being buttressed on two fronts: steady progress in the normalization of Egyptian-Israeli relations in many fields, and the commitment of both Egypt and Israel, with United States' assistance, to see through to successful conclusion the autonomy negotiations for the West Bank and Gaza;

—the Panama Canal Treaties have been put into effect, which has helped to improve relations with Latin America;

—we have continued this Nation's strong commitment to the pursuit of human rights throughout the world, evenhandedly and objectively;

—our commitment to a worldwide human rights policy has remained firm;

—and many other countries have given high priority to it;

—our resolve to oppose aggression, such as the illegal invasion of the Soviet Union into Afghanistan, has been supported by tough action.

I. ENSURING ECONOMIC STRENGTH ECONOMY

During the last decade our Nation has withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these has been the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages and major challenges to world peace and security. Our ability to deal with these shocks has been impaired because of a decrease in the growth of productivity and the persistence of underlying inflationary forces built up over the past 15 years.

Nevertheless, the economy has proved to be remarkably resilient. Real output has grown at an average rate of 3 percent per year since I took office, and employment has grown by 10 percent. We have added about 8 million productive private sector jobs to the economy. However, unacceptably high inflation—the most difficult economic problem I have faced—persists.

Page 2949

This inflation—which threatens the growth, productivity, and stability of our economy—-requires that we restrain the growth of the budget to the maximum extent consistent with national security and human compassion. I have done so in my earlier budgets, and in my FY '82 budget. However, while restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to government spending. The growth in budget outlays has been more the result of economic factors than the cause of them.

We are now in the early stages of economic recovery following a short recession. Typically, a post-recessionary period has been marked by vigorous economic growth aided by anti-recessionary policy measures such as large tax cuts or big, stimulation spending programs. I have declined to recommend such actions to stimulate economic activity, because the persistent inflationary pressures that beset our economy today dictate a restrained fiscal policy.

Accordingly, I am asking the Congress to postpone until January 1, 1982, the personal tax reductions I had earlier proposed to take effect on January 1 of this year.

However, my 1982 budget proposes significant tax changes to increase the sources of financing for business investment. While emphasizing the need for continued fiscal restraint, this budget takes the first major step in a long-term tax reduction program designed to increase capital formation. The failure of our Nation's capital stock to grow at a rate that keeps pace with its labor force has clearly been one cause of our productivity slowdown. Higher investment rates are also critically needed to meet our Nation's energy needs, and to replace energy-inefficient plants and equipment with new energy-saving physical plants. The level of investment that is called for will not occur in the absence of policies to encourage it.

Therefore, my budget proposes a major liberalization of tax allowances for depreciation, as well as simplified depreciation accounting, increasing the allowable rates by about 40 percent. I am also proposing improvements in the investment tax credit, making it refundable, to meet the investment needs of firms with no current earnings.

These two proposals, along with carefully-phased tax reductions for individuals, will improve both economic efficiency and tax equity. I urge the Congress to enact legislation along the lines and timetable I have proposed.

THE 1982 BUDGET

The FY 1982 budget I have sent to the Congress continues our four-year policy of prudence and restraint. While the budget deficits during my term are higher than I would have liked, their size is determined for the most part by economic conditions. And in spite of these conditions, the relative size of the deficit continues to decline. In

1976, before I took office, the budget deficit equalled 4 percent of gross national product. It had been cut to 2.3 percent in the 1980 fiscal year just ended. My 1982 budget contains a deficit estimated to be less than 1 percent of our gross national product.

Page 2950

The rate of growth in Federal spending has been held to a minimum. Nevertheless, outlays are still rising more rapidly than many had anticipated, the result of many powerful forces in our society:

We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population and, as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We face other important domestic needs: to continue responsibility for the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; to revitalize American industry; and to increase the export of American goods and services so essential to the creation of jobs and a trade surplus.

Yet the Federal Government itself may not always be the proper source of such assistance. For example, it must not usurp functions if they can be more appropriately decided upon, managed, and financed by the private sector or by State and local governments. My Administration has always sought to consider the proper focus of responsibility for the most efficient resolution of problems.

We have also recognized the need to simplify the system of grants to State and local governments. I have again proposed several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs.

The pressures for growth in Federal use of national resources are great. My Administration has initiated many new approaches to cope with these pressures. We started a multi-year budget system, and we began a system for controlling Federal credit programs. Yet in spite of increasing needs to limit spending growth, we have consistently adhered to these strong budget principles:

Our Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security. An effective national energy plan is essential to increase domestic production of oil and gas, to encourage conservation of our scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our trade deficit. The essential human needs for our citizens must be given the highest priority. The Federal Government must lead the way in investment in the Nation's technological future. The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget continues to support these principles. It also proposes responsible tax reductions to encourage a more productive economy, and adequate funding of our highest priority programs within an overall policy of constraint.

Fiscal restraint must be continued in the years ahead. Budgets must be tight enough to convince those who set wages and prices that the Federal Government is serious about fighting inflation but not so tight as to choke off all growth.

Page 2951

Careful budget policy should be supplemented by other measures designed to reduce inflation at lower cost in lost output and employment. These other steps include measures to increase investment—such as the tax proposals included in my 1982 budget—and measures to increase competition and productivity in our economy. Voluntary incomes policies can also directly influence wages and prices in the direction of moderation and thereby bring inflation down faster and at lower cost to the economy. Through a tax-based incomes policy (*tip*) we could provide tax incentives for firms and workers to moderate their wage and price increases. In the coming years, control of Federal expenditures can make possible periodic tax reductions. The Congress should therefore begin now to evaluate the potentialities of a *tip* program so that when the next round of tax reductions is appropriate a *tip* program will be seriously considered.

EMPLOYMENT

During the last four years we have given top priority to meeting the needs of workers and providing additional job opportunities to those who seek work. Since the end of 1976:

Almost 9 million new jobs have been added to the nation's economy total employment has reached 97 million. More jobs than ever before are held by women, minorities and young people. Employment over the past four years has increased by: 17% for adult women 11% for blacks, and 30% for Hispanics employment of black teenagers increased by more than 5%, reversing the decline that occurred in the previous eight years.

Major initiatives launched by this Administration helped bring about these accomplishments and have provided a solid foundation for employment and training policy in the 1980's. In 1977, as part of the comprehensive economic stimulus program:

425,000 public service jobs were created A $1 billion youth employment initiative funded 200,000 jobs the doubling of the Job Corps to 44,000 slots began and 1 million summer youth jobs were approved—a 25 percent increase.

In 1978:

The Humphrey-Hawkins Full Employment Act became law the $400 million Private Sector Initiatives Program was begun a targeted jobs tax credit for disadvantaged youth and others with special employment barriers was enacted the Comprehensive Employment and Training Act was reauthorized for four years.

In 1979:

A $6 billion welfare reform proposal was introduced with funding for 400,000 public service jobs welfare reform demonstration projects were launched in communities around the country the Vice President initiated a nationwide review of youth unemployment in this country.

In 1980:

The findings of the Vice President's Task Force revealed the major education and employment deficits that exist for poor and minority youngsters. As a result a $2 billion youth education and jobs initiative was introduced to provide unemployed youth with the basic education and work experience they need to compete in the labor market of the 1980's. As part of the economic revitalization program several steps were proposed to aid workers in high unemployment communities:

Page 2952

An additional 13 weeks of unemployment benefits for the long term unemployed. $600 million to train the disadvantaged and unemployed for new private sector jobs. Positive adjustment demonstrations to aid workers in declining industries. The important Title VII Private Sector Initiatives Program was reauthorized for an additional two years.

In addition to making significant progress in helping the disadvantaged and unemployed, important gains were realized for all workers:

An historic national accord with organized labor made it possible for the views of working men and women to be heard as the nation's economic and domestic policies were formulated; the Mine Safety and Health Act brought about improved working conditions for the nation's 500,000 miners. substantial reforms of Occupational Safety and Health Administration were accomplished to help reduce unnecessary burdens on business and to focus on major health and safety problems; the minimum wage was increased over a four year period from $2.30 to $3.35 an hour; the Black Lung Benefit Reform Act was signed into law; attempts to weaken Davis-Bacon Act were defeated.

While substantial gains have been made in the last four years, continued efforts are required to ensure that this progress is continued:

Government must continue to make labor a full partner in the policy decisions that affect the interests of working men and women; a broad, bipartisan effort to combat youth unemployment must be sustained compassionate reform of the nation's welfare system should be continued with employment opportunities provided for those able to work; workers in declining industries should be provided new skills and help in finding employment.

TRADE

Over the past year, the U.S. trade picture improved as a result of solid export gains in both manufactured and agricultural products. Agricultural exports reached a new record of over $40 billion, while manufactured exports have grown by 24 percent to a record $144 billion. In these areas the United States recorded significant surpluses of $24 billion and $19 billion respectively. While our oil imports remained a major drain on our foreign exchange earnings, that drain was somewhat moderated by a 19 percent decline in the volume of oil imports.

U.S. trade negotiators made significant progress over the past year in assuring effective implementation of the agreements negotiated during the Tokyo Round of Multilateral Trade Negotiations. Agreements reached with the Japanese government, for example, will assure that the United States will be able to expand its exports to the Japanese market in such key areas as telecommunications equipment, tobacco, and lumber. Efforts by U.S. trade negotiators also helped to persuade a number of key developing

countries to accept many of the non-tariff codes negotiated during the Multilateral Trade Negotiations. This will assure that these countries will increasingly assume obligations under the international trading system.

Page 2953

A difficult world economic environment posed a challenge for the management of trade relations. U.S. trade negotiators were called upon to manage serious sectoral problems in such areas as steel, and helped to assure that U.S. chemical exports will have continued access to the European market.

Close consultations with the private sector in the United States have enabled U.S. trade negotiators to pinpoint obstacles to U.S. trade in services, and to build a basis for future negotiations. Services have been an increasingly important source of export earnings for the United States, and the United States must assure continued and increased access to foreign markets.

The trade position of the United States has improved. But vigorous efforts are needed in a number of areas to assure continued market access for U.S. exports, particularly agricultural and high technology products, in which the United States continues to have a strong competitive edge. Continued efforts are also needed to remove many domestic disincentives, which now hamper U.S. export growth. And we must ensure that countries do not manipulate investment, or impose investment performance requirements which distort trade and cost us jobs in this country.

In short, we must continue to seek free—but fair—trade. That is the policy my Administration has pursued from the beginning, even in areas where foreign competition has clearly affected our domestic industry. In the steel industry, for instance, we have put Trigger Price Mechanism into place to help prevent the dumping of steel. That action has strengthened the domestic steel industry. In the automobile industry, we have worked— without resort to import quotas—to strengthen the industry's ability to modernize and compete effectively.

SMALL BUSINESS

I have often said that there is nothing small about small business in America. These firms account for nearly one-half our gross national product; over half of new technology; and much more than half of the jobs created by industry.

Because this sector of the economy is the very lifeblood of our National economy, we have done much together to improve the competitive climate for smaller firms. These concerted efforts have been an integral part of my program to revitalize the economy.

They include my campaign to shrink substantially the cash and time consuming red tape burden imposed on business. They include my personally-directed policy of ambitiously increasing the Federal contracting dollars going to small firms, especially those owned by women and minorities. And they include my proposals to reinvigorate existing small businesses and assist the creation of new ones through tax reform; financing assistance; market expansion; and support of product innovation.

Page 2954

Many of my initiatives to facilitate the creation and growth of small businesses were made in response to the White House Conference on Small Business, which I convened. My Administration began the implementation of most of the ideas produced last year by that citizen's advisory body; others need to be addressed. I have proposed the reconvening of the Conference next year to review progress; reassess priorities; and set new goals. In the interim I hope that the incoming Administration and the new Congress will work with the committee I have established to keep these business development ideas alive and help implement Conference recommendations.

MINORITY BUSINESS

One of the most successful developments of my Administration has been the growth and strengthening of minority business. This is the first Administration to put the issue on the policy agenda as a matter of major importance. To implement the results of our early efforts in this field I submitted legislation to Congress designed to further the development of minority business.

We have reorganized the Office of Minority Business into the Minority Business Development Administration in the Department of Commerce. MBDA has already proven to be a major factor in assisting minority businesses to achieve equitable competitive positions in the marketplace.

The Federal government's procurement from minority-owned firms has nearly tripled since I took office. Federal deposits in minority-owned banks have more than doubled and minority ownership of radio and television stations has nearly doubled. The SBA administered 8(a) Pilot Program for procurement with the Army proved to be successful and I recently expanded the number of agencies involved to include NASA and the Departments of Energy and Transportation.

I firmly believe the critical path to full freedom and equality for America's minorities rests with the ability of minority communities to participate competitively in the free enterprise system. I believe the government has a fundamental responsibility to assist in the development of minority business and I hope the progress made in the last four years will continue.

II. CREATING ENERGY SECURITY

Since I took office, my highest legislative priorities have involved the reorientation and redirection of U.S. energy activities and for the first time, to establish a coordinated national energy policy. The struggle to achieve that policy has been long and difficult, but the accomplishments of the past four years make clear that our country is finally serious about the problems caused by our overdependence on foreign oil. Our

progress should not be lost. We must rely on and encourage multiple forms of energy production—coal, crude oil, natural gas, solar, nuclear, synthetics—and energy conservation. The framework put in place over the last four years will enable us to do this.

Page 2955

NATIONAL ENERGY POLICY

As a result of actions my Administration and the Congress have taken over the past four years, our country finally has a national energy policy:

Under my program of phased decontrol, domestic crude oil price controls will end September 30, 1981. As a result exploratory drilling activities have reached an all-time high; Prices for new natural gas are being decontrolled under the Natural Gas Policy Act —and natural gas production is now at an all time high; the supply shortages of several years ago have been eliminated; The windfall profits tax on crude oil has been enacted providing $227 billion over ten years for assistance to low-income households, increased mass transit funding, and a massive investment in the production and development of alternative energy sources; The Synthetic Fuels Corporation has been established to help private companies build the facilities to produce energy from synthetic fuels; Solar energy funding has been quadrupled, solar energy tax credits enacted, and a Solar Energy and Energy Conservation Bank has been established; A route has been chosen to bring natural gas from the North Slope of Alaska to the lower 48 states; Coal production and consumption incentives have been increased, and coal production is now at its highest level in history; A gasoline rationing plan has been approved by Congress for possible use in the event of a severe energy supply shortage or interruption; Gasohol production has been dramatically increased, with a program being put in place to produce 500 million gallons of alcohol fuel by the end of this year —an amount that could enable gasohol to meet the demand for 10 percent of all unleaded gasoline; New energy conservation incentives have been provided for individuals, businesses and communities and conservation has increased dramatically. The U.S. has reduced oil imports by 25 percent—or 2 million barrels per day—over the past four years.

INCREASED DEVELOPMENT OF DOMESTIC ENERGY SOURCES

Although it is essential that the Nation reduce its dependence on imported fossil fuels and complete the transition to reliance on domestic renewable sources of energy, it is also important that this transition be accomplished in an orderly, economic, and environmentally sound manner. To this end, the Administration has launched several initiatives.

Leasing of oil and natural gas on federal lands, particularly the outer continental shelf, has been accelerated at the same time as the Administration has reformed leasing procedures through the 1978 amendments to the Outer Continental Shelf Lands Act. In 1979 the Interior Department held six OCS lease sales, the greatest number ever, which

resulted in federal receipts of $6.5 billion, another record. The five-year OCS Leasing schedule was completed, requiring 36 sales over the next five years.

Page 2956

Since 1971 no general federal coal lease sales were suspended. Over the past four years the Administration has completely revised the federal coal leasing program to bring it into compliance with the requirements of 1976 Federal Land Planning and Management Act and other statutory provisions. The program is designed to balance the competing interests that affect resource development on public lands and to ensure that adequate supplies of coal will be available to meet national needs. As a result, the first general competitive federal coal lease sale in ten years will be held this month.

In July 1980, I signed into law the Energy Security Act of 1980 which established the Synthetic Fuels Corporation. The Corporation is designed to spur the development of commercial technologies for production of synthetic fuels, such as liquid and gaseous fuels from coal and the production of oil from oil shale. The Act provides the Corporation with an initial $22 billion to accomplish these objectives. The principal purpose of the legislation is to ensure that the nation will have available in the late 1980's the option to undertake commercial development of synthetic fuels if that becomes necessary. The Energy Security Act also provides significant incentives for the development of gasohol and biomass fuels, thereby enhancing the nation's supply of alternative energy sources.

COMMITMENT TO A SUSTAINABLE ENERGY FUTURE

The Administration's 1977 National Energy Plan marked an historic departure from the policies of previous Administrations. The plan stressed the importance of both energy production and conservation to achieving our ultimate national goal of relying primarily on secure sources of energy. The National Energy Plan made energy conservation a cornerstone of our national energy policy.

In 1978, I initiated the Administration's Solar Domestic Policy Review. This represented the first step towards widespread introduction of renewable energy sources into the Nation's economy. As a result of the Review, I issued the 1979 Solar Message to Congress, the first such message in the Nation's history. The Message outlined the Administration's solar program and established an ambitious national goal for the year 2000 of obtaining 20 percent of this Nation's energy from solar and renewable sources. The thrust of the federal solar program is to help industry develop solar energy sources by emphasizing basic research and development of solar technologies which are not currently economic, such as photovoltaics, which generate energy directly from the sun. At the same time, through tax incentives, education, and the Solar Energy and Energy Conservation Bank, the solar program seeks to encourage state and local governments, industry, and our citizens to expand their use of solar and renewable resource technologies currently available.

Page 2957

As a result of these policies and programs, the energy efficiency of the American economy has improved markedly and investments in renewable energy sources have grown significantly. It now takes 3 1/2 percent less energy to produce a constant dollar of GNP than it did in January 1977. This increase in efficiency represents a savings of over 1.3 million barrels per day of oil equivalent, about the level of total oil production now occurring in Alaska. Over the same period, Federal support for conservation and solar energy has increased by more than 3000 percent, to $3.3 billion in FY 1981, including the tax credits for solar energy and energy conservation investments—these credits are expected to amount to $1.2 billion in FY 1981 and $1.5 billion in FY 1982.

COMMITMENT TO NUCLEAR SAFETY AND SECURITY

Since January 1977, significant progress has been achieved in resolving three critical problems resulting from the use of nuclear energy: radioactive waste management, nuclear safety and weapons proliferation.

In 1977, the Administration announced its nuclear nonproliferation policy and initiated the International Fuel Cycle Evaluation. In 1978, Congress passed the Nuclear Nonproliferation Act, an historic piece of legislation.

In February 1980, the Administration transmitted its nuclear waste management policy to the Congress. This policy was a major advance over all previous efforts. The principal aspects of that policy are: acknowledging the seriousness of the problem and the numerous technical and institutional issues; adopting a technically and environmentally conservative approach to the first permanent repository; and providing the states with significant involvement in nuclear waste disposal decisions by creating the State Planning Council. While much of the plan can be and is being implemented administratively, some new authorities are needed. The Congress should give early priority to enacting provisions for away-from-reactor storage and the State Planning Council.

The accident at Three Mile Island made the nation acutely aware of the safety risks posed by nuclear power plants. In response, the President established the Kemeny Commission to review the accident and make recommendations. Virtually all of the Commission's substantive recommendations were adopted by the Administration and are now being implemented by the Nuclear Regulatory Commission. The Congress adopted the President's proposed plan for the Nuclear Regulatory Commission and the Nuclear Safety Oversight Committee was established to ensure that the Administration's decisions were implemented.

Nuclear safety will remain a vital concern in the years ahead. We must continue to press ahead for the safe, secure disposal of radioactive wastes, and prevention of nuclear proliferation.

Page 2958

While significant growth in foreign demand for U.S. steam coal is foreseen, congestion must be removed at major U.S. coal exporting ports such as Hampton Roads, Virginia, and Baltimore, Maryland. My Administration has worked through the Interagency Coal Task Force Study to promote cooperation and coordination of resources between shippers, railroads, vessel broker/ operators and port operators, and to determine the most appropriate Federal role in expanding and modernizing coal export facilities, including dredging deeper channels at selected ports. As a result of the Task Force's efforts, administrative steps have been taken by the Corps of Engineers to reduce significantly the amount of time required for planning and economic review of port dredging proposals. The Administration has also recommended that the Congress enact legislation to give the President generic authority to recommend appropriations for channel dredging activities. Private industry will, of course, play the major role in developing the United States' coal export facilities, but the government must continue to work to facilitate transportation to foreign markets.

III. ENHANCING BASIC HUMAN AND SOCIAL NEEDS

For too long prior to my Administration, many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the last four years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that have unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

Our record has produced clear progress in the effort to solve some of the country's fundamental human and social problems. My Administration and the Congress, working together, have demonstrated that government must and can meet our citizens' basic human and social needs in a responsible and compassionate way.

But there is an unfinished agenda still before the Congress. If we are to meet our obligations to help all Americans realize the dreams of sound health care, decent housing, effective social services, a good education, and a meaningful job, important legislation still must be enacted. National Health Insurance, Welfare Reform, Child Health Assessment Program, are before the Congress and I urge their passage.

HEALTH NATIONAL HEALTH PLAN

During my Administration, I proposed to Congress a National Health Plan which will enable the country to reach the goal of comprehensive, universal health care coverage. The legislation I submitted lays the foundation for this comprehensive plan and addresses the most serious problems of health financing and delivery. It is realistic and

enactable. It does not overpromise or overspend, and, as a result, can be the solution to the thirty years of Congressional battles on national health insurance. My Plan includes the following key features:

Page 2959

Nearly 15 million additional poor would receive fully-subsidized comprehensive coverage; pre-natal and delivery services are provided for all pregnant women and coverage is provided for all acute care for infants in their first year of life; the elderly and disabled would have a limit of $1,250 placed on annual out-of-pocket medical expenses and would no longer face limits on hospital coverage; all full-time employees and their families would receive insurance against at least major medical expenses under mandated employer coverage; Medicare and Medicaid would be combined and expanded into an umbrella Federal program, Healthcare, for increased program efficiency, accountability and uniformity; and strong cost controls and health system reforms would be implemented, including greater incentives for Health Maintenance Organizations.

I urge the new Congress to compare my Plan with the alternatives—programs which either do too little to improve the health care needs of Americans most in need or programs which would impose substantial financial burdens on the American taxpayers. I hope the Congress will see the need for and the benefits of my Plan and work toward prompt enactment. We cannot afford further delay in this vital area.

HEALTH CARE COST CONTROL

Inflation in health care costs remains unacceptably high. Throughout my Administration, legislation to reduce health care cost inflation was one of my highest priorities, but was not passed by the Congress. Therefore, my FY 1982 budget proposes sharing the responsibility for health care cost control with the private sector, through voluntary hospital cost guidelines and intensified monitoring. In the longer term, the health care reimbursement system must be reformed. We must move away from inflationary cost-based reimbursement and fee-for-service, and toward a system of prospective reimbursement, under which health care providers would operate within predetermined budgets. This reimbursement reform is essential to ultimately control inflation in health care costs, and will be a significant challenge to the new Congress.

HEALTH PROMOTION AND DISEASE PREVENTION

During my Administration, the Surgeon General released “Healthy People,” a landmark report on health promotion and disease prevention. The report signals the growing consensus that the Nation’s health strategy must be refocused in the 1980’s to emphasize the prevention of disease. Specifically, the report lays out measurable and achieveable goals in the reduction of mortality which can be reached by 1990.

I urge the new Congress to endorse the principles of “Healthy People,” and to adopt the recommendations to achieve its goals. This will necessitate adoption of a broader concept of health care, to include such areas as environmental health, workplace health

and safety, commercial product safety, traffic safety, and health education, promotion and information.

Page 2960

MATERNAL AND CHILD HEALTH

Ensuring a healthy start in life for children remains not only a high priority of my Administration, but also one of the most cost effective forms of health care.

When I took office, immunization levels for preventable childhood diseases had fallen to 70%. As a result of a concerted nationwide effort during my Administration, I am pleased to report that now at least 90% of children under 15, and virtually all school-age children are immunized. In addition, reported cases of measles and mumps are at their lowest levels ever.

Under the National Health Plan I have proposed, there would be no cost-sharing for prenatal and delivery services for all pregnant women and for acute care provided to infants in their first year of life. These preventive services have extremely high returns in terms of improved newborn and long-term child health.

Under the Child Health Assurance Program (*Chap*) legislation which I submitted to the Congress, and which passed the House, an additional two million low-income children under 18 would become eligible for Medicaid benefits, which would include special health assessments. *Chap* would also improve the continuity of care for the nearly 14 million children now eligible for Medicaid. An additional 100,000 low-income pregnant women would become eligible for prenatal care under the proposal. I strongly urge the new Congress to enact *Chap* and thereby provide millions of needy children with essential health services. The legislation has had strong bipartisan support, which should continue as the details of the bill are completed.

I also urge the new Congress to provide strong support for two highly successful ongoing programs: the special supplemental food program for women, infants and children (WIC) and Family Planning. The food supplements under WIC have been shown to effectively prevent ill health and thereby reduce later medical costs. The Family Planning program has been effective at reducing unwanted pregnancies among low-income women and adolescents.

EXPANSION OF SERVICES TO THE POOR AND UNDERSERVED

During my Administration, health services to the poor and underserved have been dramatically increased. The number of National Health Service Corps (NHSC) assignees providing services in medically underserved communities has grown from 500 in 1977 to nearly 3,000 in 1981. The population served by the NHSC has more than tripled since 1977. The number of Community Health Centers providing services in high priority underserved areas has doubled during my Administration, and will serve

an estimated six million people in 1981. I strongly urge the new Congress to support these highly successful programs.

MENTAL HEALTH

One of the most significant health achievements during my Administration was the recent passage of the Mental Health Systems Act, which grew out of recommendations of my Commission on Mental Health. I join many others in my gratitude to the First Lady for her tireless and effective contribution to the passage of this important legislation.

Page 2961

The Act is designed to inaugurate a new era of Federal and State partnership in the planning and provision of mental health services. In addition, the Act specifically provides for prevention and support services to the chronically mentally ill to prevent unnecessary institutionalization and for the development of community-based mental health services. I urge the new Congress to provide adequate support for the full and timely implementation of this Act.

HEALTH PROTECTION

With my active support, the Congress recently passed “Medigap” legislation, which provides for voluntary certification of health insurance policies supplemental to Medicare, to curb widespread abuses in this area.

In the area of toxic agent control, legislation which I submitted to the Congress recently passed. This will provide for a “super-fund” to cover hazardous waste cleanup costs.

In the area of accidental injury control, we have established automobile safety standards and increased enforcement activities with respect to the 55 MPH speed limit. By the end of the decade these actions are expected to save over 13,000 lives and 100,000 serious injuries each year.

I urge the new Congress to continue strong support for all these activities.

FOOD AND NUTRITION

Building on the comprehensive reform of the Food Stamp Program that I proposed and Congress passed in 1977, my Administration and the Congress worked together in 1979 and 1980 to enact several other important changes in the Program. These changes will further simplify administration and reduce fraud and error, will make the program more responsive to the needs of the elderly and disabled, and will increase the cap on allowable program expenditures. The Food Stamp Act will expire at the end of fiscal 1981. It is essential that the new Administration and the Congress continue this program to ensure complete eradication of the debilitating malnutrition witnessed and documented among thousands of children in the 1960’s.

DRUG ABUSE PREVENTION

At the beginning of my Administration there were over a half million heroin addicts in the United States. Our continued emphasis on reducing the supply of heroin, as well as providing treatment and rehabilitation to its victims, has reduced the heroin addict population, reduced the number of heroin overdose deaths by 80%, and reduced the number of heroin related injuries by 50%. We have also seen and encouraged a

national movement of parents and citizens committed to reversing the very serious and disturbing trends of adolescent drug abuse.

Page 2962

Drug abuse in many forms will continue to detract, however, from the quality of life of many Americans. To prevent that, I see four great challenges in the years ahead. First, we must deal aggressively with the supplies of illegal drugs at their source, through joint crop destruction programs with foreign nations and increased law enforcement and border interdiction. Second, we must look to citizens and parents across the country to help educate the increasing numbers of American youth who are experimenting with drugs to the dangers of drug abuse. Education is a key factor in reducing drug abuse. Third, we must focus our efforts on drug and alcohol abuse in the workplace for not only does this abuse contribute to low productivity but it also destroys the satisfaction and sense of purpose all Americans can gain from the work experience. Fourth, we need a change in attitude, from an attitude which condones the casual use of drugs to one that recognizes the appropriate use of drugs for medical purposes and condemns the inappropriate and harmful abuse of drugs. I hope the Congress and the new Administration will take action to meet each of these challenges.

EDUCATION

The American people have always recognized that education is one of the soundest investments they can make. The dividends are reflected in every dimension of our national life—from the strength of our economy and national security to the vitality of our music, art, and literature. Among the accomplishments that have given me the most satisfaction over the last four years are the contributions that my Administration has been able to make to the well-being of students and educators throughout the country.

This Administration has collaborated successfully with the Congress on landmark education legislation. Working with the Congressional leadership, my Administration spotlighted the importance of education by creating a new Department of Education. The Department has given education a stronger voice at the Federal level, while at the same time reserving the actual control and operation of education to states, localities, and private institutions. The Department has successfully combined nearly 150 Federal education programs into a cohesive, streamlined organization that is more responsive to the needs of educators and students. The Department has made strides to cut red tape and paperwork and thereby to make the flow of Federal dollars to school districts and institutions of higher education more efficient. It is crucial that the Department be kept intact and strengthened.

Page 2963

Our collaboration with the Congress has resulted in numerous other important legislative accomplishments for education. A little over two years ago, I signed into law on the same day two major bills—one benefiting elementary and secondary education and the other, postsecondary education. The Education Amendments of 1978 embodied nearly all of my Administration's proposals for improvements in the Elementary and Secondary Education Act, including important new programs to improve students' achievement in the basic skills and to aid school districts with exceptionally high concentrations of children from low-income families. The Middle Income Student Assistance Act, legislation jointly sponsored by this Administration and the Congressional leadership, expanded eligibility for need-based Basic Educational Opportunity Grants to approximately one-third of the students enrolled in post-secondary education and made many more students eligible for the first time for other types of grants, work-study, and loans.

Just three and a half months ago, my Administration and the Congress successfully concluded over two years of work on a major reauthorization bill that further expands benefits to postsecondary education. Reflected in the Education Amendments of 1980 are major Administration recommendations for improvements in the Higher Education Act—including proposals for better loan access for students; a new parent loan program; simplified application procedures for student financial aid; a strengthened Federal commitment to developing colleges, particularly the historically Black institutions; a new authorization for equipment and facilities modernization funding for the nation's major research universities; and revitalized international education programs.

Supplementing these legislative accomplishments have been important administrative actions aimed at reducing paperwork and simplifying regulations associated with Federal education programs. We also launched major initiatives to reduce the backlog of defaulted student loans and otherwise to curb fraud, abuse, and waste in education programs.

To insure that the education enterprise is ready to meet the scientific and technological changes of the future, we undertook a major study of the status of science and engineering education throughout the nation. I hope that the findings from this report will serve as a springboard for needed reforms at all levels of education.

I am proud that this Administration has been able to provide the financial means to realize many of our legislative and administrative goals. Compared to the previous administration's last budget, I have requested the largest overall increase in Federal funding for education in our nation's history. My budget requests have been particularly sensitive to the needs of special populations like minorities, women, the educationally and economically disadvantaged, the handicapped, and students with limited English-speaking ability. At the same time, I have requested significant increases for many programs designed to enhance the quality of American education, including programs

relating to important areas as diverse as international education, research libraries, museums, and teacher centers.

Page 2964

Last year, I proposed to the Congress a major legislative initiative that would direct $2 billion into education and job training programs designed to alleviate youth unemployment through improved linkages between the schools and the work place. This legislation generated bipartisan support; but unfortunately, action on it was not completed in the final, rushed days of the 96th Congress. I urge the new Congress—as it undertakes broad efforts to strengthen the economy as well as more specific tasks like reauthorizing the Vocational Education Act—to make the needs of our nation's unemployed youth a top priority for action. Only by combining a basic skills education program together with work training and employment incentives can we make substantial progress in eliminating one of the most severe social problems in our nation—youth unemployment, particularly among minorities. I am proud of the progress already made through passage of the Youth Employment and Demonstration Project Act of 1977 and the substantial increase in our investment in youth employment programs. The new legislation would cap these efforts.

INCOME SECURITY SOCIAL SECURITY

One of the highest priorities of my Administration has been to continue the tradition of effectiveness and efficiency widely associated with the social security program, and to assure present and future beneficiaries that they will receive their benefits as expected. The earned benefits that are paid monthly to retired and disabled American workers and their families provide a significant measure of economic protection to millions of people who might otherwise face retirement or possible disability with fear. I have enacted changes to improve the benefits of many social security beneficiaries during my years as President.

The last four years have presented a special set of concerns over the financial stability of the social security system. Shortly after taking office I proposed and Congress enacted legislation to protect the stability of the old age and survivors trust fund and prevent the imminent exhaustion of the disability insurance trust fund, and to correct a flaw in the benefit formula that was threatening the long run health of the entire social security system. The actions taken by the Congress at my request helped stabilize the system. That legislation was later complemented by the Disability Insurance Amendments of 1980 which further bolstered the disability insurance program, and reduced certain inequities among beneficiaries.

Page 2965

My commitment to the essential retirement and disability protection provided to 35 million people each month has been demonstrated by the fact that without interruption those beneficiaries have continued to receive their social security benefits, including annual cost of living increases. Changing and unpredictable economic circumstances require that we continue to monitor the financial stability of the social security system. To correct anticipated short-term strains on the system, I proposed last year that the three funds be allowed to borrow from one another, and I urge the Congress again this year to adopt such interfund borrowing. To further strengthen the social security system and provide a greater degree of assurance to beneficiaries, given projected future economic uncertainties, additional action should be taken. Among the additional financing options available are borrowing from the general fund, financing half of the hospital insurance fund with general revenues, and increasing the payroll tax rate. The latter option is particularly unpalatable given the significant increase in the tax rate already mandated in law.

This Administration continues to oppose cuts in basic social security benefits and taxing social security benefits. The Administration continues to support annual indexing of social security benefits.

WELFARE REFORM

In 1979 I proposed a welfare reform package which offers solutions to some of the most urgent problems in our welfare system. This proposal is embodied in two bills, The Work and Training Opportunities Act and The Social Welfare Reform Amendments Act. The House passed the second of these two proposals. Within the framework of our present welfare system, my reform proposals offer achievable means to increase self-sufficiency through work rather than welfare, more adequate assistance to people unable to work, the removal of inequities in coverage under current programs, and fiscal relief needed by States and localities.

Our current welfare system is long overdue for serious reform; the system is wasteful and not fully effective. The legislation I have proposed will help eliminate inequities by establishing a national minimum benefit, and by directly relating benefit levels to the poverty threshold. It will reduce program complexity, which leads to inefficiency and waste, by simplifying and coordinating administration among different programs.

I urge the Congress to take action in this area along the lines I have recommended.

CHILD WELFARE

My Administration has worked closely with the Congress on legislation which is designed to improve greatly the child welfare services and foster care programs and to

create a Federal system of adoption assistance. These improvements will be achieved with the recent enactment of H.R. 3434, the Adoption Assistance and Child Welfare Act of 1980. The well-being of children in need of homes and their permanent placement have been a primary concern of my Administration. This legislation will ensure that children are not lost in the foster care system, but instead will be returned to their families where possible or placed in permanent adoptive homes.

Page 2966

LOW-INCOME ENERGY ASSISTANCE

In 1979 I proposed a program to provide an annual total of $1.6 billion to low-income households which are hardest hit by rising energy bills. With the cooperation of Congress, we were able to move quickly to provide assistance to eligible households in time to meet their winter heating bills.

In response to the extreme heat conditions affecting many parts of the country during 1980, I directed the Community Services Administration to make available over $27 million to assist low-income individuals, especially the elderly, facing life threatening circumstances due to extreme heat.

Congress amended and reauthorized the low-income energy assistance program for fiscal year 1981, and provided $1.85 billion to meet anticipated increasing need. The need for a program to help low-income households with rising energy expenses will not abate in the near future. The low-income energy assistance program should be reauthorized to meet those needs.

HOUSING

For the past 14 months, high interest rates have had a severe impact on the nation's housing market. Yet the current pressures and uncertainties should not obscure the achievements of the past four years.

Working with the Congress, the regulatory agencies, and the financial community, my Administration has brought about an expanded and steadier flow of funds into home mortgages. Deregulation of the interest rates payable by depository institutions, the evolution of variable and renegotiated rate mortgages, development of high yielding savings certificates, and expansion of the secondary mortgage market have all increased housing's ability to attract capital and have assured that mortgage money would not be cut off when interest rates rose. These actions will diminish the cyclicality of the housing industry. Further, we have secured legislation updating the Federal Government's emergency authority to provide support for the housing industry through the Brooke-Cranston program, and creating a new Section 235 housing stimulus program. These tools will enable the Federal Government to deal quickly and effectively with serious distress in this critical industry.

We have also worked to expand homeownership opportunities for Americans. By using innovative financing mechanisms, such as the graduated payment mortgage, we have increased the access of middle income families to housing credit. By revitalizing the Section 235 program, we have enabled nearly 100,000 moderate income households to purchase new homes. By reducing paperwork and regulation in Federal programs, and

by working with State and local governments to ease the regulatory burden, we have helped to hold down housing costs and produce affordable housing.

As a result of these governmentwide efforts, 5 1/2 million more American families bought homes in the past four years than in any equivalent period in history. And more than 7 million homes have begun construction during my Administration, 1 million more than in the previous four years.

Page 2967

We have devoted particular effort to meeting the housing needs of low and moderate income families. In the past four years, more than 1 million subsidized units have been made available for occupancy by lower income Americans and more than 600,000 assisted units have gone into construction. In addition, we have undertaken a series of measures to revitalize and preserve the nation's 2 million units of public and assisted housing.

For Fiscal Year 1982, I am proposing to continue our commitment to lower income housing. I am requesting funds to support 260,000 units of Section 8 and public housing, maintaining these programs at the level provided by Congress in Fiscal 1981.

While we have made progress in the past four years, in the future there are reasons for concern. Home price inflation and high interest rates threaten to put homeownership out of reach for first-time homebuyers. Lower income households, the elderly and those dependent upon rental housing face rising rents, low levels of rental housing construction by historic standards, and the threat of displacement due to conversion to condominiums and other factors. Housing will face strong competition for investment capital from the industrial sector generally and the energy industries, in particular.

To address these issues, I appointed a Presidential Task Force and Advisory Group last October. While this effort will not proceed due to the election result, I hope the incoming Administration will proceed with a similar venture.

The most important action government can take to meet America's housing needs is to restore stability to the economy and bring down the rate of inflation. Inflation has driven up home prices, operating costs and interest rates. Market uncertainty about inflation has contributed to the instability in interest rates, which has been an added burden to homebuilders and homebuyers alike. By making a long-term commitment to provide a framework for greater investment, sustained economic growth, and price stability, my Administration has begun the work of creating a healthy environment for housing.

TRANSPORTATION

With the passage of the Airline Deregulation Act of 1978, the Motor Carrier Act of 1980, and the Harley O. Staggers Rail Act of 1980, my Administration, working with the Congress, has initiated a new era of reduced regulation of transportation industries. Deregulation will lead to increased productivity and operating efficiencies in the industries involved, and stimulate price and service competition, to the benefit of consumers generally. I urge the new Administration to continue our efforts on behalf of deregulation legislation for the intercity passenger bus industry as well.

In the coming decade, the most significant challenge facing the nation in transportation services will be to improve a deteriorating physical infrastructure of roadways, railroads,

waterways and mass transit systems, in order to conserve costly energy supplies while promoting effective transportation services.

Page 2968

HIGHWAYS

Our vast network of highways, which account for 90 percent of travel and 80 percent by value of freight traffic goods movement, is deteriorating. If current trends continue, a major proportion of the Interstate pavement will have deteriorated by the end of the 1980's.

Arresting the deterioration of the nation's system of highways is a high priority objective for the 1980's. We must reorient the Federal mission from major new construction projects to the stewardship of the existing Interstate Highway System. Interstate gaps should be judged on the connections they make and on their compatibility with community needs.

During this decade, highway investments will be needed to increase productivity, particularly in the elimination of bottlenecks, provide more efficient connections to ports and seek low-cost solutions to traffic demand.

My Administration has therefore recommended redefining completion of the Interstate system, consolidating over 27 categorical assistance programs into nine, and initiating a major repair and rehabilitation program for segments of the Interstate system. This effort should help maintain the condition and performance of the Nation's highways, particularly the Interstate and primary system; provide a realistic means to complete the Interstate system by 1990; ensure better program delivery through consolidation, and assist urban revitalization. In addition, the Congress must address the urgent funding problems of the highway trust fund, and the need to generate greater revenues.

MASS TRANSIT

In the past decade the nation's public transit systems' ridership increased at an annual average of 1.1% each year in the 1970's (6.9% in 1979). Continued increases in the cost of fuel are expected to make transit a growing part of the nation's transportation system.

As a result, my Administration projected a ten year, $43 billion program to increase mass transit capacity by 50 percent, and promote more energy efficient vehicle uses in the next decade. The first part of this proposal was the five year, $24.7 billion Urban Mass Transportation Administration reauthorization legislation I sent to the Congress in March, 1980. I urge the 97th Congress to quickly enact this or similar legislation in 1981.

My Administration was also the first to have proposed and signed into law a non-urban formula grant program to assist rural areas and small communities with public transportation programs to end their dependence on the automobile, promote energy

conservation and efficiency, and provide transportation services to impoverished rural communities.

Page 2969

A principal need of the 1980's will be maintaining mobility for all segments of the population in the face of severely increasing transportation costs and uncertainty of fuel supplies. We must improve the flexibility of our transportation system and offer greater choice and diversity in transportation services. While the private automobile will continue to be the principal means of transportation for many Americans, public transportation can become an increasingly attractive alternative. We, therefore, want to explore a variety of paratransit modes, various types of buses, modern rapid transit, regional rail systems and light rail systems.

Highway planning and transit planning must be integrated and related to State, regional, district and neighborhood planning efforts now in place or emerging. Low density development and land use threaten the fiscal capacity of many communities to support needed services and infrastructure.

ELDERLY AND HANDICAPPED TRANSPORTATION

Transportation policies in the 1980's must pay increasing attention to the needs of the elderly and handicapped. By 1990, the number of people over 65 will have grown from today's 19 million to 27 million. During the same period, the number of handicapped—-people who have difficulty using transit as well as autos, including the elderly—is expected to increase from 9 to 11 million, making up 4.5 percent of the population.

We must not retreat from a policy that affords a significant and growing portion of our population accessible public transportation while recognizing that the handicapped are a diverse group and will need flexible, door-to-door service where regular public transportation will not do the job.

RAILROADS

In addition, the Federal government must reassess the appropriate Federal role of support for passenger and freight rail services such as Amtrak and Conrail. Our goal through federal assistance should be to maintain and enhance adequate rail service, where it is not otherwise available to needy communities. But Federal subsidies must be closely scrutinized to be sure they are a stimulus to, and not a replacement for, private investment and initiative. Federal assistance cannot mean permanent subsidies for unprofitable operations.

WATERWAYS AND RURAL TRANSPORTATION

There is a growing need in rural and small communities for improved transportation services. Rail freight service to many communities has declined as railroads abandon unproductive branch lines. At the same time, rural roads are often inadequate to handle

large, heavily-loaded trucks. The increased demand for “harvest to harbor” service has also placed an increased burden on rural transportation systems, while bottlenecks along the Mississippi River delay grain shipments to the Gulf of Mexico.

Page 2970

We have made some progress:

—To further develop the nation's waterways, my Administration began construction of a new 1,200 foot lock at the site of Lock and Dam 26 on the Mississippi River. When opened in 1987, the new lock will have a capacity of 86 million tons per year, an 18 percent increase over the present system. The U.S. Army Corps of Engineers has also undertaken studies to assess the feasibility of expanding the Bonneville Locks. Rehabilitation of John Day Lock was begun in 1980 and should be completed in 1982. My Administration also supports the completion of the Upper Mississippi River Master Plan to determine the feasibility of constructing a second lock at Alton, Illinois. These efforts will help alleviate delays in transporting corn, soybeans and other goods along the Mississippi River to the Gulf of Mexico.

—The Department of Transportation's new Small Community and Rural Transportation Policy will target federal assistance for passenger transportation, roads and highways, truck service, and railroad freight service to rural areas. This policy implements and expands upon the earlier White House Initiative, "Improving Transportation in Rural America," announced in June, 1979, and the President's "Small Community and Rural Development Policy" announced in December, 1979. The Congress should seek ways to balance rail branch line abandonment with the service needs of rural and farm communities, provide financial assistance to rail branch line rehabilitation where appropriate, assist shippers to adjust to rail branch line abandonment where it takes place, and help make it possible for trucking firms to serve light density markets with dependable and efficient trucking services.

MARITIME POLICY

During my Administration I have sought to ensure that the U.S. maritime industry will not have to function at an unfair competitive disadvantage in the international market. As I indicated in my maritime policy statement to the Congress in July, 1979, the American merchant marine is vital to our Nation's welfare, and Federal actions should promote rather than harm it. In pursuit of this objective, I signed into law the Controlled Carrier Act of 1978, authorizing the Federal Maritime Commission to regulate certain rate cutting practices of some state-controlled carriers, and recently signed a bilateral maritime agreement with the People's Republic of China that will expand the access of American ships to 20 specified Chinese ports, and set aside for American-flag ships a substantial share (at least one-third) of the cargo between our countries. This agreement should officially foster expanded U.S. and Chinese shipping services linking the two countries, and will provide further momentum to the growth of Sino-American trade.

There is also a need to modernize and expand the dry bulk segment of our fleet. Our heavy dependence on foreign carriage of U.S.-bulk cargoes deprives the U.S. economy

of seafaring and shipbuilding jobs, adds to the balance-of-payments deficit, deprives the Government of substantial tax revenues, and leaves the United States dependent on foreign-flag shipping for a continued supply of raw materials to support the civil economy and war production in time of war.

Page 2971

I therefore sent to the Congress proposed legislation to strengthen this woefully weak segment of the U.S.-flag fleet by removing certain disincentives to U.S. construction of dry bulkers and their operation under U.S. registry. Enactment of this proposed legislation would establish the basis for accelerating the rebuilding of the U.S.-flag dry bulk fleet toward a level commensurate with the position of the United States as the world's leading bulk trading country.

During the past year the Administration has stated its support for legislation that would provide specific Federal assistance for the installation of fuel-efficient engines in existing American ships, and would strengthen this country's shipbuilding mobilization base. Strengthening the fleet is important, but we must also maintain our shipbuilding base for future ship construction.

Provisions in existing laws calling for substantial or exclusive use of American-flag vessels to carry cargoes generated by the Government must be vigorously pursued.

I have therefore supported requirements that 50 percent of oil purchased for the strategic petroleum reserve be transported in U.S.-flag vessels, that the Cargo Preference Act be applied to materials furnished for the U.S. assisted construction of air bases in Israel, and to cargoes transported pursuant to the Chrysler Corporation Loan Guarantee Act. In addition, the deep Seabed Hard Mineral Resources Act requires that at least one ore carrier per mine site be a U.S.-flag vessel.

Much has been done, and much remains to be done. The FY 1982 budget includes a $107 million authorization for Construction Differential Subsidy ("CDS") funds which, added to the unobligated CDS balance of $100 million from 1980, and the recently enacted $135 million 1981 authorization, will provide an average of $171 million in CDS funds in 1981 and 1982.

COAL EXPORT POLICY

While significant growth in foreign demand for U.S. steam coal is foreseen, congestion at major U.S. coal exporting ports such as Hampton Roads, Virginia, and Baltimore, Maryland, could delay and impede exports.

My Administration has worked through the Interagency Coal Task Force Study, which I created, to promote cooperation and coordination of resources between shippers, railroads, vessel broker/ operators and port operators, and to determine the most appropriate Federal role in expanding and modernizing coal export facilities, including dredging deeper channels at selected ports.

Some progress has already been made. In addition to action taken by transshippers to reduce the number of coal classifications used whenever possible, by the Norfolk and

Western Railroad to upgrade its computer capability to quickly inventory its coal cars in its yards, and by the Chessie Railroad which is reactivating Pier 15 in Newport News and has established a berth near its Curtis Bay Pier in Baltimore to decrease delays in vessel berthing, public activities will include:

Page 2972

—A $26.5 million plan developed by the State of Pennsylvania and Conrail to increase Conrail's coal handling capacity at Philadelphia;

—A proposal by the State of Virginia to construct a steam coal port on the Craney Island Disposal area in Portsmouth harbor;

—Plans by Mobile, Alabama, which operates the only publicly owned coal terminal in the U.S. to enlarge its capacity at McDuffie Island to 10 million tons ground storage and 100 car unit train unloading capability;

—Development at New Orleans of steam coal facilities that are expected to add over 20 million tons of annual capacity by 1983; and

—The Corps of Engineers, working with other interested Federal agencies, will determine which ports should be dredged, to what depth and on what schedule, in order to accommodate larger coal carrying vessels.

Private industry will, of course, play a major role in developing the United States' coal export facilities. The new Administration should continue to work to eliminate transportation bottlenecks that impede our access to foreign markets.

Special Needs

WOMEN

The past four years have been years of rapid advancement for women. Our focus has been two-fold: to provide American women with a full range of opportunities and to make them a part of the mainstream of every aspect of our national life and leadership.

I have appointed a record number of women to judgeships and to top government posts. Fully 22 percent of all my appointees are women, and I nominated 41 of the 46 women who sit on the Federal bench today. For the first time in our history, women occupy policymaking positions at the highest level of every Federal agency and department and have demonstrated their ability to serve our citizens well.

We have strengthened the rights of employed women by consolidating and strengthening enforcement of sex discrimination laws under the EEOC, by expanding employment rights of pregnant women through the Pregnancy Disability Bill, and by increasing federal employment opportunities for women through civil service reform, and flexi-time and part-time employment.

By executive order, I created the first national program to provide women businessowners with technical assistance, grants, loans, and improved access to federal contracts.

We have been sensitive to the needs of women who are homemakers. I established an Office of Families within HHS and sponsored the White House Conference on Families. We initiated a program targeting CETA funds to help displaced homemakers. The Social Security system was amended to eliminate the widow's penalty and a comprehensive study of discriminatory provisions and possible changes was presented to Congress. Legislation was passed to give divorced spouses of foreign service officers rights to share in pension benefits.

Page 2973

We created an office on domestic violence within HHS to coordinate the 12 agencies that now have domestic violence relief programs, and to distribute information on the problem and the services available to victims.

Despite a stringent budget for FY 1981, the Administration consistently supported the Women's Educational Equity Act and family planning activities, as well as other programs that affect women, such as food stamps, WIC, and social security.

We have been concerned not only about the American woman's opportunities, but ensuring equality for women around the world. In November, 1980, I sent to the Senate the Convention on the Elimination of All Forms of Discrimination Against Women. This United Nations document is the most comprehensive and detailed international agreement which seeks the advancement of women.

On women's issues, I have sought the counsel of men and women in and out of government and from all regions of our country. I established two panels— the President's Advisory Committee for Women and the Interdepartmental Task Force on Women—to advise me on these issues. The mandate for both groups expired on December 31, but they have left behind a comprehensive review of the status of women in our society today. That review provides excellent guidance for the work remaining in our battle against sex discrimination.

Even though we have made progress, much remains on the agenda for women. I remain committed to the Equal Rights Amendment and will continue to work for its passage. It is essential to the goal of bringing America's women fully into the mainstream of American life that the *era* be ratified.

The efforts begun for women in employment, business and education should be continued and strengthened. Money should be available to states to establish programs to help the victims of domestic violence. Congress should pass a national health care plan and a welfare reform program, and these measures should reflect the needs of women.

The talents of women should continue to be used to the fullest inside and outside of government, and efforts should continue to see that they have the widest range of opportunities and options.

HANDICAPPED

I hope that my Administration will be remembered in this area for leading the way toward full civil rights for handicapped Americans. When I took office, no federal agency had yet issued 504 regulations. As I leave office, this first step by every major agency and department in the federal government is almost complete. But it is only a first step.

The years ahead will require steadfast dedication by the President to protect and promote these precious rights in the classroom, in the workplace, and in all public facilities so that handicapped individuals may join the American mainstream and contribute to the fullest their resources and talents to our economic and social life.

Page 2974

Just as we supported, in an unprecedented way, the civil rights of disabled persons in schools and in the workplace, other initiatives in health prevention, such as our immunization and nutrition programs for young children and new intense efforts to reverse spinal cord injury, must continue so that the incidence of disability continues to decline.

This year is the U.N.-declared International Year of Disabled Persons. We are organizing activities to celebrate and promote this important commemorative year within the government as well as in cooperation with private sector efforts in this country and around the world. The International Year will give our country the opportunity to recognize the talents and capabilities of our fellow citizens with disabilities. We can also share our rehabilitation and treatment skills with other countries and learn from them as well. I am proud that the United States leads the world in mainstreaming and treating disabled people. However, we have a long way to go before all psychological and physical barriers to disabled people are torn down and they can be full participants in our American way of life. We must pledge our full commitment to this goal during the International Year.

FAMILIES

Because of my concern for American families, my Administration convened last year the first White House Conference on Families which involved seven national hearings, over 506 state and local events, three White House Conferences, and the direct participation of more than 125,000 citizens. The Conference reaffirmed the centrality of families in our lives and nation but documented problems American families face as well. We also established the Office of Families within the Department of Health and Human Services to review government policies and programs that affect families.

I expect the departments and agencies within the executive branch of the Federal government as well as Members of Congress, corporate and business leaders, and State and local officials across the country, to study closely the recommendations of the White House Conference and implement them appropriately. As public policy is developed and implemented by the Federal government, cognizance of the work of the Conference should be taken as a pragmatic and essential step.

The Conference has done a good job of establishing an agenda for action to assure that the policies of the Federal government are more sensitive in their impact on families. I hope the Congress will review and seriously consider the Conference's recommendations.

OLDER AMERICANS

Page 2975

My Administration has taken great strides toward solving the difficult problems faced by older Americans. Early in my term we worked successfully with the Congress to assure adequate revenues for the Social Security Trust Funds. And last year the strength of the Social Security System was strengthened by legislation I proposed to permit borrowing among the separate trust funds. I have also signed into law legislation prohibiting employers from requiring retirement prior to age 70, and removing mandatory retirement for most Federal employees. In addition, my Administration worked very closely with Congress to amend the Older Americans Act in a way that has already improved administration of its housing, social services, food delivery, and employment programs.

This year, I will be submitting to Congress a budget which again demonstrates my commitment to programs for the elderly. It will include, as my previous budgets have, increased funding for nutrition, senior centers and home health care, and will focus added resources on the needs of older Americans.

With the 1981 White House Conference on Aging approaching, I hope the new Administration will make every effort to assure an effective and useful conference. This Conference should enable older Americans to voice their concerns and give us guidance in our continued efforts to ensure the quality of life so richly deserved by our senior citizens.

REFUGEES

We cannot hope to build a just and humane society at home if we ignore the humanitarian claims of refugees, their lives at stake, who have nowhere else to turn. Our country can be proud that hundreds of thousands of people around the world would risk everything they have—including their own lives—to come to our country.

This Administration initiated and implemented the first comprehensive reform of our refugee and immigration policies in over 25 years. We also established the first refugee coordination office in the Department of State under the leadership of a special ambassador and coordinator for refugee affairs and programs. The new legislation and the coordinator's office will bring common sense and consolidation to our Nation's previously fragmented, inconsistent, and in many ways, outdated, refugee and immigration policies.

With the unexpected arrival of thousands of Cubans and Haitians who sought refuge in our country last year, outside of our regular immigration and refugee admissions process, our country and its government were tested in being compassionate and responsive to a major human emergency. Because we had taken steps to reorganize our refugee programs, we met that test successfully. I am proud that the American people responded to this crisis with their traditional good will and hospitality. Also, we

would never have been able to handle this unprecedented emergency without the efforts of the private resettlement agencies who have always been there to help refugees in crises.

Page 2976

Immigrants to this country always contribute more toward making our country stronger than they ever take from the system. I am confident that the newest arrivals to our country will carry on this tradition.

While we must remain committed to aiding and assisting those who come to our shores, at the same time we must uphold our immigration and refugee policies and provide adequate enforcement resources. As a result of our enforcement policy, the illegal flow from Cuba has been halted and an orderly process has been initiated to make certain that our refugee and immigration laws are honored.

This year the Select Commission on Immigration and Refugee Policy will complete its work and forward its advice and recommendations. I hope that the recommendations will be carefully considered by the new Administration and the Congress, for it is clear that we must take additional action to keep our immigration policy responsive to emergencies and ever changing times.

VETERANS

This country and its leadership has a continuing and unique obligation to the men and women who served their nation in the armed forces and help maintain or restore peace in the world.

My commitment to veterans, as evidenced by my record, is characterized by a conscientious and consistent emphasis in these general areas:

First, we have worked to honor the Vietnam veteran. During my Administration, and under the leadership of *Va* Administrator Max Cleland, I was proud to lead our country in an overdue acknowledgement of our Nation's gratitude to the men and women who served their country during the bitter war in Southeast Asia. Their homecoming was deferred and seemed doomed to be ignored. Our country has matured in the last four years and at long last we were able to separate the war from the warrior and honor these veterans. But with our acknowledgement of their service goes an understanding that some Vietnam veterans have unique needs and problems.

My Administration was able to launch a long sought after psychological readjustment and outreach program, unprecedented in its popularity, sensitivity and success. This program must be continued. The Administration has also grappled with the difficult questions posed by some veterans who served in Southeast Asia and were exposed to potentially harmful substances, including the herbicide known as Agent Orange. We have launched scientific inquiries that should answer many veterans' questions about their health and should provide the basis for establishing sound compensation policy. We cannot rest until their concerns are dealt with in a sensitive, expeditious and compassionate fashion.

Page 2977

Second, we have focused the *Va* health care system in the needs of the service-connected disabled veteran. We initiated and are implementing the first reform of the *Va* vocational rehabilitation system since its inception in 1943. Also, my Administration was the first to seek a cost-of-living increase for the recipients of *Va* compensation every year. My last budget also makes such a request. The Administration also launched the Disabled Veterans Outreach Program in the Department of Labor which has successfully placed disabled veterans in jobs. Services provided by the *Va* health care system will be further targeted to the special needs of disabled veterans during the coming year.

Third, the *Va* health care system, the largest in the free world, has maintained its independence and high quality during my Administration. We have made the system more efficient and have therefore treated more veterans than ever before by concentrating on out-patient care and through modern management improvements. As the median age of the American veteran population increases, we must concentrate on further changes within the *Va* system to keep it independent and to serve as a model to the nation and to the world as a center for research, treatment and rehabilitation.

Government Assistance

GENERAL AID TO STATE AND LOCAL GOVERNMENTS

Since taking office, I have been strongly committed to strengthening the fiscal and economic condition of our Nation's State and local governments. I have accomplished this goal by encouraging economic development of local communities, and by supporting the General Revenue Sharing and other essential grant-in-aid programs.

GRANTS-IN-AID TO STATES AND LOCALITIES

During my Administration, total grants-in-aid to State and local governments have increased by more than 40 percent, from $68 billion in Fiscal Year 1977 to $96 billion in Fiscal Year 1981. This significant increase in aid has allowed States and localities to maintain services that are essential to their citizens without imposing onerous tax burdens. It also has allowed us to establish an unprecedented partnership between the leaders of the Federal government and State and local government elected officials.

GENERAL REVENUE SHARING

Last year Congress enacted legislation that extends the General Revenue Sharing program for three more years. This program is the cornerstone of our efforts to maintain

the fiscal health of our Nation's local government. It will provide $4.6 billion in each of the next three years to cities, counties and towns. This program is essential to the continued ability of our local governments to provide essential police, fire and sanitation services.

Page 2978

This legislation renewing GRS will be the cornerstone of Federal-State-local government relations in the 1980's. This policy will emphasize the need for all levels of government to cooperate in order to meet the needs of the most fiscally strained cities and counties, and also will emphasize the important role that GRS can play in forging this partnership. I am grateful that Congress moved quickly to assure that our Nation's localities can begin the 1980's in sound fiscal condition.

COUNTER-CYCLICAL ASSISTANCE

Last year, I proposed that Congress enact a $1 billion counter-cyclical fiscal assistance program to protect States and localities from unexpected changes in the national economy. This program unfortunately was not enacted by the [full] Congress. I, therefore, have not included funding for counter-cyclical aid in my Fiscal Year 1982 budget. Nevertheless, I urge Congress to enact a permanent stand-by counter-cyclical program, so that States and cities can be protected during the next economic downturn.

URBAN POLICY

Three years ago, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, sixteen of these bills have now been signed into law.

ECONOMIC DEVELOPMENT

One of the principal goals of my domestic policy has been to strengthen the private sector economic base of our Nation's economically troubled urban and rural areas. With Congress' cooperation, we have substantially expanded the Federal government's economic development programs and provided new tax incentives for private investment in urban and rural communities. These programs have helped many communities to attract new private sector jobs and investments and to retain the jobs and investments that already are in place.

When I took office, the Federal government was spending less than $300 million annually on economic development programs, and only $60 million of those funds in our Nation's urban areas. Since that time, we have created the Urban Development Action Grant (UDAG) program and substantially expanded the economic development programs in the Commerce Department. My FY 1982 budget requests more than $1.5 billion for economic development grants, loans and interest subsidies and almost $1.5 billion for loan guarantees. Approximately 60 percent of these funds will be spent in our

Nation's urban areas. In addition, we have extended the 10 percent investment credit to include rehabilitation of existing industrial facilities as well as new construction.

I continue to believe that the development of private sector investment and jobs is the key to revitalizing our Nation's economically depressed urban and rural areas. To ensure that the necessary economic development goes forward, the Congress must continue to provide strong support for the UDAG program and the programs for the Economic Development Administration. Those programs provide a foundation for the economic development of our Nation in the 1980's.

Page 2979

COMMUNITY DEVELOPMENT

The partnership among Federal, State and local governments to revitalize our Nation's communities has been a high priority of my Administration. When I took office, I proposed a substantial expansion of the Community Development Block Grant (CDBG) program and the enactment of a new $400 million Urban Development Action Grant (UDAG) program. Both of these programs have provided essential community and economic development assistance to our Nation's cities and counties.

Last year, Congress reauthorized both the CDBG and UDAG programs. The CDBG program was reauthorized for three more years with annual funding increases of $150 million, and the UDAG program was extended for three years at the current funding level of $675 million annually. My 1982 budget requests full funding for both of these programs. These actions should help our Nation's cities and counties to continue the progress they have made in the last three years.

NEIGHBORHOODS

During my Administration we have taken numerous positive steps to achieve a full partnership of neighborhood organizations and government at all levels. We have successfully fought against red lining and housing discrimination. We created innovative Self Help funding and technical resource transfer mechanisms. We have created unique methods of access for neighborhood organizations to have a participating role in Federal and State government decision-making. Neighborhood based organizations are the threshold of the American community.

The Federal government will need to develop more innovative and practical ways for neighborhood based organizations to successfully participate in the identification and solution of local and neighborhood concerns. Full partnership will only be achieved with the knowing participation of leaders of government, business, education and unions. Neither state nor Federal solutions imposed from on high will suffice. Neighborhoods are the fabric and soul of this great land. Neighborhoods define the weave that has been used to create a permanent fabric. The Federal government must take every opportunity to provide access and influence to the individuals and organizations affected at the neighborhood level.

Rural Policy

Since the beginning of my Administration, I have been committed to improving the effectiveness with which the Federal government deals with the problems and needs of a rapidly changing rural America. The rapid growth of some rural areas has placed a heavy strain on communities and their resources. There are also persistent problems of

poverty and economic stagnation in other parts of rural America. Some rural areas continue to lose population, as they have for the past several decades.

In December, 1979, I announced the Small Community and Rural Development Policy. It was the culmination of several years' work and was designed to address the varying needs of our rural population. In 1980, my Administration worked with the Congress to pass the Rural Development Policy Act of 1980, which when fully implemented will allow us to meet the needs of rural people and their communities more effectively and more efficiently.

Page 2980

As a result of the policy and the accompanying legislation, we have:

—Created the position of Under Secretary of Agriculture for Small Community and Rural Development to provide overall leadership.

—Established a White House Working Group to assist in the implementation of the policy.

—Worked with more than 40 governors to form State rural development councils to work in partnership with the White House Working Group, and the Federal agencies, to better deliver State and Federal programs to rural areas.

—Directed the White House Working Group to annually review existing and proposed policies, programs, and budget levels to determine their adequacy in meeting rural needs and the fulfilling of the policy's objectives and principles.

This effort on the part of my Administration and the Congress has resulted in a landmark policy. For the first time, rural affairs has received the prominence it has always deserved. It is a policy that can truly help alleviate the diverse and differing problems rural America will face in the 1980's.

With the help and dedication of a great many people around the country who are concerned with rural affairs, we have constructed a mechanism for dealing effectively with rural problems. There is now a great opportunity to successfully combine Federal efforts with the efforts of rural community leaders and residents. It is my hope this spirit of cooperation and record of accomplishment will be continued in the coming years.

CONSUMERS

In September, 1979, I signed an Executive Order designed to strengthen and coordinate Federal consumer programs and to establish procedures to improve and facilitate consumer participation in government decision-making. Forty Federal agencies have adopted programs to comply with the requirements of the Order. These programs will improve complaint handling, provide better information to consumers, enhance opportunities for public participation in government proceedings, and assure that the consumer point of view is considered in all programs, policies, and regulations.

While substantial progress has been made in assuring a consumer presence in Federal agencies, work must continue to meet fully the goals of the Executive Order. Close monitoring of agency compliance with the requirements of the Order is necessary. Continued evaluation to assure that the programs are effective and making maximum use of available resources is also essential. As a complement to these initiatives, efforts to provide financial assistance in regulatory proceedings to citizen groups, small

businesses, and others whose participation is limited by their economic circumstances must continue to be pursued.

It is essential that consumer representatives in government pay particular attention to the needs and interests of low-income consumers and minorities. The Office of Consumer Affairs' publication, "People Power: What Communities Are Doing to Counter Inflation," catalogues some of the ways that government and the private sector can assist the less powerful in our society to help themselves. New ways should be found to help foster this new people's movement which is founded on the principle of self-reliance.

Page 2981

Science and Technology

Science and technology contribute immeasurably to the lives of all Americans. Our high standard of living is largely the product of the technology that surrounds us in the home or factory. Our good health is due in large part to our ever increasing scientific understanding. Our national security is assured by the application pate science and technology will bring.

The Federal government has a special role to play in science and technology. Although the fruits of scientific achievements surround us, it is often difficult to predict the benefits that will arise from a given scientific venture. And these benefits, even if predictable, do not usually lead to ownership rights. Accordingly, the Government has a special obligation to support science as an investment in our future.

My Administration has sought to reverse a decade-long decline in funding. Despite the need for fiscal restraint, real support of basic research has grown nearly 11% during my term in office. And, my Administration has sought to increase the support of long-term research in the variety of mission agencies. In this way, we can harness the American genius for innovation to meet the economic, energy, health, and security challenges that confront our nation.

—International Relations and National Security. Science and technology are becoming increasingly important elements of our national security and foreign policies. This is especially so in the current age of sophisticated defense systems and of growing dependence among all countries on modern technology for all aspects of their economic strength. For these reasons, scientific and technological considerations have been integral elements of the Administration's decision-making on such national security and foreign policy issues as the modernization of our strategic weaponry, arms control, technology transfer, the growing bilateral relationship with China, and our relations with the developing world.

Four themes have shaped U.S. policy in international scientific and technological cooperation: pursuit of new international initiatives to advance our own research and development objectives; development and strengthening of scientific exchange to bridge politically ideological, and cultural divisions between this country and other countries; formulation of programs and institutional relations to help developing countries use science and technology beneficially; and cooperation with other nations to manage technologies with local impact. At my direction, my Science and Technology Adviser has actively pursued international programs in support of these four themes. We have given special attention to scientific and technical relations with China, to new forms of scientific and technical cooperation with Japan, to cooperation with Mexico, other Latin American and Caribbean countries and several states in Black America, and to the proposed Institute for Scientific and Technological Cooperation.

Page 2982

In particular our cooperation with developing countries reflects the importance that each of them has placed on the relationship between economic growth and scientific and technological capability. It also reflects their view that the great strength of the U.S. in science and technology makes close relations with the U.S. technical community an especially productive means of enhancing this capability. Scientific and technological assistance is a key linkage between the U.S. and the developing world, a linkage that has been under-utilized in the past and one which we must continue to work to strengthen.

—Space Policy. The Administration has established a framework for a strong and evolving space program for the 1980's.

The Administration's space policy reaffirmed the separation of military space systems and the open civil space program, and at the same time, provided new guidance on technology transfer between the civil and military programs. The civil space program centers on three basic tenets: First, our space policy will reflect a balanced strategy of applications, science, and technology development. Second, activities will be pursued when they can be uniquely or more efficiently accomplished in space. Third, a premature commitment to a high challenge, space-engineering initiative of the complexity of Apollo is inappropriate. As the Shuttle development phases down, however, there will be added flexibility to consider new space applications, space science and new space exploration activities.

—Technology Development. The Shuttle dominates our technology development effort and correctly so. It represents one of the most sophisticated technological challenges ever undertaken, and as a result, has encountered technical problems. Nonetheless, the first manned orbital flight is now scheduled for March, 1981. I have been pleased to support strongly the necessary funds for the Shuttle throughout my Administration.

—Space Applications. Since 1972, the U.S. has conducted experimental civil remote sensing through Landsat satellites, thereby realizing many successful applications. Recognizing this fact, I directed the implementation of an operational civil land satellite remote sensing system, with the operational management responsibility in Commerce's National Oceanic and Atmospheric Administration. In addition, because ocean observations from space can meet common civil and military data requirements, a National Oceanic Satellite System has been proposed as a major FY 1981 new start.

—Space Science Exploration. The goals of this Administration's policy in space science have been to: (1) continue a vigorous program of planetary exploration to understand the origin and evolution of the solar system; (2) utilize the space telescope and free-flying satellites to usher in a new era of astronomy; (3) develop a better understanding of the sun and its interaction with the terrestrial environment; and (4) utilize the Shuttle and Spacelab to conduct basic research that complements earth-based life science investigations.

Page 2983

DISTRICT OF COLUMBIA

Washington, D.C., is home to both the Federal Government and to more than half a million American citizens. I have worked to improve the relationship between the Federal establishment and the Government of the District of Columbia in order to further the goals and spirit of home rule. The City controls more of its own destiny than was the case four years ago. Yet, despite the close cooperation between my Administration and that of Mayor Barry, we have not yet seen the necessary number of states ratify the Constitutional Amendment granting full voting representation in the Congress to the citizens of this city. It is my hope that this inequity will be rectified. The country and the people who inhabit Washington deserve no less.

THE ARTS

The arts are a precious national resource.

Federal support for the arts has been enhanced during my Administration by expanding government funding and services to arts institutions, individual artists, scholars, and teachers through the National Endowment for the Arts. We have broadened its scope and reach to a more diverse population. We have also reactivated the Federal Council on the Arts and Humanities.

It is my hope that during the coming years the new Administration and the Congress will:

—Continue support of institutions promoting development and understanding of the arts;

—Encourage business participants in a comprehensive effort to achieve a truly mixed economy of support for the arts;

—Explore a variety of mechanisms to nurture the creative talent of our citizens and build audiences for their work;

—Support strong, active National Endowments for the Arts;

—Seek greater recognition for the rich cultural tradition of the nation’s minorities;

—Provide grants for the arts in low-income neighborhoods.

THE HUMANITIES

In recently reauthorizing Federal appropriations for the National Endowment for the Humanities, the Congress has once again reaffirmed that “the encouragement and support of national progress and scholarship in the humanities . . . while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government” and that “a high civilization must not limit its efforts to science and technology alone but must give full value and support to the other great branches of man’s scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future.”

Page 2984

I believe we are in agreement that the humanities illuminate the values underlying important personal, social, and national questions raised in our society by its multiple links to and increasing dependence on technology, and by the diverse heritage of our many regions and ethnic groups. The humanities cast light on the broad issue of the role in a society of men and women of imagination and energy—those individuals who through their own example define “the spirit of the age,” and in so doing move nations. Our Government’s support for the humanities, within the framework laid down by the Congress, is a recognition of their essential nourishment of the life of the mind and vital enrichment of our national life.

I will be proposing an increase in funding this year sufficient to enable the Endowment to maintain the same level of support offered our citizens in Fiscal Year 1981.

In the allocation of this funding, special emphasis will be given to:

—Humanities education in the nation’s schools, in response to the great needs that have arisen in this area;

—Scholarly research designed to increase our understanding of the cultures, traditions, and historical forces at work in other nations and in our own;

—Drawing attention to the physical disintegration of the raw material of our cultural heritage—books, manuscripts, periodicals, and other documents—and to the development of techniques to prevent the destruction and to preserve those materials; and

—The dissemination of quality programming in the humanities to increasingly large American audiences through the use of radio and television.

The dominant effort in the Endowment’s expenditures will be a commitment to strengthen and promulgate scholarly excellence and achievement in work in the humanities in our schools, colleges, universities, libraries, museums and other cultural institutions, as well as in the work of individual scholars or collaborative groups engaged in advanced research in the humanities.

In making its grants the Endowment will increase its emphasis on techniques which stimulate support for the humanities from non-Federal sources, in order to reinforce our tradition of private philanthropy in this field, and to insure and expand the financial viability of our cultural institutions and life.

INSULAR AREAS

I have been firmly committed to self-determination for Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, and have vigorously

supported the realization of whatever political status aspirations are democratically chosen by their peoples. This principle was the keystone of the comprehensive territorial policy I sent the Congress last year. I am pleased that most of the legislative elements of that policy were endorsed by the 96th Congress.

Page 2985

The unique cultures, fragile economies, and locations of our Caribbean and Pacific Islands are distinct assets to the United States which require the sensitive application of policy. The United States Government should pursue initiatives begun by my Administration and the Congress to stimulate insular economic development; enhance treatment under Federal programs eliminating current inequities; provide vitally needed special assistance and coordinate and rationalize policies. These measures will result in greater self-sufficiency and balanced growth. In particular, I hope that the new Congress will support funding for fiscal management, comprehensive planning and other technical assistance for the territories, as well as create the commission I have proposed to review the applicability of all Federal laws to the insular areas and make recommendations for appropriate modification.

IV. REMOVING GOVERNMENTAL WASTE AND INEFFICIENCY

One of my major commitments has been to restore public faith in our Federal government by cutting out waste and inefficiency. In the past four years, we have made dramatic advances toward this goal, many of them previously considered impossible to achieve. Where government rules and operations were unnecessary, they have been eliminated, as with airline, rail, trucking and financial deregulation. Where government functions are needed, they have been streamlined, through such landmark measures as the Civil Service Reform Act of 1978. I hope that the new administration and the Congress will keep up the momentum we have established for effective and responsible change in this area of crucial public concern.

CIVIL SERVICE REFORM

In March 1978, I submitted the Civil Service Reform Act to Congress. I called it the centerpiece of my efforts to reform and reorganize the government. With bipartisan support from Congress, the bill passed, and I am pleased to say that implementation is running well ahead of the statutory schedule. Throughout the service, we are putting into place the means to assure that reward and retention are based on performance and not simply on length of time on the job. In the first real test of the Reform Act, 98 percent of the eligible top-level managers joined the Senior Executive Service, choosing to relinquish job protections for the challenge and potential reward of this new corps of top executives. Though the Act does not require several of its key elements to be in operation for another year, some Federal agencies already have established merit pay systems for GS-13-15 managers, and most agencies are well on their way to establishing new performance standards for all their employees. All have paid out, or are now in the process of paying out, performance bonuses earned by outstanding members of the Senior Executive Service. Dismissals have increased by 10 percent,

and dismissals specifically for inadequate job performance have risen 1500 percent, since the Act was adopted. Finally, we have established a fully independent Merit Systems Protection Board and Special Counsel to protect the rights of whistle-blowers and other Federal employees faced with threats to their rights.

Page 2986

In 1981, civil service reform faces critical challenges, all agencies must have fully functioning performance appraisal systems for all employees, and merit pay systems for compensating the government's 130,000 GS-13-15 managers. Performance bonuses for members of the Senior Executive Service will surely receive scrutiny. If this attention is balanced and constructive, it can only enhance the chances for ultimate success of our bipartisan commitment to the revolutionary and crucial "pay for performance" concept.

REGULATORY REFORM

During the past four years we have made tremendous progress in regulatory reform. We have discarded old economic regulations that prevented competition and raised consumer costs, and we have imposed strong management principles on the regulatory programs the country needs, cutting paperwork and other wasteful burdens. The challenge for the future is to continue the progress in both areas without crippling vital health and safety programs.

Our economic deregulation program has achieved major successes in five areas:

Airlines: The Airline Deregulation Act is generating healthy competition, saving billions in fares, and making the airlines more efficient. The Act provides that in 1985 the *cab* itself will go out of existence.

Trucking: The trucking deregulation bill opens the industry to competition and allows truckers wide latitude on the routes they drive and the goods they haul. The bill also phases out most of the old law's immunity for setting rates. The Congressional Budget Office estimates these reforms will save as much as $8 billion per year and cut as much as half a percentage point from the inflation rate.

Railroads: Overregulation has stifled railroad management initiative, service, and competitive pricing. The new legislation gives the railroads the freedom they need to rebuild a strong, efficient railroad industry.

Financial Institutions: With the help of the Congress, over the past four years we have achieved two major pieces of financial reform legislation, legislation which has provided the basis for the most far-reaching changes in the financial services industry since the 1930's. The International Banking Act of 1978 was designed to reduce the advantages that foreign banks operating in the United States possessed in comparison to domestic banks. The Depository Institutions Deregulation and Monetary Control Act, adopted last March, provides for the phased elimination of a variety of anti-competitive barriers to financial institutions and freedom to offer services to and attract the savings of consumers, especially small savers.

Recently, I submitted to the Congress my Administration's recommendations for the phased liberalization of restrictions on geographic expansion by commercial banks. Last year the Administration and financial regulatory agencies proposed legislation to permit the interstate acquisition of failing depository institutions. In view of the difficult outlook for some depository institutions I strongly urge the Congress to take prompt favorable action on the failing bank legislation.

Page 2987

Telecommunications: While Congress did not pass legislation in this area, the Federal Communications Commission has taken dramatic action to open all aspects of communications to competition and to eliminate regulations in the areas where competition made them obsolete. The public is benefitting from an explosion of competition and new services.

While these initiatives represent dramatic progress in economic deregulation, continued work is needed. I urge Congress to act on communications legislation and to consider other proposed deregulation measures, such as legislation on the bus industry. In addition, the regulatory commissions must maintain their commitment to competition as the best regulator of all.

The other part of my reform program covers the regulations that are needed to protect the health, safety, and welfare of our citizens. For these regulations, my Administration has created a management program to cut costs without sacrificing goals. Under my Executive Order 12044, we required agencies to analyze the costs of their major new rules and consider alternative approaches, such as performance standards and voluntary codes, that may make rules less costly and more flexible. We created the Regulatory Analysis Review Group in the White House to analyze the most costly proposed new rules and find ways to improve them. The Regulatory Council was established to provide the first Government-wide listing of upcoming rules and eliminate overlapping and conflicting regulations. Agencies have launched “sunset” programs to weed out outmoded old regulations. We have acted to encourage public participation in regulatory decision-making.

These steps have already saved billions of dollars in regulatory costs and slashed thousands of outmoded regulations. We are moving steadily toward a regulatory system that provides needed protections fairly, predictably, and at minimum cost.

I urge Congress to continue on this steady path and resist the simplistic solutions that have been proposed as alternatives. Proposals like legislative veto and increased judicial review will add another layer to the regulatory process, making it more cumbersome and inefficient. The right approach to reform is to improve the individual statutes, where they need change, and to ensure that the regulatory agencies implement those statutes sensibly.

PAPERWORK REDUCTION

The Federal Government imposes a huge paperwork burden on business, local government, and the private sector. Many of these forms are needed for vital government functions, but others are duplicative, overly complex or obsolete.

During my Administration we cut the paperwork burden by 15 percent, and we created procedures to continue this progress. The new Paperwork Reduction Act centralizes, in OMB, oversight of all agencies' information requirements and strengthens OMB's authority to eliminate needless forms. The "paperwork budget" process, which I established by executive order, applies the discipline of the budget process to the hours of reporting time imposed on the public, forcing agencies to scrutinize all their forms each year. With effective implementation, these steps should allow further, substantial paperwork cuts in the years ahead.

Page 2988

TIGHTENING STANDARDS FOR GOVERNMENTAL EFFICIENCY AND INTEGRITY

To develop a foundation to carry out energy policy, we consolidated scattered energy programs and launched the Synthetic Fuels Corporation; to give education the priority it deserves and at the same time reduce HHS to more manageable size, I gave education a seat at the Cabinet table, to create a stronger system for attacking waste and fraud, I reorganized audit and investigative functions by putting an Inspector General in major agencies. Since I took office, we have submitted 14 reorganization initiatives and had them all approved by Congress. We have saved hundreds of millions of dollars through the adoption of businesslike cash management principles and set strict standards for personal financial disclosure and conflict of interest avoidance by high Federal officials.

To streamline the structure of the government, we have secured approval of 14 reorganization initiatives, improving the efficiency of the most important sectors of the government, including energy, education, and civil rights enforcement. We have eliminated more than 300 advisory committees as well as other agencies, boards and commissions which were obsolete or ineffective. Independent Inspectors General have been appointed in major agencies to attack fraud and waste. More than a billion dollars of questionable transactions have been identified through their audit activities.

The adoption of business-like cash management and debt collection initiatives will save over $1 billion, by streamlining the processing of receipts, by controlling disbursements more carefully, and by reducing idle cash balances. Finally this Administration has set strict standards for personal financial disclosure and conflict of interest avoidance by high Federal officials, to elevate the level of public trust in the government.

V. PROTECTING BASIC RIGHTS AND LIBERTIES

I am extremely proud of the advances we have made in ensuring equality and protecting the basic freedoms of all Americans.

—The Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance (OFCCP) have been reorganized and strengthened and a permanent civil rights unit has been established in OMB.

—To avoid fragmented, inconsistent and duplicative enforcement of civil rights laws, three agencies have been given coordinative and standard-setting responsibilities in discrete areas: EEOC for all employment-related activities, *hud* for all those relating to housing, and the Department of Justice for all other areas.

—With the enactment of the Right to Financial Privacy Act and a bill limiting police search of newsrooms, we have begun to establish a sound, comprehensive, privacy program.

Ratification of the Equal Rights Amendment must be aggressively pursued. Only one year remains in which to obtain ratification by three additional states.

Page 2989

The Congress must give early attention to a number of important bills which remain. These bills would:

—strengthen the laws against discrimination in housing. Until it is enacted, the 1968 Civil Rights Act's promise of equal access to housing will remain unfulfilled;

—establish a charter for the FBI and the intelligence agencies. The failure to define in law the duties and responsibilities of these agencies has made possible some of the abuses which have occurred in recent years;

—establish privacy safeguards for medical research, bank, insurance, and credit records; and provide special protection for election fund transfer systems.

EQUAL RIGHTS AMENDMENT

I remain committed as strongly as possible to the ratification of the Equal Rights Amendment.

As a result of our efforts in 1978, the Equal Rights Amendment's deadline for ratification was extended for three years. We have now one year and three States left. We cannot afford any delay in marshalling our resources and efforts to obtain the ratification of those three additional States.

Although the Congress has no official role in the ratification process at this point, you do have the ability to affect public opinion and the support of State Legislators for the Amendment. I urge Members from States which have not yet ratified the Equal Rights Amendment to use their influence to secure ratification. I will continue my own efforts to help ensure ratification of the Equal Rights Amendment.

Martin Luther king, *Jr*.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and non-violence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday. I hope the Congress will enact legislation this year that will achieve this goal.

FAIR HOUSING

The Fair Housing Act Amendments of 1980 passed the House of Representatives by an overwhelming bipartisan majority only to die in the Senate at the close of the 96th Congress. The leaders of both parties have pledged to make the enactment of fair

housing legislation a top priority of the incoming Congress. The need is pressing and a strengthened federal enforcement effort must be the primary method of resolution.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. The new Administration should continue the work which has been begun to develop a Federal criminal code which simplifies and clarifies our criminal laws, while maintaining our basic civil liberties and protections.

Page 2990

PRIVACY

As our public and private institutions collect more and more information and as communications and computer technologies advance, we must act to protect the personal privacy of our citizens.

In the past four years we acted on the report of the Privacy Commission and established a national privacy policy. We worked with Congress to pass legislation restricting wiretaps and law enforcement access to bank records and to reporters' files. We reduced the number of personal files held by the government and restricted the transfer of personal information among Federal agencies. We also worked with the Organization for Economic Cooperation and Development to establish international guidelines to protect the privacy of personal information that is transferred across borders.

VI. PROTECTING AND DEVELOPING OUR NATURAL RESOURCES

Two of our Nation's most precious natural resources are our environment and our vast agricultural capacity. From the beginning of my Administration, I have worked with the Congress to enhance and protect, as well as develop our natural resources. In the environmental areas, I have been especially concerned about the importance of balancing the need for resource development with preserving a clean environment, and have taken numerous actions to foster this goal. In the agricultural area, I have taken the steps needed to improve farm incomes and to increase our agricultural production to record levels. That progress must be continued in the 1980's.

ENVIRONMENT

Preserving the quality of our environment has been among the most important objectives of my Administration and of the Congress. As a result of these shared commitments and the dedicated efforts of many members of the Congress and my Administration, we have achieved several historic accomplishments.

PROTECTION OF ALASKA LANDS

Passage of the Alaska National Interest Lands Conservation Act was one of the most important conservation actions of this century. At stake was the fate of millions of acres of beautiful land, outstanding and unique wildlife populations, native cultures, and the opportunity to ensure that future generations of Americans would be able to enjoy the

benefits of these nationally significant resources. As a result of the leadership, commitment, and persistence of my Administration and the Congressional leadership, the Alaska Lands Bill was signed into law last December.

The Act adds 97 million acres of new parks and refuges, more than doubling the size of our National Park and National Wildlife Refuge Systems. The bill triples the size of our national wilderness system, increasing its size by 56 million acres. And by adding 25 free-flowing river segments to the Wild and Scenic River System, the bill almost doubles the river mileage in that system. The Alaska Lands Act reaffirms our commitment to the environment and strikes a balance between protecting areas of great beauty and allowing development of Alaska's oil, gas, mineral, and timber resources.

Page 2991

PROTECTION OF NATURAL RESOURCES

In addition to the Alaska Lands Act, over the past four years we have been able to expand significantly the national wilderness and parks systems. In 1978, the Congress passed the historical Omnibus Parks Act, which made 12 additions to the National Park System. The Act also established the first two national trails since the National Trails System Act was passed in 1968. Then, in 1980, as a result of my 1979 Environmental Message, the Federal land management agencies have established almost 300 new National Recreational Trails. With the completion of the *rare* II process, which eliminated the uncertainty surrounding the status of millions of acres of land, we called for over 15 million acres of new wilderness in the nation's National Forest, in 1980 the Congress established about 4.5 million acres of wilderness in the lower 48 states. In addition, the Administration recommended legislation to protect Lake Tahoe, and through an Executive Order has already established a mechanism to help ensure the Lake's protection. Finally, in 1980 the Administration established the Channel Islands Marine Sanctuary.

Administration actions over the past four years stressed the importance of providing Federal support only for water resource projects that are economically and environmentally sound. This policy should have a major and lasting influence on the federal government's role in water resource development and management. The Administration's actions to recommend to the Congress only economically and environmentally sound water resource projects for funding resulted not only in our opposing uneconomic projects but also, in 1979, in the first Administration proposal of new project starts in 4 years.

One of the most significant water policy actions of the past four years was the Administration's June 6, 1978 Water Policy Reform Message to the Congress. This Message established a new national water resources policy with the following objectives:

—to give priority emphasis to water conservation;

—to consider environmental requirements and values more fully and along with economic factors in the planning and management of water projects and programs;

—to enhance cooperation between state and federal agencies in water resources planning and management.

In addition, the Executive Office of the President established 11 policy decision criteria to evaluate the proposed federal water projects, the Water Resources Council developed and adopted a new set of Principles and Standards for water projects which is binding on all federal construction agencies, and improved regulations were

developed to implement the National Historic Preservation Act and the Fish and Wildlife Coordination Act. As a result, water resource projects must be determined to be economically sound before the Administration will recommend authorization or appropriation. Over the years ahead, this policy will help to reduce wasteful federal spending by targeting federal funds to the highest priority water resource projects.

Page 2992

In the pursuit of this policy, however, we cannot lose projects. In the part that sound water resource projects play in providing irrigation, power, and flood control. We must also recognize the special needs of particular regions of the country in evaluating the need for additional projects.

ADDRESSING GLOBAL RESOURCE AND ENVIRONMENTAL PROBLEMS

The Global 2000 Report to the President, prepared in response to my 1977 Environment Message, is the first of its kind. Never before has our government, or any government, taken such a comprehensive, long-range look at the interrelated global issues of resources, population, and environment.

The Report's conclusions are important. They point to a rapid increase in population and human needs through the year 2000 while at the same time a decline in the earth's capacity to meet those needs, unless nations of the world act decisively to alter current trends.

The United States has contributed actively to a series of U.N. conferences on the environment, population, and resources, and is preparing for the 1981 Conference on New and Renewable Sources of Energy. Following my 1977 Environmental Message, the Administration development assistance programs have added emphasis to natural resource management and environmental protection. My 1979 Environmental Message called attention to the alarming loss of world forests, particularly in the tropics. An interagency task force on tropical forests has developed a U.S. government program to encourage conservation and wise management of tropical forests. The Administration is encouraging action by other nations and world organizations to the same purpose. The United States is a world leader in wildlife conservation and the assessment of environmental effects of government actions. The January 5, 1979, Executive Order directing U.S. government agencies to consider the effects of their major actions abroad, is another example of this leadership.

COMMITMENT TO CONTROL OF POLLUTION AND HAZARDOUS CHEMICALS

Over the past four years, there has been steady progress towards cleaner air and water, sustained by the commitment of Congress and the Administration to these important national objectives. In addition, the Administration has developed several new pollution compliance approaches such as alternative and innovative waste water treatment projects, the "bubble" concept, the "offset" policy, and permit consolidation, all of which are designed to reduce regulatory burdens on the private sector.

One of the most pressing problems to come to light in the past four years has been improper hazardous waste disposal. The Administration has moved on three fronts. First, we proposed the Oil Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act (the Superfund bill) to provide comprehensive authority and $1.6 billion in funds to clean up abandoned hazardous waste disposal sites. In November 1980 the Congress passed a Superfund bill which I signed into law.

Page 2993

Second, the administration established a hazardous waste enforcement strike force to ensure that when available, responsible parties are required to clean up sites posing dangers to public health and to the environment. To date, 50 lawsuits have been brought by the strike force.

Third, regulations implementing subtitle C of the Resource Conservation and Recovery Act were issued. The regulations establish comprehensive controls for hazardous waste and, together with vigorous enforcement, will help to ensure that Love Canal will not be repeated.

THE FUTURE

For the future, we cannot, and we must not, forget that we are charged with the stewardship of an irreplaceable environment and natural heritage. Our children, and our children's children, are dependent upon our maintaining our commitment to preserving and enhancing the quality of our environment. It is my hope that when our descendants look back on the 1980's they will be able to affirm:

—that we kept our commitment to the restoration of environmental quality;

—that we protected the public health from the continuing dangers of toxic chemicals, from pollution, from hazardous and radioactive waste, and that we made our communities safer, healthier and better places to live;

—that we preserved America's wilderness areas and particularly its last great frontier, Alaska, for the benefit of all Americans in perpetuity;

—that we put this nation on a path to a sustainable energy future, one based increasingly on renewable resources and on energy conservation;

—that we moved to protect America's countryside and coastland from mismanagement and irresponsibility;

—that we redirected the management of the nation's water resources toward water conservation, sound development and environmental protection;

—that we faced squarely such worldwide problems as the destruction of forests, acid rain, carbon dioxide build-up and nuclear proliferation; and

—that we protected the habitat and the existence of our own species on this earth.

AGRICULTURE THE FARM ECONOMY

The farm economy is sound and its future is bright. Agriculture remains a major bulwark of the nation's economy and an even more important factor in the world food system. The demand for America's agricultural abundance, here and abroad, continues to grow. In the near-term, the strength of this demand is expected to press hard against supplies, resulting in continued price strength.

The health and vitality of current-day agriculture represents a significant departure from the situation that existed when I came to office four years ago. In January 1977, the farm economy was in serious trouble. Farm prices and farm income were falling rapidly. Grain prices were at their lowest levels in years and steadily falling. Livestock producers, in their fourth straight year of record losses, were liquidating breeding herds at an unparalleled rate. Dairy farmers were losing money on every hundredweight of milk they produced. Sugar prices were in a nosedive.

Page 2994

Through a combination of improvements in old, established programs and the adoption of new approaches where innovation and change were needed, my Administration turned this situation around. Commodity prices have steadily risen. Farm income turned upward. U.S. farm exports set new records each year, increasing over 80 percent for the four year period. Livestock producers began rebuilding their herds. Dairy farmers began to earn a profit again.

RECENT POLICY INITIATIVES

Several major agricultural policy initiatives have been undertaken over the past year. Some are the culmination of policy proposals made earlier in this Administration; others are measures taken to help farmers offset the impact of rapid inflation in production costs. In combination, they represent a significant strengthening of our nation's food and agricultural policy. These initiatives include:

FOOD SECURITY RESERVE

The Congress authorized formation of a 4 million ton food grain reserve for use in international food assistance. This reserve makes it possible for the United States to stand behind its food aid commitment to food deficit nations, even during periods of short supplies and high prices. This corrects a serious fault in our past food assistance policy.

COMPREHENSIVE CROP INSURANCE

The Congress also authorized a significant new crop insurance program during 1980. This measure provides farmers with an important new program tool for sharing the economic risks that are inherent to agriculture. When fully operational, it will replace a hodgepodge of disaster programs that suffered from numerous shortcomings.

SPECIAL LOAN RATES

Another legislative measure passed late in the 2nd session of the 96th Congress authorizes the Secretary of Agriculture to provide higher loan rates to farmers who enter their grain in the farmer-owned grain reserve. This additional incentive to participate will further strengthen the reserve.

INCREASED LOAN PRICES

In July 1980, I administratively raised loan prices for wheat, feedgrains, and soybeans to help offset the effects of a serious cost-price squeeze. At the same time, the release and call prices for the grain reserve were adjusted upward.

HIGHER TARGET PRICES

The Agricultural Adjustment Act of 1980 raised the target prices for 1980-crop wheat and feed grain crops. This change corrected for shortcomings in the adjustment formula contained in the Food and Agriculture Act of 1977.

FUTURE AGENDA

Page 2995

The food and agricultural policies adopted by this Administration over the past four years, including those described above, will provide a firm foundation for future governmental actions in this field. Expiration of the Food and Agriculture Act of 1977 later this year will require early attention by the Congress. With relatively minor changes, most of the authorities contained in the 1977 Act should be extended in their present form. The farmer-owned grain reserve has proven to be a particularly effective means of stabilizing grain markets and should be preserved in essentially its present form.

Beyond this, it will be important for the Congress to keep a close eye on price-cost developments in the farm sector. As noted above, some of the actions I took last year were for the purpose of providing relief from the cost-price squeeze facing farmers. Should these pressures continue, further actions might be required.

My Administration has devoted particular attention to the issues of world hunger, agricultural land use, and the future structure of American agriculture. I encourage the Congress and the next Administration to review the results of these landmark enquiries and, where deemed appropriate, to act on their recommendations.

Following a careful review of the situation, I recently extended the suspension of grain sales to the Soviet Union. I am satisfied that this action has served its purpose effectively and fairly. However, as long as this suspension must remain in effect, it will be important for the next Administration and the Congress to take whatever actions are necessary to ensure that the burden does not fall unfairly on our Nation's farmers. This has been a key feature of my Administration's policy, and it should be maintained.

VII. FOREIGN POLICY

From the time I assumed office four years ago this month, I have stressed the need for this country to assert a leading role in a world undergoing the most extensive and intensive change in human history.

My policies have been directed in particular at three areas of change:

—the steady growth and increased projection abroad of Soviet military power, power that has grown faster than our own over the past two decades.

—the overwhelming dependence of Western nations, which now increasingly includes the United States, on vital oil supplies from the Middle East.

—the pressures of change in many nations of the developing world, in Iran and uncertainty about the future stability of many developing countries.

Page 2996

As a result of those fundamental facts, we face some of the most serious challenges in the history of this nation. The Soviet invasion of Afghanistan is a threat to global peace, to East-West relations, and to regional stable flow of oil. As the unprecedented relations, an and overwhelming vote in the General Assembly demonstrated, countries across the world, and particularly the nonaligned, regard the Soviet invasion as a threat to their independence and security. Turmoil within the region adjacent to the Persian Gulf poses risks for the security and prosperity of every oil importing nation and thus for the entire global economy. The continuing holding of American hostages in Iran is both an affront to civilized people everywhere, and a serious impediment to meeting the self-evident threat to widely-shared common interests, including those of Iran.

But as we focus our most urgent efforts on pressing problems, we will continue to pursue the benefits that only change can bring. For it always has been the essence of America that we want to move on, we understand that prosperity, progress and most of all peace cannot be had by standing still. A world of nations striving to preserve their independence, and of peoples aspiring for economic development and political freedom, is not a world hostile to the ideals and interests of the United States. We face powerful adversaries, but we have strong friends and dependable allies. We have common interests with the vast majority of the world's nations and peoples.

There have been encouraging developments in recent years, as well as matters requiring continued vigilance and concern:

—Our alliances with the world's most advanced and democratic states from Western Europe through Japan are stronger than ever.

—We have helped to bring about a dramatic improvement in relations between Egypt and Israel and an historic step towards a comprehensive Arab-Israeli settlement.

—Our relations with China are growing closer, providing a major new dimension in our policy in Asia and the world.

—Across southern Africa from Rhodesia to Namibia we are helping with the peaceful transition to majority rule in a context of respect for minority as well as majority rights.

—We have worked domestically and with our allies to respond to an uncertain energy situation by conservation and diversification of energy supplies based on internationally agreed targets.

—We have unambiguously demonstrated our commitment to defend Western interests in Southwest Asia, and we have significantly increased our ability to do so.

—And over the past four years the U.S. has developed an energy program which is comprehensive and ambitious. New institutions have been established such as the

Synthetic Fuels Corporation and Solar Bank. Price decontrol for oil and gas is proceeding. American consumers have risen to the challenge, and we have experienced real improvements in consumption patterns.

Page 2997

The central challenge for us today is to our steadfastedness of purpose. We are no longer tempted by isolationism. But we must also learn to deal effectively with the contradictions of the world, the need to cooperate with potential adversaries without euphoria, without undermining our determination to compete with such adversaries and if necessary confront the threats they may pose to our security.

We face a broad range of threats and opportunities. We have and should continue to pursue a broad range of defense, diplomatic and economic capabilities and objectives.

I see six basic goals for America in the world over the 1980's:

—First, we will continue, as we have over the past four years, to build America's military strength and that of our allies and friends. Neither the Soviet Union nor any other nation will have reason to question our will to sustain the strongest and most flexible defense forces.

—Second, we will pursue an active diplomacy in the world, working, together with our friends and allies, to resolve disputes through peaceful means and to make any aggressor pay a heavy price.

—Third, we will strive to resolve pressing international economic problems, particularly energy and inflation, and continue to pursue our still larger objective of global economic growth through expanded trade and development assistance and through the preservation of an open multilateral trading system.

—Fourth, we will continue vigorously to support the process of building democratic institutions and improving human rights protection around the world. We are deeply convinced that the future lies not with dictatorship but democracy.

—Fifth, we remain deeply committed to the process of mutual and verifiable arms control, particularly to the effort to prevent the spread and further development of nuclear weapons. Our decision to defer, but not abandon our efforts to secure ratification of the *salt* II Treaty reflects our firm conviction that the United States has a profound national security interest in the constraints on Soviet nuclear forces which only that treaty can provide.

—Sixth, we must continue to look ahead in order to evaluate and respond to resource, environment and population challenges through the end of this century.

One very immediate and pressing objective that is uppermost on our minds and those of the American people is the release of our hostages in Iran.

We have no basic quarrel with the nation, the revolution or the people of Iran. The threat to them comes not from American policy but from Soviet actions in the region.

We are prepared to work with the government of Iran to develop a new and mutually beneficial relationship.

Page 2998

But that will not be possible so long as Iran continues to hold Americans hostages, in defiance of the world community and civilized behavior. They must be released unharmed. We have thus far pursued a measured program of peaceful diplomatic and economic steps in an attempt to resolve this issue without resorting to other remedies available to us under international law. This reflects the deep respect of our nation for the rule of law and for the safety of our people being held, and our belief that a great power bears a responsibility to use its strength in a measured and judicious manner. But our patience is not unlimited and our concern for the well-being of our fellow citizens grows each day.

ENHANCING NATIONAL SECURITY, AMERICAN MILITARY STRENGTH

The maintenance of national security is my first concern, as it has been for every president before me.

We must have both the military power and the political will to deter our adversaries and to support our friends and allies.

We must pay whatever price is required to remain the strongest nation in the world. That price has increased as the military power of our major adversary has grown and its readiness to use that power been made all too evident in Afghanistan. The real increases in defense spending, therefore probably will be higher than previously projected; protecting our security may require a larger share of our national wealth in the future.

THE U.S.-SOVIET RELATIONSHIP

We are demonstrating to the Soviet Union across a broad front that it will pay a heavy price for its aggression in terms of our relationship. Throughout the last decades U.S.-Soviet relations have been a mixture of cooperation and competition. The Soviet invasion of Afghanistan and the imposition of a puppet government have highlighted in the starkest terms the darker side of their policies, going well beyond competition and the legitimate pursuit of national interest, and violating all norms of international law and practice.

This attempt to subjugate an independent, non-aligned Islamic people is a callous violation of international law and the United Nations Charter, two fundamentals of international order. Hence, it is also a dangerous threat to world peace. For the first time since the communization of Eastern Europe after World War II, the Soviets have sent combat forces into an area that was not previously under their control, into a non-aligned and sovereign state.

The destruction of the independence of the Afghanistan government and the occupation by the Soviet Union have altered the strategic situation in that part of the world in a very ominous fashion. It has significantly shortened the striking distance to the Indian Ocean and the Persian Gulf for the Soviet Union.

It has also eliminated a buffer between the Soviet Union and Pakistan and presented a new threat to Iran. These two countries are now far more vulnerable to Soviet political intimidation. If that intimidation were to prove effective, the Soviet Union could control an area of vital strategic and economic significance to the survival of Western Europe, the Far East, and ultimately the United States.

Page 2999

It has now been over a year since the Soviet invasion of Afghanistan dealt a major blow to U.S.-Soviet relations and the entire international system. The U.S. response has proven to be serious and far-reaching. It has been increasingly effective, imposing real and sustained costs on the U.S.S.R.'s economy and international image.

Meanwhile, we have encouraged and supported efforts to reach a political settlement in Afghanistan which would lead to a withdrawal of Soviet forces from that country and meet the interests of all concerned. It is Soviet intransigence that has kept those efforts from bearing fruit.

Meanwhile, an overwhelming November resolution of the United Nations General Assembly on Afghanistan has again made clear that the world has not and will not forget Afghanistan. And our response continues to make it clear that Soviet use of force in pursuit of its international objectives is incompatible with the notion of business-as-usual.

BILATERAL COMMUNICATION

U.S.-Soviet relations remain strained by the continued Soviet presence in Afghanistan, by growing Soviet military capabilities, and by the Soviets' apparent willingness to use those capabilities without respect for the most basic norms of international behavior.

But the U.S.-Soviet relationship remains the single most important element in determining whether there will be war or peace. And so, despite serious strains in our relations, we have maintained a dialogue with the Soviet Union over the past year. Through this dialogue, we have ensured against bilateral misunderstandings and miscalculations which might escalate out of control, and have managed to avoid the injection of superpower rivalries into areas of tension like the Iran-Iraq conflict.

POLAND

Now, as was the case a year ago, the prospect of Soviet use of force threatens the international order. The Soviet Union has completed preparations for a possible military intervention against Poland. Although the situation in Poland has shown signs of stabilizing recently, Soviet forces remain in a high state of readiness and they could move into Poland on short notice. We continue to believe that the Polish people should be allowed to work out their internal problems themselves, without outside interference, and we have made clear to the Soviet leadership that any intervention in Poland would have severe and prolonged consequences for East-West detente, and U.S.-Soviet relations in particular.

DEFENSE BUDGET

For many years the Soviets have steadily increased their real defense spending, expanded their strategic forces, strengthened their forces in Europe and Asia, and enhanced their capability for projecting military force around the world directly or through the use of proxies. Afghanistan dramatizes the vastly increased military power of the Soviet Union.

Page 3000

The Soviet Union has built a war machine far beyond any reasonable requirements for their own defense and security. In contrast, our own defense spending declined in real terms every year from 1968 through 1976.

We have reversed this decline in our own effort. Every year since 1976 there has been a real increase in our defense spending, and our lead has encouraged increases by our allies. With the support of the Congress, we must and will make an even greater effort in the years ahead.

The Fiscal Year 1982 budget would increase funding authority for defense to more than $196 billion. This amount, together with a supplemental request for FY 1981 of about $6 billion, will more than meet my Administration's pledge for a sustained growth of 3 percent in real expenditures, and provides for 5 percent in program growth in FY 1982 and beyond.

The trends we mean to correct cannot be remedied overnight; we must be willing to see this program through. To ensure that we do so I am setting a growth rate for defense that we can sustain over the long haul.

The defense program I have proposed for the next five years will require some sacrifice, but sacrifice we can well afford.

The defense program emphasizes four areas:

1. It ensures that our strategic nuclear forces will be equivalent to those of the Soviet Union and that deterrence against nuclear war will be maintained; 2. It upgrades our forces so that the military balance between NATO and the Warsaw Pact will continue to deter the outbreak of war, conventional or nuclear, in Europe; 3. It provides us the ability to come quickly to the aid of friends and allies around the globe; 4. And it ensures that our Navy will continue to be the most powerful on the seas.

STRATEGIC FORCES

We are strengthening each of the three legs of our strategic forces. The cruise missile production which will begin next year will modernize our strategic air deterrent. B-52 capabilities will also be improved. These steps will maintain and enhance the B-52 fleet by improving its ability to deliver weapons against increasingly heavily defended targets.

We are also modernizing our strategic submarine force. Four more *Poseidon* submarines backfitted with new, 4,000 mile *Trident* I missiles began deployments in 1980. Nine *Trident* submarines have been authorized through 1981, and we propose one more each year.

The new M-X missile program to enhance our land-based intercontinental ballistic missile force continues to make progress. Technical refinements in the basing design over the last year will result in operational benefits, lower costs, and reduced environmental impact. The M-X program continues to be an essential ingredient in our strategic posture, providing survivability, endurance, secure command and control and the capability to threaten targets the Soviets hold dear.

Page 3001

Our new systems will enable U.S. strategic forces to maintain equivalence in the face of the mounting Soviet challenge. We would however need an even greater investment in strategic systems to meet the likely Soviet buildup without *salt*.

STRATEGIC DOCTRINE

This Administration's systematic contributions to the necessary evolution of strategic doctrine began in 1977 when I commissioned a comprehensive net assessment. From that base a number of thorough investigations of specific topics continued. I should emphasize that the need for an evolutionary doctrine is driven not by any change in our basic objective, which remains peace and freedom for all mankind. Rather, the need for change is driven by the inexorable buildup of Soviet military power and the increasing propensity of Soviet leaders to use this power in coercion and outright aggression to impose their will on others.

I have codified our evolving strategic doctrine in a number of interrelated and mutually supporting Presidential Directives. Their overarching theme is to provide a doctrinal basis, and the specific program to implement it, that tells the world that no potential adversary of the United States could ever conclude that the fruits of his aggression would be significant or worth the enormous costs of our retaliation.

The Presidential Directives include:

PD-18: An overview of our strategic objectives PD-37: Basic space policy PD-41: Civil Defense PD-53: Survivability and endurance for telecommunications PD-57: Mobilization planning PD-58: Continuity of Government PD-59: Countervailing Strategy for General War.

These policies have been devised to deter, first and foremost, Soviet aggression. As such they confront not only Soviet military forces but also Soviet military doctrine. By definition deterrence requires that we shape Soviet assessments about the risks of war, assessments they will make using their doctrine, not ours.

But at the same time we in no way seek to emulate their doctrine. In particular, nothing in our policy contemplates that nuclear warfare could ever be a deliberate instrument for achieving our own goals of peace and freedom. Moreover, our policies are carefully devised to provide the greatest possible incentives and opportunities for future progress in arms control.

Finally, our doctrinal evolution has been undertaken with appropriate consultation with our NATO Allies and others. We are fully consistent with NATO's strategy of flexible response.

FORCES FOR NATO

We are greatly accelerating our ability to reinforce Western Europe with massive ground and air forces in a crisis. We are undertaking a major modernization program for the Army's weapons and equipment, adding armor, firepower, and tactical mobility.

We are prepositioning more heavy equipment in Europe to help us cope with attacks with little warning, and greatly strengthening our airlift and sealift capabilities.

Page 3002

We are also improving our tactical air forces, buying about 1700 new fighter and attack aircraft over the next five years, and increasing the number of Air Force fighter wings by over 10 percent.

We are working closely with our European allies to secure the Host Nation Support necessary to enable us to deploy more quickly a greater ratio of combat forces to the European theater at a lower cost to the United States.

SECURITY ASSISTANCE

As we move to enhance U.S. defense capabilities, we must not lose sight of the need to assist others in maintaining their own security and independence. Events since World War II, most recently in Southwest Asia, have amply demonstrated that U.S. security cannot exist in a vacuum, and that our own prospects for peace are closely tied to those of our friends. The security assistance programs which I am proposing for the coming fiscal year thus directly promote vital U.S. foreign policy and national security aims, and are integral parts of our efforts to improve and upgrade our own military forces.

More specifically, these programs, which are part of our overall foreign aid request, promote U.S. security in two principal ways. First, they assist friendly and allied nations to develop the capability to defend themselves and maintain their own independence. An example during this past year was the timely support provided Thailand to help bolster that country's defenses against the large numbers of Soviet-backed Vietnamese troops ranged along its eastern frontier. In addition, over the years these programs have been important to the continued independence of other friends and allies such as Israel, Greece, Turkey and Korea. Second, security assistance constitutes an essential element in the broad cooperative relationships we have established with many nations which permit either U.S. bases on their territory or access by U.S. forces to their facilities. These programs have been particularly important with regard to the recently-concluded access agreements with various countries in the Persian Gulf and Indian Ocean regions and have been crucial to the protection of our interests throughout Southwest Asia.

RAPID DEPLOYMENT FORCES

We are systematically enhancing our ability to respond rapidly to non-NATO contingencies wherever required by our commitments or when our vital interests are threatened.

The rapid deployment forces we are assembling will be extraordinarily flexible: They could range in size from a few ships or air squadrons to formations as large as 100,000

men, together with their support. Our forces will be prepared for rapid deployment to any region of strategic significance.

Among the specific initiatives we are taking to help us respond to crises outside of Europe are:

Page 3003

The development of a new fleet of large cargo aircraft with intercontinental range; the design and procurement of a force of Maritime Prepositioning Ships that will carry heavy equipment and supplies for three Marine Corps brigades; the procurement of fast sealift ships to move large quantities of men and material quickly from the U.S. to overseas areas of deployment; increasing training and exercise activities to ensure that our forces will be well prepared to deploy and operate in distant areas.

In addition, our European allies have agreed on the importance of providing support to U.S. deployments to Southwest Asia.

NAVAL FORCES

Seapower is indispensable to our global position, in peace and also in war. Our shipbuilding program will sustain a 550-ship Navy in the 1990's and we will continue to build the most capable ships afloat.

The program I have proposed will assure the ability of our Navy to operate in high threat areas, to maintain control of the seas and protect vital lines of communication, both military and economic and to provide the strong maritime component of our rapid deployment forces. This is essential for operations in remote areas of the world, where we cannot predict far in advance the precise location of trouble, or preposition equipment on land.

MILITARY PERSONNEL

No matter how capable or advanced our weapons systems, our military security depends on the abilities, the training and the dedication of the people who serve in our armed forces. I am determined to recruit and to retain under any foreseeable circumstances an ample level of such skilled and experienced military personnel. This Administration has supported for FY 1981 the largest peacetime increase ever in military pay and allowances.

We have enhanced our readiness and combat endurance by improving the Reserve Components. All reservists are assigned to units structured to complement and provide needed depth to our active forces. Some reserve personnel have also now been equipped with new equipment.

MOBILIZATION PLANNING

We have completed our first phase of mobilization planning, the first such Presidentially-directed effort since World War II. The government-wide exercise of our mobilization

plans at the end of 1980 showed, first, that planning pays off and, second, that much more needs to be done.

OUR INTELLIGENCE POSTURE

Our national interests are critically dependent on a strong and effective intelligence capability. We will maintain and strengthen the intelligence capabilities needed to assure our national security. Maintenance of and continued improvements in our multi-faceted intelligence effort are essential if we are to cope successfully with the turbulence and uncertainties of today's world.

Page 3004

The intelligence budget I have submitted to the Congress responds to our needs in a responsible way, providing for significant growth over the Fiscal Year 1981 budget. This growth will enable us to develop new technical means of intelligence collection while also assuring that the more traditional methods of intelligence work are also given proper stress. We must continue to integrate both modes of collection in our analyses.

REGIONAL POLICIES

Every President for over three decades has recognized that America's interests are global and that we must pursue a global foreign policy.

Two world wars have made clear our stake in Western Europe and the North Atlantic area. We are also inextricably linked with the Far East, politically, economically, and militarily. In both of these, the United States has a permanent presence and security commitments which would be automatically triggered. We have become increasingly conscious of our growing interests in a third area, the Middle East and the Persian Gulf area.

We have vital stakes in other major regions of the world as well. We have long recognized that in an era of interdependence, our own security and prosperity depend upon a larger common effort with friends and allies throughout the world.

THE ATLANTIC ALLIANCE

In recognition of the threat which the Soviet invasion of Afghanistan posed to Western interests in both Europe and Southwest Asia, NATO foreign and defense ministers have expressed full support for U.S. efforts to develop a capability to respond to a contingency in Southwest Asia and have approved an extensive program to help fill the gap which could be created by the diversion of U.S. forces to that region.

The U.S. has not been alone in seeking to maintain stability in the Southwest Asia area and insure access to the needed resources there. The European nations with the capability to do so are improving their own forces in the region and providing greater economic and political support to the residents of the area. In the face of the potential danger posed by the Iran-Iraq conflict, we have developed coordination among the Western forces in the area of the Persian Gulf in order to be able to safeguard passage in that essential waterway.

Concerning developments in and around Poland the allies have achieved the highest level of cohesion and unity of purpose in making clear the effects on future East-West relations of a precipitous Soviet act there.

The alliance has continued to build on the progress of the past three years in improving its conventional forces through the Long-Term Defense Program. Though economic conditions throughout Europe today are making its achievement difficult, the yearly real increase of 3 percent in defense spending remains a goal actively sought by the alliance.

Page 3005

The NATO alliance also has moved forward during the past year with the implementation of its historic December 1979 decision to modernize its Theater Nuclear Force capabilities through deployment of improved Pershing ballistic missiles and ground-launched cruise missiles in Europe. Our allies continue to cooperate actively with us in this important joint endeavor, whose purpose is to demonstrate convincingly to the Soviet Union the potential costs of a nuclear conflict in Europe. At the same time, we offered convincing evidence of our commitment to arms control in Europe by initiating preliminary consultations with the Soviet Union in Geneva on the subject of negotiated limits on long-range theater nuclear forces. Also, during 1980 we initiated and carried out a withdrawal from our nuclear weapons stockpile in Europe of 1,000 nuclear warheads. This successful drawdown in our nuclear stockpile was a further tangible demonstration of our commitment to the updating of our existing theater nuclear forces in Europe.

In the NATO area, we continued to work closely with other countries in providing resources to help Turkey regain economic health. We regretted that massive political and internal security problems led the Turkish military to take over the government on September 12. The new Turkish authorities are making some progress in resolving those problems, and they have pledged an early return to civilian government. The tradition of the Turkish military gives us cause to take that pledge seriously. We welcomed the reestablishment of Greece's links to the integrated military command structure of the Atlantic Alliance—a move which we had strongly encouraged—as a major step toward strengthening NATO's vital southern flank at a time of international crisis and tension in adjacent areas. Greek reintegration exemplifies the importance which the allies place on cooperating in the common defense and shows that the allies can make the difficult decisions necessary to insure their continued security. We also welcomed the resumption of the intercommunal talks on Cyprus.

THE U.S. AND THE PACIFIC NATIONS

The United States is a Pacific nation, as much as it is an Atlantic nation. Our interests in Asia are as important to us as our interests in Europe. Our trade with Asia is as great as our trade with Europe. During the past four years we have regained a strong, dynamic and flexible posture for the United States in this vital region.

Our major alliances with Japan, Australia and New Zealand are now stronger than they ever have been, and together with the nations of western Europe, we have begun to form the basic political structure for dealing with international crises that affect us all. Japan, Australia and New Zealand have given us strong support in developing a strategy for responding to instability in the Persian Gulf.

Page 3006

Normalization of U.S. relations with China has facilitated China's full entry into the international community and encouraged a constructive Chinese role in the Asia-Pacific region. Our relations with China have been rapidly consolidated over the past year through the conclusion of a series of bilateral agreements. We have established a pattern of frequent and frank consultations between our two governments, exemplified by a series of high-level visits and by regular exchanges at the working level, through which we have been able to identify increasingly broad areas of common interest on which we can cooperate.

United States relations with the Association of Southeast Asian Nations (ASEAN) have also expanded dramatically in the past four years. ASEAN is now the focus for U.S. policy in Southeast Asia, and its cohesion and strength are essential to stability in this critical area and beyond.

Soviet-supported Vietnamese aggression in Indo-china has posed a major challenge to regional stability. In response, we have reiterated our security commitment to Thailand and have provided emergency security assistance for Thai forces facing a Vietnamese military threat along the Thai-Cambodian border. We have worked closely with ASEAN and the U.N. to press for withdrawal of Vietnamese forces from Cambodia and to encourage a political settlement in Cambodia which permits that nation to be governed by leaders of its own choice. We still look forward to the day when Cambodia peacefully can begin the process of rebuilding its social, economic and political institutions, after years of devastation and occupation. And, on humanitarian grounds and in support of our friends in the region, we have worked vigorously with international organizations to arrange relief and resettlement for the exodus of Indo-chinese refugees which threatened to overwhelm these nations.

We have maintained our alliance with Korea and helped assure Korea's security during a difficult period of political transition.

We have amended our military base agreement with the Philippines, ensuring stable access to these bases through 1991. The importance of our Philippine bases to the strategic flexibility of U.S. forces and our access to the Indian Ocean is self-evident.

Finally, we are in the process of concluding a long negotiation establishing Micronesia's status as a freely associated state.

We enter the 1980's with a firm strategic footing in East Asia and the Pacific, based on stable and productive U.S. relations with the majority of countries of the region. We have established a stable level of U.S. involvement in the region, appropriate to our own interests and to the interests of our friends and allies there.

THE MIDDLE EAST AND SOUTHWEST ASIA

Page 3007

The continuing Soviet occupation of Afghanistan and the dislocations caused by the Iraq-Iran war serve as constant reminders of the critical importance for us, and our allies, of a third strategic zone stretching across the Middle East, the Persian Gulf, and much of the Indian subcontinent. This Southwest Asian region has served as a key strategic and commercial link between East and West over the centuries. Today it produces two-thirds of the world's oil exports, providing most of the energy needs of our European allies and Japan. It has experienced almost continuous conflict between nations, internal instabilities in many countries, and regional rivalries, combined with very rapid economic and social change. And now the Soviet Union remains in occupation of one of these nations, ignoring world opinion which has called on it to get out.

We have taken several measures to meet these challenges.

MIDDLE EAST

In the Middle East, our determination to consolidate what has already been achieved in the peace process—and to buttress that accomplishment with further progress toward a comprehensive peace settlement—must remain a central goal of our foreign policy. Pursuant to their peace treaty, Egypt and Israel have made steady progress in the normalization of their relations in a variety of fields, bringing the benefits of peace directly to their people. The new relationship between Egypt and Israel stands as an example of peaceful cooperation in an increasingly fragmented and turbulent region.

Both President Sadat and Prime Minister Begin remain committed to the current negotiations to provide full autonomy to the inhabitants of the West Bank and Gaza. These negotiations have been complex and difficult, but they have already made significant progress, and it is vital that the two sides, with our assistance, see the process through to a successful conclusion. We also recognize the need to broaden the peace process to include other parties to the conflict and believe that a successful autonomy agreement is an essential first step toward this objective.

We have also taken a number of steps to strengthen our bilateral relations with both Israel and Egypt. We share important strategic interests with both of these countries.

We remain committed to Israel's security and are prepared to take concrete steps to support Israel whenever that security is threatened.

PERSIAN GULF

The Persian Gulf has been a vital crossroads for trade between Europe and Asia at many key moments in history. It has become essential in recent years for its supply of

oil to the United States, our allies, and our friends. We have taken effective measures to control our own consumption of imported fuel, working in cooperation with the other key industrial / nations of the world. However, there is little doubt that the healthy growth of our American and world economies will depend for many years on continued safe access to the Persian Gulf's oil production. The denial of these oil supplies would threaten not only our own but world security.

Page 3008

The potent new threat from an advancing Soviet Union, against the background of regional instability of which it can take advantage, requires that we reinforce our ability to defend our regional friends and to protect the flow of oil. We are continuing to build on the strong political, economic, social and humanitarian ties which bind this government and the American people to friendly governments and peoples of the Persian Gulf.

We have also embarked on a course to reinforce the trust and confidence our regional friends have in our ability to come to their assistance rapidly with American military force if needed. We have increased our naval presence in the Indian Ocean. We have created a Rapid Deployment Force which can move quickly to the Gulf—or indeed any other area of the world where outside aggression threatens. We have concluded several agreements with countries which are prepared to let us use their airports and naval facilities in an emergency. We have met requests for reasonable amounts of American weaponry from regional countries which are anxious to defend themselves. And we are discussing with a number of our area friends further ways we can help to improve their security and ours, both for the short and the longer term.

SOUTH ASIA

We seek a South Asia comprising sovereign and stable states, free of outside interference, which can strengthen their political institutions according to their own national genius and can develop their economies for the betterment of their people.

The Soviet invasion of Afghanistan has posed a new challenge to this region, and particularly to neighboring Pakistan. We are engaged in a continuing dialogue with the Pakistan government concerning its development and security requirements and the economic burden imposed by Afghan refugees who have fled to Pakistan. We are participating with other aid consortium members in debt rescheduling and will continue to cooperate through the UNHCR in providing refugee assistance. We remain committed to Pakistan's territorial integrity and independence.

Developments in the broad South/Southwest Asian region have also lent a new importance to our relations with India, the largest and strongest power in the area. We share India's interest in a more constructive relationship. Indian policies and perceptions at times differ from our own, and we have established a candid dialogue with this sister democracy which seeks to avoid the misunderstandings which have sometimes complicated our ties.

We attach major importance to strong economic assistance programs to the countries in the area, which include a majority of the poor of the non-Communist world. We believe that these programs will help achieve stability in the area, an objective we share with the countries in the region. Great progress has been achieved by these countries in

increasing food production; international cooperation in harnessing the great river resources of South Asia would contribute further to this goal and help to increase energy production.

Page 3009

We continue to give high priority to our non-proliferation goals in the area in the context of our broad global and regional priorities. The decision to continue supply of nuclear fuel to the Indian Tarapur reactors was sensitive to this effort.

AFRICA

The United States has achieved a new level of trust and cooperation with Africa. Our efforts, together with our allies, to achieve peace in southern Africa, our increased efforts to help the poorest countries in Africa to combat poverty, and our expanded efforts to promote trade and investment have led to growing respect for the U.S. and to cooperation in areas of vital interest to the United States.

Africa is a continent of poor nations for the most part. It also contains many of the mineral resources vital for our economy. We have worked with Africa in a spirit of mutual cooperation to help the African nations solve their problems of poverty and to develop stronger ties between our private sector and African economies. Our assistance to Africa has more than doubled in the last four years. Equally important, we set in motion new mechanisms for private investment and trade.

Nigeria is the largest country in Black Africa and the second largest oil supplier to the United States. During this Administration we have greatly expanded and improved our relationship with Nigeria and other West African states whose aspirations for a constitutional democratic order we share and support. This interest was manifested both symbolically and practically by the visit of Vice President Mondale to West Africa in July (1980) and the successful visit to Washington of the President of Nigeria in October.

During Vice President Mondale's visit, a Joint Agricultural Consultative Committee was established, with the U.S. represented entirely by the private sector. This could herald a new role for the American private sector in helping solve the world's serious food shortages. I am pleased to say that our relations with Nigeria are at an all-time high, providing the foundation for an even stronger relationship in the years ahead.

Another tenet of this Administration's approach to African problems has been encouragement and support for regional solutions to Africa's problems. We have supported initiatives by the Organization of African Unity to solve the protracted conflict in the western Sahara, Chad, and the Horn. In Chad, the world is watching with dismay as a country torn by a devastating civil war has become a fertile field for Libya's exploitation, thus demonstrating that threats to peace can come from forces within as well as without Africa.

In southern Africa the United States continues to pursue a policy of encouraging peaceful development toward majority rule. In 1980, Southern Rhodesia became

independent as Zimbabwe, a multiracial nation under a system of majority rule. Zimbabwean independence last April was the culmination of a long struggle within the country and diplomatic efforts involving Great Britain, African states neighboring Zimbabwe, and the United States.

Page 3010

The focus of our efforts in pursuit of majority rule in southern Africa has now turned to Namibia. Negotiations are proceeding among concerned parties under the leadership of U.N. Secretary General Waldheim. This should lead to implementation of the U.N. plan for self-determination and independence for Namibia during 1981. If these negotiations are successfully concluded, sixty-five years of uncertainty over the status of the territory, including a seven-year-long war, will be ended.

In response to our active concern with issues of importance to Africans, African states have cooperated with us on issues of importance to our national interests. African states voted overwhelmingly in favor of the U.N. Resolution calling for release of the hostages, and for the U.N. Resolution condemning the Soviet invasion of Afghanistan. Two countries of Africa have signed access agreements with the U.S. allowing us use of naval and air facilities in the Indian Ocean.

Africans have become increasingly vocal on human rights. African leaders have spoken out on the issue of political prisoners, and the OAU is drafting its own Charter on Human Rights. Three countries in Africa— Nigeria, Ghana, and Uganda—have returned to civilian rule during the past year.

U.S. cooperation with Africa on all these matters represents a strong base on which we can build in future years.

Liberia is a country of long-standing ties with the U.S. and the site of considerable U.S. investment and facilities. This past April a coup replaced the government and a period of political and economic uncertainty ensued. The U.S. acted swiftly to meet this situation. We, together with African leaders, urged the release of political prisoners, and many have been released; we provided emergency economic assistance to help avoid economic collapse, and helped to involve the IMF and the banking community to bring about economic stability; and we have worked closely with the new leaders to maintain Liberia's strong ties with the West and to protect America's vital interests.

NORTH AFRICA

In early 1979, following a Libyan-inspired commando attack on a Tunisian provincial city, the U.S. responded promptly to Tunisia's urgent request for assistance, both by airlifting needed military equipment and by making clear our longstanding interest in the security and integrity of this friendly country. The U.S. remains determined to oppose other irresponsible Libyan aspirations. Despairing of a productive dialogue with the Libyan authorities, the U.S. closed down its embassy in Libya and later expelled six Libyan diplomats in Washington in order to deter an intimidation campaign against Libyan citizens in the U.S.

U.S. relations with Algeria have improved, and Algeria has played an indispensable and effective role as intermediary between Iran and the U.S. over the hostage issue.

Page 3011

The strengthening of our arms supply relationship with Morocco has helped to deal with attacks inside its internationally recognized frontiers and to strengthen its confidence in seeking a political settlement of the Western Sahara conflict. While not assuming a mediatory role, the U.S. encouraged all interested parties to turn their energies to a peaceful and sensible compromise resolution of the war in the Sahara and supported efforts by the Organization of African Unity toward that end. As the year drew to a close, the U.S. was encouraged by evolution in the attitudes of all sides, and is hopeful that their differences will be peacefully resolved in the year ahead so that the vast economic potential of North Africa can be developed for the well-being of the people living there.

LATIN AMERICA AND THE CARIBBEAN

The principles of our policies in this hemisphere have been clear and constant over the last four years. We support democracy and respect for human rights. We have struggled with many to help free the region of both repression and terrorism. We have respected ideological diversity and opposed outside intervention in purely internal affairs. We will act, though, in response to a request for assistance by a country threatened by external aggression. We support social and economic development within a democratic framework. We support the peaceful settlement of disputes. We strongly encourage regional cooperation and shared responsibilities within the hemisphere to all these ends, and we have eagerly and regularly sought the advice of the leaders of the region on a wide range of issues.

Last November, I spoke to the General Assembly of the Organization of American States of a cause that has been closest to my heart—human rights. It is an issue that has found its time in the hemisphere. The cause is not mine alone, but an historic movement that will endure.

At Riobamba, Ecuador, last September four Andean Pact countries, Costa Rica, and Panama broke new ground by adopting a “Code of Conduct,” that joint action in defense of human rights does not violate the principles of nonintervention in the internal affairs of states in this hemisphere. The Organization of American States has twice condemned the coup that overturned the democratic process in Bolivia and the widespread abuse of human rights by the regime which seized power. The Inter-American Commission on Human Rights has gained world acclaim for its dispassionate reports. It completed two major country studies this year in addition to its annual report. In a resolution adopted without opposition, the *Oas* General Assembly in November strongly supported the work of the Commission. The American Convention on Human Rights is in force and an Inter-American Court has been created to judge human rights violations. This convention has been pending before the Senate for two years; I hope the United States this year will join the other nations of the hemisphere in ratifying a convention which embodies principles that are our tradition.

Page 3012

The trend in favor of democracy has continued. During this past year, Peru inaugurated a democratically elected government. Brazil continues its process of liberalization. In Central America, Hondurans voted in record numbers in their first national elections in over eight years. In the Caribbean seven elections have returned governments firmly committed to the democratic traditions of the Commonwealth.

Another major contribution to peace in the hemisphere is Latin America's own Treaty for the Prohibition of Nuclear Weapons. On behalf of the United States, I signed Protocol I of this Treaty in May of 1977 and sent it to the Senate for ratification. I urge that it be acted upon promptly by the Senate in order that it be brought into the widest possible effect in the Latin American region.

Regional cooperation for development is gaining from Central America to the Andes, and throughout the Caribbean. The Caribbean Group for Cooperation in Economic Development, which we established with 29 other nations in 1977, has helped channel $750 million in external support for growth in the Caribbean. The recent meeting of the Chiefs of State of the Eastern Caribbean set a new precedent for cooperation in that region. Mexico and Venezuela jointly and Trinidad and Tobago separately have established oil facilities that will provide substantial assistance to their oil importing neighbors. The peace treaty between El Salvador and Honduras will hopefully stimulate Central America to move forward again toward economic integration. Formation of Caribbean/ Central American Action, a private sector organization, has given a major impetus to improving people-to-people bonds and strengthening the role of private enterprise in the development of democratic societies.

The Panama treaties have been in force for over a year. A new partnership has been created with Panama; it is a model for large and small nations. A longstanding issue that divided us from our neighbors has been resolved. The security of the canal has been enhanced. The canal is operating as well as ever, with traffic through it reaching record levels this year. Canal employees, American and Panamanian alike, have remained on the job and have found their living and working conditions virtually unchanged.

In 1980, relations with Mexico continued to improve due in large measure to the effectiveness of the Coordinator for Mexican Affairs and the expanded use of the U.S.-Mexico Consultative Mechanism. By holding periodic meetings of its various working groups, we have been able to prevent mutual concerns from becoming political issues. The Secretary of State visited Mexico City in November, and, along with the Mexican Secretary of Foreign Relations, reviewed the performance of the Consultative Mechanism. The office of the Coordinator has ensured the implementation of my directive to all agencies to accord high priority to Mexican concerns. Trade with Mexico rose by almost 60 percent to nearly $30 billion, making that country our third largest trading partner.

Page 3013

These are all encouraging developments. Other problems remain, however.

The impact of large-scale migration is affecting many countries in the hemisphere. The most serious manifestation was the massive, illegal exodus from Cuba last summer. The Cuban government unilaterally encouraged the disorderly and even deadly migration of 125,000 of its citizens in complete disregard for international law or the immigration laws of its neighbors. Migrations of this nature clearly require concerted action, and we have asked the *Oas* to explore means of dealing with similar situations which may occur in the future.

We have a long-standing treaty with Colombia on Quita Sueno, Roncador, and Serrano which remains to be ratified by the Senate.

In Central America, the future of Nicaragua is unclear. Recent tensions, the restrictions on the press and political activity, an inordinate Cuban presence in the country and the tragic killing by the security forces of a businessman well known for his democratic orientation, cause us considerable concern. These are not encouraging developments. But those who seek a free society remain in the contest for their nation's destiny. They have asked us to help rebuild their country, and by our assistance, to demonstrate that the democratic nations do not intend to abandon Nicaragua to the Cubans. As long as those who intend to pursue their pluralistic goals play important roles in Nicaragua, it deserves our continuing support.

In El Salvador, we have supported the efforts of the Junta to change the fundamental basis of an inequitable system and to give a stake in a new nation to those millions of people, who for so long, lived without hope or dignity. As the government struggles against those who would restore an old tyranny or impose a new one, the United States will continue to stand behind them.

We have increased our aid to the Caribbean, an area vital to our national security, and we should continue to build close relations based on mutual respect and understanding, and common interests.

As the nations of this hemisphere prepare to move further into the 1980's, I am struck by the depth of underlying commitment that there is to our common principles: non-intervention, peaceful settlement of disputes, cooperation for development, democracy and defense of basic human rights. I leave office satisfied that the political, economic, social and organizational basis for further progress with respect to all these principles have been substantially strengthened in the past four years. I am particularly reassured by the leadership by other nations of the hemisphere in advancing these principles. The success of our common task of improving the circumstances of all peoples and nations in the hemisphere can only be assured by the sharing of responsibility. I look forward to a hemisphere that at the end of this decade has proven itself anew as a leader in the promotion of both national and human dignity.

Page 3014

THE INTERNATIONAL ECONOMY

A growing defense effort and a vigorous foreign policy rest upon a strong economy here in the United States. And the strength of our own economy depends upon our ability to lead and compete in the international marketplace.

ENERGY

Last year, the war between Iraq and Iran led to the loss of nearly 4 million barrels of oil to world markets, the third major oil market disruption in the past seven years. This crisis has vividly demonstrated once again both the value of lessened dependence on oil imports and the continuing instability of the Persian Gulf area.

Under the leadership of the United States, the 21 members of the International Energy Agency took collective action to ensure that the oil shortfall stemming from the Iran-Iraq war would not be aggravated by competition for scarce spot market supplies. We are also working together to see that those nations most seriously affected by the oil disruption— including our key NATO allies Turkey and Portugal—can get the oil they need. At the most recent IEA Ministerial meeting we joined the other members in pledging to take those policy measures necessary to slice our joint oil imports in the first quarter of 1981 by 2.2 million barrels.

Our international cooperation efforts in the energy field are not limited to crisis management. At the Economic Summit meetings in Tokyo and Venice, the heads of government of the seven major industrial democracies agreed to a series of tough energy conservation and production goals. We are working together with all our allies and friends in this effort.

Construction has begun on a commercial scale coal liquefaction plant in West Virginia co-financed by the United States, Japan and West Germany. An interagency task force has just reported to me on a series of measures we need to take to increase coal production and exports. This report builds on the work of the International Energy Agency's Coal Industry Advisory Board. With the assurances of a reliable United States steam coal supply at reasonable prices, many of the electric power plants to be built in the 1980's and 1990's can be coal-fired rather than oil-burning.

We are working cooperatively with other nations to increase energy security in other areas as well. Joint research and development with our allies is underway in solar energy, nuclear power, industrial conservation and other areas. In addition, we are assisting rapidly industrializing nations to carefully assess their basic energy policy choices, and our development assistance program helps the developing countries to increase indigenous energy production to meet the energy needs of their poorest citizens. We support the proposal for a new World Bank energy affiliate to these same

ends, whose fulfillment will contribute to a better global balance between energy supply and demand.

Page 3015

INTERNATIONAL MONETARY POLICY

Despite the rapid increase in oil costs, the policy measures we have taken to improve domestic economic performance have had a continued powerful effect on our external accounts and on the strength of the dollar. A strong dollar helps in the fight against inflation.

There has also been considerable forward movement in efforts to improve the functioning of the international monetary system. The stability of the international system of payments and trade is important to the stability and good health of our own economy. We have given strong support to the innovative steps being taken by the International Monetary Fund and World Bank to help promote early adjustment to the difficult international economic problems. Recent agreement to increase quotas by fifty percent will ensure the IMF has sufficient resources to perform its central role in promoting adjustment and financing payments imbalances. The World Bank's new structural adjustment lending program will also make an important contribution to international efforts to help countries achieve a sustainable level of growth and development.

SUGAR

In 1980, Congress passed U.S. implementing legislation for the International Sugar Agreement, thus fulfilling a major commitment of this Administration. The agreement is an important element in our international commodity policy with far-reaching implications for our relations with developing countries, particularly sugar producers in Latin America. Producers and consumers alike will benefit from a more stable market for this essential commodity.

COFFEE

At year's end, Congress approved implementing legislation permitting the U.S. to carry out fully its commitments under International Coffee Agreement Specifically, the legislation enables us to meet our part of an understanding negotiated last fall among members of the Agreement, which defends, by use of export quotas, a price range well below coffee prices of previous years and which commits major coffee producers to eliminate cartel arrangements that manipulated future markets to raise prices. The way is now open to a fully-functioning International Coffee Agreement which can help to stabilize this major world commodity market. The results will be positive for both consumers—who will be less likely to suffer from sharp increases in coffee prices—and producers—who can undertake future investment with assurance of greater protection against disruptive price fluctuations in their exports.

NATURAL RUBBER

Page 3016

In 1980, the International Natural Rubber Agreement entered into force provisionally. U.S. membership in this new body was approved overwhelmingly by the Senate last year. The natural rubber agreement is a model of its kind and should make a substantial contribution to a stable world market in this key industrial commodity. It is thus an excellent example of constructive steps to improve the operation of the world economy in ways which can benefit the developing and industrialized countries alike. In particular, the agreement has improved important U.S. relationships with the major natural rubber-producing countries of Southeast Asia.

COMMON FUND

The United States joined members of the United Nations Conference on Trade and Development, both developed and developing nations, in concluding Articles of Agreement in 1980 for a Common Fund to help international commodity agreements stabilize the prices of raw materials.

ECONOMIC COOPERATION WITH DEVELOPING NATIONS

Our relations with the developing nations are of major importance to the United States. The fabric of our relations with these countries has strong economic and political dimensions. They constitute the most rapidly growing markets for our exports, and are important sources of fuel and raw materials. Their political views are increasingly important, as demonstrated in their overwhelming condemnation of the Soviet invasion of Afghanistan. Our ability to work together with developing nations toward goals we have in common (their political independence, the resolution of regional tensions, and our growing ties of trade for example) require us to maintain the policy of active involvement with the developing world that we have pursued over the past four years.

The actions we have taken in such areas as energy, trade, commodities, and international financial institutions are all important to the welfare of the developing countries. Another important way the United States can directly assist these countries and demonstrate our concern for their future is through our multilateral and bilateral foreign assistance program. The legislation which I will be submitting to you for FY 82 provides the authority and the funds to carry on this activity. Prompt Congressional action on this legislation is essential in order to attack such high priority global problems as food and energy, meet our treaty and base rights agreements, continue our peace efforts in the Middle East, provide economic and development support to countries in need, promote progress on North-South issues, protect Western interests, and counter Soviet influence.

Page 3017

Our proposed FY 1982 bilateral development aid program is directly responsive to the agreement reached at the 1980 Venice Economic Summit that the major industrial nations should increase their aid for food and energy production and for family planning. We understand that other Summit countries plan similar responses. It is also important to honor our international agreements for multilateral assistance by authorizing and appropriating funds for the International Financial Institutions. These multilateral programs enhance the efficiency of U.S. contributions by combining them with those of many other donor countries to promote development; the proposed new World Bank affiliate to increase energy output in developing countries offers particular promise. All these types of aid benefit our long-run economic and political interests.

Progress was made on a number of economic issues in negotiations throughout the U.N. system. However, in spite of lengthy efforts in the United Nations, agreement has not been reached on how to launch a process of Global Negotiations in which nations might collectively work to solve such important issues as energy, food, protectionism, and population pressures. The United States continues to believe that progress can best be made when nations focus on such specific problems, rather than on procedural and institutional questions. It will continue to work to move the North-South dialogue into a more constructive phase.

FOOD—THE WAR ON HUNGER

The War on Hunger must be a continuous urgent priority. Major portions of the world's population continue to be threatened by the specter of hunger and malnutrition. During the past year, some 150 million people in 36 African countries were faced with near disaster as the result of serious drought, induced food shortages. Our government, working in concert with the U.N.'s Food and Agricultural Organization (*Fao*), helped to respond to that need. But the problems of hunger cannot be solved by short-term measures. We must continue to support those activities, bilateral and multilateral, which aim at improving food production especially in developing countries and assuring global food security. These measures are necessary to the maintenance of a stable and healthy world economy.

I am pleased that negotiation of a new Food Aid Convention, which guarantees a minimum annual level of food assistance, was successfully concluded in March. The establishment of the International Emergency Wheat Reserve will enable the U.S. to meet its commitment under the new Convention to feed hungry people, even in times of short supply.

Of immediate concern is the prospect of millions of Africans threatened by famine because of drought and civil disturbances. The U.S. plea for increased food aid resulted in the organization of an international pledging conference and we are hopeful that widespread starvation will be avoided.

Page 3018

Good progress has been made since the Venice Economic Summit called for increased effort on this front. We and other donor countries have begun to assist poor countries develop long-term strategies to improve their food production. The World Bank will invest up to $4 billion in the next few years in improving the grain storage and food-handling capacity of countries prone to food shortages.

Good progress has been made since the Tokyo Economic Summit called for increased effort on this front. The World Bank is giving this problem top priority, as are some other donor countries. The resources of the consultative Group on International Agricultural Research will be doubled over a five-year period. The work of our own Institute of Scientific and Technological Cooperation will further strengthen the search for relevant new agricultural technologies.

The goal of freeing the world from hunger by the year 2000 should command the full support of all countries.

The Human Dimension of Foreign Policy

HUMAN RIGHTS

The human rights policy of the United States has been an integral part of our overall foreign policy for the past several years. This policy serves the national interest of the United States in several important ways: by encouraging respect by governments for the basic rights of human beings, it promotes peaceful, constructive change, reduces the likelihood of internal pressures for violent change and for the exploitation of these by our adversaries, and thus directly serves our long-term interest in peace and stability; by matching espousal of fundamental American principles of freedom with specific foreign policy actions, we stand out in vivid contrast to our ideological adversaries; by our efforts to expand freedom elsewhere, we render our own freedom, and our own nation, more secure. Countries that respect human rights make stronger allies and better friends.

Rather than attempt to dictate what system of government or institutions other countries should have, the U.S. supports, throughout the world, the internationally recognized human rights which all members of the United Nations have pledged themselves to respect. There is more than one model that can satisfy the continuing human reach for freedom and justice:

1980 has been a year of some disappointments, but has also seen some positive developments in the ongoing struggle for fulfillment of human rights throughout the world. In the year we have seen:

—Free elections were held and democratic governments installed in Peru, Dominica, and Jamaica. Honduras held a free election for installation of a constituent assembly. An interim government was subsequently named pointing toward national presidential elections in 1981. Brazil continues on its course of political liberalization.

—The “Charter of Conduct” signed in Riobamba, Ecuador, by Ecuador, Colombia, Venezuela, Peru, Costa Rica, Panama and Spain, affirms the importance of democracy and human rights for the Andean countries.

Page 3019

—The Organization of American States, in its annual General Assembly, approved a resolution in support of the Inter-American Human Rights Commission's work. The resolution took note of the Commission's annual report, which described the status of human rights in Chile, El Salvador, Paraguay and Uruguay; and the special reports on Argentina and Haiti, which described human rights conditions as investigated during on-site inspections to these countries.

—The awarding of the Nobel Prize for Peace to Adolfo Perez Esquivel of Argentina for his non-violent advocacy of human rights.

—The United States was able to rejoin the International Labor Organization after an absence of two years, as that U.N. body reformed its procedures to return to its original purpose of strengthening employer-employee-government relations to insure human rights for the working people of the world.

The United States, of course, cannot take credit for all these various developments. But we can take satisfaction in knowing that our policies encourage and perhaps influence them.

Those who see a contradiction between our security and our humanitarian interests forget that the basis for a secure and stable society is the bond of trust between a government and its people. I profoundly believe that the future of our world is not to be found in authoritarianism: that wears the mask of order, or totalitarianism that wears the mask of justice. Instead, let us find our future in the human face of democracy, the human voice of individual liberty, the human hand of economic development.

HUMANITARIAN AID

The United States has continued to play its traditional role of safehaven for those who flee or are forced to flee their homes because of persecution or war. During 1980, the United States provided resettlement opportunities for 216,000 refugees from countries around the globe. In addition, the United States joined with other nations to provide relief to refugees in country of first asylum in Africa, the Middle East, and Asia.

The great majority of refugee admissions continued to be from Indo-china. During 1980, 168,000 Indo-chinese were resettled in the United States. Although refugee populations persist in camps in Southeast Asia, and refugees continue to flee Vietnam, Laos and Kampuchea, the flow is not as great as in the past. One factor in reducing the flow from Vietnam has been the successful negotiation and commencement of an Orderly Departure Program which permits us to process Vietnamese for resettlement in the United States with direct departure from Ho Chi Minh Ville in an orderly fashion. The first group of 250 departed Vietnam for the United States in December, 1980.

In addition to the refugees admitted last year, the United States accepted for entry into the United States 125,000 Cubans who were expelled by Fidel Castro. Federal and state authorities, as well as private voluntary agencies, responded with unprecedented vigor to coping with the unexpected influx of Cubans.

Page 3020

Major relief efforts to aid refugees in countries of first asylum continued in several areas of the world. In December, 1980, thirty-two nations, meeting in New York City, agreed to contribute $65 million to the continuing famine relief program in Kampuchea. Due in great part to the generosity of the American people and the leadership exercised in the international arena by the United States, we have played the pivotal role in ameliorating massive suffering in Kampuchea.

The United States has taken the lead among a group of donor countries who are providing relief to some two million refugees in the Horn of Africa who have been displaced by fighting in Ethiopia. U.S. assistance, primarily to Somalia, consists of $35 million worth of food and $18 million in cash and kind. Here again, United States efforts can in large part be credited with keeping hundreds of thousands of people alive.

Another major international relief effort has been mounted in Pakistan. The United States is one of 25 countries plus the European Economic Community who have been helping the Government of Pakistan to cope with the problem of feeding and sheltering the more than one million refugees that have been generated by the Soviet invasion of Afghanistan.

In April, 1980, the Congress passed the Refugee Act of 1980 which brought together, for the first time, in one piece of legislation the various threads of U.S. policy towards refugees. The law laid down a new, broader definition of the term refugee, established mechanisms for arriving at a level of refugee admissions through consultation with Congress, and established the Office of the United States Coordinator for Refugees.

It cannot be ignored that the destructive and aggressive policies of the Soviet Union have added immeasurably to the suffering in these three tragic situations.

The Control of Nuclear Weapons

Together with our friends and allies, we are striving to build a world in which peoples with diverse interests can live freely and prosper. But all that humankind has achieved to date, all that we are seeking to accomplish, and human existence itself can be undone in an instant—in the catastrophe of a nuclear war.

Thus one of the central objectives of my Administration has been to control the proliferation of nuclear weapons to those nations which do not have them, and their further development by the existing nuclear powers— notably the Soviet Union and the United States.

NON-PROLIFERATION

My Administration has been committed to stemming the spread of nuclear weapons. Nuclear proliferation would raise the spectre of the use of nuclear explosives in crucial,

unstable regions of the world endangering not only our security and that of our Allies, but that of the whole world. Non-proliferation is not and can not be a unilateral U.S. policy, nor should it be an issue of contention between the industrialized and developing states. The international non-proliferation effort requires the support of suppliers as well as importers of nuclear technology and materials.

Page 3021

We have been proceeding on a number of fronts:

—First, we have been seeking to encourage nations to accede to the Non-Proliferation Treaty. The U.S. is also actively encouraging other nations to accept full-scope safeguards on all of their nuclear activities and is asking other nuclear suppliers to adopt a full-scope safeguards requirement as a condition for future supply.

—Second, the International Nuclear Fuel Cycle Evaluation (INFCE), which was completed in 1980, demonstrated that suppliers and recipients can work together on these technically complex and sensitive issues. While differences remain, the INFCE effort provides a broader international basis for national decisions which must balance energy needs with non-proliferation concerns.

—Finally, we are working to encourage regional cooperation and restraint. Protocol I of the Treaty of Tlatelolco which will contribute to the lessening of nuclear dangers for our Latin American neighbors ought now to be ratified by the United States Senate.

LIMITATIONS ON STRATEGIC ARMS

I remain convinced that the *salt* II Treaty is in our Nation's security interest and that it would add significantly to the control of nuclear weapons. I strongly support continuation of the *salt* process and the negotiation of more far-reaching mutual restraints on nuclear weaponry.

CONCLUSION

We have new support in the world for our purposes of national independence and individual human dignity. We have a new will at home to do what is required to keep us the strongest nation on earth.

We must move together into this decade with the strength which comes from realization of the dangers before us and from the confidence that together we can overcome them. The White House, January 16, 1981.

***

State of the Union Address
Ronald Reagan
January 26, 1982

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

Today marks my first State of the Union address to you, a constitutional duty as old as our Republic itself.

President Washington began this tradition in 1790 after reminding the Nation that the destiny of self-government and the “preservation of the sacred fire of liberty” is “finally staked on the experiment entrusted to the hands of the American people.” For our friends in the press, who place a high premium on accuracy, let me say: I did not actually hear George Washington say that. But it is a matter of historic record.

But from this podium, Winston Churchill asked the free world to stand together against the onslaught of aggression. Franklin Delano Roosevelt spoke of a day of infamy and summoned a nation to arms. Douglas MacArthur made an unforgettable farewell to a country he loved and served so well. Dwight Eisenhower reminded us that peace was purchased only at the price of strength. And John F. Kennedy spoke of the burden and glory that is freedom.

Page 3022

When I visited this Chamber last year as a newcomer to Washington, critical of past policies which I believed had failed, I proposed a new spirit of partnership between this Congress and this administration and between Washington and our State and local governments. In forging this new partnership for America, we could achieve the oldest hopes of our Republic—prosperity for our nation, peace for the world, and the blessings of individual liberty for our children and, someday, for all of humanity.

It's my duty to report to you tonight on the progress that we have made in our relations with other nations, on the foundation we've carefully laid for our economic recovery, and finally, on a bold and spirited initiative that I believe can change the face of American government and make it again the servant of the people.

Seldom have the stakes been higher for America. What we do and say here will make all the difference to autoworkers in Detroit, lumberjacks in the Northwest, steelworkers in Steubenville who are in the unemployment lines; to black teenagers in Newark and Chicago; to hard-pressed farmers and small businessmen; and to millions of everyday Americans who harbor the simple wish of a safe and financially secure future for their children. To understand the state of the Union, we must look not only at where we are and where we're going but where we've been. The situation at this time last year was truly ominous.

The last decade has seen a series of recessions. There was a recession in 1970, in 1974, and again in the spring of 1980. Each time, unemployment increased and inflation soon turned up again. We coined the word "stagflation" to describe this.

Government's response to these recessions was to pump up the money supply and increase spending. In the last 6 months of 1980, as an example, the money supply increased at the fastest rate in postwar history—13 percent. Inflation remained in double digits, and government spending increased at an annual rate of 17 percent. Interest rates reached a staggering 21.5 percent. There were 8 million unemployed.

Late in 1981 we sank into the present recession, largely because continued high interest rates hurt the auto industry and construction. And there was a drop in productivity, and the already high unemployment increased.

This time, however, things are different. We have an economic program in place, completely different from the artificial quick fixes of the past. It calls for a reduction of the rate of increase in government spending, and already that rate has been cut nearly in half. But reduced spending the first and smallest phase of a 3-year tax rate reduction designed to stimulate the economy and create jobs. Already interest rates are down to 15 3/4 percent, but they must still go lower. Inflation is down from 12.4 percent to 8.9, and for the month of December it was running at an annualized rate of 5.2 percent. If we had not acted as we did, things would be far worse for all Americans than they are today. Inflation, taxes, and interest rates would all be higher.

Page 3023

A year ago, Americans' faith in their governmental process was steadily declining. Six out of 10 Americans were saying they were pessimistic about their future. A new kind of defeatism was heard. Some said our domestic problems were uncontrollable, that we had to learn to live with this seemingly endless cycle of high inflation and high unemployment.

There were also pessimistic predictions about the relationship between our administration and this Congress. It was said we could never work together. Well, those predictions were wrong. The record is clear, and I believe that history will remember this as an era of American renewal, remember this administration as an administration of change, and remember this Congress as a Congress of destiny.

Together, we not only cut the increase in government spending nearly in half, we brought about the largest tax reductions and the most sweeping changes in our tax structure since the beginning of this century. And because we indexed future taxes to the rate of inflation, we took away government's built-in profit on inflation and its hidden incentive to grow larger at the expense of American workers.

Together, after 50 years of taking power away from the hands of the people in their States and local communities, we have started returning power and resources to them.

Together, we have cut the growth of new Federal regulations nearly in half. In 1981 there were 23,000 fewer pages in the Federal Register, which lists new regulations, than there were in 1980. By deregulating oil we've come closer to achieving energy independence and helped bring down the cost of gasoline and heating fuel.

Together, we have created an effective Federal strike force to combat waste and fraud in government. In just 6 months it has saved the taxpayers more than $2 billion, and it's only getting started.

Together we've begun to mobilize the private sector, not to duplicate wasteful and discredited government programs, but to bring thousands of Americans into a volunteer effort to help solve many of America's social problems.

Together we've begun to restore that margin of military safety that ensures peace. Our country's uniform is being worn once again with pride.

Together we have made a New Beginning, but we have only begun.

No one pretends that the way ahead will be easy. In my Inaugural Address last year, I warned that the "ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months, but they will go away . . . because we as Americans have the capacity now, as we've had it in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom."

The economy will face difficult moments in the months ahead. But the program for economic recovery that is in place will pull the economy out of its slump and put us on the road to prosperity and stable growth by the latter half of this year. And that is why I can report to you tonight that in the near future the state of the Union and the economy will be better—much better—if we summon the strength to continue on the course that we've charted.

Page 3024

And so, the question: If the fundamentals are in place, what now? Well, two things. First, we must understand what's happening at the moment to the economy. Our current problems are not the product of the recovery program that's only just now getting underway, as some would have you believe; they are the inheritance of decades of tax and tax and spend and spend.

Second, because our economic problems are deeply rooted and will not respond to quick political fixes, we must stick to our carefully integrated plan for recovery. That plan is based on four commonsense fundamentals: continued reduction of the growth in Federal spending; preserving the individual and business tax reductions that will stimulate saving and investment; removing unnecessary Federal regulations to spark productivity; and maintaining a healthy dollar and a stable monetary policy, the latter a responsibility of the Federal Reserve System.

The only alternative being offered to this economic program is a return to the policies that gave us a trillion-dollar debt, runaway inflation, runaway interest rates and unemployment. The doubters would have us turn back the clock with tax increases that would offset the personal tax rate reductions already passed by this Congress. Raise present taxes to cut future deficits, they tell us. Well, I don't believe we should buy that argument.

There are too many imponderables for anyone to predict deficits or surpluses several years ahead with any degree of accuracy. The budget in place, when I took office, had been projected as balanced. It turned out to have one of the biggest deficits in history. Another example of the imponderables that can make deficit projections highly questionable—a change of only one percentage point in unemployment can alter a deficit up or down by some $25 billion.

As it now stands, our forecast, which we're required by law to make, will show major deficits starting at less than a hundred billion dollars and declining, but still too high. More important, we're making progress with the three keys to reducing deficits: economic growth, lower interest rates, and spending control. The policies we have in place will reduce the deficit steadily, surely, and in time, completely.

Higher taxes would not mean lower deficits. If they did, how would we explain that tax revenues more than doubled just since 1976; yet in that same 6-year period we ran the largest series of deficits in our history. In 1980 tax revenues increased by $54 billion, and in 1980 we had one of our all-time biggest deficits. Raising taxes won't balance the budget; it will encourage more government spending and less private investment. Raising taxes will slow economic growth, reduce production, and destroy future jobs, making it more difficult for those without jobs to find them and more likely that those who now have jobs could lose them. So, I will not ask you to try to balance the budget on the backs of the American taxpayers.

Page 3025

I will seek no tax increases this year, and I have no intention of retreating from our basic program of tax relief. I promise to bring the American people—to bring their tax rates down and to keep them down, to provide them incentives to rebuild our economy, to save, to invest in America's future. I will stand by my word. Tonight I'm urging the American people: Seize these new opportunities to produce, to save, to invest, and together we'll make this economy a mighty engine of freedom, hope, and prosperity again.

Now, the budget deficit this year will exceed our earlier expectations. The recession did that. It lowered revenues and increased costs. To some extent, we're also victims of our own success. We've brought inflation down faster than we thought we could, and in doing this, we've deprived government of those hidden revenues that occur when inflation pushes people into higher income tax brackets. And the continued high interest rates last year cost the government about $5 billion more than anticipated.

We must cut out more nonessential government spending and rout out more waste, and we will continue our efforts to reduce the number of employees in the Federal work force by 75,000.

The budget plan I submit to you on February 8th will realize major savings by dismantling the Departments of Energy and Education and by eliminating ineffective subsidies for business. We'll continue to redirect our resources to our two highest budget priorities—a strong national defense to keep America free and at peace and a reliable safety net of social programs for those who have contributed and those who are in need.

Contrary to some of the wild charges you may have heard, this administration has not and will not turn its back on America's elderly or America's poor. Under the new budget, funding for social insurance programs will be more than double the amount spent only 6 years ago. But it would be foolish to pretend that these or any programs cannot be made more efficient and economical.

The entitlement programs that make up our safety net for the truly needy have worthy goals and many deserving recipients. We will protect them. But there's only one way to see to it that these programs really help those whom they were designed to help. And that is to bring their spiraling costs under control.

Today we face the absurd situation of a Federal budget with three-quarters of its expenditures routinely referred to as "uncontrollable." And a large part of this goes to entitlement programs.

Committee after committee of this Congress has heard witness after witness describe many of these programs as poorly administered and rife with waste and fraud. Virtually every American who shops in a local supermarket is aware of the daily abuses that take

place in the food stamp program, which has grown by 16,000 percent in the last 15 years. Another example is Medicare and Medicaid—programs with worthy goals but whose costs have increased from 11.2 billion to almost 60 billion, more than 5 times as much, in just 10 years.

Page 3026

Waste and fraud are serious problems. Back in 1980 Federal investigators testified before one of your committees that “corruption has permeated virtually every area of the Medicare and Medicaid health care industry.” One official said many of the people who are cheating the system were “very confident that nothing was going to happen to them.” Well, something is going to happen. Not only the taxpayers are defrauded; the people with real dependency on these programs are deprived of what they need, because available resources are going not to the needy, but to the greedy.

The time has come to control the uncontrollable. In August we made a start. I signed a bill to reduce the growth of these programs by $44 billion over the next 3 years while at the same time preserving essential services for the truly needy. Shortly you will receive from me a message on further reforms we intend to install—some new, but others long recommended by your own congressional committees. I ask you to help make these savings for the American taxpayer.

The savings we propose in entitlement programs will total some $63 billion over 4 Years and will, without affecting social t security, go a long way toward bringing Federal spending under control.

But don’t be fooled by those who proclaim that spending cuts will deprive the elderly, the needy, and the helpless. The. Federal Government will still subsidize 95 million meals every day. That’s one out of seven of all the meals served in America. Head Start, senior nutrition programs, and child welfare programs will not be cut from the levels we proposed last year. More than one-half billion dollars has been proposed for minority business assistance. And research at the National Institute of Health will be increased by over $100 million. While meeting all these needs, we intend to plug unwarranted tax loopholes and strengthen the law which requires all large corporations to pay a minimum tax.

I am confident the economic program we’ve put into operation will protect the needy while it triggers a recovery that will benefit all Americans. It will stimulate the economy, result in increased savings and provide capital for expansion, mortgages for homebuilding, and jobs for the unemployed.

Now that the essentials of that program are in place, our next major undertaking must be a program—just as bold, just as innovative—to make government again accountable to the people, to make our system of federalism work again.

Our citizens feel they’ve lost control of even the most basic decisions made about the essential services of government, such as schools, welfare, roads, and even garbage collection. And they’re right. A maze of interlocking jurisdictions and levels of government confronts average citizens in trying to solve even the simplest of problems. They don’t know where to turn for answers, who to hold accountable, who to praise,

who to blame, who to vote for or against. The main reason for this is the overpowering growth of Federal grants-in-aid programs during the past few decades.

Page 3027

In 1960 the Federal Government had 132 categorical grant programs, costing $7 billion. When I took office, there were approximately 500, costing nearly a hundred billion dollars—13 programs for energy, 36 for pollution control, 66 for social services, 90 for education. And here in the Congress, it takes at least 166 committees just to try to keep track of them.

You know and I know that neither the President nor the Congress can properly oversee this jungle of grants-in-aid; indeed, the growth of these grants has led to the distortion in the vital functions of government. As one Democratic Governor put it recently: The National Government should be worrying about “arms control, not potholes.”

The growth in these Federal programs has—in the words of one intergovernmental commission—made the Federal Government “more pervasive, more intrusive, more unmanageable, more ineffective and costly, and above all, more (un) accountable.” Let’s solve this problem with a single, bold stroke: the return of some $47 billion in Federal programs to State and local government, together with the means to finance them and a transition period of nearly 10 years to avoid unnecessary disruption.

I will shortly send this Congress a message describing this program. I want to emphasize, however, that its full details will have been worked out only after close consultation with congressional, State, and local officials.

Starting in fiscal 1984, the Federal Government will assume full responsibility for the cost of the rapidly growing Medicaid program to go along with its existing responsibility for Medicare. As part of a financially equal swap, the States will simultaneously take full responsibility for Aid to Families with Dependent Children and food stamps. This will make welfare less costly and more responsive to genuine need, because it’ll be designed and administered closer to the grass roots and the people it serves.

In 1984 the Federal Government will apply the full proceeds from certain excise taxes to a grass roots trust fund that will belong in fair shares to the 50 States. The total amount flowing into this fund will be $28 billion a year. Over the next 4 years the States can use this money in either of two ways. If they want to continue receiving Federal grants in such areas as transportation, education, and social services, they can use their trust fund money to pay for the grants. Or to the extent they choose to forgo the Federal grant programs, they can use their trust fund money on their own for those or other purposes. There will be a mandatory pass-through of part of these funds to local governments.

By 1988 the States will be in complete control of over 40 Federal grant programs. The trust fund will start to phase out, eventually to disappear, and the excise taxes will be turned over to the States. They can then preserve, lower, or raise taxes on their own and fund and manage these programs as they see fit.

Page 3028

In a single stroke we will be accomplishing a realignment that will end cumbersome administration and spiraling costs at the Federal level while we ensure these programs will be more responsive to both the people they're meant to help and the people who pay for them.

Hand in hand with this program to strengthen the discretion and flexibility of State and local governments, we're proposing legislation for an experimental effort to improve and develop our depressed urban areas in the 1980's and '90's. This legislation will permit States and localities to apply to the Federal Government for designation as urban enterprise zones. A broad range of special economic incentives in the zones will help attract new business, new jobs, new opportunity to America's inner cities and rural towns. Some will say our mission is to save free enterprise. Well, I say we must free enterprise so that together we can save America.

Some will also say our States and local communities are not up to the challenge of a new and creative partnership. Well, that might have been true 20 years ago before reforms like reapportionment and the Voting Rights Act, the 10-year extension of which I strongly support. It's no longer true today. This administration has faith in State and local governments and the constitutional balance envisioned by the Founding Fathers. We also believe in the integrity, decency, and sound, good sense of grass roots Americans.

Our faith in the American people is reflected in another major endeavor. Our private sector initiatives task force is seeking out successful community models of school, church, business, union, foundation, and civic programs that help community needs. Such groups are almost invariably far more efficient than government in running social programs.

We're not asking them to replace discarded and often discredited government programs dollar for dollar, service for service. We just want to help them perform the good works they choose and help others to profit by their example. Three hundred and eighty-five thousand corporations and private organizations are already working on social programs ranging from drug rehabilitation to job training, and thousands more Americans have written us asking how they can help. The volunteer spirit is still alive and well in America.

Our nation's long journey towards civil rights for all our citizens—once a source of discord, now a source of pride—must continue with no backsliding or slowing down. We must and shall see that those basic laws that guarantee equal rights are preserved and, when necessary, strengthened.

Our concern for equal rights for women is firm and unshakable. We launched a new Task Force on Legal Equity for Women and a Fifty States Project that will examine State

laws for discriminatory language. And for the first time in our history, a woman sits on the highest court in the land.

So, too, the problem of crime—one as real and deadly serious as any in America today. It demands that we seek transformation of our legal system, which overly protects the rights of criminals while it leaves society and the innocent victims of crime without justice.

Page 3029

We look forward to the enactment of a responsible clean air act to increase jobs while continuing to improve the quality of our air. We're encouraged by the bipartisan initiative of the House and are hopeful of further progress as the Senate continues its deliberations.

So far, I've concentrated largely, now, on domestic matters. To view the state of the Union in perspective, we must not ignore the rest of the world. There isn't time tonight for a lengthy treatment of social—or foreign policy, I should say, a subject I intend to address in detail in the near future. A few words, however, are in order on the progress we've made over the past year, reestablishing respect for our nation around the globe and some of the challenges and goals that we will approach in the year ahead.

At Ottawa and Cancun, I met with leaders of the major industrial powers and developing nations. Now, some of those I met with were a little surprised that I didn't apologize for America's wealth. Instead, I spoke of the strength of the free marketplace system and how that system could help them realize their aspirations for economic development and political freedom. I believe lasting friendships were made, and the foundation was laid for future cooperation.

In the vital region of the Caribbean Basin, we're developing a program of aid, trade, and investment incentives to promote self-sustaining growth and a better, more secure life for our neighbors to the south. Toward those who would export terrorism and subversion in the Caribbean and elsewhere, especially Cuba and Libya, we will act with firmness.

Our foreign policy is a policy of strength, fairness, and balance. By restoring America's military credibility, by pursuing peace at the negotiating table wherever both sides are willing to sit down in good faith, and by regaining the respect of America's allies and adversaries alike, we have strengthened our country's position as a force for peace and progress in the world.

When action is called for, we're taking it. Our sanctions against the military dictatorship that has attempted to crush human rights in Poland—and against the Soviet regime behind that military dictatorship—clearly demonstrated to the world that America will not conduct "business as usual" with the forces of oppression. If the events in Poland continue to deteriorate, further measures will follow.

Now, let me also note that private American groups have taken the lead in making January 30th a day of solidarity with the people of Poland. So, too, the European Parliament has called for March 21st to be an international day of support for Afghanistan. Well, I urge all peace-loving peoples to join together on those days, to raise their voices, to speak and pray for freedom.

Meanwhile, we're working for reduction of arms and military activities, as I announced in my address to the Nation last November 18th. We have proposed to the Soviet Union a far-reaching agenda for mutual reduction of military forces and have already initiated negotiations with them in Geneva on intermediate-range nuclear forces. In those talks it is essential that we negotiate from a position of strength. There must be a real incentive for the Soviets to take these talks seriously. This requires that we rebuild our defenses.

Page 3030

In the last decade, while we sought the moderation of Soviet power through a process of restraint and accommodation, the Soviets engaged in an unrelenting buildup of their military forces. The protection of our national security has required that we undertake a substantial program to enhance our military forces.

We have not neglected to strengthen our traditional alliances in Europe and Asia, or to develop key relationships with our partners in the Middle East and other countries. Building a more peaceful world requires a sound strategy and the national resolve to back it up. When radical forces threaten our friends, when economic misfortune creates conditions of instability, when strategically vital parts of the world fall under the shadow of Soviet power, our response can make the difference between peaceful change or disorder and violence. That's why we've laid such stress not only on our own defense but on our vital foreign assistance program. Your recent passage of the Foreign Assistance Act sent a signal to the world that America will not shrink from making the investments necessary for both peace and security. Our foreign policy must be rooted in realism, not naivete or self-delusion.

A recognition of what the Soviet empire is about is the starting point. Winston Churchill, in negotiating with the Soviets, observed that they respect only strength and resolve in their dealings with other nations. That's why we've moved to reconstruct our national defenses. We intend to keep the peace. We will also keep our freedom.

We have made pledges of a new frankness in our public statements and worldwide broadcasts. In the face of a climate of falsehood and misinformation, we've promised the world a season of truth—the truth of our great civilized ideas: individual liberty, representative government, the rule of law under God. We've never needed walls or minefields or barbed wire to keep our people in. Nor do we declare martial law to keep our people from voting for the kind of government they want.

Yes, we have our problems; yes, we're in a time of recession. And it's true, there's no quick fix, as I said, to instantly end the tragic pain of unemployment. But we will end it. The process has already begun, and we'll see its effect as the year goes on.

We speak with pride and admiration of that little band of Americans who overcame insuperable odds to set this nation on course 200 years ago. But our glory didn't end with them. Americans ever since have emulated their deeds.

We don't have to turn to our history books for heroes. They're all around us. One who sits among you here tonight epitomized that heroism at the end of the longest imprisonment ever inflicted on men of our Armed Forces. Who will ever forget that night when we waited for television to bring us the scene of that first plane landing at Clark Field in the Philippines, bringing our POW's home? The plane door opened and Jeremiah Denton came slowly down the ramp. He caught sight of our flag, saluted it, said, "God bless America," and then thanked us for bringing him home.

Page 3031

Just 2 weeks ago, in the midst of a terrible tragedy on the Potomac, we saw again the spirit of American heroism at its finest—the heroism of dedicated rescue workers saving crash victims from icy waters. And we saw the heroism of one of our young government employees, Lenny Skutnik, who, when he saw a woman lose her grip on the helicopter line, dived into the water and dragged her to safety.

And then there are countless, quiet, everyday heroes of American who sacrifice long and hard so their children will know a better life than they've known; church and civic volunteers who help to feed, clothe, nurse, and teach the needy; millions who've made our nation and our nation's destiny so very special—unsung heroes who may not have realized their own dreams themselves but then who reinvest those dreams in their children. Don't let anyone tell you that America's best days are behind her, that the American spirit has been vanquished. We've seen it triumph too often in our lives to stop believing in it now.

A hundred and twenty years ago, the greatest of all our Presidents delivered his second State of the Union message in this Chamber. "We cannot escape history," Abraham Lincoln warned. "We of this Congress and this administration will be remembered in spite of ourselves." The "trial through which we pass will light us down, in honor or dishonor, to the latest (last) generation."

Well, that President and that Congress did not fail the American people. Together they weathered the storm and preserved the Union. Let it be said of us that we, too, did not fail; that we, too, worked together to bring America through difficult times. Let us so conduct ourselves that two centuries from now, another Congress and another President, meeting in this Chamber as we are meeting, will speak of us with pride, saying that we met the test and preserved for them in their day the sacred flame of liberty—this last, best hope of man on Earth.

God bless you, and thank you.

Note: The President spoke at 9 p.m. in the House Chamber at the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
Ronald Reagan
January 25, 1983

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

This solemn occasion marks the 196th time that a President of the United States has reported on the State of the Union since George Washington first did so in 1790. That's a lot of reports, but there's no shortage of new things to say about the State of the Union. The very key to our success has been our ability, foremost among nations, to preserve our lasting values by making change work for us rather than against us.

I would like to talk with you this evening about what we can do together—not as Republicans and Democrats, but as Americans—to make tomorrow's America happy and prosperous at home, strong and respected abroad, and at peace in the world.

Page 3032

As we gather here tonight, the state of our Union is strong, but our economy is troubled. For too many of our fellow citizens—farmers, steel and auto workers, lumbermen, black teenagers, working mothers—this is a painful period. We must all do everything in our power to bring their ordeal to an end. It has fallen to us, in our time, to undo damage that was a long time in the making, and to begin the hard but necessary task of building a better future for ourselves and our children.

We have a long way to go, but thanks to the courage, patience, and strength of our people, America is on the mend.

But let me give you just one important reason why I believe this—it involves many members of this body.

Just 10 days ago, after months of debate and deadlock, the bipartisan Commission on Social Security accomplished the seemingly impossible. Social security, as some of us had warned for so long, faced disaster. I, myself, have been talking about this problem for almost 30 years. As 1983 began, the system stood on the brink of bankruptcy, a double victim of our economic ills. First, a decade of rampant inflation drained its reserves as we tried to protect beneficiaries from the spiraling cost of living. Then the recession and the sudden end of inflation withered the expanding wage base and increasing revenues the system needs to support the 36 million Americans who depend on it.

When the Speaker of the House, the Senate majority leader, and I performed the bipartisan—or formed the bipartisan Commission on Social Security, pundits and experts predicted that party divisions and conflicting interests would prevent the Commission from agreeing on a plan to save social security. Well, sometimes, even here in Washington, the cynics are wrong. Through compromise and cooperation, the members of the Commission overcame their differences and achieved a fair, workable plan. They proved that, when it comes to the national welfare, Americans can still pull together for the common good.

Tonight, I'm especially pleased to join with the Speaker and the Senate majority leader in urging the Congress to enact this plan by Easter.

There are elements in it, of course, that none of us prefers, but taken together it performs a package that all of us can support. It asks for some sacrifice by all—the self-employed, beneficiaries, workers, government employees, and the better-off among the retired—but it imposes an undue burden on none. And, in supporting it, we keep an important pledge to the American people: The integrity of the social security system will be preserved, and no one's payments will be reduced.

The Commission's plan will do the job; indeed, it must do the job. We owe it to today's older Americans and today's younger workers. So, before we go any further, I ask you

to join with me in saluting the members of the Commission who are here tonight and Senate Majority Leader Howard Baker and Speaker Tip O'Neill for a job well done. I hope and pray the bipartisan spirit that guided you in this endeavor will inspire all of us as we face the challenges of the year ahead.

Page 3033

Nearly half a century ago, in this Chamber, another American President, Franklin Delano Roosevelt, in his second State of the Union message, urged America to look to the future, to meet the challenge of change and the need for leadership that looks forward, not backward.

“Throughout the world,” he said, “change is the order of the day. In every nation economic problems long in the making have brought crises to (of) many kinds for which the masters of old practice and theory were unprepared.” He also reminded us that “the future lies with those wise political leaders who realize that the great public is interested more in Government than in politics.”

So, let us, in these next 2 years—men and women of both parties, every political shade—concentrate on the long-range, bipartisan responsibilities of government, not the short-range or short-term temptations of partisan politics.

The problems we inherited were far worse than most inside and out of government had expected; the recession was deeper than most inside and out of government had predicted. Curing those problems has taken more time and a higher toll than any of us wanted. Unemployment is far too high. Projected Federal spending—if government refuses to tighten its own belt—will also be far too high and could weaken and shorten the economic recovery now underway.

This recovery will bring with it a revival of economic confidence and spending for consumer items and capital goods—the stimulus we need to restart our stalled economic engines. The American people have already stepped up their rate of saving, assuring that the funds needed to modernize our factories and improve our technology will once again flow to business and industry.

The inflationary expectations that led to a 21 1/2-percent interest prime rate and soaring mortgage rates 2 years ago are now reduced by almost half. Leaders have started to realize that double-digit inflation is no longer a way of life. I misspoke there. I should have said “lenders.”

So, interest rates have tumbled, paving the way for recovery in vital industries like housing and autos.

The early evidence of that recovery has started coming in. Housing starts for the fourth quarter of 1982 were up 45 percent from a year ago, and housing permits, a sure indicator of future growth, were up a whopping 60 percent.

We’re witnessing an upsurge of productivity and impressive evidence that American industry will once again become competitive in markets at home and abroad, ensuring more jobs and better incomes for the Nation’s work force. But our confidence must also be tempered by realism and patience. Quick fixes and artificial stimulants repeatedly

applied over decades are what brought us the inflationary disorders that we've now paid such a heavy price to cure.

The permanent recovery in employment, production, and investment we seek won't come in a sharp, short spurt. It'll build carefully and steadily in the months and years ahead. In the meantime, the challenge of government is to identify the things that we can do now to ease the massive economic transition for the American people.

Page 3034

The Federal budget is both a symptom and a cause of our economic problems. Unless we reduce the dangerous growth rate in government spending, we could face the prospect of sluggish economic growth into the indefinite future. Failure to cope with this problem now could mean as much as a trillion dollars more in national debt in the next 4 years alone. That would average $4,300 in additional debt for every man, woman, child, and baby in our nation.

To assure a sustained recovery, we must continue getting runaway spending under control to bring those deficits down. If we don't, the recovery will be too short, unemployment will remain too high, and we will leave an unconscionable burden of national debt for our children. That we must not do.

Let's be clear about where the deficit problem comes from. Contrary to the drumbeat we've been hearing for the last few months, the deficits we face are not rooted in defense spending. Taken as a percentage of the gross national product, our defense spending happens to be only about four-fifths of what it was in 1970. Nor is the deficit, as some would have it, rooted in tax cuts. Even with our tax cuts, taxes as a fraction of gross national product remain about the same as they were in 1970. The fact is, our deficits come from the uncontrolled growth of the budget for domestic spending.

During the 1970's, the share of our national income devoted to this domestic spending increased by more than 60 percent, from 10 cents out of every dollar produced by the American people to 16 cents. In spite of all our economies and efficiencies, and without adding any new programs, basic, necessary domestic spending provided for in this year's budget will grow to almost a trillion dollars over the next 5 years.

The deficit problem is a clear and present danger to the basic health of our Republic. We need a plan to overcome this danger—a plan based on these principles. It must be bipartisan. Conquering the deficits and putting the Government's house in order will require the best effort of all of us. It must be fair. Just as all will share in the benefits that will come from recovery, all would share fairly in the burden of transition. It must be prudent. The strength of our national defense must be restored so that we can pursue prosperity and peace and freedom while maintaining our commitment to the truly needy. And finally, it must be realistic. We can't rely on hope alone.

With these guiding principles in mind, let me outline a four-part plan to increase economic growth and reduce deficits.

First, in my budget message, I will recommend a Federal spending freeze. I know this is strong medicine, but so far, we have only cut the rate of increase in Federal spending. The Government has continued to spend more money each year, though not as much more as it did in the past. Taken as a whole, the budget I'm proposing for the fiscal year will increase no more than the rate of inflation. In other words, the Federal

Government will hold the line on real spending. Now, that's far less than many American families have had to do in these difficult times.

Page 3035

I will request that the proposed 6-month freeze in cost-of-living adjustments recommended by the bipartisan Social Security Commission be applied to other government-related retirement programs. I will, also, propose a 1-year freeze on a broad range of domestic spending programs, and for Federal civilian and military pay and pension programs. And let me say right here, I'm sorry, with regard to the military, in asking that of them, because for so many years they have been so far behind and so low in reward for what the men and women in uniform are doing. But I'm sure they will understand that this must be across the board and fair.

Second, I will ask the Congress to adopt specific measures to control the growth of the so-called uncontrollable spending programs. These are the automatic spending programs, such as food stamps, that cannot be simply frozen and that have grown by over 400 percent since 1970. They are the largest single cause of the built-in or structural deficit problem. Our standard here will be fairness, ensuring that the taxpayers' hard-earned dollars go only to the truly needy; that none of them are turned away, but that fraud and waste are stamped out. And I'm sorry to say, there's a lot of it out there. In the food stamp program alone, last year, we identified almost $1.1 billion in overpayments. The taxpayers aren't the only victims of this kind of abuse. The truly needy suffer as funds intended for them are taken not by the needy, but by the greedy. For everyone's sake, we must put an end to such waste and corruption.

Third, I will adjust our program to restore America's defenses by proposing $55 billion in defense savings over the next 5 years. These are savings recommended to me by the Secretary of Defense, who has assured me they can be safely achieved and will not diminish our ability to negotiate arms reductions or endanger America's security. We will not gamble with our national survival.

And fourth, because we must ensure reduction and eventual elimination of deficits over the next several years, I will propose a standby tax, limited to no more than 1 percent of the gross national product, to start in fiscal 1986. It would last no more than 3 years, and it would start only if the Congress has first approved our spending freeze and budget control program. And there are several other conditions also that must be met, all of them in order for this program to be triggered.

Now, you could say that this is an insurance policy for the future, a remedy that will be at hand if needed but only resorted to if absolutely necessary. In the meantime, we'll continue to study ways to simplify the tax code and make it more fair for all Americans. This is a goal that every American who's ever struggled with a tax form can understand.

At the same time, however, I will oppose any efforts to undo the basic tax reforms that we've already enacted, including the 10-percent tax break coming to taxpayers this July and the tax indexing which will protect all Americans from inflationary bracket creep in the years ahead.

Page 3036

Now, I realize that this four-part plan is easier to describe than it will be to enact. But the looming deficits that hang over us and over America's future must be reduced. The path I've outlined is fair, balanced, and realistic. If enacted, it will ensure a steady decline in deficits, aiming toward a balanced budget by the end of the decade. It's the only path that will lead to a strong, sustained recovery. Let us follow that path together.

No domestic challenge is more crucial than providing stable, permanent jobs for all Americans who want to work. The recovery program will provide jobs for most, but others will need special help and training for new skills. Shortly, I will submit to the Congress the Employment Act of 1983, designed to get at the special problems of the long-term unemployed, as well as young people trying to enter the job market. I'll propose extending unemployment benefits, including special incentives to employers who hire the long-term unemployed, providing programs for displaced workers, and helping federally funded and State-administered unemployment insurance programs provide workers with training and relocation assistance. Finally, our proposal will include new incentives for summer youth employment to help young people get a start in the job market.

We must offer both short-term help and long-term hope for our unemployed. I hope we can work together on this. I hope we can work together as we did last year in enacting the landmark Job Training Partnership Act. Regulatory reform legislation, a responsible clean air act, and passage of enterprise zone legislation will also create new incentives for jobs and opportunity.

One of out of every five jobs in our country depends on trade. So, I will propose a broader strategy in the field of international trade—one that increases the openness of our trading system and is fairer to America's farmers and workers in the world marketplace. We must have adequate export financing to sell American products overseas. I will ask for new negotiating authority to remove barriers and to get more of our products into foreign markets. We must strengthen the organization of our trade agencies and make changes in our domestic laws and international trade policy to promote free trade and the increased flow of American goods, services, and investments.

Our trade position can also be improved by making our port system more efficient. Better, more active harbors translate into stable jobs in our coalfields, railroads, trucking industry, and ports. After 2 years of debate, it's time for us to get together and enact a port modernization bill.

Education, training, and retraining are fundamental to our success as are research and development and productivity. Labor, management, and government at all levels can and must participate in improving these tools of growth. Tax policy, regulatory practices, and government programs all need constant reevaluation in terms of our competitiveness. Every American has a role and a stake in international trade.

Page 3037

We Americans are still the technological leaders in most fields. We must keep that edge, and to do so we need to begin renewing the basics—starting with our educational system. While we grew complacent, others have acted. Japan, with a population only about half the size of ours, graduates from its universities more engineers than we do. If a child doesn't receive adequate math and science teaching by the age of 16, he or she has lost the chance to be a scientist or an engineer. We must join together—-parents, teachers, grass roots groups, organized labor, and the business community—-to revitalize American education by setting a standard of excellence.

In 1983 we seek four major education goals: a quality education initiative to encourage a substantial upgrading of math and science instruction through block grants to the States; establishment of education savings accounts that will give middle and lower-income families an incentive to save for their children's college education and, at the same time, encourage a real increase in savings for economic growth; passage of tuition tax credits for parents who want to send their children to private or religiously affiliated schools; a constitutional amendment to permit voluntary school prayer. God should never have been expelled from America's classrooms in the first place.

Our commitment to fairness means that we must assure legal and economic equity for women, and eliminate, once and for all, all traces of unjust discrimination against women from the United States Code. We will not tolerate wage discrimination based on sex, and we intend to strengthen enforcement of child support laws to ensure that single parents, most of whom are women, do not suffer unfair financial hardship. We will also take action to remedy inequities in pensions. These initiatives will be joined by others to continue our efforts to promote equity for women.

Also in the area of fairness and equity, we will ask for extension of the Civil Rights Commission, which is due to expire this year. The Commission is an important part of the ongoing struggle for justice in America, and we strongly support its reauthorization. Effective enforcement of our nation's fair housing laws is also essential to ensuring equal opportunity. In the year ahead, we'll work to strengthen enforcement of fair housing laws for all Americans.

The time has also come for major reform of our criminal justice statutes and acceleration of the drive against organized crime and drug trafficking. It's high time that we make our cities safe again. This administration hereby declares an all-out war on big-time organized crime and the drug racketeers who are poisoning our young people. We will also implement recommendations of our Task Force on Victims of Crime, which will report to me this week.

Page 3038

American agriculture, the envy of the world, has become the victim of its own successes. With one farmer now producing enough food to feed himself and 77 other people, America is confronted with record surplus crops and commodity prices below the cost of production. We must strive, through innovations like the payment-in-kind crop swap approach and an aggressive export policy, to restore health and vitality to rural America. Meanwhile, I have instructed the Department of Agriculture to work individually with farmers with debt problems to help them through these tough times.

Over the past year, our Task Force on Private Sector Initiatives has successfully forged a working partnership involving leaders of business, labor, education, and government to address the training needs of American workers. Thanks to the Task Force, private sector initiatives are now underway in all 50 States of the Union, and thousands of working people have been helped in making the shift from dead-end jobs and low-demand skills to the growth areas of high technology and the service economy. Additionally, a major effort will be focused on encouraging the expansion of private community child care. The new advisory council on private sector initiatives will carry on and extend this vital work of encouraging private initiative in 1983.

In the coming year, we will also act to improve the quality of life for Americans by curbing the skyrocketing cost of health care that is becoming an unbearable financial burden for so many. And we will submit legislation to provide catastrophic illness insurance coverage for older Americans.

I will also shortly submit a comprehensive federalism proposal that will continue our efforts to restore to States and local governments their roles as dynamic laboratories of change in a creative society.

During the next several weeks, I will send to the Congress a series of detailed proposals on these and other topics and look forward to working with you on the development of these initiatives.

So far, now, I’ve concentrated mainly on the problems posed by the future. But in almost every home and workplace in America, we’re already witnessing reason for great hope—the first flowering of the manmade miracles of high technology, a field pioneered and still led by our country.

To many of us now, computers, silicon chips, data processing, cybernetics, and all the other innovations of the dawning high technology age are as mystifying as the workings of the combustion engine must have been when that first Model T rattled down Main Street, U.S.A. But as surely as America’s pioneer spirit made us the industrial giant of the 20th century, the same pioneer spirit today is opening up on another vast front of opportunity, the frontier of high technology.

In conquering the frontier we cannot write off our traditional industries, but we must develop the skills and industries that will make us a pioneer of tomorrow. This administration is committed to keeping America the technological leader of the world now and into the 21st century.

Page 3039

But let us turn briefly to the international arena. America's leadership in the world came to us because of our own strength and because of the values which guide us as a society: free elections, a free press, freedom of religious choice, free trade unions, and above all, freedom for the individual and rejection of the arbitrary power of the state. These values are the bedrock of our strength. They unite us in a stewardship of peace and freedom with our allies and friends in NATO, in Asia, in Latin America, and elsewhere. They are also the values which in the recent past some among us had begun to doubt and view with a cynical eye.

Fortunately, we and our allies have rediscovered the strength of our common democratic values, and we're applying them as a cornerstone of a comprehensive strategy for peace with freedom. In London last year, I announced the commitment of the United States to developing the infrastructure of democracy throughout the world. We intend to pursue this democratic initiative vigorously. The future belongs not to governments and ideologies which oppress their peoples, but to democratic systems of self-government which encourage individual initiative and guarantee personal freedom.

But our strategy for peace with freedom must also be based on strength—economic strength and military strength. A strong American economy is essential to the well-being and security of our friends and allies. The restoration of a strong, healthy American economy has been and remains one of the central pillars of our foreign policy. The progress I've been able to report to you tonight will, I know, be as warmly welcomed by the rest of the world as it is by the American people.

We must also recognize that our own economic well-being is inextricably linked to the world economy. We export over 20 percent of our industrial production, and 40 percent of our farmland produces for export. We will continue to work closely with the industrialized democracies of Europe and Japan and with the International Monetary Fund to ensure it has adequate resources to help bring the world economy back to strong, noninflationary growth.

As the leader of the West and as a country that has become great and rich because of economic freedom, America must be an unrelenting advocate of free trade. As some nations are tempted to turn to protectionism, our strategy cannot be to follow them, but to lead the way toward freer trade. To this end, in May of this year America will host an economic summit meeting in Williamsburg, Virginia.

As we begin our third year, we have put in place a defense program that redeems the neglect of the past decade. We have developed a realistic military strategy to deter threats to peace and to protect freedom if deterrence fails. Our Armed Forces are finally properly paid; after years of neglect are well trained and becoming better equipped and supplied. And the American uniform is once again worn with pride. Most of the major systems needed for modernizing our defenses are already underway, and we will be

addressing one key system, the MX missile, in consultation with the Congress in a few months.

Page 3040

America's foreign policy is once again based on bipartisanship, on realism, strength, full partnership, in consultation with our allies, and constructive negotiation with potential adversaries. From the Middle East to southern Africa to Geneva, American diplomats are taking the initiative to make peace and lower arms levels. We should be proud of our role as peacemakers.

In the Middle East last year, the United States played the major role in ending the tragic fighting in Lebanon and negotiated the withdrawal of the PLO from Beirut.

Last September, I outlined principles to carry on the peace process begun so promisingly at Camp David. All the people of the Middle East should know that in the year ahead we will not flag in our efforts to build on that foundation to bring them the blessings of peace.

In Central America and the Caribbean Basin, we are likewise engaged in a partnership for peace, prosperity, and democracy. Final passage of the remaining portions of our Caribbean Basin Initiative, which passed the House last year, is one of this administration's top legislative priorities for 1983.

The security and economic assistance policies of this administration in Latin America and elsewhere are based on realism and represent a critical investment in the future of the human race. This undertaking is a joint responsibility of the executive and legislative branches, and I'm counting on the cooperation and statesmanship of the Congress to help us meet this essential foreign policy goal.

At the heart of our strategy for peace is our relationship with the Soviet Union. The past year saw a change in Soviet leadership. We're prepared for a positive change in Soviet-American relations. But the Soviet Union must show by deeds as well as words a sincere commitment to respect the rights and sovereignty of the family of nations. Responsible members of the world community do not threaten or invade their neighbors. And they restrain their allies from aggression.

For our part, we're vigorously pursuing arms reduction negotiations with the Soviet Union. Supported by our allies, we've put forward draft agreements proposing significant weapon reductions to equal and verifiable lower levels. We insist on an equal balance of forces. And given the overwhelming evidence of Soviet violations of international treaties concerning chemical and biological weapons, we also insist that any agreement we sign can and will be verifiable.

In the case of intermediate-range nuclear forces, we have proposed the complete elimination of the entire class of land-based missiles. We're also prepared to carefully explore serious Soviet proposals. At the same time, let me emphasize that allied steadfastness remains a key to achieving arms reductions.

With firmness and dedication, we'll continue to negotiate. Deep down, the Soviets must know it's in their interest as well as ours to prevent a wasteful arms race. And once they recognize our unshakable resolve to maintain adequate deterrence, they will have every reason to join us in the search for greater security and major arms reductions. When that moment comes—and I'm confident that it will—we will have taken an important step toward a more peaceful future for all the world's people.

Page 3041

A very wise man, Bernard Baruch, once said that America has never forgotten the nobler things that brought her into being and that light her path. Our country is a special place, because we Americans have always been sustained, through good times and bad, by a noble vision—a vision not only of what the world around us is today but what we as a free people can make it be tomorrow.

We're realists; we solve our problems instead of ignoring them, no matter how loud the chorus of despair around us. But we're also idealists, for it was an ideal that brought our ancestors to these shores from every corner of the world.

Right now we need both realism and idealism. Millions of our neighbors are without work. It is up to us to see they aren't without hope. This is a task for all of us. And may I say, Americans have rallied to this cause, proving once again that we are the most generous people on Earth.

We who are in government must take the lead in restoring the economy. And here all that time, I thought you were reading the paper.

The single thing—the single thing that can start the wheels of industry turning again is further reduction of interest rates. Just another 1 or 2 points can mean tens of thousands of jobs.

Right now, with inflation as low as it is, 3.9 percent, there is room for interest rates to come down. Only fear prevents their reduction. A lender, as we know, must charge an interest rate that recovers the depreciated value of the dollars loaned. And that depreciation is, of course, the amount of inflation. Today, interest rates are based on fear—fear that government will resort to measures, as it has in the past, that will send inflation zooming again.

We who serve here in this Capital must erase that fear by making it absolutely clear that we will not stop fighting inflation; that, together, we will do only those things that will lead to lasting economic growth.

Yes, the problems confronting us are large and forbidding. And, certainly, no one can or should minimize the plight of millions of our friends and neighbors who are living in the bleak emptiness of unemployment. But we must and can give them good reason to be hopeful.

Back over the years, citizens like ourselves have gathered within these walls when our nation was threatened; sometimes when its very existence was at stake. Always with courage and common sense, they met the crises of their time and lived to see a stronger, better, and more prosperous country. The present situation is no worse and, in fact, is not as bad as some of those they faced. Time and again, they proved that there is nothing we Americans cannot achieve as free men and women.

Yes, we still have problems—plenty of them. But it's just plain wrong—unjust to our country and unjust to our people—to let those problems stand in the way of the most important truth of all: America is on the mend.

Page 3042

We owe it to the unfortunate to be aware of their plight and to help them in every way we can. No one can quarrel with that. We must and do have compassion for all the victims of this economic crisis. But the big story about America today is the way that millions of confident, caring people—those extraordinary "ordinary" Americans who never make the headlines and will never be interviewed—are laying the foundation, not just for recovery from our present problems but for a better tomorrow for all our people.

From coast to coast, on the job and in classrooms and laboratories, at new construction sites and in churches and community groups, neighbors are helping neighbors. And they've already begun the building, the research, the work, and the giving that will make our country great again.

I believe this, because I believe in them—in the strength of their hearts and minds, in the commitment that each one of them brings to their daily lives, be they high or humble. The challenge for us in government is to be worthy of them—to make government a help, not a hindrance to our people in the challenging but promising days ahead.

If we do that, if we care what our children and our children's children will say of us, if we want them one day to be thankful for what we did here in these temples of freedom, we will work together to make America better for our having been here—not just in this year or this decade but in the next century and beyond.

Thank you, and God bless you.

Note: The President spoke at 9:03 p.m. in the House Chamber of the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
Ronald Reagan
January 25, 1984

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

Once again, in keeping with time-honored tradition, I have come to report to you on the state of the Union, and I'm pleased to report that America is much improved, and there's good reason to believe that improvement will continue through the days to come.

You and I have had some honest and open differences in the year past. But they didn't keep us from joining hands in bipartisan cooperation to stop a long decline that had drained this nation's spirit and eroded its health. There is renewed energy and optimism

throughout the land. America is back, standing tall, looking to the eighties with courage, confidence, and hope.

The problems we're overcoming are not the heritage of one person, party, or even one generation. It's just the tendency of government to grow, for practices and programs to become the nearest thing to eternal life we'll ever see on this Earth. And there's always that well-intentioned chorus of voices saying, "With a little more power and a little more money, we could do so much for the people." For a time we forgot the American dream isn't one of making government bigger; it's keeping faith with the mighty spirit of free people under God.

Page 3043

As we came to the decade of the eighties, we faced the worst crisis in our postwar history. In the seventies were years of rising problems and falling confidence. There was a feeling government had grown beyond the consent of the governed. Families felt helpless in the face of mounting inflation and the indignity of taxes that reduced reward for hard work, thrift, and risktaking. All this was overlaid by an evergrowing web of rules and regulations.

On the international scene, we had an uncomfortable feeling that we'd lost the respect of friend and foe. Some questioned whether we had the will to defend peace and freedom. But America is too great for small dreams. There was a hunger in the land for a spiritual revival; if you will, a crusade for renewal. The American people said: Let us look to the future with confidence, both at home and abroad. Let us give freedom a chance.

Americans were ready to make a new beginning, and together we have done it. We're confronting our problems one by one. Hope is alive tonight for millions of young families and senior citizens set free from unfair tax increases and crushing inflation. Inflation has been beaten down from 12.4 to 3.2 percent, and that's a great victory for all the people. The prime rate has been cut almost in half, and we must work together to bring it down even more.

Together, we passed the first across-the-board tax reduction for everyone since the Kennedy tax cuts. Next year, tax rates will be indexed so inflation can't push people into higher brackets when they get cost-of-living pay raises. Government must never again use inflation to profit at the people's expense.

Today a working family earning $25,000 has $1,100 more in purchasing power than if tax and inflation rates were still at the 1980 levels. Real after-tax income increased 5 percent last year. And economic deregulation of key industries like transportation has offered more chances—or choices, I should say, to consumers and new changes—or chances for entrepreneurs and protecting safety. Tonight, we can report and be proud of one of the best recoveries in decades. Send away the handwringers and the doubting Thomases. Hope is reborn for couples dreaming of owning homes and for risktakers with vision to create tomorrow's opportunities.

The spirit of enterprise is sparked by the sunrise industries of high-tech and by small business people with big ideas—people like Barbara Proctor, who rose from a ghetto to build a multimillion-dollar advertising agency in Chicago; Carlos Perez, a Cuban refugee, who turned $27 and a dream into a successful importing business in Coral Gables, Florida.

People like these are heroes for the eighties. They helped 4 million Americans find jobs in 1983. More people are drawing paychecks tonight than ever before. And Congress helps—or progress helps everyone—well, Congress does too——everyone. In 1983

women filled 73 percent of all the new jobs in managerial, professional, and technical fields.

Page 3044

But we know that many of our fellow countrymen are still out of work, wondering what will come of their hopes and dreams. Can we love America and not reach out to tell them: You are not forgotten; we will not rest until each of you can reach as high as your God-given talents will take you.

The heart of America is strong; it's good and true. The cynics were wrong; America never was a sick society. We're seeing rededication to bedrock values of faith, family, work, neighborhood, peace, and freedom—values that help bring us together as one people, from the youngest child to the most senior citizen.

The Congress deserves America's thanks for helping us restore pride and credibility to our military. And I hope that you're as proud as I am of the young men and women in uniform who have volunteered to man the ramparts in defense of freedom and whose dedication, valor, and skill increases so much our chance of living in a world at peace.

People everywhere hunger for peace and a better life. The tide of the future is a freedom tide, and our struggle for democracy cannot and will not be denied. This nation champions peace that enshrines liberty, democratic rights, and dignity for every individual. America's new strength, confidence, and purpose are carrying hope and opportunity far from our shores. A world economic recovery is underway. It began here.

We've journeyed far, but we have much farther to go. Franklin Roosevelt told us 50 years ago this month: "Civilization can not go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases to go forward."

It's time to move forward again, time for America to take freedom's next step. Let us unite tonight behind four great goals to keep America free, secure, and at peace in the eighties together.

We can ensure steady economic growth. We can develop America's next frontier. We can strengthen our traditional values. And we can build a meaningful peace to protect our loved ones and this shining star of faith that has guided millions from tyranny to the safe harbor of freedom, progress, and hope.

Doing these things will open wider the gates of opportunity, provide greater security for all, with no barriers of bigotry or discrimination.

The key to a dynamic decade is vigorous economic growth, our first great goal. We might well begin with common sense in Federal budgeting: government spending no more than government takes in.

We must bring Federal deficits down. But how we do that makes all the difference.

We can begin by limiting the size and scope of government. Under the leadership of Vice President Bush, we have reduced the growth of Federal regulations by more than 25 percent and cut well over 300 million hours of government-required paperwork each year. This will save the public more than $150 billion over the next 10 years.

Page 3045

The Grace commission has given us some 2,500 recommendations for reducing wasteful spending, and they're being examined throughout the administration. Federal spending growth has been cut from 17.4 percent in 1980 to less than half of that today, and we have already achieved over $300 billion in budget savings for the period of 1982 to '86. But that's only a little more than half of what we sought. Government is still spending too large a percentage of the total economy.

Now, some insist that any further budget savings must be obtained by reducing the portion spent on defense. This ignores the fact that national defense is solely the responsibility of the Federal Government; indeed, it is its prime responsibility. And yet defense spending is less than a third of the total budget. During the years of President Kennedy and of the years before that, defense was almost half the total budget. And then came several years in which our military capability was allowed to deteriorate to a very dangerous degree. We are just now restoring, through the essential modernization of our conventional and strategic forces, our capability to meet our present and future security needs. We dare not shirk our responsibility to keep America free, secure, and at peace.

The last decade saw domestic spending surge literally out of control. But the basis for such spending had been laid in previous years. A pattern of overspending has been in place for half a century. As the national debt grew, we were told not to worry, that we owed it to ourselves.

Now we know that deficits are a cause for worry. But there's a difference of opinion as to whether taxes should be increased, spending cut, or some of both. Fear is expressed that government borrowing to fund the deficit could inhibit the economic recovery by taking capital needed for business and industrial expansion. Well, I think that debate is missing an important point. Whether government borrows or increases taxes, it will be taking the same amount of money from the private sector, and, either way, that's too much. Simple fairness dictates that government must not raise taxes on families struggling to pay their bills. The root of the problem is that government's share is more than we can afford if we're to have a sound economy.

We must bring down the deficits to ensure continued economic growth. In the budget that I will submit on February 1st, I will recommend measures that will reduce the deficit over the next 5 years. Many of these will be unfinished business from last year's budget.

Some could be enacted quickly if we could join in a serious effort to address this problem. I spoke today with Speaker of the House O'Neill, Senate Majority Leader Baker, Senate Minority Leader Byrd, and House Minority Leader Michel. I asked them if they would designate congressional representatives to meet with representatives of the administration to try to reach prompt agreement on a bipartisan deficit reduction plan. I

know it would take a long, hard struggle to agree on a full-scale plan. So, what I have proposed is that we first see if we can agree on a down payment.

Page 3046

Now, I believe there is basis for such an agreement, one that could reduce the deficits by about a hundred billion dollars over the next 3 years. We could focus on some of the less contentious spending cuts that are still pending before the Congress. These could be combined with measures to close certain tax loopholes, measures that the Treasury Department has previously said to be worthy of support. In addition, we could examine the possibility of achieving further outlay savings based on the work of the Grace commission.

If the congressional leadership is willing, my representatives will be prepared to meet with theirs at the earliest possible time. I would hope the leadership might agree on an expedited timetable in which to develop and enact that down payment.

But a down payment alone is not enough to break us out of the deficit problem. It could help us start on the right path. Yet, we must do more. So, I propose that we begin exploring how together we can make structural reforms to curb the built-in growth of spending.

I also propose improvements in the budgeting process. Some 43 of our 50 States grant their Governors the right to veto individual items in appropriation bills without having to veto the entire bill. California is one of those 43 States. As Governor, I found this line-item veto was a powerful tool against wasteful or extravagant spending. It works in 43 States. Let's put it to work in Washington for all the people.

It would be most effective if done by constitutional amendment. The majority of Americans approve of such an amendment, just as they and I approve of an amendment mandating a balanced Federal budget. Many States also have this protection in their constitutions.

To talk of meeting the present situation by increasing taxes is a Band-Aid solution which does nothing to cure an illness that's been coming on for half a century—to say nothing of the fact that it poses a real threat to economic recovery. Let's remember that a substantial amount of income tax is presently owed and not paid by people in the underground economy. It would be immoral to make those who are paying taxes pay more to compensate for those who aren't paying their share.

There's a better way. Let us go forward with an historic reform for fairness, simplicity, and incentives for growth. I am asking Secretary Don Regan for a plan for action to simplify the entire tax code, so all taxpayers, big and small, are treated more fairly. And I believe such a plan could result in that underground economy being brought into the sunlight of honest tax compliance. And it could make the tax base broader, so personal tax rates could come down, not go up. I've asked that specific recommendations, consistent with those objectives, be presented to me by December 1984.

Our second great goal is to build on America's pioneer spirit—I said something funny? I said America's next frontier—and that's to develop that frontier. A sparkling economy spurs initiatives, sunrise industries, and makes older ones more competitive.

Page 3047

Nowhere is this more important than our next frontier: space. Nowhere do we so effectively demonstrate our technological leadership and ability to make life better on Earth. The Space Age is barely a quarter of a century old. But already we've pushed civilization forward with our advances in science and technology. Opportunities and jobs will multiply as we cross new thresholds of knowledge and reach deeper into the unknown.

Our progress in space—taking giant steps for all mankind—is a tribute to American teamwork and excellence. Our finest minds in government, industry, and academia have all pulled together. And we can be proud to say: We are first; we are the best; and we are so because we're free.

America has always been greatest when we dared to be great. We can reach for greatness again. We can follow our dreams to distant stars, living and working in space for peaceful, economic, and scientific gain. Tonight, I am directing NASA to develop a permanently manned space station and to do it within a decade.

A space station will permit quantum leaps in our research in science, communications, in metals, and in lifesaving medicines which could be manufactured only in space. We want our friends to help us meet these challenges and share in their benefits. NASA will invite other countries to participate so we can strengthen peace, build prosperity, and expand freedom for all who share our goals.

Just as the oceans opened up a new world for clipper ships and Yankee traders, space holds enormous potential for commerce today. The market for space transportation could surpass our capacity to develop it. Companies interested in putting payloads into space must have ready access to private sector launch services. The Department of Transportation will help an expendable launch services industry to get off the ground. We'll soon implement a number of executive initiatives, develop proposals to ease regulatory constraints, and, with NASA's help, promote private sector investment in space.

And as we develop the frontier of space, let us remember our responsibility to preserve our older resources here on Earth. Preservation of our environment is not a liberal or conservative challenge, it's common sense.

Though this is a time of budget constraints, I have requested for EPA one of the largest percentage budget increases of any agency. We will begin the long, necessary effort to clean up a productive recreational area and a special national resource—the Chesapeake Bay.

To reduce the threat posed by abandoned hazardous waste dumps, EPA will spend $410 million. And I will request a supplemental increase of 50 million. And because the

Superfund law expires in 1985, I've asked Bill Ruckelshaus to develop a proposal for its extension so there'll be additional time to complete this important task.

On the question of acid rain, which concerns people in many areas of the United States and Canada, I'm proposing a research program that doubles our current funding. And we'll take additional action to restore our lakes and develop new technology to reduce pollution that causes acid rain.

Page 3048

We have greatly improved the conditions of our natural resources. We'll ask the Congress for $157 million beginning in 1985 to acquire new park and conservation lands. The Department of the Interior will encourage careful, selective exploration and production on our vital resources in an Exclusive Economic Zone within the 200-mile limit off our coasts—but with strict adherence to environmental laws and with fuller State and public participation.

But our most precious resources, our greatest hope for the future, are the minds and hearts of our people, especially our children. We can help them build tomorrow by strengthening our community of shared values. This must be our third great goal. For us, faith, work, family, neighborhood, freedom, and peace are not just words; they're expressions of what America means, definitions of what makes us a good and loving people.

Families stand at the center of our society. And every family has a personal stake in promoting excellence in education. Excellence does not begin in Washington. A 600-percent increase in Federal spending on education between 1960 and 1980 was accompanied by a steady decline in Scholastic Aptitude Test scores. Excellence must begin in our homes and neighborhood schools, where it's the responsibility of every parent and teacher and the right of every child.

Our children come first, and that's why I established a bipartisan National Commission on Excellence in Education, to help us chart a commonsense course for better education. And already, communities are implementing the Commission's recommendations. Schools are reporting progress in math and reading skills. But we must do more to restore discipline to schools; and we must encourage the teaching of new basics, reward teachers of merit, enforce tougher standards, and put our parents back in charge.

I will continue to press for tuition tax credits to expand opportunities for families and to soften the double payment for those paying public school taxes and private school tuition. Our proposal would target assistance to low- and middle-income families. Just as more incentives are needed within our schools, greater competition is needed among our schools. Without standards and competition, there can be no champions, no records broken, no excellence in education or any other walk of life.

And while I'm on this subject, each day your Members observe a 200-year-old tradition meant to signify America is one nation under God. I must ask: If you can begin your day with a member of the clergy standing right here leading you in prayer, then why can't freedom to acknowledge God be enjoyed again by children in every schoolroom across this land?

America was founded by people who believed that God was their rock of safety. He is ours. I recognize we must be cautious in claiming that God is on our side, but I think it's all right to keep asking if we're on His side.

Page 3049

During our first 3 years, we have joined bipartisan efforts to restore protection of the law to unborn children. Now, I know this issue is very controversial. But unless and until it can be proven that an unborn child is not a living human being, can we justify assuming without proof that it isn't? No one has yet offered such proof; indeed, all the evidence is to the contrary. We should rise above bitterness and reproach, and if Americans could come together in a spirit of understanding and helping, then we could find positive solutions to the tragedy of abortion.

Economic recovery, better education, rededication to values, all show the spirit of renewal gaining the upper hand. And all will improve family life in the eighties. But families need more. They need assurance that they and their loved ones can walk the streets of America without being afraid. Parents need to know their children will not be victims of child pornography and abduction. This year we will intensify our drive against these and other horrible crimes like sexual abuse and family violence.

Already our efforts to crack down on career criminals, organized crime, drugpushers, and to enforce tougher sentences and paroles are having effect. In 1982 the crime rate dropped by 4.3 percent, the biggest decline since 1972. Protecting victims is just as important as safeguarding the rights of defendants.

Opportunities for all Americans will increase if we move forward in fair housing and work to ensure women's rights, provide for equitable treatment in pension benefits and Individual Retirement Accounts, facilitate child care, and enforce delinquent parent support payments.

It's not just the home but the workplace and community that sustain our values and shape our future. So, I ask your help in assisting more communities to break the bondage of dependency. Help us to free enterprise by permitting debate and voting "yes" on our proposal for enterprise zones in America. This has been before you for 2 years. Its passage can help high-unemployment areas by creating jobs and restoring neighborhoods.

A society bursting with opportunities, reaching for its future with confidence, sustained by faith, fair play, and a conviction that good and courageous people will flourish when they're free—these are the secrets of a strong and prosperous America at peace with itself and the world.

A lasting and meaningful peace is our fourth great goal. It is our highest aspiration. And our record is clear: Americans resort to force only when we must. We have never been aggressors. We have always struggled to defend freedom and democracy.

We have no territorial ambitions. We occupy no countries. We build no walls to lock people in. Americans build the future. And our vision of a better life for farmers,

merchants, and working people, from the Americas to Asia, begins with a simple premise: The future is best decided by ballots, not bullets.

Page 3050

Governments which rest upon the consent of the governed do not wage war on their neighbors. Only when people are given a personal stake in deciding their own destiny, benefiting from their own risks, do they create societies that are prosperous, progressive, and free. Tonight, it is democracies that offer hope by feeding the hungry, prolonging life, and eliminating drudgery.

When it comes to keeping America strong, free, and at peace, there should be no Republicans or Democrats, just patriotic Americans. We can decide the tough issues not by who is right, but by what is right.

Together, we can continue to advance our agenda for peace. We can establish a more stable basis for peaceful relations with the Soviet Union; strengthen allied relations across the board; achieve real and equitable reductions in the levels of nuclear arms; reinforce our peacemaking efforts in the Middle East, Central America, and southern Africa; or assist developing countries, particularly our neighbors in the Western Hemisphere; and assist in the development of democratic institutions throughout the world.

The wisdom of our bipartisan cooperation was seen in the work of the Scowcroft commission, which strengthened our ability to deter war and protect peace. In that same spirit, I urge you to move forward with the Henry Jackson plan to implement the recommendations of the Bipartisan Commission on Central America.

Your joint resolution on the multinational peacekeeping force in Lebanon is also serving the cause of peace. We are making progress in Lebanon. For nearly 10 years, the Lebanese have lived from tragedy to tragedy with no hope for their future. Now the multinational peacekeeping force and our marines are helping them break their cycle of despair. There is hope for a free, independent, and sovereign Lebanon. We must have the courage to give peace a chance. And we must not be driven from our objectives for peace in Lebanon by state-sponsored terrorism. We have seen this ugly specter in Beirut, Kuwait, and Rangoon. It demands international attention. I will forward shortly legislative proposals to help combat terrorism. And I will be seeking support from our allies for concerted action.

Our NATO alliance is strong. 1983 was a banner year for political courage. And we have strengthened our partnerships and our friendships in the Far East. We're committed to dialog, deterrence, and promoting prosperity. We'll work with our trading partners for a new round of negotiations in support of freer world trade, greater competition, and more open markets.

A rebirth of bipartisan cooperation, of economic growth, and military deterrence, and a growing spirit of unity among our people at home and our allies abroad underline a fundamental and far-reaching change: The United States is safer, stronger, and more

secure in 1984 than before. We can now move with confidence to seize the opportunities for peace, and we will.

Page 3051

Tonight, I want to speak to the people of the Soviet Union, to tell them it's true that our governments have had serious differences, but our sons and daughters have never fought each other in war. And if we Americans have our way, they never will.

People of the Soviet Union, there is only one sane policy, for your country and mine, to preserve our civilization in this modern age: A nuclear war cannot be won and must never be fought. The only value in our two nations possessing nuclear weapons is to make sure they will never be used. But then would it not be better to do away with them entirely?

People of the Soviet, President Dwight Eisenhower, who fought by your side in World War II, said the essential struggle "is not merely man against man or nation against nation. It is man against war." Americans are people of peace. If your government wants peace, there will be peace. We can come together in faith and friendship to build a safer and far better world for our children and our children's children. And the whole world will rejoice. That is my message to you.

Some days when life seems hard and we reach out for values to sustain us or a friend to help us, we find a person who reminds us what it means to be Americans.

Sergeant Stephen Trujillo, a medic in the 2d Ranger Battalion, 75th Infantry, was in the first helicopter to land at the compound held by Cuban forces in Grenada. He saw three other helicopters crash. Despite the imminent explosion of the burning aircraft, he never hesitated. He ran across 25 yards of open terrain through enemy fire to rescue wounded soldiers. He directed two other medics, administered first aid, and returned again and again to the crash site to carry his wounded friends to safety.

Sergeant Trujillo, you and your fellow service men and women not only saved innocent lives; you set a nation free. You inspire us as a force for freedom, not for despotism; and, yes, for peace, not conquest. God bless you.

And then there are unsung heroes: single parents, couples, church and civic volunteers. Their hearts carry without complaint the pains of family and community problems. They soothe our sorrow, heal our wounds, calm our fears, and share our joy.

A person like Father Ritter is always there. His Covenant House programs in New York and Houston provide shelter and help to thousands of frightened and abused children each year. The same is true of Dr. Charles Carson. Paralyzed in a plane crash, he still believed nothing is impossible. Today in Minnesota, he works 80 hours a week without pay, helping pioneer the field of computer-controlled walking. He has given hope to 500,000 paralyzed Americans that some day they may walk again.

How can we not believe in the greatness of America? How can we not do what is right and needed to preserve this last best hope of man on Earth? After all our struggles to

restore America, to revive confidence in our country, hope for our future, after all our hard-won victories earned through the patience and courage of every citizen, we cannot, must not, and will not turn back. We will finish our job. How could we do less? We're Americans.

Page 3052

Carl Sandburg said, “I see America not in the setting sun of a black night of despair... I see America in the crimson light of a rising sun fresh from the burning, creative hand of God... I see great days ahead for men and women of will and vision.”

I’ve never felt more strongly that America’s best days and democracy’s best days lie ahead. We’re a powerful force for good. With faith and courage, we can perform great deeds and take freedom’s next step. And we will. We will carry on the tradition of a good and worthy people who have brought light where there was darkness, warmth where there was cold, medicine where there was disease, food where there was hunger, and peace where there was only bloodshed.

Let us be sure that those who come after will say of us in our time, that in our time we did everything that could be done. We finished the race; we kept them free; we kept the faith.

Thank you very much. God bless you, and God bless America.

Note: The President spoke at 9:02 p.m. in the House Chamber of the Capitol. He was introduced by Thomas P. O’Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
Ronald Reagan
February 6, 1985

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

I come before you to report on the state of our Union, and I’m pleased to report that after 4 years of united effort, the American people have brought forth a nation renewed, stronger, freer, and more secure than before.

Four years ago we began to change, forever I hope, our assumptions about government and its place in our lives. Out of that change has come great and robust growth—in our confidence, our economy, and our role in the world.

Tonight America is stronger because of the values that we hold dear. We believe faith and freedom must be our guiding stars, for they show us truth, they make us brave, give us hope, and leave us wiser than we were. Our progress began not in Washington, DC, but in the hearts of our families, communities, workplaces, and voluntary groups which, together, are unleashing the invincible spirit of one great nation under God.

Four years ago we said we would invigorate our economy by giving people greater freedom and incentives to take risks and letting them keep more of what they earned. We did what we promised, and a great industrial giant is reborn.

Tonight we can take pride in 25 straight months of economic growth, the strongest in 34 years; a 3-year inflation average of 3.9 percent, the lowest in 17 years; and 7.3 million new jobs in 2 years, with more of our citizens working than ever before.

New freedom in our lives has planted the rich seeds for future success:

For an America of wisdom that honors the family, knowing that if (as) the family goes, so goes our civilization;

Page 3053

For an America of vision that sees tomorrow's dreams in the learning and hard work we do today;

For an America of courage whose service men and women, even as we meet, proudly stand watch on the frontiers of freedom;

For an America of compassion that opens its heart to those who cry out for help.

We have begun well. But it's only a beginning. We're not here to congratulate ourselves on what we have done but to challenge ourselves to finish what has not yet been done.

We're here to speak for millions in our inner cities who long for real jobs, safe neighborhoods, and schools that truly teach. We're here to speak for the American farmer, the entrepreneur, and every worker in industries fighting to modernize and compete. And, yes, we're here to stand, and proudly so, for all who struggle to break free from totalitarianism, for all who know in their hearts that freedom is the one true path to peace and human happiness.

Proverbs tell us, without a vision the people perish. When asked what great principle holds our Union together, Abraham Lincoln said: "Something in (the) Declaration giving liberty, not alone to the people of this country, but hope to the world for all future time."

We honor the giants of our history not by going back but forward to the dreams their vision foresaw. My fellow citizens, this nation is poised for greatness. The time has come to proceed toward a great new challenge—a second American Revolution of hope and opportunity; a revolution carrying us to new heights of progress by pushing back frontiers of knowledge and space; a revolution of spirit that taps the soul of America, enabling us to summon greater strength than we've ever known; and a revolution that carries beyond our shores the golden promise of human freedom in a world of peace.

Let us begin by challenging our conventional wisdom. There are no constraints on the human mind, no walls around the human spirit, no barriers to our progress except those we ourselves erect. Already, pushing down tax rates has freed our economy to vault forward to record growth.

In Europe, they're calling it "the American Miracle." Day by day, we're shattering accepted notions of what is possible. When I was growing up, we failed to see how a new thing called radio would transform our marketplace. Well, today, many have not yet seen how advances in technology are transforming our lives.

In the late 1950's workers at the *at*&T semiconductor plant in Pennsylvania produced five transistors a day for $7.50 apiece. They now produce over a million for less than a penny apiece.

New laser techniques could revolutionize heart bypass surgery, cut diagnosis time for viruses linked to cancer from weeks to minutes, reduce hospital costs dramatically, and hold out new promise for saving human lives.

Our automobile industry has overhauled assembly lines, increased worker productivity, and is competitive once again.

Page 3054

We stand on the threshold of a great ability to produce more, do more, be more. Our economy is not getting older and weaker; it's getting younger and stronger. It doesn't need rest and supervision; it needs new challenge, greater freedom. And that word "freedom" is the key to the second American revolution that we need to bring about.

Let us move together with an historic reform of tax simplification for fairness and growth. Last year I asked Treasury Secretary-then-Regan to develop a plan to simplify the tax code, so all taxpayers would be treated more fairly and personal tax rates could come further down.

We have cut tax rates by almost 25 percent, yet the tax system remains unfair and limits our potential for growth. Exclusions and exemptions cause similar incomes to be taxed at different levels. Low-income families face steep tax barriers that make hard lives even harder. The Treasury Department has produced an excellent reform plan, whose principles will guide the final proposal that we will ask you to enact.

One thing that tax reform will not be is a tax increase in disguise. We will not jeopardize the mortgage interest deduction that families need. We will reduce personal tax rates as low as possible by removing many tax preferences. We will propose a top rate of no more than 35 percent, and possibly lower. And we will propose reducing corporate rates, while maintaining incentives for capital formation.

To encourage opportunity and jobs rather than dependency and welfare, we will propose that individuals living at or near the poverty line be totally exempt from Federal income tax. To restore fairness to families, we will propose increasing significantly the personal exemption.

And tonight, I am instructing Treasury Secretary James Baker—I have to get used to saying that—to begin working with congressional authors and committees for bipartisan legislation conforming to these principles. We will call upon the American people for support and upon every man and woman in this Chamber. Together, we can pass, this year, a tax bill for fairness, simplicity, and growth, making this economy the engine of our dreams and America the investment capital of the world. So let us begin.

Tax simplification will be a giant step toward unleashing the tremendous pent-up power of our economy. But a second American revolution must carry the promise of opportunity for all. It is time to liberate the spirit of enterprise in the most distressed areas of our country.

This government will meet its responsibility to help those in need. But policies that increase dependency, break up families, and destroy self-respect are not progressive; they're reactionary. Despite our strides in civil rights, blacks, Hispanics, and all minorities will not have full and equal power until they have full economic power.

We have repeatedly sought passage of enterprise zones to help those in the abandoned corners of our land find jobs, learn skills, and build better lives. This legislation is supported by a majority of you.

Page 3055

Mr. Speaker, I know we agree that there must be no forgotten Americans. Let us place new dreams in a million hearts and create a new generation of entrepreneurs by passing enterprise zones this year. And, Tip, you could make that a birthday present.

Nor must we lose the chance to pass our youth employment opportunity wage proposal. We can help teenagers, who have the highest unemployment rate, find summer jobs, so they can know the pride of work and have confidence in their futures.

We'll continue to support the Job Training Partnership Act, which has a nearly two-thirds job placement rate. Credits in education and health care vouchers will help working families shop for services that they need.

Our administration is already encouraging certain low-income public housing residents to own and manage their own dwellings. It's time that all public housing residents have that opportunity of ownership.

The Federal Government can help create a new atmosphere of freedom. But States and localities, many of which enjoy surpluses from the recovery, must not permit their tax and regulatory policies to stand as barriers to growth.

Let us resolve that we will stop spreading dependency and start spreading opportunity; that we will stop spreading bondage and start spreading freedom.

There are some who say that growth initiatives must await final action on deficit reductions. Well, the best way to reduce deficits is through economic growth. More businesses will be started, more investments made, more jobs created, and more people will be on payrolls paying taxes. The best way to reduce government spending is to reduce the need for spending by increasing prosperity. Each added percentage point per year of real GNP growth will lead to cumulative reduction in deficits of nearly $200 billion over 5 years.

To move steadily toward a balanced budget, we must also lighten government's claim on our total economy. We will not do this by raising taxes. We must make sure that our economy grows faster than the growth in spending by the Federal Government. In our fiscal year 1986 budget, overall government program spending will be frozen at the current level. It must not be one dime higher than fiscal year 1985, and three points are key.

First, the social safety net for the elderly, the needy, the disabled, and unemployed will be left intact. Growth of our major health care programs, Medicare and Medicaid, will be slowed, but protections for the elderly and needy will be preserved.

Second, we must not relax our efforts to restore military strength just as we near our goal of a fully equipped, trained, and ready professional corps. National security is

government's first responsibility; so in past years defense spending took about half the Federal budget. Today it takes less than a third. We've already reduced our planned defense expenditures by nearly a hundred billion dollars over the past 4 years and reduced projected spending again this year.

Page 3056

You know, we only have a military-industrial complex until a time of danger, and then it becomes the arsenal of democracy. Spending for defense is investing in things that are priceless—peace and freedom.

Third, we must reduce or eliminate costly government subsidies. For example, deregulation of the airline industry has led to cheaper airfares, but on Amtrak taxpayers pay about $35 per passenger every time an Amtrak train leaves the station, It's time we ended this huge Federal subsidy.

Our farm program costs have quadrupled in recent years. Yet I know from visiting farmers, many in great financial distress, that we need an orderly transition to a market-oriented farm economy. We can help farmers best not by expanding Federal payments but by making fundamental reforms, keeping interest rates heading down, and knocking down foreign trade barriers to American farm exports.

We're moving ahead with Grace commission reforms to eliminate waste and improve government's management practices. In the long run, we must protect the taxpayers from government. And I ask again that you pass, as 32 States have now called for, an amendment mandating the Federal Government spend no more than it takes in. And I ask for the authority, used responsibly by 43 Governors, to veto individual items in appropriation bills. Senator Mattingly has introduced a bill permitting a 2-year trial run of the line-item veto. I hope you'll pass and send that legislation to my desk.

Nearly 50 years of government living beyond its means has brought us to a time of reckoning. Ours is but a moment in history. But one moment of courage, idealism, and bipartisan unity can change American history forever.

Sound monetary policy is key to long-running economic strength and stability. We will continue to cooperate with the Federal Reserve Board, seeking a steady policy that ensures price stability without keeping interest rates artificially high or needlessly holding down growth.

Reducing unneeded red tape and regulations, and deregulating the energy, transportation, and financial industries have unleashed new competition, giving consumers more choices, better services, and lower prices. In just one set of grant programs we have reduced 905 pages of regulations to 31. We seek to fully deregulate natural gas to bring on new supplies and bring us closer to energy independence. Consistent with safety standards, we will continue removing restraints on the bus and railroad industries, we will soon end up legislation—or send up legislation, I should say—to return Conrail to the private sector where it belongs, and we will support further deregulation of the trucking industry.

Every dollar the Federal Government does not take from us, every decision it does not make for us will make our economy stronger, our lives more abundant, our future more free.

Our second American revolution will push on to new possibilities not only on Earth but in the next frontier of space. Despite budget restraints, we will seek record funding for research and development.

Page 3057

We've seen the success of the space shuttle. Now we're going to develop a permanently manned space station and new opportunities for free enterprise, because in the next decade Americans and our friends around the world will be living and working together in space.

In the zero gravity of space, we could manufacture in 30 days lifesaving medicines it would take 30 years to make on Earth. We can make crystals of exceptional purity to produce super computers, creating jobs, technologies, and medical breakthroughs beyond anything we ever dreamed possible.

As we do all this, we'll continue to protect our natural resources. We will seek reauthorization and expanded funding for the Superfund program to continue cleaning up hazardous waste sites which threaten human health and the environment.

Now, there's another great heritage to speak of this evening. Of all the changes that have swept America the past 4 years, none brings greater promise than our rediscovery of the values of faith, freedom, family, work, and neighborhood.

We see signs of renewal in increased attendance in places of worship; renewed optimism and faith in our future; love of country rediscovered by our young, who are leading the way. We've rediscovered that work is good in and of itself, that it ennobles us to create and contribute no matter how seemingly humble our jobs. We've seen a powerful new current from an old and honorable tradition—American generosity.

From thousands answering Peace Corps appeals to help boost food production in Africa, to millions volunteering time, corporations adopting schools, and communities pulling together to help the neediest among us at home, we have refound our values. Private sector initiatives are crucial to our future.

I thank the Congress for passing equal access legislation giving religious groups the same right to use classrooms after school that other groups enjoy. But no citizen need tremble, nor the world shudder, if a child stands in a classroom and breathes a prayer. We ask you again, give children back a right they had for a century and a half or more in this country.

The question of abortion grips our nation. Abortion is either the taking of a human life or it isn't. And if it is—and medical technology is increasingly showing it is—it must be stopped. It is a terrible irony that while some turn to abortion, so many others who cannot become parents cry out for children to adopt. We have room for these children. We can fill the cradles of those who want a child to love. And tonight I ask you in the Congress to move this year on legislation to protect the unborn.

In the area of education, we're returning to excellence, and again, the heroes are our people, not government. We're stressing basics of discipline, rigorous testing, and

homework, while helping children become computer-smart as well. For 20 years scholastic aptitude test scores of our high school students went down, but now they have gone up 2 of the last 3 years. We must go forward in our commitment to the new basics, giving parents greater authority and making sure good teachers are rewarded for hard work and achievement through merit pay.

Page 3058

Of all the changes in the past 20 years, none has more threatened our sense of national well-being than the explosion of violent crime. One does not have to be attacked to be a victim. The woman who must run to her car after shopping at night is a victim. The couple draping their door with locks and chains are victims; as is the tired, decent cleaning woman who can't ride a subway home without being afraid.

We do not seek to violate the rights of defendants. But shouldn't we feel more compassion for the victims of crime than for those who commit crime? For the first time in 20 years, the crime index has fallen 2 years in a row. We've convicted over 7,400 drug offenders and put them, as well as leaders of organized crime, behind bars in record numbers.

But we must do more. I urge the House to follow the Senate and enact proposals permitting use of all reliable evidence that police officers acquire in good faith. These proposals would also reform the habeas corpus laws and allow, in keeping with the will of the overwhelming majority of Americans, the use of the death penalty where necessary.

There can be no economic revival in ghettos when the most violent among us are allowed to roam free. It's time we restored domestic tranquility. And we mean to do just that.

Just as we're positioned as never before to secure justice in our economy, we're poised as never before to create a safer, freer, more peaceful world. Our alliances are stronger than ever. Our economy is stronger than ever. We have resumed our historic role as a leader of the free world. And all of these together are a great force for peace.

Since 1981 we've been committed to seeking fair and verifiable arms agreements that would lower the risk of war and reduce the size of nuclear arsenals. Now our determination to maintain a strong defense has influenced the Soviet Union to return to the bargaining table. Our negotiators must be able to go to that table with the united support of the American people. All of us have no greater dream than to see the day when nuclear weapons are banned from this Earth forever.

Each Member of the Congress has a role to play in modernizing our defenses, thus supporting our chances for a meaningful arms agreement. Your vote this spring on the Peacekeeper missile will be a critical test of our resolve to maintain the strength we need and move toward mutual and verifiable arms reductions.

For the past 20 years we've believed that no war will be launched as long as each side knows it can retaliate with a deadly counterstrike. Well, I believe there's a better way of eliminating the threat of nuclear war. It is a Strategic Defense Initiative aimed ultimately at finding a nonnuclear defense against ballistic missiles. It's the most hopeful possibility of the nuclear age. But it's not very well understood.

Page 3059

Some say it will bring war to the heavens, but its purpose is to deter war in the heavens and on Earth. Now, some say the research would be expensive. Perhaps, but it could save millions of lives, indeed humanity itself. And some say if we build such a system, the Soviets will build a defense system of their own. Well, they already have strategic defenses that surpass ours; a civil defense system, where we have almost none; and a research program covering roughly the same areas of technology that we're now exploring. And finally some say the research will take a long time. Well, the answer to that is: Let's get started.

Harry Truman once said that, ultimately, our security and the world's hopes for peace and human progress "lie not in measures of defense or in the control of weapons, but in the growth and expansion of freedom and self-government."

And tonight, we declare anew to our fellow citizens of the world: Freedom is not the sole prerogative of a chosen few; it is the universal right of all God's children. Look to where peace and prosperity flourish today. It is in homes that freedom built. Victories against poverty are greatest and peace most secure where people live by laws that ensure free press, free speech, and freedom to worship, vote, and create wealth.

Our mission is to nourish and defend freedom and democracy, and to communicate these ideals everywhere we can. America's economic success is freedom's success; it can be repeated a hundred times in a hundred different nations. Many countries in east Asia and the Pacific have few resources other than the enterprise of their own people. But through low tax rates and free markets they've soared ahead of centralized economies. And now China is opening up its economy to meet its needs.

We need a stronger and simpler approach to the process of making and implementing trade policy, and we'll be studying potential changes in that process in the next few weeks. We've seen the benefits of free trade and lived through the disasters of protectionism. Tonight I ask all our trading partners, developed and developing alike, to join us in a new round of trade negotiations to expand trade and competition and strengthen the global economy—and to begin it in this next year.

There are more than 3 billion human beings living in Third World countries with an average per capita income of $650 a year. Many are victims of dictatorships that impoverished them with taxation and corruption. Let us ask our allies to join us in a practical program of trade and assistance that fosters economic development through personal incentives to help these people climb from poverty on their own.

We cannot play innocents abroad in a world that's not innocent; nor can we be passive when freedom is under siege. Without resources, diplomacy cannot succeed. Our security assistance programs help friendly governments defend themselves and give them confidence to work for peace. And I hope that you in the Congress will understand

that, dollar for dollar, security assistance contributes as much to global security as our own defense budget.

Page 3060

We must stand by all our democratic allies. And we must not break faith with those who are risking their lives—on every continent, from Afghanistan to Nicaragua—to defy Soviet-supported aggression and secure rights which have been ours from birth.

The Sandinista dictatorship of Nicaragua, with full Cuban-Soviet bloc support, not only persecutes its people, the church, and denies a free press, but arms and provides bases for Communist terrorists attacking neighboring states. Support for freedom fighters is self-defense and totally consistent with the *Oas* and U.N. Charters. It is essential that the Congress continue all facets of our assistance to Central America. I want to work with you to support the democratic forces whose struggle is tied to our own security.

And tonight, I've spoken of great plans and great dreams. They're dreams we can make come true. Two hundred years of American history should have taught us that nothing is impossible.

Ten years ago a young girl left Vietnam with her family, part of the exodus that followed the fall of Saigon. They came to the United States with no possessions and not knowing a word of English. Ten years ago—the young girl studied hard, learned English, and finished high school in the top of her class. And this May, May 22d to be exact, is a big date on her calendar. Just 10 years from the time she left Vietnam, she will graduate from the United States Military Academy at West Point. I thought you might like to meet an American hero named Jean Nguyen.

Now, there's someone else here tonight, born 79 years ago. She lives in the inner city, where she cares for infants born of mothers who are heroin addicts. The children, born in withdrawal, are sometimes even dropped on her doorstep. She helps them with love. Go to her house some night, and maybe you'll see her silhouette against the window as she walks the floor talking softly, soothing a child in her arms—Mother Hale of Harlem, and she, too, is an American hero.

Jean, Mother Hale, your lives tell us that the oldest American saying is new again: Anything is possible in America if we have the faith, the will, and the heart. History is asking us once again to be a force for good in the world. Let us begin in unity, with justice, and love.

Thank you, and God bless you.

Note: The President spoke at 9:05 p.m. in the House Chamber of the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
Ronald Reagan
February 4, 1986

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

Thank you for allowing me to delay my address until this evening. We paused together to mourn and honor the valor of our seven Challenger heroes. And I hope that we are now ready to do what they would want us to do: Go forward, America, and reach for the stars. We will never forget those brave seven, but we shall go forward.

Page 3061

Mr. Speaker, before I begin my prepared remarks, may I point out that tonight marks the 10th and last State of the Union Message that you've presided over. And on behalf of the American people, I want to salute you for your service to Congress and country. Here's to you!

I have come to review with you the progress of our nation, to speak of unfinished work, and to set our sights on the future. I am pleased to report the state of our Union is stronger than a year ago and growing stronger each day. Tonight we look out on a rising America, firm of heart, united in spirit, powerful in pride and patriotism. America is on the move! But it wasn't long ago that we looked out on a different land: locked factory gates, long gasoline lines, intolerable prices, and interest rates turning the greatest country on Earth into a land of broken dreams. Government growing beyond our consent had become a lumbering giant, slamming shut the gates of opportunity, threatening to crush the very roots of our freedom. What brought America back? The American people brought us back with quiet courage and common sense, with undying faith that in this nation under God the future will be ours; for the future belongs to the free.

Tonight the American people deserve our thanks for 37 straight months of economic growth, for sunrise firms and modernized industries creating 9 million new jobs in 3 years, interest rates cut in half, inflation falling over from 12 percent in 1980 to under 4 today, and a mighty river of good works—a record $74 billion in voluntary giving just last year alone. And despite the pressures of our modern world, family and community remain the moral core of our society, guardians of our values and hopes for the future. Family and community are the costars of this great American comeback. They are why we say tonight: Private values must be at the heart of public policies.

What is true for families in America is true for America in the family of free nations. History is no captive of some inevitable force. History is made by men and women of vision and courage. Tonight freedom is on the march. The United States is the economic miracle, the model to which the world once again turns. We stand for an idea whose time is now: Only by lifting the weights from the shoulders of all can people truly prosper and can peace among all nations be secure. Teddy Roosevelt said that a nation that does great work lives forever. We have done well, but we cannot stop at the foothills when Everest beckons. It's time for America to be all that we can be.

Page 3062

We speak tonight of an agenda for the future, an agenda for a safer, more secure world. And we speak about the necessity for actions to steel us for the challenges of growth, trade, and security in the next decade and the year 2000. And we will do it—not by breaking faith with bedrock principles but by breaking free from failed policies. Let us begin where storm clouds loom darkest—right here in Washington, DC. This week I will send you our detailed proposals; tonight let us speak of our responsibility to redefine government's role: not to control, not to demand or command, not to contain us, but to help in times of need and, above all, to create a ladder of opportunity to full employment so that all Americans can climb toward economic power and justice on their own.

But we cannot win the race to the future shackled to a system that can't even pass a Federal budget. We cannot win that race held back by horse-and-buggy programs that waste tax dollars and squander human potential. We cannot win that race if we're swamped in a sea of red ink. Now, Mr. Speaker, you know, I know, and the American people know the Federal budget system is broken. It doesn't work. Before we leave this city, let's you and I work together to fix it, and then we can finally give the American people a balanced budget.

Members of Congress, passage of Gramm-Rudman-Hollings gives us an historic opportunity to achieve what has eluded our national leadership for decades: forcing the Federal Government to live within its means. Your schedule now requires that the budget resolution be passed by April 15th, the very day America's families have to foot the bill for the budgets that you produce. How often we read of a husband and wife both working, struggling from paycheck to paycheck to raise a family, meet a mortgage, pay their taxes and bills. And yet some in Congress say taxes must be raised. Well, I'm sorry; they're asking the wrong people to tighten their belts. It's time we reduce the Federal budget and left the family budget alone. We do not face large deficits because American families are undertaxed; we face those deficits because the Federal Government overspends.

The detailed budget that we will submit will meet the Gramm-Rudman-Hollings target for deficit reductions, meet our commitment to ensure a strong national defense, meet our commitment to protect Social Security and the truly less fortunate, and, yes, meet our commitment to not raise taxes. How should we accomplish this? Well, not by taking from those in need. As families take care of their own, government must provide shelter and nourishment for those who cannot provide for themselves. But we must revise or replace programs enacted in the name of compassion that degrade the moral worth of work, encourage family breakups, and drive entire communities into a bleak and heartless dependency. Gramm-Rudman-Hollings can mark a dramatic improvement. But experience shows that simply setting deficit targets does not assure they'll be met. We must proceed with Grace commission reforms against waste.

Page 3063

And tonight I ask you to give me what 43 Governors have: Give me a line-item veto this year. Give me the authority to veto waste, and I'll take the responsibility, I'll make the cuts, I'll take the heat. This authority would not give me any monopoly power, but simply prevent spending measures from sneaking through that could not pass on their own merit. And you can sustain or override my veto; that's the way the system should work. Once we've made the hard choices, we should lock in our gains with a balanced budget amendment to the Constitution.

I mentioned that we will meet our commitment to national defense. We must meet it. Defense is not just another budget expense. Keeping America strong, free, and at peace is solely the responsibility of the Federal Government; it is government's prime responsibility. We have devoted 5 years trying to narrow a dangerous gap born of illusion and neglect, and we've made important gains. Yet the threat from Soviet forces, conventional and strategic, from the Soviet drive for domination, from the increase in espionage and state terror remains great. This is reality. Closing our eyes will not make reality disappear. We pledged together to hold real growth in defense spending to the bare minimum. My budget honors that pledge, and I'm now asking you, the Congress, to keep its end of the bargain. The Soviets must know that if America reduces her defenses, it will be because of a reduced threat, not a reduced resolve.

Keeping America strong is as vital to the national security as controlling Federal spending is to our economic security. But, as I have said before, the most powerful force we can enlist against the Federal deficit is an ever-expanding American economy, unfettered and free. The magic of opportunity—unreserved, unfailing, unrestrained—-isn't this the calling that unites us? I believe our tax rate cuts for the people have done more to spur a spirit of risk-taking and help America's economy break free than any program since John Kennedy's tax cut almost a quarter century ago.

Now history calls us to press on, to complete efforts for an historic tax reform providing new opportunity for all and ensuring that all pay their fair share, but no more. We've come this far. Will you join me now, and we'll walk this last mile together? You know my views on this. We cannot and we will not accept tax reform that is a tax increase in disguise. True reform must be an engine of productivity and growth, and that means a top personal rate no higher than 35 percent. True reform must be truly fair, and that means raising personal exemptions to $2,000. True reform means a tax system that at long last is profamily, projobs, profuture, and pro-America.

As we knock down the barriers to growth, we must redouble our efforts for freer and fairer trade. We have already taken actions to counter unfair trading practices and to pry open closed foreign markets. We will continue to do so. We will also oppose legislation touted as providing protection that in reality pits one American worker against another, one industry against another, one community against another, and that raises prices for us all. If the United States can trade with other nations on a level playing field, we can outproduce, outcompete, and outsell anybody, anywhere in the world.

Page 3064

The constant expansion of our economy and exports requires a sound and stable dollar at home and reliable exchange rates around the world. We must never again permit wild currency swings to cripple our farmers and other exporters. Farmers, in particular, have suffered from past unwise government policies. They must not be abandoned with problems they did not create and cannot control. We've begun coordinating economic and monetary policy among our major trading partners. But there's more to do, and tonight I am directing Treasury Secretary Jim Baker to determine if the nations of the world should convene to discuss the role and relationship of our currencies.

Confident in our future and secure in our values, Americans are striving forward to embrace the future. We see it not only in our recovery but in 3 straight years of falling crime rates, as families and communities band together to fight pornography, drugs, and lawlessness and to give back to their children the safe and, yes, innocent childhood they deserve. We see it in the renaissance in education, the rising *sat* scores for 3 years—last year's increase, the greatest since 1963. It wasn't government and Washington lobbies that turned education around; it was the American people who, in reaching for excellence, knew to reach back to basics. We must continue the advance by supporting discipline in our schools, vouchers that give parents freedom of choice; and we must give back to our children their lost right to acknowledge God in their classrooms.

We are a nation of idealists, yet today there is a wound in our national conscience. America will never be whole as long as the right to life granted by our Creator is denied to the unborn. For the rest of my time, I shall do what I can to see that this wound is one day healed.

As we work to make the American dream real for all, we must also look to the condition of America's families. Struggling parents today worry how they will provide their children the advantages that their parents gave them. In the welfare culture, the breakdown of the family, the most basic support system, has reached crisis proportions—in female and child poverty, child abandonment, horrible crimes, and deteriorating schools. After hundreds of billions of dollars in poverty programs, the plight of the poor grows more painful. But the waste in dollars and cents pales before the most tragic loss: the sinful waste of human spirit and potential. We can ignore this terrible truth no longer. As Franklin Roosevelt warned 51 years ago, standing before this Chamber, he said, "Welfare is a narcotic, a subtle destroyer of the human spirit." And we must now escape the spider's web of dependency.

Page 3065

Tonight I am charging the White House Domestic Council to present me by December 1, 1986, an evaluation of programs and a strategy for immediate action to meet the financial, educational, social, and safety concerns of poor families. I'm talking about real and lasting emancipation, because the success of welfare should be judged by how many of its recipients become independent of welfare. Further, after seeing how devastating illness can destroy the financial security of the family, I am directing the Secretary of Health and Human Services, Dr. Otis Bowen, to report to me by year end with recommendations on how the private sector and government can work together to address the problems of affordable insurance for those whose life savings would otherwise be threatened when catastrophic illness strikes.

And tonight I want to speak directly to America's younger generation, because you hold the destiny of our nation in your hands. With all the temptations young people face, it sometimes seems the allure of the permissive society requires superhuman feats of self-control. But the call of the future is too strong, the challenge too great to get lost in the blind alleyways of dissolution, drugs, and despair. Never has there been a more exciting time to be alive, a time of rousing wonder and heroic achievement. As they said in the film "Back to the Future," "Where we're going, we don't need roads."

Well, today physicists peering into the infinitely small realms of subatomic particles find reaffirmations of religious faith. Astronomers build a space telescope that can see to the edge of the universe and possibly back to the moment of creation. So, yes, this nation remains fully committed to America's space program. We're going forward with our shuttle flights. We're going forward to build our space station. And we are going forward with research on a new Orient Express that could, by the end of the next decade, take off from Dulles Airport, accelerate up to 25 times the speed of sound, attaining low Earth orbit or flying to Tokyo within 2 hours. And the same technology transforming our lives can solve the greatest problem of the 20th century. A security shield can one day render nuclear weapons obsolete and free mankind from the prison of nuclear terror. America met one historic challenge and went to the Moon. Now America must meet another: to make our strategic defense real for all the citizens of planet Earth.

Let us speak of our deepest longing for the future: to leave our children a land that is free and just and a world at peace. It is my hope that our fireside summit in Geneva and Mr. Gorbachev's upcoming visit to America can lead to a more stable relationship. Surely no people on Earth hate war or love peace more than we Americans. But we cannot stroll into the future with childlike faith. Our differences with a system that openly proclaims and practices an alleged right to command people's

Page 3066

lives and to export its ideology by force are deep and abiding. Logic and history compel us to accept that our relationship be guided by realism—rock-hard, cleareyed, steady, and sure. Our negotiators in Geneva have proposed a radical cut in offensive forces by each side with no cheating. They have made clear that Soviet compliance with the letter and spirit of agreements is essential. If the Soviet Government wants an agreement that truly reduces nuclear arms, there will be such an agreement.

But arms control is no substitute for peace. We know that peace follows in freedom's path and conflicts erupt when the will of the people is denied. So, we must prepare for peace not only by reducing weapons but by bolstering prosperity, liberty, and democracy however and wherever we can. We advance the promise of opportunity every time we speak out on behalf of lower tax rates, freer markets, sound currencies around the world. We strengthen the family of freedom every time we work with allies and come to the aid of friends under siege. And we can enlarge the family of free nations if we will defend the unalienable rights of all God's children to follow their dreams.

To those imprisoned in regimes held captive, to those beaten for daring to fight for freedom and democracy—for their right to worship, to speak, to live, and to prosper in the family of free nations—we say to you tonight: You are not alone, freedom fighters. America will support with moral and material assistance your right not just to fight and die for freedom but to fight and win freedom—to win freedom in Afghanistan, in Angola, in Cambodia, and in Nicaragua. This is a great moral challenge for the entire free world.

Surely no issue is more important for peace in our own hemisphere, for the security of our frontiers, for the protection of our vital interests, than to achieve democracy in Nicaragua and to protect Nicaragua's democratic neighbors. This year I will be asking Congress for the means to do what must be done for that great and good cause. As (former Senator Henry M.)Scoop Jackson, the inspiration for our Bipartisan Commission on Central America, once said, "In matters of national security, the best politics is no politics."

What we accomplish this year, in each challenge we face, will set our course for the balance of the decade, indeed, for the remainder of the century. After all we've done so far, let no one say that this nation cannot reach the destiny of our dreams. America believes, America is ready, America can win the race to the future—and we shall. The American dream is a song of hope that rings through night winter air; vivid, tender music that warms our hearts when the least among us aspire to the greatest things: to venture a daring enterprise; to unearth new beauty in music, literature, and art; to discover a new universe inside a tiny silicon chip or a single human cell.

Page 3067

We see the dream coming true in the spirit of discovery of Richard Cavoli. All his life he's been enthralled by the mysteries of medicine. And, Richard, we know that the experiment that you began in high school was launched and lost last week, yet your dream lives. And as long as it's real, work of noble note will yet be done, work that could reduce the harmful effects of x rays on patients and enable astronomers to view the golden gateways of the farthest stars.

We see the dream glow in the towering talent of a 12-year-old, Tyrone Ford. A child prodigy of gospel music, he has surmounted personal adversity to become an accomplished pianist and singer. He also directs the choirs of three churches and has performed at the Kennedy Center. With God as your composer, Tyrone, your music will be the music of angels.

We see the dream being saved by the courage of the 13-year-old Shelby Butler, honor student and member of her school's safety patrol. Seeing another girl freeze in terror before an out-of-control school bus, she risked her life and pulled her to safety. With bravery like yours, Shelby, America need never fear for our future.

And we see the dream born again in the joyful compassion of a 13 year old, Trevor Ferrell. Two years ago, age 11, watching men and women bedding down in abandoned doorways—on television he was watching—Trevor left his suburban Philadelphia home to bring blankets and food to the helpless and homeless. And now 250 people help him fulfill his nightly vigil. Trevor, yours is the living spirit of brotherly love.

Would you four stand up for a moment? Thank you, thank you. You are heroes of our hearts. We look at you and know it's true: In this land of dreams fulfilled, where greater dreams may be imagined, nothing is impossible, no victory is beyond our reach, no glory will ever be too great.

So, now it's up to us, all of us, to prepare America for that day when our work will pale before the greatness of America's champions in the 21st century. The world's hopes rest with America's future; America's hopes rest with us. So, let us go forward to create our world of tomorrow in faith, in unity, and in love.

God bless you, and God bless America.

Note: The President spoke at 8:04 p.m. in the House Chamber of the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
Ronald Reagan
January 27, 1987

Mr. Speaker, Mr. President, distinguished Members of Congress, honored guests, and fellow citizens:

May I congratulate all of you who are Members of this historic 100th Congress of the United States of America. In this 200th anniversary year of our Constitution, you and I stand on the shoulders of giants—men whose words and deeds put wind in the sails of freedom. However, we must always remember that our Constitution is to be celebrated not for being old, but for being young—young with the same energy, spirit, and promise that filled each eventful day in Philadelphia's statehouse. We will be guided tonight by their acts, and we will be guided forever by their words.

Page 3068

Now, forgive me, but I can't resist sharing a story from those historic days. Philadelphia was bursting with civic pride in the spring of 1787, and its newspapers began embellishing the arrival of the Convention delegates with elaborate social classifications. Governors of States were called Excellency. Justices and Chancellors had reserved for them honorable with a capital "H." For Congressmen, it was honorable with a small "h." And all others were referred to as "the following respectable characters." Well, for this 100th Congress, I invoke special executive powers to declare that each of you must never be titled less than honorable with a capital "H." Incidentally, I'm delighted you are celebrating the 100th birthday of the Congress. It's always a pleasure to congratulate someone with more birthdays than I've had.

Now, there's a new face at this place of honor tonight. And please join me in warm congratulations to the Speaker of the House, Jim Wright. Mr. Speaker, you might recall a similar situation in your very first session of Congress 32 years ago. Then, as now, the speakership had changed hands and another great son of Texas, Sam Rayburn—-"Mr. Sam"—sat in your chair. I cannot find better words than those used by President Eisenhower that evening. He said, "We shall have much to do together; I am sure that we will get it done and that we shall do it in harmony and good will." Tonight I renew that pledge. To you, Mr. Speaker, and to Senate Majority Leader Robert Byrd, who brings 34 years of distinguished service to the Congress, may I say: Though there are changes in the Congress, America's interests remain the same. And I am confident that, along with Republican leaders Bob Michel and Bob Dole, this Congress can make history.

Six years ago I was here to ask the Congress to join me in America's new beginning. Well, the results are something of which we can all be proud. Our inflation rate is now the lowest in a quarter of a century. The prime interest rate has fallen from the 21 1/2 percent the month before we took office to 7 1/2 percent today. And those rates have triggered the most housing starts in 8 years. The unemployment rate—still too high—is the lowest in nearly 7 years, and our people have created nearly 13 million new jobs. Over 61 percent of everyone over the age of 16, male and female, is employed—the highest percentage on record. Let's roll up our sleeves and go to work and put America's economic engine at full throttle. We can also be heartened by our progress across the world. Most important, America is at peace tonight, and freedom is on the march. And we've done much these past years to restore our defenses, our alliances, and our leadership in the world. Our sons and daughters in the services once again wear their uniforms with pride.

Page 3069

But though we've made much progress, I have one major regret: I took a risk with regard to our action in Iran. It did not work, and for that I assume full responsibility. The goals were worthy. I do not believe it was wrong to try to establish contacts with a country of strategic importance or to try to save lives. And certainly it was not wrong to try to secure freedom for our citizens held in barbaric captivity. But we did not achieve what we wished, and serious mistakes were made in trying to do so. We will get to the bottom of this, and I will take whatever action is called for. But in debating the past, we must not deny ourselves the successes of the future. Let it never be said of this generation of Americans that we became so obsessed with failure that we refused to take risks that could further the cause of peace and freedom in the world. Much is at stake here, and the Nation and the world are watching to see if we go forward together in the national interest or if we let partisanship weaken us. And let there be no mistake about American policy: We will not sit idly by if our interests or our friends in the Middle East are threatened, nor will we yield to terrorist blackmail.

And now, ladies and gentlemen of the Congress, why don't we get to work? I am pleased to report that because of our efforts to rebuild the strength of America, the world is a safer place. Earlier this month I submitted a budget to defend America and maintain our momentum to make up for neglect in the last decade. Well, I ask you to vote out a defense and foreign affairs budget that says yes to protecting our country. While the world is safer, it is not safe.

Since 1970 the Soviets have invested $500 billion more on their military forces than we have. Even today, though nearly 1 in 3 Soviet families is without running hot water and the average family spends 2 hours a day shopping for the basic necessities of life, their government still found the resources to transfer $75 billion in weapons to client states in the past 5 years—clients like Syria, Vietnam, Cuba, Libya, Angola, Ethiopia, Afghanistan, and Nicaragua. With 120,000 Soviet combat and military personnel and 15,000 military advisers in Asia, Africa, and Latin America, can anyone still doubt their single-minded determination to expand their power? Despite this, the Congress cut my request for critical U.S. security assistance to free nations by 21 percent this year, and cut defense requests by $85 billion in the last 3 years.

These assistance programs serve our national interests as well as mutual interests. And when the programs are devastated, American interests are harmed. My friends, it's my duty as President to say to you again tonight that there is no surer way to lose freedom than to lose our resolve. Today the brave people of Afghanistan are showing that resolve. The Soviet Union says it wants a peaceful settlement in Afghanistan, yet it continues a brutal war and props up a regime whose days are clearly numbered. We are ready to support a political solution that guarantees the rapid withdrawal of all Soviet troops and genuine self-determination for the Afghan people.

Page 3070

In Central America, too, the cause of freedom is being tested. And our resolve is being tested there as well. Here, especially, the world is watching to see how this nation responds. Today over 90 percent of the people of Latin America live in democracy. Democracy is on the march in Central and South America. Communist Nicaragua is the odd man out—suppressing the church, the press, and democratic dissent and promoting subversion in the region. We support diplomatic efforts, but these efforts can never succeed if the Sandinistas win their war against the Nicaraguan people.

Our commitment to a Western Hemisphere safe from aggression did not occur by spontaneous generation on the day that we took office. It began with the Monroe Doctrine in 1823 and continues our historic bipartisan American policy. Franklin Roosevelt said we "are determined to do everything possible to maintain peace on this hemisphere." President Truman was very blunt: "International communism seeks to crush and undermine and destroy the independence of the Americas. We cannot let that happen here." And John F. Kennedy made clear that "Communist domination in this hemisphere can never be negotiated." Some in this Congress may choose to depart from this historic commitment, but I will not.

This year we celebrate the second century of our Constitution. The Sandinistas just signed theirs 2 weeks ago, and then suspended it. We won't know how my words tonight will be reported there for one simple reason: There is no free press in Nicaragua. Nicaraguan freedom fighters have never asked us to wage their battle, but I will fight any effort to shut off their lifeblood and consign them to death, defeat, or a life without freedom. There must be no Soviet beachhead in Central America.

You know, we Americans have always preferred dialog to conflict, and so, we always remain open to more constructive relations with the Soviet Union. But more responsible Soviet conduct around the world is a key element of the U.S.-Soviet agenda. Progress is also required on the other items of our agenda as well—real respect for human rights and more open contacts between our societies and, of course, arms reduction.

In Iceland, last October, we had one moment of opportunity that the Soviets dashed because they sought to cripple our Strategic Defense Initiative, SDI. I wouldn't let them do it then; I won't let them do it now or in the future. This is the most positive and promising defense program we have undertaken. It's the path, for both sides, to a safer future—a system that defends human life instead of threatening it. SDI will go forward. The United States has made serious, fair, and far-reaching proposals to the Soviet Union, and this is a moment of rare opportunity for arms reduction. But I will need, and American negotiators in Geneva will need, Congress' support. Enacting the Soviet negotiating position into American law would not be the way to win a good agreement. So, I must tell you in this Congress I will veto any effort that undercuts our national security and our negotiating leverage.

Page 3071

Now, today, we also find ourselves engaged in expanding peaceful commerce across the world. We will work to expand our opportunities in international markets through the Uruguay round of trade negotiations and to complete an historic free trade arrangement between the world's two largest trading partners, Canada and the United States. Our basic trade policy remains the same: We remain opposed as ever to protectionism, because America's growth and future depend on trade. But we would insist on trade that is fair and free. We are always willing to be trade partners but never trade patsies.

Now, from foreign borders let us return to our own, because America in the world is only as strong as America at home. This 100th Congress has high responsibilities. I begin with a gentle reminder that many of these are simply the incomplete obligations of the past. The American people deserve to be impatient, because we do not yet have the public house in order. We've had great success in restoring our economic integrity, and we've rescued our nation from the worst economic mess since the Depression. But there's more to do. For starters, the Federal deficit is outrageous. For years I've asked that we stop pushing onto our children the excesses of our government. And what the Congress finally needs to do is pass a constitutional amendment that mandates a balanced budget and forces government to live within its means. States, cities, and the families of America balance their budgets. Why can't we?

Next, the budget process is a sorry spectacle. The missing of deadlines and the nightmare of monstrous continuing resolutions packing hundreds of billions of dollars of spending into one bill must be stopped. We ask the Congress once again: Give us the same tool that 43 Governors have—a lineitem veto so we can carve out the boondoggles and pork, those items that would never survive on their own. I will send the Congress broad recommendations on the budget, but first I'd like to see yours. Let's go to work and get this done together.

But now let's talk about this year's budget. Even though I have submitted it within the Gramm-Rudman-Hollings deficit reduction target, I have seen suggestions that we might postpone that timetable. Well, I think the American people are tired of hearing the same old excuses. Together we made a commitment to balance the budget. Now let's keep it. As for those suggestions that the answer is higher taxes, the American people have repeatedly rejected that shop-worn advice. They know that we don't have deficits because people are taxed too little. We have deficits because big government spends too much.

Page 3072

Now, next month I'll place two additional reforms before the Congress. We've created a welfare monster that is a shocking indictment of our sense of priorities. Our national welfare system consists of some 59 major programs and over 6,000 pages of Federal laws and regulations on which more than $132 billion was spent in 1985. I will propose a new national welfare strategy, a program of welfare reform through State-sponsored, community-based demonstration projects. This is the time to reform this outmoded social dinosaur and finally break the poverty trap. Now, we will never abandon those who, through no fault of their own, must have our help. But let us work to see how many can be freed from the dependency of welfare and made self-supporting, which the great majority of welfare recipients want more than anything else. Next, let us remove a financial specter facing our older Americans: the fear of an illness so expensive that it can result in having to make an intolerable choice between bankruptcy and death. I will submit legislation shortly to help free the elderly from the fear of catastrophic illness.

Now let's turn to the future. It's widely said that America is losing her competitive edge. Well, that won't happen if we act now. How well prepared are we to enter the 21st century? In my lifetime, America set the standard for the world. It is now time to determine that we should enter the next century having achieved a level of excellence unsurpassed in history. We will achieve this, first, by guaranteeing that government does everything possible to promote America's ability to compete. Second, we must act as individuals in a quest for excellence that will not be measured by new proposals or billions in new funding. Rather, it involves an expenditure of American spirit and just plain American grit. The Congress will soon receive my comprehensive proposals to enhance our competitiveness, including new science and technology centers and strong new funding for basic research. The bill will include legal and regulatory reforms and weapons to fight unfair trade practices. Competitiveness also means giving our farmers a shot at participating fairly and fully in a changing world market.

Preparing for the future must begin, as always, with our children. We need to set for them new and more rigorous goals. We must demand more of ourselves and our children by raising literacy levels dramatically by the year 2000. Our children should master the basic concepts of math and science, and let's insist that students not leave high school until they have studied and understood the basic documents of our national heritage. There's one more thing we can't let up on: Let's redouble our personal efforts to provide for every child a safe and drug-free learning environment. If our crusade against drugs succeeds with our children, we will defeat that scourge all over the country.

Finally, let's stop suppressing the spiritual core of our national being. Our nation could not have been conceived without divine help. Why is it that we can build a nation with our prayers, but we can't use a schoolroom for voluntary prayer? The 100th Congress of the United States should be remembered as the one that ended the expulsion of God from America's classrooms.

Page 3073

The quest for excellence into the 21st century begins in the schoolroom but must go next to the workplace. More than 20 million new jobs will be created before the new century unfolds, and by then, our economy should be able to provide a job for everyone who wants to work. We must also enable our workers to adapt to the rapidly changing nature of the workplace. And I will propose substantial, new Federal commitments keyed to retraining and job mobility.

Over the next few weeks, I'll be sending the Congress a complete series of these special messages—on budget reform, welfare reform, competitiveness, including education, trade, worker training and assistance, agriculture, and other subjects. The Congress can give us these tools, but to make these tools work, it really comes down to just being our best. And that is the core of American greatness. The responsibility of freedom presses us towards higher knowledge and, I believe, moral and spiritual greatness. Through lower taxes and smaller government, government has its ways of freeing people's spirits. But only we, each of us, can let the spirit soar against our own individual standards. Excellence is what makes freedom ring. And isn't that what we do best?

We're entering our third century now, but it's wrong to judge our nation by its years. The calendar can't measure America because we were meant to be an endless experiment in freedom—with no limit to our reaches, no boundaries to what we can do, no end point to our hopes. The United States Constitution is the impassioned and inspired vehicle by which we travel through history. It grew out of the most fundamental inspiration of our existence: that we are here to serve Him by living free—that living free releases in us the noblest of impulses and the best of our abilities; that we would use these gifts for good and generous purposes and would secure them not just for ourselves and for our children but for all mankind.

Over the years—I won't count if you don't—nothing has been so heartwarming to me as speaking to America's young, and the little ones especially, so fresh-faced and so eager to know. Well, from time to time I've been with them—they will ask about our Constitution. And I hope you Members of Congress will not deem this a breach of protocol if you'll permit me to share these thoughts again with the young people who might be listening or watching this evening. I've read the constitutions of a number of countries, including the Soviet Union's. Now, some people are surprised to hear that they have a constitution, and it even supposedly grants a number of freedoms to its people. Many countries have written into their constitution provisions for freedom of speech and freedom of assembly. Well, if this is true, why is the Constitution of the United States so exceptional?

Page 3074

Well, the difference is so small that it almost escapes you, but it's so great it tells you the whole story in just three words: We the people. In those other constitutions, the Government tells the people of those countries what they're allowed to do. In our Constitution, we the people tell the Government what it can do, and it can do only those things listed in that document and no others. Virtually every other revolution in history has just exchanged one set of rulers for another set of rulers. Our revolution is the first to say the people are the masters and government is their servant. And you young people out there, don't ever forget that. Someday you could be in this room, but wherever you are, America is depending on you to reach your highest and be your best—because here in America, we the people are in charge.

Just three words: We the people—those are the kids on Christmas Day looking out from a frozen sentry post on the 38th parallel in Korea or aboard an aircraft carrier in the Mediterranean. A million miles from home, but doing their duty.

We the people—those are the warmhearted whose numbers we can't begin to count, who'll begin the day with a little prayer for hostages they will never know and *Mia* families they will never meet. Why? Because that's the way we are, this unique breed we call Americans.

We the people—they're farmers on tough times, but who never stop feeding a hungry world. They're the volunteers at the hospital choking back their tears for the hundredth time, caring for a baby struggling for life because of a mother who used drugs. And you'll forgive me a special memory—it's a million mothers like Nelle Reagan who never knew a stranger or turned a hungry person away from her kitchen door.

We the people—they refute last week's television commentary downgrading our optimism and our idealism. They are the entrepreneurs, the builders, the pioneers, and a lot of regular folks—the true heroes of our land who make up the most uncommon nation of doers in history. You know they're Americans because their spirit is as big as the universe and their hearts are bigger than their spirits.

We the people—starting the third century of a dream and standing up to some cynic who's trying to tell us we're not going to get any better. Are we at the end? Well, I can't tell it any better than the real thing—a story recorded by James Madison from the final moments of the Constitutional Convention, September 17th, 1787. As the last few members signed the document, Benjamin Franklin—the oldest delegate at 81 years and in frail health—looked over toward the chair where George Washington daily presided. At the back of the chair was painted the picture of a Sun on the horizon. And turning to those sitting next to him, Franklin observed that artists found it difficult in their painting to distinguish between a rising and a setting Sun.

Page 3075

Well, I know if we were there, we could see those delegates sitting around Franklin—-leaning in to listen more closely to him. And then Dr. Franklin began to share his deepest hopes and fears about the outcome of their efforts, and this is what he said: "I have often looked at that picture behind the President without being able to tell whether it was a rising or setting Sun: But now at length I have the happiness to know that it is a rising and not a setting Sun." Well, you can bet it's rising because, my fellow citizens, America isn't finished. Her best days have just begun.

Thank you, God bless you, and God bless America.

Note: The President spoke at 9:03 p.m. in the House Chamber of the Capitol. He was introduced by Jim Wright, Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
Ronald Reagan
January 25, 1988

Mr. Speaker, Mr. President, and distinguished Members of the House and Senate: When we first met here 7 years ago—many of us for the first time—it was with the hope of beginning something new for America. We meet here tonight in this historic Chamber to continue that work. If anyone expects just a proud recitation of the accomplishments of my administration, I say let's leave that to history; we're not finished yet. So, my message to you tonight is put on your work shoes; we're still on the job.

History records the power of the ideas that brought us here those 7 years ago—ideas like the individual's right to reach as far and as high as his or her talents will permit; the free market as an engine of economic progress. And as an ancient Chinese philosopher, Lao-tzu, said: "Govern a great nation as you would cook a small fish; do not overdo it." Well, these ideas were part of a larger notion, a vision, if you will, of America herself—an America not only rich in opportunity for the individual but an America, too, of strong families and vibrant neighborhoods; an America whose divergent but harmonizing communities were a reflection of a deeper community of values: the value of work, of family, of religion, and of the love of freedom that God places in each of us and whose defense He has entrusted in a special way to this nation.

All of this was made possible by an idea I spoke of when Mr. Gorbachev was here—the belief that the most exciting revolution ever known to humankind began with three simple words: "We the People," the revolutionary notion that the people grant government its rights, and not the other way around. And there's one lesson that has come home powerfully to me, which I would offer to you now. Just as those who created this Republic pledged to each other their lives, their fortunes, and their sacred

honor, so, too, America's leaders today must pledge to each other that we will keep foremost in our hearts and minds not what is best for ourselves or for our party but what is best for America.

Page 3076

In the spirit of Jefferson, let us affirm that in this Chamber tonight there are no Republicans, no Democrats—just Americans. Yes, we will have our differences, but let us always remember what unites us far outweighs whatever divides us. Those who sent us here to serve them—the millions of Americans watching and listening tonight—-expect this of us. Let's prove to them and to ourselves that democracy works even in an election year. We've done this before. And as we have worked together to bring down spending, tax rates, and inflation, employment has climbed to record heights; America has created more jobs and better, higher paying jobs; family income has risen for 4 straight years, and America's poor climbed out of poverty at the fastest rate in more than 10 years.

Our record is not just the longest peacetime expansion in history but an economic and social revolution of hope based on work, incentives, growth, and opportunity; a revolution of compassion that led to private sector initiatives and a 77-percent increase in charitable giving; a revolution that at a critical moment in world history reclaimed and restored the American dream.

In international relations, too, there's only one description for what, together, we have achieved: a complete turnabout, a revolution. Seven years ago, America was weak, and freedom everywhere was under siege. Today America is strong, and democracy is everywhere on the move. From Central America to East Asia, ideas like free markets and democratic reforms and human rights are taking hold. We've replaced "Blame America" with "Look up to America." We've rebuilt our defenses. And of all our accomplishments, none can give us more satisfaction than knowing that our young people are again proud to wear our country's uniform.

And in a few moments, I'm going to talk about three developments—arms reduction, the Strategic Defense Initiative, and the global democratic revolution—that, when taken together, offer a chance none of us would have dared imagine 7 years ago, a chance to rid the world of the two great nightmares of the postwar era. I speak of the startling hope of giving our children a future free of both totalitarianism and nuclear terror.

Tonight, then, we're strong, prosperous, at peace, and we are free. This is the state of our Union. And if we will work together this year, I believe we can give a future President and a future Congress the chance to make that prosperity, that peace, that freedom not just the state of our Union but the state of our world.

Toward this end, we have four basic objectives tonight. First, steps we can take this year to keep our economy strong and growing, to give our children a future of low inflation and full employment. Second, let's check our progress in attacking social problems, where important gains have been made, but which still need critical attention. I mean schools that work, economic independence for the poor, restoring

Page 3077

respect for family life and family values. Our third objective tonight is global: continuing the exciting economic and democratic revolutions we've seen around the world. Fourth and finally, our nation has remained at peace for nearly a decade and a half, as we move toward our goals of world prosperity and world freedom. We must protect that peace and deter war by making sure the next President inherits what you and I have a moral obligation to give that President: a national security that is unassailable and a national defense that takes full advantage of new technology and is fully funded.

This is a full agenda. It's meant to be. You see, my thinking on the next year is quite simple: Let's make this the best of 8. And that means it's all out—right to the finish line. I don't buy the idea that this is the last year of anything, because we're not talking here tonight about registering temporary gains but ways of making permanent our successes. And that's why our focus is the values, the principles, and ideas that made America great. Let's be clear on this point. We're for limited government, because we understand, as the Founding Fathers did, that it is the best way of ensuring personal liberty and empowering the individual so that every American of every race and region shares fully in the flowering of American prosperity and freedom.

One other thing we Americans like—the future—like the sound of it, the idea of it, the hope of it. Where others fear trade and economic growth, we see opportunities for creating new wealth and undreamed-of opportunities for millions in our own land and beyond. Where others seek to throw up barriers, we seek to bring them down. Where others take counsel of their fears, we follow our hopes. Yes, we Americans like the future and like making the most of it. Let's do that now.

And let's begin by discussing how to maintain economic growth by controlling and eventually eliminating the problem of Federal deficits. We have had a balanced budget only eight times in the last 57 years. For the first time in 14 years, the Federal Government spent less in real terms last year than the year before. We took $73 billion off last year's deficit compared to the year before. The deficit itself has moved from 6.3 percent of the gross national product to only 3.4 percent. And perhaps the most important sign of progress has been the change in our view of deficits. You know, a few of us can remember when, not too many years ago, those who created the deficits said they would make us prosperous and not to worry about the debt, because we owe it to ourselves. Well, at last there is agreement that we can't spend ourselves rich.

Our recent budget agreement, designed to reduce Federal deficits by $76 billion over the next 2 years, builds on this consensus. But this agreement must be adhered to without slipping into the errors of the past: more broken promises and more unchecked spending. As I indicated in my first State of the Union, what ails us can be simply put: The Federal Government is too big, and it spends too much money. I can assure you,

the bipartisan leadership of Congress, of my help in fighting off any attempt to bust our budget agreement. And this includes the swift and certain use of the veto power.

Page 3078

Now, it's also time for some plain talk about the most immediate obstacle to controlling Federal deficits. The simple but frustrating problem of making expenses match revenues—something American families do and the Federal Government can't—has caused crisis after crisis in this city. Mr. Speaker, Mr. President, I will say to you tonight what I have said before and will continue to say: The budget process has broken down; it needs a drastic overhaul. With each ensuing year, the spectacle before the American people is the same as it was this Christmas: budget deadlines delayed or missed completely, monstrous continuing resolutions that pack hundreds of billions of dollars worth of spending into one bill, and a Federal Government on the brink of default.

I know I'm echoing what you here in the Congress have said, because you suffered so directly. But let's recall that in 7 years, of 91 appropriations bills scheduled to arrive on my desk by a certain date, only 10 made it on time. Last year, of the 13 appropriations bills due by October 1st, none of them made it. Instead, we had four continuing resolutions lasting 41 days, then 36 days, and 2 days, and 3 days, respectively.

And then, along came these behemoths. This is the conference report—1,053 pages, report weighing 14 pounds. Then this—a reconciliation bill 6 months late that was 1,186 pages long, weighing 15 pounds. And the long-term continuing resolution—this one was 2 months late, and it's 1,057 pages long, weighing 14 pounds. That was a total of 43 pounds of paper and ink. You had 3 hours—yes, 3 hours—to consider each, and it took 300 people at my Office of Management and Budget just to read the bill so the Government wouldn't shut down. Congress shouldn't send another one of these. No, and if you do, I will not sign it.

Let's change all this. Instead of a Presidential budget that gets discarded and a congressional budget resolution that is not enforced, why not a simple partnership, a joint agreement that sets out the spending priorities within the available revenues? And let's remember our deadline is October 1st, not Christmas. Let's get the people's work done in time to avoid a footrace with Santa Claus. And, yes, this year—to coin a phrase—a new beginning: 13 individual bills, on time and fully reviewed by Congress.

I'm also certain you join me in saying: Let's help ensure our future of prosperity by giving the President a tool that, though I will not get to use it, is one I know future Presidents of either party must have. Give the President the same authority that 43 Governors use in their States: the right to reach into massive appropriation bills, pare away the waste, and enforce budget discipline. Let's approve the line-item veto.

Page 3079

And let's take a partial step in this direction. Most of you in this Chamber didn't know what was in this catchall bill and report. Over the past few weeks, we've all learned what was tucked away behind a little comma here and there. For example, there's millions for items such as cranberry research, blueberry research, the study of crawfish, and the commercialization of wildflowers. And that's not to mention the five or so million ($.5 million) that—so that people from developing nations could come here to watch Congress at work. I won't even touch that. So, tonight I offer you this challenge. In 30 days I will send back to you those items as rescissions, which if I had the authority to line them out I would do so.

Now, review this multibillion-dollar package that will not undercut our bipartisan budget agreement. As a matter of fact, if adopted, it will improve our deficit reduction goals. And what an example we can set, that we're serious about getting our financial accounts in order. By acting and approving this plan, you have the opportunity to override a congressional process that is out of control.

There is another vital reform. Yes, Gramm-Rudman-Hollings has been profoundly helpful, but let us take its goal of a balanced budget and make it permanent. Let us do now what so many States do to hold down spending and what 32 State legislatures have asked us to do. Let us heed the wishes of an overwhelming plurality of Americans and pass a constitutional amendment that mandates a balanced budget and forces the Federal Government to live within its means. Reform of the budget process—including the line-item veto and balanced budget amendment—will, together with real restraint on government spending, prevent the Federal budget from ever again ravaging the family budget.

Let's ensure that the Federal Government never again legislates against the family and the home. Last September 1 signed an Executive order on the family requiring that every department and agency review its activities in light of seven standards designed to promote and not harm the family. But let us make certain that the family is always at the center of the public policy process not just in this administration but in all future administrations. It's time for Congress to consider, at the beginning, a statement of the impact that legislation will have on the basic unit of American society, the family.

And speaking of the family, let's turn to a matter on the mind of every American parent tonight: education. We all know the sorry story of the sixties and seventies—soaring spending, plummeting test scores—and that hopeful trend of the eighties, when we replaced an obsession with dollars with a commitment to quality, and test scores started back up. There's a lesson here that we all should write on the blackboard a hundred times: In a child's education, money can never take the place of basics like discipline, hard work, and, yes, homework.

Page 3080

As a nation we do, of course, spend heavily on education—more than we spend on defense. Yet across our country, Governors like New Jersey's Tom Kean are giving classroom demonstrations that how we spend is as important as how much we spend. Opening up the teaching profession to all qualified candidates, merit pay—so that good teachers get A's as well as apples—and stronger curriculum, as Secretary Bennett has proposed for high schools—these imaginative reforms are making common sense the most popular new kid in America's schools. How can we help? Well, we can talk about and push for these reforms. But the most important thing we can do is to reaffirm that control of our schools belongs to the States, local communities and, most of all, to the parents and teachers.

My friends, some years ago, the Federal Government declared war on poverty, and poverty won. Today the Federal Government has 59 major welfare programs and spends more than $100 billion a year on them. What has all this money done? Well, too often it has only made poverty harder to escape. Federal welfare programs have created a massive social problem. With the best of intentions, government created a poverty trap that wreaks havoc on the very support system the poor need most to lift themselves out of poverty: the family. Dependency has become the one enduring heirloom, passed from one generation to the next, of too many fragmented families.

It is time—this may be the most radical thing I've said in 7 years in this office—it's time for Washington to show a little humility. There are a thousand sparks of genius in 50 States and a thousand communities around the Nation. It is time to nurture them and see which ones can catch fire and become guiding lights. States have begun to show us the way. They've demonstrated that successful welfare programs can be built around more effective child support enforcement practices and innovative programs requiring welfare recipients to work or prepare for work. Let us give the States more flexibility and encourage more reforms. Let's start making our welfare system the first rung on America's ladder of opportunity, a boost up from dependency, not a graveyard but a birthplace of hope.

And now let me turn to three other matters vital to family values and the quality of family life. The first is an untold American success story. Recently, we released our annual survey of what graduating high school seniors have to say about drugs. Cocaine use is declining, and marijuana use was the lowest since surveying began. We can be proud that our students are just saying no to drugs. But let us remember what this menace requires: commitment from every part of America and every single American, a commitment to a drugfree America. The war against drugs is a war of individual battles, a crusade with many heroes, including America's young people and also someone very special to me. She has helped so many of our young people to say no to drugs. Nancy, much credit belongs to you, and I want to express to you your husband's pride and your country's thanks.'. Surprised you, didn't I?

Page 3081

Well, now we come to a family issue that we must have the courage to confront. Tonight, I call America—a good nation, a moral people—to charitable but realistic consideration of the terrible cost of abortion on demand. To those who say this violates a woman's right to control of her own body: Can they deny that now medical evidence confirms the unborn child is a living human being entitled to life, liberty, and the pursuit of happiness? Let us unite as a nation and protect the unborn with legislation that would stop all Federal funding for abortion and with a human life amendment making, of course, an exception where the unborn child threatens the life of the mother. Our Judeo-Christian tradition recognizes the right of taking a life in self-defense. But with that one exception, let us look to those others in our land who cry out for children to adopt. I pledge to you tonight I will work to remove barriers to adoption and extend full sharing in family life to millions of Americans so that children who need homes can be welcomed to families who want them and love them.

And let me add here: So many of our greatest statesmen have reminded us that spiritual values alone are essential to our nation's health and vigor. The Congress opens its proceedings each day, as does the Supreme Court, with an acknowledgment of the Supreme Being. Yet we are denied the right to set aside in our schools a moment each day for those who wish to pray. I believe Congress should pass our school prayer amendment.

Now, to make sure there is a full nine member Supreme Court to interpret the law, to protect the rights of all Americans, I urge the Senate to move quickly and decisively in confirming Judge Anthony Kennedy to the highest Court in the land and to also confirm 27 nominees now waiting to fill vacancies in the Federal judiciary.

Here then are our domestic priorities. Yet if the Congress and the administration work together, even greater opportunities lie ahead to expand a growing world economy, to continue to reduce the threat of nuclear arms, and to extend the frontiers of freedom and the growth of democratic institutions.

Our policies consistently received the strongest support of the late Congressman Dan Daniel of Virginia. I'm sure all of you join me in expressing heartfelt condolences on his passing.

One of the greatest contributions the United States can make to the world is to promote freedom as the key to economic growth. A creative, competitive America is the answer to a changing world, not trade wars that would close doors, create greater barriers, and destroy millions of jobs. We should always remember: Protectionism is destructionism. America's jobs, America's growth, America's future depend on trade—-trade that is free, open, and fair.

Page 3082

This year, we have it within our power to take a major step toward a growing global economy and an expanding cycle of prosperity that reaches to all the free nations of this Earth. I'm speaking of the historic free trade agreement negotiated between our country and Canada. And I can also tell you that we're determined to expand this concept, south as well as north. Next month I will be traveling to Mexico, where trade matters will be of foremost concern. And over the next several months, our Congress and the Canadian Parliament can make the start of such a North American accord a reality. Our goal must be a day when the free flow of trade, from the tip of Tierra del Fuego to the Arctic Circle, unites the people of the Western Hemisphere in a bond of mutually beneficial exchange, when all borders become what the U.S.-Canadian border so long has been: a meeting place rather than a dividing line.

This movement we see in so many places toward economic freedom is indivisible from the worldwide movement toward political freedom and against totalitarian rule. This global democratic revolution has removed the specter, so frightening a decade ago, of democracy doomed to permanent minority status in the world. In South and Central America, only a third of the people enjoyed democratic rule in 1976. Today over 90 percent of Latin Americans live in nations committed to democratic principles. And the resurgence of democracy is owed to these courageous people on almost every continent who have struggled to take control of their own destiny.

In Nicaragua the struggle has extra meaning, because that nation is so near our own borders. The recent revelations of a former high-level Sandinista major, Roger Miranda, show us that, even as they talk peace, the Communist Sandinista government of Nicaragua has established plans for a large 600,000-man army. Yet even as these plans are made, the Sandinista regime knows the tide is turning, and the cause of Nicaraguan freedom is riding at its crest. Because of the freedom fighters, who are resisting Communist rule, the Sandinistas have been forced to extend some democratic rights, negotiate with church authorities, and release a few political prisoners.

The focus is on the Sandinistas, their promises and their actions. There is a consensus among the four Central American democratic Presidents that the Sandinistas have not complied with the plan to bring peace and democracy to all of Central America. The Sandinistas again have promised reforms. Their challenge is to take irreversible steps toward democracy. On Wednesday my request to sustain the freedom fighters will be submitted, which reflects our mutual desire for peace, freedom, and democracy in Nicaragua. I ask Congress to pass this request. Let us be for the people of Nicaragua what Lafayette, Pulaski, and Von Steuben were for our forefathers and the cause of American independence.

Page 3083

So, too, in Afghanistan, the freedom fighters are the key to peace. We support the Mujahidin. There can be no settlement unless all Soviet troops are removed and the Afghan people are allowed genuine self-determination. I have made my views on this matter known to Mr. Gorbachev. But not just Nicaragua or Afghanistan—yes, everywhere we see a swelling freedom tide across the world: freedom fighters rising up in Cambodia and Angola, fighting and dying for the same democratic liberties we hold sacred. Their cause is our cause: freedom.

Yet even as we work to expand world freedom, we must build a safer peace and reduce the danger of nuclear war. But let's have no illusions. Three years of steady decline in the value of our annual defense investment have increased the risk of our most basic security interests, jeopardizing earlier hard-won goals. We must face squarely the implications of this negative trend and make adequate, stable defense spending a top goal both this year and in the future.

This same concern applies to economic and security assistance programs as well. But the resolve of America and its NATO allies has opened the way for unprecedented achievement in arms reduction. Our recently signed INF treaty is historic, because it reduces nuclear arms and establishes the most stringent verification regime in arms control history, including several forms of short-notice, on-site inspection. I submitted the treaty today, and I urge the Senate to give its advice and consent to ratification of this landmark agreement. Thank you very much.

In addition to the INF treaty, we're within reach of an even more significant *start* agreement that will reduce U.S. and Soviet long-range missile—or strategic arsenals by half. But let me be clear. Our approach is not to seek agreement for agreement's sake but to settle only for agreements that truly enhance our national security and that of our allies. We will never put our security at risk—or that of our allies—just to reach an agreement with the Soviets. No agreement is better than a bad agreement.

As I mentioned earlier, our efforts are to give future generations what we never had—a future free of nuclear terror. Reduction of strategic offensive arms is one step, SDI another. Our funding request for our Strategic Defense Initiative is less than 2 percent of the total defense budget. SDI funding is money wisely appropriated and money well spent. SDI has the same purpose and supports the same goals of arms reduction. It reduces the risk of war and the threat of nuclear weapons to all mankind. Strategic defenses that threaten no one could offer the world a safer, more stable basis for deterrence. We must also remember that SDI is our insurance policy against a nuclear accident, a Chernobyl of the sky, or an accidental launch or some madman who might come along.

Page 3084

We've seen such changes in the world in 7 years. As totalitarianism struggles to avoid being overwhelmed by the forces of economic advance and the aspiration for human freedom, it is the free nations that are resilient and resurgent. As the global democratic revolution has put totalitarianism on the defensive, we have left behind the days of retreat. America is again a vigorous leader of the free world, a nation that acts decisively and firmly in the furtherance of her principles and vital interests. No legacy would make me more proud than leaving in place a bipartisan consensus for the cause of world freedom, a consensus that prevents a paralysis of American power from ever occurring again.

But my thoughts tonight go beyond this, and I hope you'll let me end this evening with a personal reflection. You know, the world could never be quite the same again after Jacob Shallus, a trustworthy and dependable clerk of the Pennsylvania General Assembly, took his pen and engrossed those words about representative government in the preamble of our Constitution. And in a quiet but final way, the course of human events was forever altered when, on a ridge overlooking the Emmitsburg Pike in an obscure Pennsylvania town called Gettysburg, Lincoln spoke of our duty to government of and by the people and never letting it perish from the Earth.

At the start of this decade, I suggested that we live in equally momentous times, that it is up to us now to decide whether our form of government would endure and whether history still had a place of greatness for a quiet, pleasant, greening land called America. Not everything has been made perfect in 7 years, nor will it be made perfect in seven times 70 years, but before us, this year and beyond, are great prospects for the cause of peace and world freedom.

It means, too, that the young Americans I spoke of 7 years ago, as well as those who might be coming along the Virginia or Maryland shores this night and seeing for the first time the lights of this Capital City—the lights that cast their glow on our great halls of government and the monuments to the memory of our great men—it means those young Americans will find a city of hope in a land that is free.

We can be proud that for them and for us, as those lights along the Potomac are still seen this night signaling as they have for nearly two centuries and as we pray God they always will, that another generation of Americans has protected and passed on lovingly this place called America, this shining city on a hill, this government of, by, and for the people.

Thank you, and God bless you.

Note: The President spoke at 9:07 p.m. in the House Chamber of the Capitol. He was introduced by Jim Wright, Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

***

State of the Union Address
George H.W. Bush
January 31, 1990

Page 3085

Tonight, I come not to speak about the “State of the Government”, not to detail every new initiative we plan for the coming year, nor describe every line in the budget. I’m here to speak to you and to the American people about the State of the Union about our world, the changes we’ve seen, the challenges we face. And what that means for America.

There are singular moments in history, dates that divide all that goes before from all that comes after. And many of us in this chamber have lived much of our lives in a world whose fundamental features were defined in 1945. And the events of that year decreed the shape of nations, the pace of progress, freedom or oppression for millions of people around the world.

Nineteen Forty-Five provided the common frame of reference the compass points of the postwar era we’ve relied upon to understand ourselves. And that was our world until now. The events of the year just ended, the Revolution of ’89, have been a chain reaction, changes so striking that it marks the beginning of a new era in the world’s affairs.

Think back think back just twelve short months ago to the world we knew as 1989 began.

One year, one year ago the people of Panama lived in fear under the thumb of a dictator. Today democracy is restored. Panama is free.

“Operation Just Cause” has achieved its objective. And the number of military personel in Panama is now very close to what it was before the operation began. And tonight I am announcing that before the end of February the additional numbers of American troops, the brave men and women of our armed forces who made this mission a success, will be back home.

A year ago in Poland, Lech Walesa declared he was ready to open a dialogue with the Communist rulers of that country. And today, with the future of a free Poland in their own hands, members of Solidarity lead the Polish government.

And a year ago, freedom’s playwright, Vaclav Havel, languished as a prisoner in Prague. And today it’s Vaclav Havel, President of Czechoslovakia.

And one year ago Erich Honecker of East Germany claimed history as his guide. He predicted the Berlin Wall would last another hundred years. And today, less than one year later, it’s the wall that’s history.

Remarkable events, remarkable events, events that fulfill the long-held hopes of the American people. Events that validate the longstanding goals of American policy, a policy based upon a single shining principle: the cause of freedom.

America, not just the nation, but an idea alive in the minds of the people, everywhere. As this new world takes shape, America stands at the center of a widening circle of freedom, today, tomorrow and into the next century.

Our nation is the enduring dream of every immigrant who ever set foot on these shores, and the millions still struggling to be free. This nation, this idea called America was and always will be a new world, our new world.

Page 3086

At a workers' rally in a place called Branik on the outskirts of Prague the idea called America is alive. A worker, dressed in grimy overalls, rises to speak at the factory gates. And he begins his speech to his fellow citizens with these words, words of a distant revolution: "We hold these truths to be self-evident. That all men are created equal, that they are endowed by their creator with certain unalienable rights, and that among these are life, liberty and the pursuit of happiness." It's no secret here at home freedom's door opened long ago. The cornerstones of this free society have already been set in place: democracy, competition, opportunity, private investment, stewardship, and of course, leadership.

And our challenge today is to take this democratic system of ours, a system second to none, and make it better:

A better America where there's a job for whoever wants one;

Where women working outside the home can be confident their children are in safe and loving care, and where Government works to expand child alternatives for parents.

Where we reconcile the needs of a clean environment and a strong economy.

Where "Made in the USA" is recognized around the world as the symbol of quality and progress,

And where every one of us enjoys the same opportunities to live, to work and to contribute to society. And where, for the first time, the American mainstream includes all of our disabled citizens.

Where everyone has a roof over his head, and where the homeless get the help they need to live in dignity.

Where our schools challenge and support our kids and our teachers, and every one of them makes the grade,

Where every street, every city, every school and every child is drug-free.

And finally, and finally, where no American is forgotten. Our hearts go out to our hostages, our hostages who are ceaselessly in our minds and in our efforts. That's part of the future we want to see, the future we can make for ourselves. But dreams alone won't get us there. We need to extend our horizon, to commit to the long view. And our mission for the future starts today.

In the tough competitive markets around the world, America faces the great challenges and great opportunities. And we know that we can succeed in the global economic arena of the 90's. But to meet that challenge we must make some fundamental changes, some crucial investments in ourselves.

Yes, we are going to invest in America. This Administration is determined to encourage the creation of capital, capital of all kinds. Physical capital: everything from our farms and factories to our workshops and production lines, all that is needed to produce and deliver quality goods and quality services. Intellectual, intellectual capital: the source of ideas that spark tomorrow's products. And of course human capital: the talented work force that we'll need to compete in the global market.

Page 3087

And let me tell you, if we ignore human capital, if we lose the spirit of American ingenuity, the sprit that is the hallmark of the *American* worker, that would be bad. The American worker is the most productive worker in the world.

We need to save more. We need to expand the pool of capital for new investments that mean more jobs and more growth. And that's the idea behind the new initiative I call the Family Savings Plan, which I will send to Congress tomorrow.

We need to cut the tax on capital gains, encourage, encourage risk-takers, especially those in small businesses, to take those steps that translate into economic reward, jobs, and a better life for all of us.

We'll do what it takes to invest in America's future. The budget commitment is there. The money is there. It's there for research and development, R and D, a record high. It's there for our housing initiative, hope, H-O-P-E, to help everyone from first-time homebuyers to the homeless. The money's there to keep our kids drug-free, 70 percent more than when I took office in 1989. It's there for space exploration, and its there for education, another record high.

And one more, and one more thing. Last fall at the education summit, the governors and I agreed to look for ways to help make sure that our kids are ready to learn the very first day they walk into the classroom. And I've made good on that commitment by proposing a record increase in funds, an extra half billion dollars, for something near and dear to all of us: Head Start.

Education is the one investment that means more for our future, because it means the most for our children. Real improvement in our schools is not simply a matter of spending more. It's a matter of asking more, expecting more, of our schools, our teachers, of our kids, of our parents and of ourselves. And that's why tonight, and that's why tonight, I am announcing America's education goals, goals developed with enormous cooperation from the nation's governors. And if I might I'd like to say I'm very pleased that Governor Gardner and Governor Clinton, Governor Branstad, Governor Campbell, all of whom were very key in these discussion, these deliberations, are with us here tonight.

By the, by the year 2000, every child must start school ready to learn. The United States must increase the high school graduation rate to no less than 90 percent. And we are going to make sure our schools' diplomas mean something. In critical subjects, at the fourth, eighth, and 12th grades, we must assess our students' performance.

By the, by the year 2000 U.S. students must be the first in the world in math and science achievement. Every American adult must be a skilled, literate worker and citizen. Every school must offer the kind of disciplined environment that makes it possible for our kids to learn. And every school in America must be drug-free.

Ambitious aims? Of course. Easy to do? Far from it. But the future's at stake. The nation will not accept anything less than excellence in education.

Page 3088

These investments will help keep America competitive. And I know this about the American people: we welcome competition. We'll match our ingenuity, our energy, our experience, and technology our spirit and enterprise against anyone. But let the competition be free, but let it also be fair. America is ready.

Since we really mean it, and since we're serious about being ready to meet our challenge, we're getting our own house in order. We have made real progress. Seven years ago, the Federal deficit was 6 percent of our gross national product, 6 percent. In the new budget I sent up two days ago the deficit is down to 1 percent of GNP.

That budget brings Federal spending under control. It meets the Gramm-Rudman target. It brings the deficit down further. And balances the budget by 1993, with no new taxes.

And let me tell you, there's still more than enough Federal spending. For most of us, $1.2 trillion is still a lot of money.

And once the budget is balanced, we can operate the way every family must when it has bills to pay. We won't leave it to our children and grandchildren. Once it's balanced, we will start paying off the national debt.

And there's something more, and there's something more we owe the generations of the future: stewardship, the safekeeping of America's precious environmental inheritance.

As just one sign of how serious we are, we will elevate the Environmental Protection Agency to Cabinet rank. Not, not more bureaucracy, not more red tape, but the certainty that here at home, and especially in our dealings with other nations, environmental issues have the status they deserve.

This year's budget provides over $2 billion in new spending to protect our environment, with over $1 billion for global change research, and a new initiative I call America the Beautiful to expand our national parks and wildlife preserves and improve recreational facilities on public lands.

And something else, something that will help keep this country clean, from our forest land to the inner cities, and keep America beautiful for generations to come, the money to plant a billion trees a year.

And tonight, and tonight let me say again to all the members of the Congress, the American people did not send us here to bicker. There is work to do, and they sent us here to get it done. And once again, in the spirit of cooperation I offer my hand to all of you. And let's work together to do the will of the people—clean air, child care, the

educational excellence act, crime and drugs. It's time to act. The farm bill, transportation policy, product liability reform, enterprise zones. It's time to act together.

And there's one thing I hope we can agree on. It's about our commitments. And I'm talking about Social Security.

To every American out there on Social Security, to every, every American supporting that system today, and to everyone counting on it when they retire, we made a promise to you, and we are going to keep it.

Page 3089

We, we rescued the system in 1983 and it's sound again, bipartisan arrangement. Our budget fully funds today's benefits and it assures that future benefits will be funded as well. And the last thing we need to do is mess around with Social Security.

There's one more problem we need to address. We must give careful consideration to the recommendations of the health care studies under way now. And that's why tonight, I am asking Dr. Sullivan, Lou Sullivan, Secretary of Health and Human Services, to lead a Domestic Policy Council review of recommendations on the quality, accessibility and cost of our nation's health care system. I am committed to bring the staggering costs of health care under control.

The State of the Government does indeed depend on many of us in this very chamber. But the State of the Union depends on all Americans. We must maintain the democratic decency that makes a nation out of millions of individuals. And I've been appalled at the recent mail bombings across this country. Every one of us must confront and condemn racism, anti-Semitism, bigotry and hate. Not next week, not tomorrow, but right now. Every single one of us.

The State of the Union depends on whether we help our neighbor, claim the problems of our community as our own. We've got to step forward when there's trouble, lend a hand, be what I call a point of light to a stranger in need. We've got to take the time after a busy day to sit down and read with our kids, help them with their homework, pass along the values we had as children. And that's how we sustain the State of the Union.

Every effort is important. It all adds up. It's doing the things that give democracy meaning. It all adds up to who we are and who we will be.

And let me say, that so long as we remember the American idea, so long as we live up to the American ideal, the State of the Union will remain sound and strong.

And to those who worry that we've lost our way, well, I want you to listen to parts of a letter written by James Markwell, Pvt. 1st Class James Markwell, a 20-year-old Army medic to the First Battalion, 75th Rangers. It's dated Dec. 18, the day before our armed forces went into action in Panama. It's a letter servicemen write—and hope will never, ever be sent. And sadly, Private Markwell's mother did receive this letter. She passed it on to me out there in Cincinnati.

And here is some of what he wrote: "I've never been afraid of death, but I know he is waiting at the corner...I've been trained to kill and to save, and so has everyone else. I am frightened of what lays beyond the fog, and yet... do not mourn for me. Revel in the life that I have died to give you... But most of all, don't forget that the Army was my choice. Something that I wanted to do. Remember I joined the Army to serve my country and inure that you are free to do what you want and to live your lives freely."

Page 3090

Let me add that Private Markwell was among the first to see battle in Panama, and among the first to fall. But he knew what he believed in. He carried the idea we call America in his heart.

I began tonight speaking about the changes we've seen this past year. There is a new world of challenges and opportunities before us. And there is a need for leadership that only America can provide.

Nearly 40 years ago, in his last address to the Congress, President Harry Truman predicted such a time would come. He said, "As our world grows stronger, more united, more attractive to men on both sides of the Iron Curtain, then inevitably there will come a time of change within the Communist world." Today, that change is taking place.

For more than 40 years, America and its allies held Communism in check and insured that democracy would continue to exist. And today, with Communism crumbling, our aim must be to insure democracy's advance, to take the lead in forging peace and freedom's best hope, a great and growing commonwealth of free nations.

And to the Congress and to all Americans, I say it is time to acclaim a new consensus at home and abroad, a common vision of the peaceful world we want to see.

Here in our own hemisphere it is time for all the people of the Americas, North and South, to live in freedom.

In the Far East and Africa, it's time for the full flowering of free governments and free markets that have served the engine of progress.

It is time to offer our hand to the emerging democracies of Eastern Europe so that continent, for too long a continent divided, can see a future whole and free.

It's time to build on our new relationship with the Soviet Union, to endorse and encourage a peaceful process of internal change toward democracy and economic opportunity.

We are in a period of great transition, great hope, and yet great uncertainty. We recognize that the Soviet military threat in Europe is diminishing, but we see little change in Soviet strategic modernization. And, therefore, we must sustain our own strategic offense modernization and the Strategic Defense Initiative.

But the time is right to move forward on a conventional arms control agreement to move us to more appropriate levels of military forces in Europe, a coherent defense program that insures the U.S. will continue to be a catalyst for peaceful change in Europe. And I've consulted with leaders of NATO. In fact I spoke by phone with President Gorbachev just today.

And I agree with our European allies that an American military presence in Europe is essential and that it should not be solely tied to the Soviet military presence in Eastern Europe.

But our troop levels can still be lower. And so tonight I am announcing a major new step for a further reduction in U.S. and Soviet manpower in Central and Eastern Europe to 195,000 on each side.

Page 3091

This number, this number, this level, reflects the advice of our senior military advisers. It's designed to protect American and European interests and sustain NATO's defense strategy. A swift conclusion to our arms control talks—conventional, chemical and strategic—must now be our goal. And that time has come.

Still, we must recognize an unfortunate fact: in many regions of the world tonight the reality is conflict, not peace. Enduring animosities and opposing interests remain. And thus the cause of peace must be served by an America strong enough and sure enough to defend our interests and our ideals. It's this American idea that for the past four decades helped inspire the Revolution of '89.

And here at home, and in the world, there is history in the making, and history to be made. Six months ago, early in this season of change, I stood at the gates of the Gdansk shipyard in Poland at the monument to the fallen workers of Solidarity. It's a monument of simple majesty. Three tall crosses rise up from the stones, and atop each cross, an anchor, an ancient symbol of hope.

The anchor in our world today is freedom. Holding us steady in times of change, a symbol of hope to all the world. And freedom is at the very heart of the idea that is America. Giving life to the idea depends on every one of us. Our anchor has always been faith and family.

In the last few days of this past monumentous year, our family was blessed once more, celebrating the joy of life when a little boy became our 12th grandchild. When I held the little guy for the first time, the troubles at home and abroad seemed manageable, and totally in perspective.

And now I know, I know you're probably thinking, Well, that's just a grandfather talking.

Well, maybe you're right. But I've met a lot of children this past year across this country, as all of you have. Everywhere from the Far East to Eastern Europe. All kids are unique. Yet, all kids are alike. The budding young environmentalist I met this month, who joined me in exploring the Florida Everglades. The Little Leaguers I played catch with in Poland, ready to go from Warsaw to the World Series. And even the kids who are ill or alone—and God bless those boarder babies, born addicted to drugs and *aids*—coping with problems no child should have to face. But, you know, when it comes to hope and the future, every kid is the same: full of dreams, ready to take on the world, all special because they are the very future of freedom. And to them belongs this new world I've been speaking about.

And so tonight, I'm going to ask something of every one of you. Now let me start with my generation, with the grandparents out there. You are our living link with the past. Tell your grandchildren the story of struggles waged at home and abroad, of sacrifices

freely made for freedom's sake. And tell them your own story as well, because every American has a story to tell.

Page 3092

And parents, your children look to you for direction and guidance. Tell them of faith and family. Tell them we are one nation under God. Teach them that of all the many gifts they can receive, liberty is their most precious legacy. And of all the gifts they can give, the greatest, the greatest is helping others.

And to the children and young people out there tonight, with you rests our hope, all that America will mean in the years and decades ahead. Fix your vision on a new century, your century, on dreams we cannot see, on the destiny that is yours and yours alone.

And finally, let all Americans, all of us here in this chamber, the symbolic center of democracy, affirm our allegiance to this idea we call America. And let us remember that the State of the Union depends upon each and every one of us.

God bless all of you. And may God bless this great nation, the United States of America.

***

State of the Union Address
George H.W. Bush
January 29, 1991

Mr. President, Mr. Speaker, members of the United States Congress.

I come to this house of the people to speak to you and all Americans, certain we stand at a defining hour.

Halfway around the world, we are engaged in a great struggle in the skies and on the seas and sands. We know why we're there. We are Americans—part of something larger than ourselves.

For two centuries we've done the hard work of freedom. And tonight we lead the world in facing down a threat to decency and humanity.

What is at stake is more than one small country, it is a big idea—a new world order, where diverse nations are drawn together in common cause to achieve the universal aspirations of mankind: peace and security, freedom, and the rule of law. Such is a world worthy of our struggle, and worthy of our children's future.

The community of nations has resolutely gathered to condemn and repel lawless aggression. Saddam Hussein's unprovoked invasion—his ruthless, systematic rape of a peaceful neighbor—violated everything the community of nations holds dear. The world has said this aggression would not stand, and it will not stand.

Together, we have resisted the trap of appeasement, cynicism and isolation that gives temptation to tyrants. The world has answered Saddam's invasion with 12 United Nations resolutions, starting with a demand for Iraq's immediate and unconditional withdrawal, and backed up by forces from 28 countries of six continents. With few exceptions, the world now stands as one.

The end of the cold war has been a victory for all humanity. A year and a half ago, in Germany, I said our goal was a Europe whole and free. Tonight, Germany is united. Europe has become whole and free, and America's leadership was instrumental in making it possible.

The principle that has guided us is simple: our objective is to help the Baltic peoples achieve their aspirations, not to punish the Soviet Union. In our recent discussions with the Soviet leadership we have been given representations, which, if fulfilled, would result in the withdrawal of some Soviet forces, a re-opening of dialogue with the republics, and a move away from violence.

Page 3093

We will watch carefully as the situation develops. And we will maintain our contact with the Soviet leadership to encourage continued commitment to democratization and reform.

If it is possible, I want to continue to build a lasting basis for U.S.-Soviet cooperation, for a more peaceful future for all mankind.

The triumph of democratic ideas in Eastern Europe and Latin America, and the continuing struggle for freedom elsewhere around the world all confirm the wisdom of our nation's founders.

Tonight, we work to achieve another victory, a victory over tyranny and savage aggression.

We in this Union enter the last decade of the 20th Century thankful for all our blessings, steadfast in our purpose, aware of our difficulties and responsive to our duties at home and around the world.

For two centuries, America has served the world as an inspiring example of freedom and democracy. For generations, America has led the struggle to preserve and extend the blessings of liberty. And today, in a rapidly changing world, American leadership is indispensable. Americans know that leadership brings burdens, and requires sacrifice.

But we also know why the hopes of humanity turn to us. We are Americans; we have a unique responsibility to do the hard work of freedom. And when we do, freedom works.

The conviction and courage we see in the Persian Gulf today is simply the American character in action. The indomitable spirit that is contributing to this victory for world peace and justice is the same spirit that gives us the power and the potential to meet our challenges at home.

We are resolute and resourceful. If we can selflessly confront evil for the sake of good in a land so far away, then surely we can make this land all it should be.

If anyone tells you America's best days are behind her, they're looking the wrong way.

Tonight, I come before this house, and the American people, with an appeal for renewal. This is not merely a call for new government initiatives, it is a call for new initiative in government, in our communities, and from every American—to prepare for the next American century.

America has always led by example. So who among us will set this example? Which of our citizens will lead us in this next American century? Everyone who steps forward today, to get one addict off drugs; to convince one troubled teen-ager not to give up on life; to comfort one *aids* patient; to help one hungry child.

We have within our reach the promise of renewed America. We can find meaning and reward by serving some purpose higher than ourselves—a shining purpose, the illumination of a thousand points of light. It is expressed by all who know the irresistible force of a child's hand, of a friend who stands by you and stays there—a volunteer's generous gesture, an idea that is simply right.

The problems before us may be different, but the key to solving them remains the same: it is the individual—the individual who steps forward. And the state of our Union is the union of each of us, one to the other: the sum of our friendships, marriages, families and communities.

Page 3094

We all have something to give. So if you know how to read, find someone who can't. If you've got a hammer, find a nail. If you're not hungry, not lonely, not in trouble—seek out someone who is.

Join the community of conscience. Do the hard work of freedom. That will define the state of our Union.

Since the birth of our nation, "we the people" has been the source of our strength. What government can do alone is limited, but the potential of the American people knows no limits.

We are a nation of rock-solid realism and clear-eyed idealism. We are Americans. We are the nation that believes in the future. We are the nation that can shape the future.

And we've begun to do just that, by strengthening the power and choice of individuals and families.

Together, these last two years, we've put dollars for child care directly in the hands of patients instead of bureaucracies, unshackled the potential of Americans with disabilities, applied the creativity of the marketplace in the service of the environment, for clean air, and made homeownership possible for more Americans.

The strength of a democracy is not in bureaucracy, it is in the people and their communities. In everything we do, let us unleash the potential of our most precious resource—our citizens. We must return to families, communities, counties, cities, states and institutions of every kind, the power to chart their own destiny, and the freedom and opportunity provided by strong economic growth. That's what America is all about.

I know, tonight, in some regions of our country, people are in genuine economic distress. I hear them.

Earlier this month Kathy Blackwell of Massachusetts wrote me about what can happen when the economy slows down, saying, "My heart is aching, and I think that you should know—your people out here are hurting badly."

I understand. And I'm not unrealistic about the future. But there are reasons to be optimistic about our economy.

First, we don't have to fight double-digit inflation. Second, most industries won't have to make big cuts in production because they don't have big inventories piled up. And third, our exports are running solid and strong. In fact, American businesses are exporting at a record rate.

So let's put these times in perspective. Together, since 1981, we've created almost 20 million jobs, cut inflation in half and cut interest rates in half.

Yes, the largest peacetime economic expansion in history has been temporarily interrupted. But our economy is still over twice as large as our closest competitor.

We will get this recession behind us and return to growth soon. We will get on our way to a new record of expansion, and achieve the competitive strength that will carry us into the next American century.

We should focus our efforts today on encouraging economic growth, investing in the future and giving power and opportunity to the individual.

Page 3095

We must begin with control of Federal spending. That's why I'm submitting a budget that holds the growth in spending to less than the rate of inflation. And that's why, amid all the sound and fury of last year's budget debate, we put into law new, enforceable spending caps so that future spending debates will mean a battle of ideas, not a bidding war.

Though controversial, the budget agreement finally put the Federal Government on a pay-as-you-go basis, and cut the growth of debt by nearly $500 billion. And that frees funds for saving and job-creating investment.

Now, let's do more. My budget again includes tax-free family savings accounts; penalty-free withdrawals from I. R. A.'s for first-time homebuyers; and, to increase jobs and growth, a reduced tax for long-term capital gains.

I know their are differences among us about the impact and the effects of a capital gains incentive. So tonight I am asking the Congressional leaders and the Federal Reserve to cooperate with us in a study, led by Chairman Alan Greenspan, to sort out our technical differences so that we can avoid a return to unproductive partisan bickering.

But just as our efforts will bring economic growth now and in the future, they must also be matched by long-term investments for the next American century.

That requires a forward-looking plan of action, and that's exactly what we will be sending to the Congress. We have prepared a detailed series of proposals, that include: A budget that promotes investment in America's future—in children, education, infrastructure, space and high technology. Legislation to achieve excellence in education, building on the partnership forged with the 50 governors at the education summit, enabling parents to choose their children's schools and helping to make America No. 1 in math and science. A blueprint for a new national highway system, a critical investment in our transportation infrastructure. A research and development agenda that includes record levels of Federal investment and a permanent tax credit to strengthen private R and D and create jobs. A comprehensive national energy strategy that calls for energy conservation and efficiency, increased development and greater use of alternative fuels. A banking reform plan to bring America's financial system into the 21st Century, so that our banks remain safe and secure and can continue to make job-creating loans for our factories, businesses, and homebuyers. I do think there has been too much pessimism. Sound banks should be making more sound loans, now. And interest rates should be lower, now. In addition to these proposals, we must recognize that our economic strength depends upon being competitive in world markets. We must continue to expand America's exports. A successful Uruguay Round of world trade negotiations will create more real jobs, and more real growth, for all nations. You and I know that if the playing field is level, America's workers and farmers can outwork and outproduce anyone, anytime, anywhere.

Page 3096

And with the Mexican free trade agreement and our Enterprise for the Americas Initiative we can help our partners strengthen their economies and move toward a free trade zone throughout this entire hemisphere.

The budget also includes a plan of action right here at home to put more power and opportunity in the hands of the individual. That means new incentives to create jobs in our inner cities by encouraging investment through enterprise zones. It also means tenant control and ownership of public housing. Freedom and the power to choose should not be the privilege of wealth. They are the birthright of every American.

Civil rights are also crucial to protecting equal opportunity. Every one of us has a responsibility to speak out against racism, bigotry, and hate. We will continue our vigorous enforcement of existing statutes, and I will once again press the Congress to strengthen the laws against employment discrimination without resorting to the use of unfair preferences.

We're determined to protect another fundamental civil right: freedom from crime and the fear that stalks our cities. The Attorney General will soon convene a crime summit of the nation's law-enforcement officials. And to help us support them we need a tough crime control legislation, and we need it now.

As we fight crime, we will fully implement our nation strategy for combatting drug abuse. Recent data show we are making progress, but much remains to be done. We will not rest until the day of the dealer is over, forever.

Good health care is every American's right and every American's responsibility. So we are proposing an aggression program of new prevention initiatives—for infants, for children, for adults, and for the elderly— to promote a healthier America and to help keep costs from spiraling.

It's time to give people more choice in government by reviving the ideal of the citizen politician who comes not to stay, but to serve. One of the reasons there is so much support for term limitations is that the American people are increasingly concerned about big-money influence in politics. We must look beyond the next election, to the next generation. The time has come to put the national interest ahead of the special interest—and totally eliminate political action committees.

That would truly put more competition in elections and more power in the hands of individuals. And where power cannot be put directly into the hands of the individual, it should be moved closer to the people—away from Washington.

The federal government too often treats government programs as if they are of Washington, by Washington, and for Washington. Once established, federal programs seem to become immortal.

It's time for a more dynamic program life cycle. Some programs should increase. Some should decrease. Some should be terminated. And some should be consolidated and turned over to the states.

Page 3097

My budget includes a list of programs for potential turnover totaling more than $20 billion. Working with Congress and the governors, I propose we select at least $15 billion in such programs and turn them over to the states in a single consolidated grant, fully funded, for flexible management by the states.

The value of this turnover approach is straightforward. It allows the Federal Government to reduce overhead. It allows states to manage more flexibly and more efficiently. It moves power and decision-making closer to the people. And it re-enforces a theme of this Administration: appreciation and encouragement of the innovative power of “states as laboratories.”

This nation was founded by leaders who understood that power belongs in the hands of the people. They planned for the future. And so must we—here and around the world.

As Americans, we know there are times when we must step forward and accept our responsibility to lead the world away from the dark chaos of dictators, toward the bright promise of a better day.

Almost 50 years ago, we began a long struggle against aggressive totalitarianism. Now we face another defining hour for America and the world.

There is no one more devoted, more committed to the hard work of freedom, than every soldier and sailor, every marine, airman and coastguardsman— every man and every woman now serving in the Persian Gulf.

Each of them has volunteered to provide for this nation’s defense. And now they bravely struggle to earn for America and for the world and for future generations, a just and lasting peace.

Our commitment to them must be equal of their commitment to our country. They are truly America’s finest.

The war in the gulf is not a war we wanted. We worked hard to avoid war. For more than five months we, along with the Arab League, the European Community and the United Nations, tried every diplomatic avenue. U.N. Secretary General Perez de Cuellar; Presidents Gorbachev, Mitterand, Ozal, Mubarak, and Bendjedid; Kings Fahd and Hassan; Prime Ministers Major and Andreotti—just to name a few—all worked for a solution. But time and again Saddam Hussein flatly rejected the path of diplomacy and peace.

The world well knows how this conflict began, and when: it began on August 2nd, when Saddam invaded and sacked a small, defenseless neighbor. And I am certain of how it will end. So that peace can prevail, we will prevail.

Tonight I'm pleased to report that we are on course. Iraq's capacity to sustain war is being destroyed. Our investment, our training, our planning —all are paying off. Time will not be Saddam's salvation.

Our purpose in the Persian Gulf remains constant: to drive Iraq out from Kuwait, to restore Kuwait's legitimate government, and to insure the stability and security of this critical region.

Let me make clear what I mean by the region's stability and security. We do not seek the destruction of Iraq, its culture or its people. Rather, we seek an Iraq that uses its great resources not to destroy, not to serve the ambitions of a tyrant, but to build a better life for itself and its neighbors. We seek a Persian Gulf where conflict is no longer the rule, where the strong are neither tempted nor able to intimidate the weak.

Page 3098

Most Americans know instinctively why we are in the Gulf. They know we had to stop Saddam now, not later. They know this brutal dictator will do anything, will use any weapon, will commit any outrage, no matter how many innocents must suffer.

They know we must make sure that control of the world's oil resources does not fall into his hands only to finance further aggression. They know that we need to build a new, enduring peace—based not on arms races and confrontation, but on shared principles and the rule of law.

And we all realize that our responsibility to be the catalyst for peace in the region does not end with the successful conclusion of this war.

Democracy brings the undeniable value of thoughtful dissent, and we have heard some dissenting voices here at home, some reckless, most responsible. But the fact the all the voices have the right to speak out is one of the reasons we've been united in principle and purpose for 200 years.

Our progress in this great struggle is the result of years of vigilance and a steadfast commitment to a strong defense. Now, with remarkable technological advances like the Patriot missile, we can defend the ballistic missile attacks aimed at innocent civilians.

Looking forward, I have directed that the S.D.I. program be refocused on providing protection from limited ballistic missile strikes, whatever their source. Let us pursue an S.D.I. program that can deal with any future threat to the United States, to our forces overseas and to our friends and allies.

The quality of American technology, thanks to the American worker, has enabled us to successfully deal with difficult military conditions, and help minimize the loss of life. We have given our men and women the very best. And they deserve it.

We all have a special place in our hearts for the families of men and women serving in the Gulf. They are represented here tonight, by Mrs. Norman Schwarzkopf, and to all those serving with him. And to the families, let me say, our forces in the gulf will not stay there one day longer than is necessary to complete their mission.

The courage and success of the R.A.F. pilots—of the Kuwaiti, Saudi, French, Canadians, Italians, the pilots of Qatar and Bahrain—all are proof that for the first time since World War II, the international community is united. The leadership of the United Nations, once only a hoped-for ideal, is now confirming its founders' vision.

I am heartened that we are not being asked to bear alone the financial burden of this struggle. Last year, our friends and allies provided the bulk of the economic costs of Desert Shield, and having now received commitments of over $40 billion for the first

three months of 1991, I am confident they will do no less as we move through Desert Storm.

But the world has to wonder what the dictator of Iraq is thinking. If he thinks that by targeting innocent civilians in Israel and Saudi Arabia, that he will gain an advantage—-he is dead wrong. If he thinks that he will advance his cause through tragic and despicable environmental terrorism—he is dead wrong. And if he thinks that by abusing coalition P.O.W.s, he will benefit—he is dead wrong.

Page 3099

We will succeed in the Gulf. And when we do, the world community will have sent an enduring warning to any dictator or despot, present or future, who contemplates outlaw aggression.

The world can therefore seize this opportunity to fulfill the long-held promise of a new world order—where brutality will go unrewarded, and aggression will meet collective resistance.

Yes, the United States bears a major share of leadership in this effort. Among the nations of the world, only the United States of America has had both the moral standing, and the means to back it up. We are the only nation on this earth that could assemble the forces of peace.

This is the burden of leadership—and the strength that has made America the beacon of freedom in a searching world.

This nation has never found glory in war. Our people have never wanted to abandon the blessings of home and work, for distant lands and deadly conflict. If we fight in anger, it is only because we have to fight at all. And all of us yearn for a world where we will never have to fight again.

Each of us will measure, within ourselves, the value of this great struggle. Any cost in lives is beyond our power to measure. But the cost of closing our eyes to aggression is beyond mankind's power to imagine.

This we do know: Our cause is just. Our cause is moral. Our cause is right.

Let future generations understand the burden and the blessings of freedom. Let them say, we stood where duty required us to stand.

Let them know that together, we affirmed America, and the world, as a community of conscience.

The winds of change are with us now. The forces of freedom are united. We move toward the next century, more confident than ever, that we have the will at home and abroad, to do what must be done—the hard work of freedom.

May God bless the United States of America.

***

State of the Union Address
George H.W. Bush
January 28, 1992

Mr. Speaker, Mr. President, distinguished members of Congress, honored guests and fellow citizens:

I mean to speak tonight of big things, of big changes and the promises they hold and of some big problems and how together we can solve them and move our country forward as the undisputed leader of the age.

We gather tonight at a dramatic and deeply promising time in our history, and in the history of man on earth. For in the past 12 months, the world has known changes of almost biblical proportions. And even now, months after the failed coup that doomed a failed system, I am not sure we have absorbed the full impact, the full import of what happened.

Page 3100

But Communism died this year. Even as President, with the most fascinating possible vantage point, there were times when I was so busy helping to manage progress and lead change that I didn't always show the joy that was in my heart But the biggest thing that has happened in the world in my life, in our lives, is this: By the grace of God, America won the Cold War. And there's another to be singled out, though it may seem inelegant. I mean a mass of people called the American taxpayer. No ever thinks to thank the people who pay country's bill or an alliance's bill. But for a half Century now, the American people have shouldered the burden and paid taxes that were higher than they would have been to support a defense that was bigger than it would have been if imperial communism had never existed. But it did. But it doesn't anymore. And here is a fact I wouldn't mind the world acknowledging: The American taxpayer bore the brunt of the burden, and deserves a hunk of the glory.

And so, now, for the first time in 35 years, our strategic bombers stand down. No longer are they on round-the-clock alert. Tomorrow our children will go to school and study history and how plants grow. And they won't have, as my children did, air-raid drills in which they crawl under their desks and cover their heads in case of nuclear war. My grandchildren don't have to do that, and won't have the bad dreams children once had in decades past. There are still threats. But the long drawn-out dread is over.

A year ago tonight I spoke to you at a moment of high peril. American forces had just unleashed Operation Desert Storm. And after 40 days in the desert skies and 4 days on the ground, the men and women of America's armed forces and our allies accomplished the goals that I declared, and that you endorsed: we liberated Kuwait.

Soon after, the Arab world and Israel sat down to talk seriously, and comprehensively, about peace, an historic first. And soon after that, at Christmas, the last American hostages came home. Our policies were vindicated.

Much good can come from the prudent use of power. And much good can come from this: A world once divided into two armed camps now recognizes one sole and pre-eminent power, the United States of America. And this they regard with no dread. For the world trusts us with power, and the world is right. They trust us to be fair, and restrained. They trust us to be on the side of decency. They trust us to do what's right.

I use those words advisedly. A few days after the war began, I received a telegram from Joanne Speicher, the wife of the first pilot killed in the gulf, Lieutenant Commander Scott Speicher. Even in her grief, she wanted me to know that some day, when her children were old enough, she would tell them "that their father went away to war because it was the right thing to do". She said it all. It was the right thing to do.

And we did it together. There were honest differences here, in this chamber. But when the war began, you put your partisanship aside and supported our troops. This is still a

time for pride, but this is no time to boast. For problems face us, and we must stand together once again and solve them—and not let our country down.

Page 3101

Two years ago, I began planning cuts in military spending that reflected the changes of the new era. But now, this year, with Imperial Communism gone, that process can be accelerated. Tonight I can tell you of dramatic changes in our strategic nuclear force. These are actions we are taking on our own, because they are the right thing to do.

After completing 20 planes for which we have begun procurement, we will shut down production of the B-2 bomber. We will cancel the ICBM program. We will cease production of new warheads for our sea-based missiles. We will stop all production of the peacekeeper missile. And we will not purchase any more advanced cruise missiles.

This weekend I will meet at Camp David with Boris Yeltsin of the Russian Federation. I have informed President Yeltsin that if the commonwealth, the former Soviet Union, will eliminate all land-based multiple-warhead ballistic missiles, I will do the following: We will eliminate all Peacekeeper missiles. We will reduce the number of warheads on Minuteman missiles to one and reduce the number of warheads on our sea-based missiles by about one-third. And we will convert a substantial portion of our strategic to primarily conventional use.

President Yeltsin's early response has been very positive, and I expect our talks at Camp David to be fruitful. I want you to know that for half a century, American presidents have longed to make such decisions and say such words. But even in the midst of celebration, we must keep caution as a friend. For the world is still a dangerous place. Only the dead have seen the end of conflict. And though yesterday's challenges are behind us, tomorrow's are being born.

The Secretary of defense recommended these cuts after consultation with the joint chiefs of staff. And I make them with confidence. But do not misunderstand me: The reductions I have approved will save us an additional $50 billion over the next five years. By 1997 we will have cut defense by 30 percent since I took office. These cuts are deep, and you must know my resolve: this deep, and no deeper. To do less would be insensible to progress, but to do more would be ignorant of history. We must not go back to the days of "the hollow army". We cannot repeat the mistakes made twice in this century when armistice was followed by recklessness and defense was purged as if the world was permanently safe.

I remind you this evening that I have asked for your support in funding a program to protect our country from limited nuclear missile attack. We must have this protection because too many people in too many countries have access to nuclear arms. There are those who say that now we can turn away from the world, that we have no special role, no special place. But we are the United States of America, the leader of the West that has become the leader of the world.

As long as I am President we will continue to lead in support of freedom everywhere, not out of arrogance and not out of altruism, but for the safety and security of our

children. This is a fact: Strength in the pursuit of peace is no vice; isolationism in the pursuit of security is no virtue.

Page 3102

Now to our troubles at home. They are not all economic, but the primary problem is our economy. There are some good signs. Inflation, that thief, is down, and interest rates are down. But unemployment is too high, some industries are in trouble and growth is not what it should be. Let me tell you right from the start and right from the heart: I know we're in hard times, but I know something else: This will not stand.

My friends in this chamber, we can bring the same courage and sense of common purpose to the economy that we brought to Desert Storm. And we can defeat hard times together. I believe you will help. One reason is that you're patriots, and you want the best for your country. And I believe that in your hearts you want to put partisanship aside and get the job done, because it's the right thing to do.

The power of America rests in a stirring but simple idea: that people will do great things if only you set them free. Well, we're going to have to set the economy free, for if this age of miracles and wonders has taught us anything, it's that if we can change the world, we can change America.

We must encourage investment. We must make it easier for people to invest money and make new products, new industries, and new jobs. We must clear away obstacles to new growth: high taxes, high regulation, red tape, and yes, wasteful government spending. None of this will happen with a snap of the fingers, but it will happen. And the test of a plan isn't whether it's called new or dazzling. The American people aren't impressed by gimmicks. They're smarter on this score than all of us in this room. The only test of a plan is, It is sound and will it work? We must have a short-term plan to address our immediate needs and heat up the economy. And then we need a long-term plan to keep the combustion going and to guarantee our place in the world economy.

There are certain things that a president can do without Congress, and I am going to do them. I have this evening asked major cabinet departments and federal agencies to institute a 90-day moratorium on any new federal regulations that could hinder growth. In those 90 days, major departments and agencies will carry out a top-to-bottom review of all regulations, old and new, to stop the ones that will hurt growth and speed up those that will help growth.

Further, for the untold number of hard-working, responsible American workers and businessmen and women who've been forced to go without needed bank loans, the banking credit crunch must end. I won't neglect my responsibility for sound regulations that serve the public good, but regulatory overkill must be stopped. And I have instructed our government regulators to stop it.

Page 3103

I have directed Cabinet departments and federal agencies to speed up pro-growth expenditures as quickly as possible. This should put an extra $10 billion into the economy in the next six months. And our new transportation bill provides more than $150 billion for construction and maintenance projects that are vital to our growth and well-being. That means jobs building roads, jobs building bridges and jobs building railways. And I have this evening directed the secretary of the Treasury to change the federal tax withholding tables. With this change, millions of Americans from whom the government withholds more than necessary can now choose to have the government withhold less from their paychecks. Something tells me a number of taxpayers may take us up on this one. This initiative could return about $25 billion back into the economy over the next 12 months, money people can use to help pay for clothing, college or a new car. And finally, working with the Federal Reserve, we will continue to support monetary policy that keeps both interest rates and inflation down.

Now these are the things that I can do. And now, members of Congress, let me tell you what you can do for your country. You must, you must pass the other elements of my plan to meet our economic needs. Everyone knows investment speeds recovery. And I am proposing this evening a change in the alternative minimum tax, and the creation of a new 15% investment tax allowance. This will encourage businesses to accelerate investment and bring people back to work. Real estate has led our economy out of almost all the tough times we've ever had. Once building starts, carpenters and plumbers work, people buy homes and take out mortgages.

My plan would modify the passive-loss rule for active real-estate developers. And it would make it easier for pension plans to purchase real estate. For those Americans who dream of buying a first home but who can't quite afford it, my plan would allow first-time home buyers to withdraw savings from IRAs without penalty and provide a $5000 tax credit for the first purchase of that home.

And finally, my immediate plan calls on Congress to give crucial help to people who own a home, to every one who has a business, a farm or a single investment.

This time, at this hour, I cannot take "No" for an answer. You must cut the capital gains tax on the people of this country. Never has an issue been so demagogued by its opponents. But the demagogues are wrong. They are wrong, and they know it. Sixty percent of people who benefit from lower capital gains have incomes under $50,000. A cut in the capital gains tax increases jobs and helps just about everyone in our country. And so I'm asking you to cut the capital gains tax to a maximum of 15.4%. And I'll tell you, I'll tell you, those of you who say, "Oh no, someone who's comfortable may benefit from this" you kind of remind me of the old definition of the Puritan, who couldn't sleep at night worrying that somehow someone somewhere was out having a good time.

Page 3104

The opponents of this measure and those who've authored various so-called soak-the-rich bills that are floating around this chamber should be reminded of something: When they aim at the big guy, they usually hit the little guy. And maybe it's time that stopped.

This then is my short-term plan. Your part, members of Congress, requires enactment of these common-sense proposals that will have a strong effect on the economy, without breaking the budget agreement and without raising tax rates. And while my plan is being passed and kicking in, we've got to care for those in trouble today. I have provided for up to $4.4 billion in my budget to extend federal unemployment benefits, and I ask for Congressional action right away. And I thank the committee—well, at last. And let's be frank. Let's be frank; let me level with you.

I know, and you know, that my plan is unveiled in a political season. I know, and you know, that everything I propose will be viewed by some in merely partisan terms. But I ask you to know what is in my heart. And my aim is to increase our nation's good. And I'm doing what I think is right; I'm proposing what I know will help. I pride myself that I'm a prudent man, and I believe that patience is a virtue, but I understand politics is, for some, a game and that sometimes the game is to stop all progress and then decry the lack of improvement. But let me tell you, let me tell you, far more important than my political future—and far more important than yours—is the well-being of our country. And members of this chamber, members of this chamber, are practical people, and I know you won't resent some practical advice: When people put their party's fortunes, whatever the party, whatever the side of this aisle, before the public good, they court defeat not only for their country, but for themselves. And they will certainly deserve it.

And I submit my plan tomorrow. And I am asking you to pass it by March 20. From the day after that—if it must be—the battle is joined. And you know, when principle is at stake, I relish a good fair fight.

I said my plan has two parts, and it does. And it's the second part that is the heart of the matter. For it's not enough to get an immediate burst. We need long-term improvement in our economic position. We all know that the key to our economic future is to insure that America continues as the economic leader of the world. We have that in our power. Here, then, is my long-term plan to guarantee our future.

First, trade: We will work to break down the walls that stop world trade. We will work to open markets everywhere. And in our major trade negotiations, I will continue pushing to eliminate tariffs and subsidies that damage America's farmers and workers. And we'll get more good American jobs within our own hemisphere through the North American Free Trade Agreement, and through the Enterprise for the Americas Initiative. But changes are here, and more are coming. The work place of the future will demand more highly skilled workers than ever, people who are computer literate, highly educated.

Page 3105

And we must be the world's leader in education. And we must revolutionize America's schools. My America 2000 strategy will help us reach that goal. My plan will give parents more choice, give teachers more flexibility and help communities create new American schools. Thirty states across the nation have established America 2000 programs. Hundreds of cities and towns have joined. Now Congress must join this great movement. Pass my proposals for new American schools.

That was my second long-term proposal. And here's my third: We must make common-sense investments that will help us compete, long-term, in the marketplace. We must encourage research and development. My plan is to make the R and D tax credit permanent, and to provide record levels of support, over $76 billion this year alone for people who explore the promise of emerging technologies.

And fourth, we must do something about crime and drugs. And it is time for a major renewed investment in fighting violent street crime. Its saps our strength and hurts our faith in our society, and in our future together. Surely a tired woman on her way to work at six in the morning on a subway deserves the right to get there safely. And surely, it's true that everyone who changes his or her way of life because of crime—from those afraid to go our at night to those afraid to walk in the parks they pay for—surely those people have been denied a basic civil right. It is time to restore it. Congress, pass my comprehensive crime bill. It is tough on criminals and supportive of police, and it has been languishing in these hallowed halls for years now. Pass it. Help your country.

And fifth, I ask you tonight to fund our *hope* housing proposal and to pass my enterprise-zone legislation, which will get businesses into the inner city. We must empower the poor with the pride that comes from owning a home, getting a job, becoming part of things. My plan would encourage real estate construction by extending tax incentives for mortgage-revenue bonds and low-income housing. And I ask tonight for record expenditures for the program that helps children born into want move into excellence: Head Start.

Step six: We must reform our health care system for this too, bears on whether or not we can compete in the world. American health costs have been exploding. This year America will spend over $800 billion on health, and that is expected to grow to $1.6 trillion by the end of the decade. We simply cannot afford this. The cost of health care shows up not only in your family budget, but in the price of everything we buy and everything we sell. When health coverage for a fellow on the assembly line costs thousands of dollars, the cost goes into the product he makes. And you pay the bill. Now we must make a choice.

Page 3106

Now some pretend we can have it both ways: they call it play or pay. But that expensive approach is unstable. It will mean higher taxes, fewer jobs, and eventually, a system under complete government control. Really, there are only two options. And we can move toward a nationalized system, a system which will restrict patient choice in picking a doctor and force the government to ration services arbitrarily. And what we'll get is patients in long lines, indifferent service and a huge new tax burden. Or we can reform our own private health-care system, which still gives us, for all its flaws, the best quality health care in the world. Well, let's build on our strengths.

My plan provides insurance security for all Americans while preserving and increasing the idea of choice. We make basic health insurance affordable for all low-income people not now covered. We do it by providing a health-insurance tax credit of up to $3750 for each low-income family. The middle class gets help, too. And by reforming the health insurance market, my plan assures that Americans will have access to basic health insurance even if they change jobs or develop serious health problem We must bring costs under control, preserve quality, preserve choice and reduce people's nagging daily worry about health insurance. My plan, the details of which I will announce shortly, does just that.

And seventh, we must get the federal deficit under control. We now have in law, enforcable spending caps, and a requirement that we pay for the programs we create. There are those in Congress who would ease that discipline now. But I cannot let them do it. And I won't. My plan would freeze all domestic discretionary budget authority which means "No more next year than this year". I will not tamper with Social Security but I would put real caps on the growth of uncontrolled spending. And I would also freeze federal domestic government employment. And with the help of Congress, my plan will get rid of 246 programs that don't deserve federal funding. Some of them have noble titles, but none of them is indispensible. We can get rid of each and every one of them.

You know, it's time we rediscovered a home truth the American people have never forgotten: the government is too big and spends too much. And I call on Congress to adopt a measure that will help put an end to the annual ritual of filling the budget with pork-barrel appropriations. Every year, the press has a field day making fun of outrageous examples, a Lawrence Welk Museum, a research grant for Belgian Endive. We all know how these things get into the budget, and maybe you need someone to help you say no. I know how to say it. And you know what I need to make it stick. Give me the same thing 43 governors have—the line-item veto—and let me help you control spending.

We must put an end to unfinanced government mandates. These are the requirements Congress puts on our cities, counties and states without supplying the money. And if Congress passes a mandate, it should be forced to pay for it and balance the cost with

savings elsewhere. After all, a mandate just increases someone else's tax burden, and that means higher taxes at the state and local level.

Page 3107

Step Eight: Congress should enact the bold reform proposals that are still awaiting congressional action: bank reform, civil justice reform, tort reform, and my national energy strategy.

And finally, we must strengthen the family, because it is the family that has the greatest bearing on our future. When Barbara holds an *aids* baby in her arms and reads to children, she's saying to every person in this country, "Family Matters".

And I am announcing tonight a new commission on America's urban families. I've asked Missouri's governor, John Ashcroft, to be chairman, former Dallas Mayor Annetter Strauss to be co-chair. You know, I had Mayors, the leading mayors from the League of Cities, in the other day at the White House, and they told me something striking. They said that every one of them, Republican and Democrat, agreed on one thing: That the major cause of the problems of the cities is the dissolution of the family. And they asked for this commission, and they were right to ask, because it's time to determine what we can do to keep families together, strong and sound.

There's one thing we can do right away: Ease the burden of rearing a child. I ask you tonight to raise the personal exemption by $500 per child for every family. For a family with four kids, that's an increase of $2000. This is a good start in the right direction, and it's what we can afford. It's time to allow families to deduct the interest they pay on student loans. And I'm asking you to do just that. And I'm asking you to allow people to use money from their IRAs to pay medical and educational expenses, all without penalties. And I'm asking for more. Ask American parents what they dislike about how things are going in our country, and chances are good that pretty soon they'll get to welfare.

Americans are the most generous people on Earth. But we have to go back to the insight of Franklin Roosevelt who, when he spoke of what became the welfare program, want that it must not become a narcotic and a subtle destroyer of the spirit. Welfare was never meant to be a life style. It was never meant to be a habit. It was never supposed to be passed on from generation to generation like a legacy. It's time to replace the assumptions of the welfare state and help reform the welfare system.

States throughout the country are beginning to operate with new assumptions: that when able-bodied people receive government assistance they have responsibilities to the taxpayer. A responsibility to seek work, education, or job training. A responsibility to get their lives in order. A responsibility to hold their families together and refrain from having children out of wedlock. And a responsibility to obey the law. We are going to help this movement. Often, state reform requires waiving certain federal regulations. I will act to make that process easier and quicker for every state that asks our help. And I want to add, as we make these changes, we work together to improve this system, that our intention is not scapegoating and finger-pointing. If you read the papers or watch TV you know there's been a rise these days in a certain kind of ugliness: racist

comments, anti-Semitism, an increased sense of division. Really, this is not us. This is not who we are. And this is not acceptable.

Page 3108

And so you have my plan for America. And I am asking for big things, but I believe in my heart you will do what's right.

And you know, it's kind of an American tradition to show a certain skepticism toward our democratic institutions. I myself have sometimes thought the aging process could be delayed if it had to make its way through Congress. But you will deliberate, and you will discuss, and that is fine. But my friends the people cannot wait. They need help now. And there's a mood among us. People are worried. There has been talk of decline. Someone even said our workers are lazy and uninspired. And I thought, "Really? Go tell Neil Armstrong standing on the moon. Tell the American farmer who feeds his country and the world. Tell the men and women of Desert Storm." Moods come and go, but greatness endures. Our does.

And maybe for a moment it's good to remember what, in the dailyness of our lives, we forget. We are still and ever the freest nation on Earth, the kindest nation on Earth, the strongest nation on Earth. And we have always risen to the occasion. And we are going to lift this nation out of hard times inch by inch and day by day, and those who would stop us better step aside. Because I look at hard times and I make this vow: This will not stand. And so we move on, together, a rising nation, the once and future miracle that is still, this night, the hope of the world.

***

State of the Union Address
William J. Clinton
January 25, 1994

Mr. Speaker, Mr. President, members of the 103rd Congress, my fellow Americans:

I am not sure what speech is in the TelePrompTer tonight, but I hope we can talk about the State of the Union.

I ask you to begin by recalling the memory of the giant who presided over this chamber with such force and grace. Tip O'Neill liked to call himself "A Man of the House" and he surely was that. But even more, he was a man of the people, a bricklayer's son who helped to build the great American middle class. Tip O'Neill never forgot who he was, where he came from, or who sent him here. Tonight he's smiling down on us for the first time from the Lord's gallery. But in his honor, may we too also remember who we are, where we come from, and who sent us here.

If we do that we will return over and over again to the principle that if we simply give ordinary people equal opportunity, quality education, and a fair shot at the American dream, they will do extraordinary things.

We gather tonight in a world of changes so profound and rapid that all nations are tested. Our American heritage has always been to master such change, to use it to expand opportunity at home, and our leadership abroad. But for too long and in too many ways, that heritage was abandoned, and our country drifted.

For 30 years family life in America has been breaking down. For 20 years the wages of working people have been stagnant or declining. For the 12 years of trickle down economics we built a false prosperity on a hollow base as our national debt quadrupled. From 1989 to 1992 we experienced the slowest growth in a half century. For too many families, even when both parents were working, the American dream has been slipping away.

Page 3109

In 1992 the American people demanded that we change. I year ago I asked all of you to join me in accepting responsibility for the future of our country.

Well, we did. We replaced drift and deadlock with renewal and reform. And I want to thank every one of you here who heard the American people, who broke gridlock, who gave them the most successful teamwork between a president and a Congress in 30 years.

Accomplishments

This Congress produced a budget that cut the deficit by half a trillion dollars, cut spending and raised income taxes on only the wealthiest Americans. This Congress produced tax relief for millions of low-income workers to reward work over welfare. It produced NAFTA. It produced the Brady bill, now the Brady law.

And thank you, Jim Brady, for being here, and God bless you, Sarah. This Congress produced tax cuts to reduce the taxes of nine out of 10 small businesses who use the money to invest more and create more jobs. It produced more research and treatment for *aids*, more childhood immunizations, more support for women's health research, more affordable college loans for the middle class, a new national service program for those who want to give something back to their country and their communities for higher education, a dramatic increase in high-tech investments to move us from a defense to a domestic high-tech economy. This Congress produced a new law—the motor voter bill—to help millions of people register to vote. It produced family and medical leave—all passed, all signed into law, with not one single veto.

These accomplishments were all commitments I made when I sought this office, and in fairness, they all had to be passed by you in this Congress. But I am persuaded that the real credit belongs to the people who sent us here, who pay our salaries, who hold our feet to the fire. But what we do here is really beginning to change lives. Let me just give you one example.

Family And Medical Leave

I will never forget what the family and medical leave law meant to just one father I met early one Sunday morning in the White House. It was unusual to see a family there touring early Sunday morning, but he had his wife and his three children there, one of them in a wheelchair. And I came up, and after we had our picture taken and had a little visit, I was walking off, and that man grabbed me by the arm and he said, "Mr. President, let me tell you something. My little girl here is desperately ill. She's probably not going to make it. But because of the family leave law, I was able to take time off to spend with her, the most important I ever spent in my life, without losing my job and hurting the rest of my family. It means more to me than I will ever be able to say. Don't you people up here ever think what you do doesn't make a difference. It does."

Though we are making a difference, our work has just begun. Many Americans still haven't felt the impact of what we've done. The recovery still hasn't touched every community or created enough jobs. Incomes are still stagnant. There's still too much violence and not enough hope in too many places.

Page 3110

Abroad, the young democracies we are strongly supporting still face very difficult times and look to us for leadership.

And so tonight, let us resolve to continue the journey of renewal, to create more and better jobs, to guarantee health security for all, to reward welfare—work over welfare, to promote democracy abroad and to begin to reclaim our streets from violent crime and drugs and gangs to renew our own American community.

Deficit Reduction

Last year, we began to put our house in order by tackling the budget deficit that was driving us toward bankruptcy. We cut $255 billion in spending, including entitlements, in over 340 separate budget items. We froze domestic spending and used honest budget numbers.

Led by the vice president, we've launched a campaign to reinvent government. We've cut staff, cut perks, even trimmed the fleet of federal limousines. After years of leaders whose rhetoric attacked bureaucracy but whose actions expanded it, we will actually reduce it by 252,000 people over the next five years. By the time we have finished, the federal bureaucracy will be at its lowest point in 30 years.

Because the deficit was so large and because they benefited from tax cuts in the 1980s, we did ask the wealthiest Americans to pay more to reduce the deficit. So on April the 15th, the American people will discover the truth about what we did last year on taxes. Only the top one—the top 1.2 percent of Americans, as I said all along, will face higher income tax rates—let me repeat, only the wealthiest 1.2 percent of Americans will face higher income tax rates and no one else will, and that is the truth. Of course, there were, as there always are in politics, naysayers who said this plan wouldn't work, but they were wrong. When I became president, the experts predicted that next year's deficit would be $300 billion, but because we acted, those same people now say the deficit's going to be under $180 billion, 40 percent lower than was previously predicted.

The Economy

Our economic program has helped to produce the lowest core inflation rate and the lowest interest rates in 20 years, and because those interest rates are down, business investment and equipment is growing at seven times the rate of the previous four years. Auto sales are way up, home sales at a record high. Millions of Americans have refinanced their homes and our economy has produced 1.6 million private-sector jobs in 1993, more than were created in the previous four years combined.

The people who supported this economic plan should be proud of its early results—-proud. But everyone in this chamber should know and acknowledge that there is more to do. Next month I will send you one of the toughest budgets ever presented to

Congress. It will cut spending in more than 300 programs, eliminate 100 domestic programs, and reforms the way in which governments buy goods and services.

Page 3111

This year we must again make the hard choices to live within the hard spending ceilings we have set. We must do it. We have proved we can bring the deficit down without choking off recovery, without punishing seniors or the middle class, and without putting our national security at risk. If you will stick with this plan, we will post three consecutive years of declining deficits for the first time since Harry Truman lived in the White House. And once again, the buck stops here.

Trade

Our economic plan also bolsters our strength and our credibility around the world. Once we reduced the deficit and put the steel back into our competitive edge, the world echoed with the sound of falling trade barriers. In one year, with NAFTA, with *gatt*, with our efforts in Asia and the national export strategy, we did more to open world markets to American products than at any time in the last two generations. That means more jobs and rising living standards for the American people, low deficits, low inflation, low interest rates, low trade barriers and high investments. These are the building blocks of our recovery. But if we want to take full advantage of the opportunities before us in the global economy, you all know we must do more.

As we reduce defense spending, I ask Congress to invest more in the technologies of tomorrow. Defense conversion will keep us strong militarily and create jobs for our people here at home.

As we protect our environment, we must invest in the environmental technologies of the future which will create jobs. This year we will fight for a revitalized Clean Water Act and a Safe Drinking Water Act and a reformed Superfund program.

And the vice president is right; we must also work with the private sector to connect every classroom, every clinic, every library, every hospital in America into a national information superhighway by the year 2000. Think of it. Instant access to information will increase productivity. It will help to educate our children. It will provide better medical care. It will create jobs. And I call on the Congress to pass legislation to establish that information superhighway this year.

As we expand opportunity and create jobs, no one can be left out. We must continue to enforce fair lending and fair housing and all civil rights laws, because America will never be complete in its renewal until everyone shares in its bounty. But we all know, too, we can do all these things— put our economic house in order, expand world trade, target the jobs of the future, guarantee equal opportunity.

But if we're honest, we'll all admit that this strategy still cannot work unless we also give our people the education, training and skills they need to seize the opportunities of tomorrow. We must set tough, world-class academic and occupational standards for all our children and give our teachers and students the tools they need to meet them.

Page 3112

Education

Our Goals 2000 proposal will empower individual school districts to experiment with ideas like chartering their schools to be run by private corporations or having more public school choice, to do whatever they wish to do as long as we measure every school by one high standard: Are our children learning what they need to know to compete and win in the global economy?

Goals 2000 links world-class standards to grassroots reforms and I hope Congress will pass it without delay. Our school to work initiative will for the first time link school to the world of work, providing at least one year of apprenticeship beyond high school. After all, most of the people we're counting on to build our economic future won't graduate from college. It's time to stop ignoring them and start empowering them. We must literally transform our outdated unemployment system into a new reemployment system. The old unemployment system just sort of kept you going while you waited for your old job to come back. We've got to have a new system to move people into new and better jobs because most of those old jobs just don't come back. And we know that the only way to have real job security in the future, to get a good job with a growing income, is to have real skills and the ability to learn new ones. So we've got to streamline today's patchwork of training programs and make them a source of new skill for our people who lose their jobs. Reemployment, not unemployment, must become the centerpiece of our economic renewal. I urge you to pass it in this session of Congress.

Welfare

And just as we must transform our unemployment system, so must we also revolutionize our welfare system. It doesn't work; it defies our values as a nation. If we value work, we can't justify a system that makes welfare more attractive than work if people are worried about losing their health care.

If we value responsibility, we can't ignore the $34 billion in child support absent parents out to be paying to millions of parents who are taking care of their children—. If we value strong families, we can't perpetuate a system that actually penalizes those who stay together. Can you believe that a child who has a child gets more money from the government for leaving home than for staying home with a parent or a grandparent? That's not just bad policy, it's wrong and we ought to change it.

I worked on this problem for years before I became president, with other governors and with members of Congress in both parties and with the previous administration of another party. I worked on it with people who were on welfare, lots of them. And I want to say something to everybody here who cares about this issue. The people who most want to change this system are the people who are dependent on it. They want to get off welfare; they want to go back to work; they want to do right by their kids.

Page 3113

I once had a hearing when I was a governor and I brought in people on welfare from all over America who had found their way to work and a woman from my state who testified was asked this question. What's the best thing about being off welfare and in a job. And without blinking an eye, she looked at 40 governors and she said, when my boy goes to school and they say "What does your mother do for a living?" he can give an answer. These people want a better system and we ought to give it to them.

Last year, we began this. We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it. Then this Congress took a dramatic step. Instead of taxing people with modest incomes into poverty, we helped them to work their way out of poverty by dramatically increasing the earned income tax credit. It will lift 15 million working families out of poverty, rewarding work over welfare, making it possible for people to be successful workers and successful parents. Now that's real welfare reform.

But there is more to be done. This spring I will send you a comprehensive welfare reform bill that builds on the Family Support Act of 1988 and restores the basic values of work and responsibility. We will say to teenagers if you have a child out of wedlock, we'll no longer give you a check to set up a separate household, we want families to stay together; say to absent parents who aren't paying their child support if you're not providing for your children we'll garnish your wages, suspend your license, track you across state lines, and if necessary make some of you work off what you owe.

People who bring children into this world cannot and must not walk away from them.

But to all those who depend on welfare, we should offer ultimately a simple compact. We will provide the support, the job training, the child care you need for up to two years, but after that anyone who can work, must, in the private sector wherever possible, in community service if necessary. That's the only way we'll ever make welfare what it ought to be, a second chance, not a way of life.

I know it will be difficult to tackle welfare reform in 1994 at the same time we tackle health care. But let me point out, I think it is inevitable and imperative. It is estimated that one million people are on welfare today because it's the only way they can get health care coverage for their children. Those who choose to leave welfare for jobs without health benefits, and many entry level jobs don't have health benefits, find themselves in the incredible position of paying taxes that help to pay for health care coverage for those who made the other choice, to stay on welfare. No wonder people leave work and go back to welfare, to get health care coverage. We've got to solve the health care problem to have real welfare reform.

Health Care Reform

Page 3114

So this year we will make history by reforming the health care system. And I would say to you, all of you my fellow public servants, this is another issue where the people are way ahead of the politicians.

That may not be popular with either party, but it happens to be the truth.

You know, the first lady has received now almost a million letters from people all across America and from all walks of life. I'd like to share just one of them with you. Richard Anderson of Reno, Nevada, lost his job and, with it, his health insurance. Two weeks later, his wife, Judy, suffered a cerebral aneurysm. He rushed her to the hospital, where she stayed in intensive care for 21 days. The Anderson's bills were over $120,000. Although Judy recovered and Richard went back to work at $8 an hour, the bills were too much for them and they were literally forced into bankruptcy.

"Mrs. Clinton," he wrote to Hillary, "no one in the United States of America should have to lose everything they've worked for all their lives because they were unfortunate enough to become ill." It was to help the Richard and Judy Andersons of America that the first lady and so many others have worked so hard and so long on this health care reform issue. We owe them our thanks and our action.

I know there are people here who say there's no health care crisis. Tell it to Richard and Judy Anderson. Tell it to the 58 million Americans who have no coverage at all for some time each year. Tell it to the 81 million Americans with those preexisting conditions; those folks are paying more or they can't get insurance at all or they can't ever change their jobs because they or someone in their family has one of those preexisting conditions. Tell it to the small businesses burdened by skyrocketing costs of insurance. Most small businesses cover their employers, and they pay on average 35 percent more in premiums than big businesses or government. Or tell it to the 76 percent of insured Americans, three out of four whose policies have lifetime limits, and that means they can find themselves without any coverage at all just when they need it the most.

So, if any of you believe there's no crisis, you tell it to those people, because I can't.

There are some people who literally do not understand the impact of this problem on people's lives, but all you have to do is go out and listen to them. Just go talk to them anywhere, in any congressional district in this country. They're Republicans and Democrats and independents. It doesn't have a lick to do with party. They think we don't get it, and it's time we show that we do get it.

From the day we began, our health care initiative has been designed to strengthen what is good about our health care system—the world's best health care professionals, cutting edge research, and wonderful research institutions, Medicare for older Americans. None of this—none of it should be put at risk. But we're paying more and more money for less and less care. Every year, fewer and fewer Americans even get to

choose their doctors. Every year, doctors and nurses spend more time on paperwork and less time with patients because of the absolute bureaucratic nightmare the present system has become.

Page 3115

This system is riddled with inefficiency, with abuse, with fraud, and everybody knows it. In today's health care system, insurance companies call the shots. They pick whom they cover and how they cover them. They can cut off your benefits when you need your coverage the most. They are in charge.

What does it mean? It means every night millions of well-insured Americans go to bed just an illness, an accident, or a pink slip away from having no coverage or financial ruin. It means every morning millions of Americans go to work without any health insurance at all—something the workers in no other advanced country in the world do. It means that every year more and more hard working people are told to pick a new doctor because their boss has had to pick a new plan. And countless others turndown better jobs because they know, if they take the better job, they'll lose their health insurance.

If we just let the health care system continue to drift, our country will have people with less care, fewer choices, and higher bill.

Now, our approach protects the quality of care and people's choices. It builds on what works today in the private sector, to expand employer based coverage, to guarantee private insurance for every American. And I might say, employer based private insurance for every American was proposed 20 years ago by President Richard Nixon to the United States Congress. It was a good idea then, and it's a better idea today.

Why do we want guaranteed private insurance? Because right now, nine out of ten people who have insurance get it through their employers—and that should continue. And if your employer is providing good benefits at reasonable prices, that should continue too. And that ought to make the Congress and the president feel better. Our goal is health insurance everybody can depend on—comprehensive benefits that cover preventive care and prescription drugs, health premiums that don't just explode when you get sick or you get older, the power—no matter how small your business is —to choose dependable insurance at the same competitive rates that governments and big business get today, one simple form for people who are sick, and most of all, the freedom to choose a plan and the right to choose your own doctor.

Our approach protects older Americans. Every plan before the Congress proposes to slow the growth of Medicare. The difference is this. We believe those savings should be used to improve health care for senior citizens. Medicare must be protected, and it should cover prescription drugs, and we should take the first steps in covering long-term care.

To those who would cut Medicare without protecting seniors, I say the solution to today's squeeze on middle class working people's health care is not to put the squeeze on middle class retired people's health care. We can do better than that. When it's all said and done, it's pretty simple to me. Insurance ought to mean what it used to mean.

You pay a fair price for security, and when you get sick, health care is always there—no matter what.

Page 3116

Along with the guarantee of health security, we all have to admit, too, there must be more responsibility on the part of all of us in how we use this system. People have to take their kids to get immunized. We should all take advantage of preventive care. We must all work together to stop the violence that explodes our emergency rooms. We have to practice better health habits, and we can't abuse the system. And those who don't have insurance under our approach will get coverage, but they will have to pay something for it, too. The minority of businesses that provide no insurance at all, and in so doing, shift the cost of the care of their employees to others, should contribute something. People who smoke should pay more for a pack of cigarettes. Everybody can contribute something if we want to solve the health care crisis. There can't be anymore something for nothing. It will not be easy, but it can be done. Now in the coming months I hope very much to work with both Democrats and Republicans to reform a health care system by using the market to bring down costs and to achieve lasting health security. But if you look at history, we see that for 60 years this country has tried to reform health care. President Roosevelt tried, President Truman tried, President Nixon tried, President Carter tried. Every time the special interests were powerful enough to defeat them, but not this time.

Campaign Finance Reform

I know that facing up to these interests will require courage. It will raise critical questions about the way we finance our campaigns and how lobbyists yield their influence. The work of change, frankly, will never get any easier until we limit the influence of well financed interests who profit from this current system. So I also must now call on you to finish the job both houses began last year, by passing tough and meaningful campaign finance reform and lobby reform legislation this year.

You know, my fellow Americans, this is really a test for all of us. The American people provide those of us in government service with terrific health care benefits at reasonable costs. We have health care that's always there. I think we need to give every hard working, taxpaying American the same health care security they have already given to us.

I want to make this very clear: I am open, as I have said repeatedly, to the best ideas of concerned members of both parties. I have no special brief for any specific approach, even in our own bill, except this: if you send me legislation that does not guarantee every American private health insurance that can never be taken away, you will force me to take this pen, veto the legislation, and we'll come right back here and start all over again.

But I don't think that's going to happen. I think we're ready to act now. I believe that you're ready to act now. And if you're ready to guarantee every American the same health care that you have, health care that can never be taken away—now, not next year or the year after, now is the time to stand with the people who sent us here. Now.

Page 3117

Foreign Policy

As we take these steps together to renew our strength at home, we cannot turn away from our obligations to renew our leadership abroad. This is a promising moment. Because of the agreements we have reached this year, last year, Russia's strategic nuclear missiles soon will no longer be pointed at the United States. Nor will we point ours at them.

Instead of building weapons in space, Russian scientists will help us to build the international space station.

And of course there are still dangers in the world: rampant arms proliferation, bitter regional conflicts, ethnic and nationalist tensions in many new democracies, severe environmental degradation the world over, and fanatics who seek to cripple the world's cities with terror. As the world's greatest power, we must therefore maintain our defenses and our responsibilities. This year we secured indictments against terrorists and sanctions against those harbor them. We worked to promote environmentally-sustainable economic growth. We achieved agreements with Ukraine, with Belarus, with Kazakhstan, to eliminate completely their nuclear arsenals. We are working to achieve a Korean Peninsula free of nuclear weapons. We will seek early ratification of the treaty to ban chemical weapons worldwide. And earlier today we joined with over 30 nations to begin negotiations on a comprehensive ban to stop all nuclear testing.

But nothing—nothing—is more important to our security than our nation's armed forces. We honor their contributions, including those who are carrying out the longest humanitarian airlift in history in Bosnia—— those who will complete their mission in Somalia this year and their brave comrades who gave their lives there. Our forces are the finest military our nation has ever had, and I have pledged that as long as I am president they will remain the best-equipped, the best-trained and the best-prepared fighting force on the face of the earth.

Defense

Last year, I proposed a defense plan that maintains our post-Cold War security at a lower cost. This year, many people urged me to cut our defense spending further to pay for other government programs. I said no. The budget I send to Congress draws the line against further defense cuts. It protects the readiness and quality of our forces. Ultimately, the best strategy is to do that. We must not cut defense further. I hope the Congress without regard to party will support that position.

Ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere. Democracies don't attack each other. They make better trading partners and partners in diplomacy. That is why we have supported, you and I, the democratic reformers in Russia and in the other states of the

former Soviet bloc. I applaud the bipartisan support this Congress provided last year for our initiatives to help Russia, Ukraine and the other states through their epic transformations.

Page 3118

Our support of reform must combine patience for the enormity of the task and vigilance for our fundamental interest and values. We will continue to urge Russia and the other states to press ahead with economic reforms, and we will seek to cooperate with Russia to solve regional problems while insisting that, if Russian troops operate in neighboring states, they do so only when those states agree to their presence and in strict accord with international standards.

But we must also remember as these nations chart their own futures, and they must chart their own futures, how much more secure and more prosperous our own people will be if democratic and market reform succeed all across the former communist bloc. Our policy has been to support that move and that has been the policy of the Congress. We should continue it.

Europe

That is why I went to Europe earlier this month, to work with our European partners to help to integrate all the former communist countries into a Europe that has the possibility of becoming unified for the first time in its entire history, it's entire history, based on the simple commitments of all nations in Europe to democracy, to free markets, and to respect for existing borders.

With our allies, we have created a partnership for peace that invites states from the former Soviet bloc and other non-NATO members to work with NATO in military cooperation. When I met with Central Europe's leaders, including Lech Walesa and Vaclav Havel, men who put their lives on the line for freedom, I told them that the security of their region is important to our country's security.

This year, we must also do more to support democratic renewal and human rights and sustainable development all around the world. We will ask Congress to ratify the new *gatt* accord, we will continue standing by South Africa as it works its way through its bold and hopeful and difficult transition to democracy. We will convene a summit of the Western hemisphere's democratic leaders from Canada to the tip of South America. And we will continue to press for the restoration of true democracy in Haiti.

And as we build a more constructive relationship with China, we must continue to insist on clear signs of improvement in that nation's human rights record.

Middle East

We will also work for new progress toward the Middle East peace. Last year the world watched Yitzhak Rabin and Yasir Arafat at the White House when they had their historic handshake of reconciliation. But there is a long, hard road ahead. And on that road I am determined that I and our administration will do all we can to achieve a comprehensive and lasting peace for all the peoples of the region.

Now, there are some in our country who argue that with the Cold War, America should turn its back on the rest of the world. Many around the world were afraid we would do just that. But I took this office on a pledge that had no partisan tinge to keep our nation secure by remaining engaged in the rest of the world. And this year, because of our work together, enacting NAFTA, keeping our military strong and prepared, supporting democracy abroad, we have reaffirmed America's leadership, America's engagement, and as a result, the American people are more secure than they were before.

Page 3119

Crime

But while Americans are more secure from threats abroad, I think we all now that in many ways we are less secure from threats here at home. Everyday the national peace is shattered by crime.

In Petaluma, California, an innocent slumber party gives way to agonizing tragedy for the family of Polly Klaas. An ordinary train ride on Long Island ends in a hail of nine millimeter rounds. A tourist in Florida is nearly burned alive by bigots simply because he is black. Right here in our nation's capital, a brave young man named Jason White, a policeman, the son and grandson of policemen, is ruthlessly gunned down.

Violent crime and the fear it provokes are crippling our society, limiting personal freedom, and fraying the ties that bind us.

The crime bill before Congress gives you a chance to do something about it, a chance to be tough and smart. What does that mean? Let me begin by saying I care a lot about this issue. Many years ago, when I started out in public life, I was the attorney general of my state. I served as a governor for a dozen years. I know what it's like to sign laws increasing penalties, to build more prison cells, to carry out the death penalty. I understand this issue and it is not a simple thing.

First, we must recognize that most violent crimes are committed by a small percentage of criminals who too often break the laws even when they are on parole. Now those who commit crimes should be punished, and those who commit repeated violent crimes should be told when you commit a third violent crime, you will be put away and put away for good, three strikes and you are out.

Second, we must take serious steps to reduce violence and prevent crime, beginning with more police officers and more community policing. We know right now that police who work the streets, know the folks, have the respect of the neighborhood kids, focus on high crime areas, we know that they are more likely to prevent crime as well as catch criminals. Look at the experience of Houston, where the crime rate dropped 17 percent in one year when that approach was taken. Here tonight is one of those community policemen, a brave, young detective, Kevin Jett, whose beat is eight square blocks in one of the toughest neighborhoods in New York. Every day he restores some sanity and safety, and a sense of values and connection to the people whose lives he protects. I'd like to ask him to stand up and be recognized tonight.

You will be given a chance to give the children of this country, the law abiding working people of this country, and don't forget, in the toughest neighborhoods in this country, in the highest crime neighborhoods in this country the vast majority of people get up every day and obey the law, pay their taxes, do their best to raise their kids. They deserve

people like Kevin Jett, and you’re going to be given the chance to give the American people another 100,000 of them, well trained, and I urge you to do it.

Page 3120

You have before you crime legislation which also establishes a police corps to encourage young people to get an education, and pay it off by serving as police officers, which encourages retiring military personnel to move into police forces—and enormous resources for our country, one which has a safe schools provisions which will give our young people the chance to walk to school in safety and to be in school in safety instead of dodging bullets. These are important things.

The third thing we have to do is to build on the Brady Bill—the Brady Law to take further steps——to take further steps to keep guns out of the hands of criminals.

Now, I want to say something about this issue. Hunters must always be free to hunt, law abiding adults should always be free to own guns and protect their homes. I respect that part of our culture. I grew up in it. But I want to ask the sportsmen and others who lawfully own guns to join us in this campaign to reduce gun violence. I say to you, I know you didn't create this problem, but we need your help to solve it. There is no sporting purpose on earth that should stop the United States Congress from banishing assault weapons that outgun police and cut down children.

Fourth, we must remember that drugs are a factor in an enormous percentage of crimes. Recent studies indicate, sadly, that drug use is on the rise again among our young people. The Crime Bill contains—all the crime bills contain—more money for drug treatment, for criminal addicts, and boot camps for youthful offenders that include incentives to get off drugs and to stay off drugs. Our administration's budget, with all its cuts, contains a large increase in funding for drug treatment and drug education. You must pass them both. We need then desperately.

My fellow Americans, the problem of violence is an un-American problem. It has no partisan or philosophical element. Therefore, I urge you find ways as quickly as possible to set aside partisan differences and pass a strong, smart, tough crime bill.

But further, I urge you to consider this: As you demand tougher penalties for those who choose violence, let us also remember how we came to this sad point. In our toughest neighborhoods, on our meanest streets, in our poorest rural areas, we have seen a stunning and simultaneous breakdown of community, family, and work, the heart and soul of civilized society. This has created a vast vacuum which has been filled by violence and drugs and gangs. So I ask you to remember that even as we say no to crime, we must give people, especially our young people something to say yes to. Many of our initiatives, from job training to welfare reform to health care to national service will help to rebuild distressed communities, to strengthen families, to provide work, but more needs to be done. That's what our community empowerment agenda is all about—challenging businesses to provide more investment through empowerment zones, ensuring banks will make loans in the same communities their deposits come from, passing legislation to unleash the power of capital through community development banks to create jobs, opportunity, and hope where they're needed most.

Page 3121

But I think you know that to really solve this problem, we'll all have to put our heads together, leave our ideological armor aside, and find some new ideas to do even more.

The Role Of Government

And let's be honest, we all know something else, too. Our problems go way beyond the reach of government. They're rooted in the loss of values and the disappearance of work and the breakdown of our families and our communities. My fellow Americans, we can cut the deficit, create jobs, promote democracy around the world, pass welfare reform and health care, pass the toughest crime bill in history and still leave too many of our people behind.

The American people have got to want to change from within if we're going to bring back work and family and community. We cannot renew our country when, within a decade, more than half of the children will be born into families where there has been no marriage. We cannot renew this country when 13-year-old boys get semi-automatic weapons to shoot 9 year olds for kicks. We can't renew our country when children are having children and the fathers walk away as if the kids don't amount to anything. We can't renew the country when our businesses eagerly look for new investments and new customers abroad but ignore those people right here at home who'd give anything to have their jobs and would gladly buy their products if they had the money to do it.

We can't renew our country unless more of us—I mean all of us—are willing to join the churches and the other good citizens, people like all the black ministers I've worked with over the years or the priests and the nuns I met at Our Lady of Help in East Los Angeles or my good friend Tony Campolo in Philadelphia, unless we're willing to work with people like that, people who are saving kids, adopting schools, making streets safer. All of us can do that.

We can't renew our country until we realize that governments don't raise children; parents do. Parents who know their children's teachers and turn off the television and help with the homework and teach their kids right from wrong—those kind of parents can make all the difference. I know. I had one. And I'm telling you we have got to stop pointing our fingers at these kids who have no future and reach our hands out to them. Our country needs it. We need it. And they deserve it.

And so I say to you tonight let's give our children a future. Let us take away their guns and give them books. Let us overcome their despair and replace it with hope. Let us, by our example, teach them to obey the law, respect our neighbors, and cherish our values. Let us weave these sturdy threads into a new American community that once more stand strong against the forces of despair and evil because everybody has a chance to walk into a better tomorrow.

Oh, there will be naysayers who fear that we won't be equal to the challenges of this time, but they misread our history, our heritage, even today's headlines. All those things tell us we can and we will overcome any challenge.

Page 3122

When the earth shook and fires raged in California; when I saw the Mississippi deluge the farmlands of the Midwest in a 500 year flood; when the century's bitterest cold swept from North Dakota to Newport News it seemed as though the world itself was coming apart at the seams. But the American people, they just came together. They rose to the occasion, neighbor helping neighbor, strangers risking life and limb to stay total strangers, showing the better angels of our nature.

Let us not reserve the better angels only for natural disasters, leaving our deepest and most profound problems to petty political fighting.

Let us instead by true to our spirit, facing facts, coming together, bringing hope and moving forward.

Tonight, my fellow Americans, we are summoned to answer a question as old as the republic itself, what is the state of our union?

It is growing stronger but it must be stronger still. With your help and God's help it will be.

Thank you and God Bless America.

***

State of the Union Address
William J. Clinton
January 24, 1995

Mr. President, Mr. Speaker, members of the 104th Congress, my fellow Americans:

Again we are here in the sanctuary of democracy. And once again, our democracy has spoken.

So let me begin by congratulating all of you here in the 104th Congress, and congratulating you, Mr. Speaker.

If we agree on nothing else tonight, we must agree that the American people certainly voted for change in 1992 and in 1994.

And as I look out at you, I know how some of you must have felt in 1992.

I must say that in both years we didn't hear America singing, we heard America shouting. And now all of us, Republicans and Democrats alike, must say: We hear you. We will work together to earn the jobs you have given us. For we are the keepers of the sacred trust and we must be faithful to it in this new and very demanding era.

Over 200 years ago, our founders changed the entire course of human history by joining together to create a new country based on a single, powerful idea. We hold these truths to be self-evident, that all men are created equal, endowed by their creator with certain inalienable rights. Among these are life, liberty and the pursuit of happiness.

It has fallen to every generation since then to preserve that idea—the American idea—-and to deepen and expand its meaning in new and different times. To Lincoln and to his Congress, to preserve the Union and to end slavery. To Theodore Roosevelt and Woodrow Wilson, to restrain the abuses and excesses of the Industrial Revolution and to assert our leadership in the world. To Franklin Roosevelt, to fight the failure and pain of the Great Depression and to win our country's great struggle against fascism.

And to all our Presidents since, to fight the cold war. Especially, I recall two who struggled to fight that cold war in partnership with Congresses where the majority was of a different party. To Harry Truman, who summoned us to unparalleled prosperity at home and who built the architecture of the cold war. And to Ronald Reagan, whom we wish well tonight, and who exhorted us to carry on until the twilight struggle against Communism was won.

Page 3123

In another time of change and challenge, I had the honor to be the first President to be elected in the post-cold-war era, an era marked by the global economy, the information revolution, unparalleled change in opportunity and in security for the American people.

I came to this hallowed chamber two years ago on a mission: To restore the American dream for all our people and to make sure that we move into the 21st century still the strongest force for freedom and democracy in the entire world.

I was determined then to tackle the tough problems too long ignored. In this effort I am frank to say that I have made my mistakes. And I have learned again the importance of humility in all human endeavor.

But I am also proud to say tonight that our country is stronger than it was two years ago.

Accomplishments

Record numbers, record numbers of Americans are succeeding in the new global economy. We are at peace, and we are a force for peace and freedom throughout the world. We have almost six million new jobs since I became President, and we have the lowest combined rate of unemployment and inflation in 25 years.

Our businesses are more productive and here we have worked to bring the deficit down, to expand trade, to put more police on our streets, to give our citizens more of the tools they need to get an education and to rebuild their own communities. But the rising tide is not lifting all the boats.

While our nation is enjoying peace and prosperity, too many of our people are still working harder and harder for less and less. While our businesses are restructuring and growing more productive and competitive, too many of our people still can't be sure of having a job next year or even next month. And far more than our material riches are threatened, things far more precious to us: our children, our families, our values.

Our civil life is suffering in America today. Citizens are working together less and shouting at each other more. The common bonds of community which have been the great strength of our country from its very beginning are badly frayed.

What are we to do about it?

More than 60 years ago at the dawn of another new era, President Roosevelt told our nation new conditions impose new requirements on Government and those who conduct Government. And from that simple proposition he shaped the New Deal, which helped to restore our nation to prosperity and defined the relationship between our people and their Government for half a century.

That approach worked in its time but today we face a very different time and very different conditions. We are moving from an industrial age built on gears and sweat to an information age demanding skills and learning and flexibility.

Our Government, once a champion of national purpose, is now seen by many as simply a captive of narrow interests putting more burdens on our citizens rather than equipping them to get ahead. The values that used to hold us all together seem to be coming apart.

Page 3124

So tonight we must forge a new social compact to meet the challenges of this time. As we enter a new era, we need a new set of understandings not just with Government but, even more important, with one another as Americans.

New Covenant

That's what I want to talk with you about tonight. I call it the New Covenant but it's grounded in a very, very old idea that all Americans have not just a right but a solemn responsibility to rise as far as their God-given talents and determination can take them. And to give something back to their communities and their country in return.

Opportunity and responsibility—they go hand in hand; we can't have one without the other, and our national community can't hold together without both.

Our New Covenant is a new set of understandings for how we can equip our people to meet the challenges of the new economy, how we can change the way our Government works to fit a different time and, above all, how we can repair the damaged bonds in our society and come together behind our common purpose. We must have dramatic change in our economy, our Government and ourselves.

My fellow Americans, without regard to party, let us rise to the occasion. Let us put aside partisanship and pettiness and pride. As we embark on this course, let us put our country first, remembering that regardless of party label we are all Americans. And let the final test of everything we do be a simple one: Is it good for the American people?

Let me begin by saying that we cannot ask Americans to be better citizens if we are not better servants. You made a good start by passing that law which applies to Congress all the laws you put on the private sector—and I was proud to sign it yesterday.

But we have a lot more to do before people really trust the way things work around here. Three times as many lobbyists are in the streets and corridors of Washington as were here 20 years ago. The American people look at their capital and they see a city where the well-connected and the well-protected can work the system, but the interests of ordinary citizens are often left out.

As the new Congress opened its doors, lobbyists were still doing business as usual—-the gifts, the trips—all the things that people are concerned about haven't stopped.

Twice this month you missed opportunities to stop these practices. I know there were other considerations in those votes, but I want to use something that I've heard my Republican friends say from time to time: There doesn't have to be a law for everything.

So tonight I ask you to just stop taking the lobbyists' perks, just stop.

We don't have to wait for legislation to pass to send a strong signal to the American people that things are really changing. But I also hope you will send me the strongest possible lobby reform bill, and I'll sign that, too. We should require lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PAC's.

Page 3125

And as I have said for three years, we should work to open the air waves so that they can be an instrument of democracy not a weapon of destruction by giving free TV time to candidates for public office.

When the last Congress killed political reform last year, it was reported in the press that the lobbyists actually stood in the halls of this sacred building and cheered. This year, let's give the folks at home something to cheer about.

More important, I think we all agree that we have to change the way the Government works. Let's make it smaller, less costly and smarter. Leaner not meaner.

I just told the Speaker the equal time doctrine's alive and well.

The Role Of Government

The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter. The old way of governing around here protected organized interests; we should look out for the interests of ordinary people. The old way divided us by interests, constituency or class; the New Covenant way should unite us behind a common vision of what's best for our country.

The old way dispensed services through large, top-down, inflexible bureaucracies. The New Covenant way should shift these resources and decision making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy.

The old way of governing around here actually seemed to reward failure. The New Covenant way should have built-in incentives to reward success.

The old way was centralized here in Washington. The New Covenant way must take hold in the communities all across America, and we should help them to do that.

Our job here is to expand opportunity, not bureaucracy, to empower people to make the most of their own lives and to enhance our security here at home and abroad.

We must not ask Government to do what we should do for ourselves. We should rely on Government as a partner to help us to do more for ourselves and for each other.

I hope very much that as we debate these specific and exciting matters, we can go beyond the sterile discussion between the illusion that there is somehow a program for every problem, on the one hand, and the other illusion that the Government is the source of every problem that we have.

Our job is to get rid of yesterday's Government so that our own people can meet today's and tomorrow's needs.

And we ought to do it together.

You know, for years before I became President, I heard others say they would cut Government and how bad it was. But not much happened.

We actually did it. We cut over a quarter of a trillion dollars in spending, more than 300 domestic programs, more than 100,000 positions from the Federal bureaucracy in the last two years alone.

Based on decisions already made, we will have cut a total of more than a quarter of a million positions from the Federal Government, making it the smallest it has been since John Kennedy was president, by the time I come here again next year.

Page 3126

Under the leadership of Vice President Gore, our initiatives have already saved taxpayers $ 63 billion. The age of the $ 500 hammer and the ashtray you can break on David Letterman is gone. Deadwood programs like mohair subsidies are gone. We've streamlined the Agriculture Department by reducing it by more than 1,200 offices. We've slashed the small-business loan form from an inch thick to a single page. We've thrown away the Government's 10,000-page personnel manual.

And the Government is working better in important ways. FEMA, the Federal Emergency Management Agency, has gone from being a disaster to helping people in disaster.

You can ask the farmers in the Middle West who fought the flood there or the people in California who've dealt with floods and earthquakes and fires and they'll tell you that.

Government workers, working hand-in-hand with private business, rebuilt Southern California's fractured freeways in record time and under budget.

And because the Federal Government moved fast, all but one of the 5,600 schools damaged in the earthquake are back in business.

Now, there are a lot of other things that I could talk about. I want to just mention one because it'll be discussed here in the next few weeks.

University administrators all over the country have told me that they are saving weeks and weeks of bureaucratic time now because of our direct college loan program, which makes college loans cheaper and more affordable with better repayment terms for students, costs the Government less and cuts out paperwork and bureaucracy for the Government and for the universities.

We shouldn't cap that program, we should give every college in America the opportunity to be a part of it.

Previous Government programs gather dust; the reinventing Government report is getting results. And we're not through—there's going to be a second round of reinventing Government.

We propose to cut $ 130 billion in spending by shrinking departments, extending our freeze on domestic spending, cutting 60 public housing programs down to 3, getting rid of over a hundred programs we do not need like the Interstate Commerce Commission and the Helium Reserve Program.

And we're working on getting rid of unnecessary regulations and making them more sensible. The programs and regulations that have outlived their usefulness should go. We have to cut yesterday's Government to help solve tomorrow's problems.

And we need to get Government closer to the people it's meant to serve. We need to help move programs down to the point where states and communities and private citizens in the private sector can do a better job. If they can do it, we ought to let them do it. We should get out of the way and let them do what they can do better.

Community Empowerment

Taking power away from Federal bureaucracies and giving it back to communities and individuals is something everyone should be able to be for. It's time for Congress to stop passing onto the states the cost of decisions we make here in Washington.

Page 3127

I know there are still serious differences over the details of the unfunded mandates legislation but I want to work with you to make sure we pass a reasonable bill which will protect the national interest and give justified relief where we need to give it.

For years, Congress concealed in the budget scores of pet spending projects. Last year was no different. There was a million dollars to study stress in plants and $ 12 million for a tick removal program that didn't work. It's hard to remove ticks; those of us who've had them know.

But I'll tell you something, if you'll give me the line-item veto, I'll remove some of that unnecessary spending.

But, I think we should all remember, and almost all of us would agree, that Government still has important responsibilities.

Our young people—we should think of this when we cut—our young people hold our future in their hands. We still owe a debt to our veterans. And our senior citizens have made us what we are.

Budget

Now, my budget cuts a lot. But it protects education, veterans, Social Security and Medicare, and I hope you will do the same thing. You should, and I hope you will.

And when we give more flexibility to the states, let us remember that there are certain fundamental national needs that should be addressed in every state, north and south, east and west.

Immunization against childhood disease, school lunches in all our schools, Head Start, medical care and nutrition for pregnant women and infants—all these things are in the national interest.

I applaud your desire to get rid of costly and unnecessary regulations, but when we deregulate let's remember what national action in the national interest has given us: safer food for our families, safer toys for our children, safer nursing homes for our parents, safer cars and highways and safer workplaces, cleaner air and cleaner water. Do we need common sense and fairness in our regulations? You bet we do. But we can have common sense and still provide for safe drinking water. We can have fairness and still clean up toxic dumps and we ought to do it.

Should we cut the deficit more? Well of course we should. Of course we should. But we can bring it down in a way that still protects our economic recovery and does not unduly punish people who should not be punished, but instead should be helped.

I know many of you in this chamber support the balanced-budget amendment. I certainly want to balance the budget. Our Administration has done more to bring the budget down and to save money than any in a very, very long time.

If you believe passing this amendment is the right thing to do, then you have to be straight with the American people. They have a right to know what you're going to cut, what taxes you're going to raise, how it's going to affect them.

And we should be doing things in the open around here. For example, everybody ought to know if this proposal is going to endanger Social Security. I would oppose that, and I think most Americans would.

Page 3128

Welfare

Nothing is done more to undermine our sense of common responsibility than our failed welfare system. This is one of the problems we have to face here in Washington in our New Covenant. It rewards welfare over work, it undermines family values, it lets millions of parents get away without paying their child support, it keeps a minority—but a significant minority—of the people on welfare trapped on it for a very long time.

I worked on this problem for a long time—nearly 15 years now. As a Governor I had the honor of working with the Reagan Administration to write the last welfare reform bill back in 1988.

In the last two years we made a good start in continuing the work of welfare reform. Our Administration gave two dozen states the right to slash through Federal rules and regulations to reform their own welfare systems and to try to promote work and responsibility over welfare and dependency.

Last year, I introduced the most sweeping welfare reform plan ever presented by an Administration. We have to make welfare what it was meant to be—a second chance, not a way of life.

We have to help those on welfare move to work as quickly as possible, to provide child care and teach them skills, if that's what they need, for up to two years. But after that, there ought to be a simple, hard rule. Anyone who can work must go to work.

If a parent isn't paying child support, they should be forced to pay.

We should suspend driver's licenses, track them across state lines, make them work off what they owe. That is what we should do. Governments do not raise children, people do. And the parents must take responsibility for the children they bring into this world.

I want to work with you, with all of you, to pass welfare reform. But our goal must be to liberate people and lift them from dependence to independence, from welfare to work, from mere childbearing to responsible parenting. Our goal should not be to punish them because they happen to be poor.

We should—we should require work and mutual responsibility. But we shouldn't cut people off just because they're poor, they're young or even because they're unmarried. We should promote responsibility by requiring young mothers to live at home with their parents or in other supervised settings, by requiring them to finish school. But we shouldn't put them and their children out on the street.

And I know all the arguments pro and con and I have read and thought about this for a long time: I still don't think we can, in good conscience, punish poor children for the mistakes of their parents.

My fellow Americans, every single survey shows that all the American people care about this, without regard to party or race or region. So let this be the year we end welfare as we know it.

But also let this be the year that we are all able to stop using this issue to divide America.

Page 3129

No one is more eager to end welfare.

I may be the only President who's actually had the opportunity to sit in the welfare office, who's actually spent hours and hours talking to people on welfare, and I am telling you the people who are trapped on it know it doesn't work. They also want to get off.

So we can promote, together, education and work and good parenting. I have no problem with punishing bad behavior or the refusal to be a worker or a student or a responsible parent. I just don't want to punish poverty and past mistakes. All of us have made our mistakes and none of us can change our yesterdays, but every one of us can change our tomorrows.

And America's best example of that may be Lynn Woolsey, who worked her way off welfare to become a Congresswoman from the state of California.

Crime

I know the members of this Congress are concerned about crime, as are all the citizens of our country. But I remind you that last year we passed a very tough crime bill—-longer sentences, three strikes and you're out, almost 60 new capital punishment offenses, more prisons, more prevention, 100,000 more police—and we paid for it all by reducing the size of the Federal bureaucracy and giving the money back to local communities to lower the crime rate.

There may be other things we can do to be tougher on crime, to be smarter with crime, to help to lower that rate first. Well if there are, let's talk about them and let's do them. But let's not go back on the things that we did last year that we know work—that we know work because the local law-enforcement officers tell us that we did the right thing. Because local community leaders, who've worked for years and years to lower the crime rate, tell us that they work.

Let's look at the experience of our cities and our rural areas where the crime rate has gone down and ask the people who did it how they did it and if what we did last year supports the decline in the crime rate, and I am convinced that it does, let us not go back on it, let's stick with it, implement it—we've got four more hard years of work to do to do that.

I don't want to destroy the good atmosphere in the room or in the country tonight, but I have to mention one issue that divided this body greatly last year. The last Congress also passed the Brady bill and in the crime bill the ban on 19 assault weapons.

I don't think it's a secret to anybody in this room that several members of the last Congress who voted for that aren't here tonight because they voted for it. And I know,

therefore, that some of you that are here because they voted for it are under enormous pressure to repeal it. I just have to tell you how I feel about it.

The members who voted for that bill and I would never do anything to infringe on the right to keep and bear arms to hunt and to engage in other appropriate sporting activities. I've done it since I was a boy, and I'm going to keep right on doing it until I can't do it anymore.

Page 3130

But a lot of people laid down their seats in Congress so that police officers and kids wouldn't have to lay down their lives under a hail of assault-weapon attacks, and I will not let that be repealed. I will not let it be repealed.

I'd like to talk about a couple of other issues we have to deal with. I want us to cut more spending, but I hope we won't cut Government programs that help to prepare us for the new economy, promote responsibility and are organized from the grass roots up, not by Federal bureaucracy.

The very best example of this is the National Service Corps—AmeriCorps. It passed with strong bipartisan support and now there are 20,000 Americans —more than ever served in one year in the Peace Corps—working all over this country, helping person to person in local grass-roots volunteer groups, solving problems and in the process earning some money for their education.

This is citizenship at its best. It's good for the AmeriCorps members, but it's good for the rest of us, too. It's the essence of the New Covenant and we shouldn't stop it.

Illegal Immigration

All Americans, not only in the states most heavily affected, but in every place in this country are rightly disturbed by the large numbers of illegal aliens entering our country.

The jobs they hold might otherwise be held by citizens or legal immigrants. The public services they use impose burdens on our taxpayers. That's why our Administration has moved aggressively to secure our borders more, by hiring a record number of new border guards, by deporting twice as many criminal aliens as ever before, by cracking down on illegal hiring, by barring welfare benefits to illegal aliens.

In the budget I will present to you, we will try to do more to speed the deportation of illegal aliens who are arrested for crimes, to better identify illegal aliens in the workplace as recommended by the commission headed by former Congresswoman Barbara Jordan.

We are a nation of immigrants, but we are also a nation of laws. It is wrong and ultimately self-defeating for a nation of immigrants to permit the kind of abuse of our immigration laws we have seen in recent years, and we must do more to stop it.

The most important job of our Government in this new era is to empower the American people to succeed in the global economy. America has always been a land of opportunity, a land where, if you work hard, you can get ahead. We've become a great middle-class country; middle-class values sustain us. We must expand that middle class and shrink the underclass even as we do everything we can to support the millions of Americans who are already successful in the new economy.

America is once again the world's strongest economic power: almost six million new jobs in the last two years, exports booming, inflation down, high-wage jobs are coming back. A record number of American entrepreneurs are living the American dream.

Page 3131

If we want it to stay that way, those who work and lift our nation must have more of its benefits.

Today, too many of those people are being left out. They're working harder for less. They have less security, less income, less certainty that they can even afford a vacation, much less college for their kids or retirement for themselves.

We cannot let this continue. If we don't act, our economy will probably keep doing what it's been doing since about 1978, when the income growth began to go to those at the very top of our economic scale. And the people in the vast middle got very little growth and people who worked like crazy but were on the bottom then, fell even further and further behind in the years afterward, no matter how hard they worked.

We've got to have a Government that can be a real partner in making this new economy work for all of our people, a Government that helps each and every one of us to get an education and to have the opportunity to renew our skills.

Education

That's why we worked so hard to increase educational opportunities in the last two years from Head Start to public schools to apprenticeships for young people who don't go to college, to making college loans more available and more affordable.

That's the first thing we have to do: We've got to do something to empower people to improve their skills.

Taxes

Second thing we ought to do is to help people raise their incomes immediately by lowering their taxes.

We took the first step in 1993 with a working family tax cut for 15 million families with incomes under $ 27,000, a tax cut that this year will average about $ 1,000 a family.

And we also gave tax reductions to most small and new businesses. Before we could do more than that, we first had to bring down the deficit we inherited and we had to get economic growth up. Now we've done both, and now we can cut taxes in a more comprehensive way.

But tax cuts should reinforce and promote our first obligation: to empower our citizens through education and training to make the most of their own lives. The spotlight should shine on those who make the right choices for themselves, their families and their communities.

Middle Class Bill Of Rights

I have proposed a middle-class bill of rights, which should properly be called the bill of rights and responsibilities, because its provisions only benefit those who are working to educate and raise their children and to educate themselves. It will, therefore, give needed tax relief and raise incomes, in both the short run and the long run, in a way that benefits all of us.

There are four provisions:

First, a tax deduction for all education and training after high school. If you think about it, we permit businesses to deduct their investment, we permit individuals to deduct interest on their home mortgages, but today an education is even more important to the economic well-being of our whole country than even those things are. We should do everything we can to encourage it, and I hope you will support it.

Page 3132

Second, we ought to cut taxes $ 500 for families with children under 13.

Third, we ought to foster more savings and personal responsibility by permitting people to establish an individual retirement account and withdraw from it tax free for the cost of education, health care, first-time home buying or the care of a parent.

And fourth, we should pass a G.I. bill for America's workers. We propose to collapse nearly 70 Federal programs and not give the money to the states but give the money directly to the American people, offer vouchers to them so that they—if they're laid off or if they're working for a very low wage—can get a voucher worth $ 2,600 a year for up to two years to go to their local community colleges or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way. Move it from the Government directly to the workers of America.

Cutting The Deficit Now

Any one of us can call for a tax cut, but I won't accept one that explodes the deficit or puts our recovery at risk. We ought to pay for our tax cuts fully and honestly. Just two years ago it was an open question whether we would find the strength to cut the deficit.

Thanks to the courage of the people who were here then, many of whom didn't return, we did cut the deficit. We began to do what others said would not be done: We cut the deficit by over $ 600 billion, about $ 10,000 for every family in this country. It's coming down three years in a row for the first time since Mr. Truman was President and I don't think anybody in America wants us to let it explode again.

In the budget I will send you, the middle-class bill of rights is fully paid for by budget cuts in bureaucracy, cuts in programs, cuts in special interest subsidies. And the spending cuts will more than double the tax cuts. My budget pays for the middle-class bill of rights without any cuts in Medicare, and I will oppose any attempts to pay for tax cuts with Medicare cuts. That's not the right thing to do.

I know that a lot of you have your own ideas about tax relief. And some of them, I find quite interesting. I really want to work with all of you.

My tests for our proposals will be: Will it create jobs and raise incomes? Will it strengthen our families and support our children? Is it paid for? Will it build the middle class and shrink the underclass?

If it does, I'll support it. But if it doesn't, I won't.

Minimum Wage

The goal of building the middle class and shrinking the underclass is also why I believe that you should raise the minimum wage.

It rewards work—two and a half million Americans, often women with children, are working out there today for four-and-a-quarter an hour. In terms of real buying power, by next year, that minimum wage will be at a 40-year low. That's not my idea of how the new economy ought to work.

Page 3133

Now I studied the arguments and the evidence for and against a minimum-wage increase. I believe the weight of the evidence is that a modest increase does not cost jobs and may even lure people back into the job market. But the most important thing is you can't make a living on $ 4.25 an hour. Now —especially if you have children, even with the working families tax cut we passed last year.

In the past, the minimum wage has been a bipartisan issue and I think it should be again. So I want to challenge you to have honest hearings on this, to get together to find a way to make the minimum wage a living wage.

Members of Congress have been here less than a month but by the end of the week—-28 days into the new year—every member of Congress will have earned as much in congressional salary as a minimum-wage worker makes all year long.

Everybody else here, including the President, has something else that too many Americans do without and that's health care.

Health Care

Now, last year we almost came to blows over health care, but we didn't do anything. And the cold, hard fact is that since last year—since I was here—another 1.1 million Americans in working families have lost their health care. And the cold, hard fact is that many millions more—most of them farmers and small business people and self-employed people—have seen their premiums skyrocket, their co-pays and deductibles go up.

There's a whole bunch of people in this country that in the statistics have health insurance but really what they've got is a piece of paper that says they won't lose their home if they get sick.

Now I still believe our country has got to move toward providing health security for every American family, but—but I know that last year, as the evidence indicates, we bit off more than we could chew.

So I'm asking you that we work together. Let's do it step by step. Let's do whatever we have to do to get something done. Let's at least pass meaningful insurance reform so that no American risks losing coverage for facing skyrocketing prices but that nobody loses their coverage because they face high prices or unavailable insurance when they change jobs or lose a job or a family member gets sick.

I want to work together with all of you who have an interest in this: with the Democrats who worked on it last time, with the Republican leaders like Senator Dole who has a longtime commitment to health care reform and made some constructive proposals in this area last year. We ought to make sure that self-employed people in small

businesses can buy insurance at more affordable rates through voluntary purchasing pools. We ought to help families provide long-term care for a sick parent to a disabled child. We can work to help workers who lose their jobs at least keep their health insurance coverage for a year while they look for work, and we can find a way—it may take some time, but we can find a way—to make sure that our children have health care.

Page 3134

You know, I think everybody in this room, without regard to party, can be proud of the fact that our country was rated as having the world's most productive economy for the first time in nearly a decade, but we can't be proud of the fact that we're the only wealthy country in the world that has a smaller percentage of the work force and their children with health insurance today than we did 10 years ago—the last time we were the most productive economy in the world.

So let's work together on this. It is too important for politics as usual.

Much of what the American people are thinking about tonight is what we've already talked about. A lot of people think that the security concerns of America today are entirely internal to our borders, they relate to the security of our jobs and our homes and our incomes and our children, our streets, our health and protecting those borders.

Foreign Policy

Now that the Cold War has passed, it's tempting to believe that all the security issues, with the possible exception of trade, reside here at home. But it's not so. Our security still depends on our continued world leadership for peace and freedom and democracy. We still can't be strong at home unless we're strong abroad.

Mexico

The financial crisis in Mexico is a case in point. I know it's not popular to say it tonight but we have to act, not for the Mexican people but for the sake of the millions of Americans whose livelihoods are tied to Mexico's well-being. If we want to secure American jobs, preserve American exports, safeguard America's borders then we must pass the stabilization program and help to put Mexico back on track.

Now let me repeat: it's not a loan, it's not foreign aid, it's not a bail-out. We'll be given a guarantee like co-signing a note with good collateral that will cover our risk.

This legislation is the right thing for America. That's why the bipartisan leadership has supported it. And I hope you in Congress will pass it quickly. It is in our interest and we can explain it to the American people, because we're going to do it in the right way.

Russia

You know, tonight this is the first State of the Union address ever delivered since the beginning of the cold war when not a single Russian missile is pointed at the children of America.

And along with the Russians, we're on our way to destroying the missiles and the bombers that carry 9,000 nuclear warheads. We've come so far so fast in this post-

cold-war world that it's easy to take the decline of the nuclear threat for granted. But it's still there, and we aren't finished yet.

This year, I'll ask the Senate to approve *start* II to eliminate weapons that carry 5,000 more warheads. The United States will lead the charge to extend indefinitely the Nuclear Nonproliferation Treaty, to enact a comprehensive nuclear test ban, and to eliminate chemical weapons.

Page 3135

North Korea

To stop and roll back North Korea's potentially deadly nuclear program, we'll continue to implement the agreement we have reached with that nation. It's smart, it's tough, it's a deal based on continuing inspection with safeguards for our allies and ourselves.

This year, I'll submit to Congress comprehensive legislation to strengthen our hand in combating terrorists, whether they strike at home or abroad. As the cowards who bombed the World Trade Center found out, this country will hunt down terrorists and bring them to justice.

Middle East

Just this week, another horrendous terrorist act in Israel killed 19 and injured scores more. On behalf of the American people and all of you, I send our deepest sympathy to the families of the victims. I know that in the face of such evil, it is hard for the people in the Middle East to go forward. But the terrorists represent the past, not the future. We must and we will pursue a comprehensive peace between Israel and all her neighbors in the Middle East.

Accordingly, last night I signed an executive order that will block the assets in the United States of terrorist organizations that threaten to disrupt the peace process. It prohibits financial transactions with these groups.

And tonight I call on all our allies in peace-loving nations throughout the world to join us with renewed fervor in a global effort to combat terrorism, we cannot permit the future to be marred by terror and fear and paralysis.

Defense

From the day I took the oath of office, I pledged that our nation would maintain the best-equipped, best-trained and best-prepared military on earth. We have and they are. They have managed the dramatic downsizing of our forces after the cold war with remarkable skill and spirit. But to make sure our military is ready for action and to provide the pay and the quality of life the military and their families deserve, I'm asking the Congress to add $ 25 billion in defense spending over the next six years.

I have visited many bases at home and around the world since I became President. Tonight I repeat that request with renewed conviction. We ask a very great deal of our armed forces. Now that they are smaller in number, we ask more of them. They go out more often to more different places and stay longer. They are called to service in many, many ways, and we must give them and their families what the times demand and what they have earned.

Just think about what our troops have done in the last year, showing America at its best, helping to save hundreds of thousands of people in Rwanda, moving with lightning speed to head off another threat to Kuwait, giving freedom and democracy back to the people of Haiti.

We have proudly supported peace and prosperity and freedom from South Africa to Northern Ireland, from Central and Eastern Europe to Asia, from Latin America to the Middle East. All these endeavors are good in those places but they make our future more confident and more secure.

Page 3136

Well, my fellow Americans, that's my agenda for America's future: expanding opportunity not bureaucracy, enhancing security at home and abroad, empowering our people to make the most of their own lives.

It's ambitious and achievable. But it's not enough.

We even need more than new ideas for changing the world or equipping Americans to compete in the new economy, more than a Government that's smaller, smarter and wiser, more than all the changes we can make in Government and in the private sector from the outside in.

Values And Voices

Our fortunes and our prosperity also depend upon our ability to answer some questions from within—from the values and voices that speak to our hearts as well as our heads, voices that tell us we have to do more to accept responsibility for ourselves and our families, for our communities, and yes, for our fellow citizens.

We see our families and our communities all over this country coming apart. And we feel the common ground shifting from under us. The PTA, the town hall meeting, the ball park—it's hard for a lot of overworked parents to find the time and space for those things that strengthen the bonds of trust and cooperation.

Too many of our children don't even have parents and grandparents who can give them those experiences that they need to build their own character and their sense of identity. We all know that while we here in this chamber can make a difference on those things, that the real differences will be made by our fellow citizens where they work and where they live.

And it'll be made almost without regard to party. When I used to go to the softball park in Little Rock to watch my daughter's league and people would come up to me—fathers and mothers—and talk to me, I can honestly say I had no idea whether 90 percent of them were Republicans or Democrats.

When I visited the relief centers after the floods in California, Northern California, last week, a woman came up to me and did something that very few of you would do. She hugged me and said, "Mr. President, I'm a Republican, but I'm glad you're here."

Now, why? We can't wait for disasters to act the way we used to act every day. Because as we move into this next century, everybody matters. We don't have a person to waste. And a lot of people are losing a lot of chances to do better.

That means that we need a New Covenant for everybody—for our corporate and business leaders, we're going to work here to keep bringing the deficit down, to expand markets, to support their success in every possible way. But they have an obligation:

when they're doing well, to keep jobs in our communities and give their workers a fair share of the prosperity they generate.

For people in the entertainment industry in this country, we applaud your creativity and your worldwide success and we support your freedom of expression but you do have a responsibility to assess the impact of your work and to understand the damage that comes from the incessant, repetitive, mindless violence and irresponsible conduct that permeates our media all the time.

Page 3137

We've got to ask our community leaders and all kinds of organizations to help us stop our most serious social problem: the epidemic of teen pregnancies and births where there is no marriage. I have sent to Congress a plan to target schools all over this country with anti-pregnancy programs that work. But government can only do so much. Tonight, I call on parents and leaders all across this country to join together in a national campaign against teen pregnancy to make a difference. We can do this and we must.

And I would like to say a special word to our religious leaders. You know, I'm proud of the fact that the United States has more house of worship per capita than any country in the world. These people, who lead our houses of worship, can ignite their congregations to carry their faith into action, can reach out to all of our children, to all of the people in distress, to those who have been savaged by the breakdown of all we hold dear, because so much of what must be done must come from the inside out. And our religious leaders and their congregations can make all the difference. They have a role in the New Covenant as well.

There must be more responsibility for all of our citizens. You know it takes a lot of people to help all the kids in trouble stay off the streets and in school. It takes a lot of people to build the Habitat for Humanity houses that the Speaker celebrates on his lapel pin. It takes a lot of people to provide the people power for all the civic organizations in this country that made our communities mean so much to most of us when we were kids. It takes every parent to teach the children the difference between right and wrong and to encourage them to learn and grow and to say no to the wrong things but also to believe that they can be whatever they want to be.

I know it's hard when you're working harder for less, when you're under great stress, to do these things. A lot of our people don't have the time or the emotional stress they think to do the work of citizenship. Most of us in politics haven't helped very much. For years, we've mostly treated citizens like they were consumers or spectators, sort of political couch potatoes who were supposed to watch the TV ads—either promise them something for nothing or play on their fears and frustrations. And more and more of our citizens now get most of their information in very negative and aggressive ways that is hardly conducive to honest and open conversations. But the truth is we have got to stop seeing each other as enemies just because we have different views.

If you go back to the beginning of this country, the great strength of America, as de Tocqueville pointed out when he came here a long time ago, has always been our ability to associate with people who were different from ourselves and to work together to find common ground. And in this day everybody has a responsibility to do more of that. We simply cannot wait for a tornado, a fire or a flood to behave like Americans ought to behave in dealing with one another.

Page 3138

I want to finish up here by pointing out some folks that are up with the First Lady that represent what I'm trying to talk about. Citizens. I have no idea what their party affiliation is or who they voted for in the last election, but they represent what we ought to be doing.

Cindy Perry teaches second-graders to read in AmeriCorps in rural Kentucky. She gains when she gives. She's a mother of four.

She says that her service inspired her to get her high school equivalency last year. She was married when she was a teen-ager. Stand up, Cindy. She married when she was a teen-ager. She had four children, but she had time to serve other people, to get her high school equivalency and she's going to use her AmeriCorps money to go back to college.

Steven Bishop is the police chief of Kansas City. He's been a national leader—stand up Steve. He's been a national leader in using more police in community policing and he's worked with AmeriCorps to do it, and the crime rate in Kansas City has gone down as a result of what he did.

Cpl. Gregory Depestre went to Haiti as part of his adopted country's force to help secure democracy in his native land. And I might add we must be the only country in the world that could have gone to Haiti and taken Haitian-Americans there who could speak the language and talk to the people, and he was one of them and we're proud of him.

The next two folks I've had the honor of meeting and getting to know a little bit. The Rev. John and the Rev. Diana Cherry of the A.M.E. Zion Church in Temple Hills, Md. I'd like to ask them to stand. I want to tell you about them. In the early 80's they left Government service and formed a church in a small living room in a small house in the early 80's. Today that church has 17,000 members. It is one of the three or four biggest churches in the entire United States. It grows by 200 a month.

They do it together. And the special focus of their ministry is keeping families together. They are—Two things they did make a big impression on me. I visited their church once and I learned they were building a new sanctuary closer to the Washington, D.C., line, in a higher-crime, higher-drug-rate area because they thought it was part of their ministry to change the lives of the people who needed them. Second thing I want to say is that once Reverend Cherry was at a meeting at the White House with some other religious leaders and he left early to go back to his church to minister to 150 couples that he had brought back to his church from all over America to convince them to come back together to save their marriages and to raise their kids. This is the kind of work that citizens are doing in America. We need more of it and it ought to be lifted up and supported.

Page 3139

The last person I want to introduce is Jack Lucas from Hattiesburg, Mississippi. Jack, would you stand up. Fifty years ago in the sands of Iwo Jima, Jack Lucas taught and learned the lessons of citizenship. On February the 20th, 1945, he and three of his buddies encountered the enemy and two grenades at their feet. Jack Lucas threw himself on both of them. In that moment he saved the lives of his companions and miraculously in the next instant a medic saved his life. He gained a foothold for freedom and at the age of 17, just a year older than his grandson, who's up there with him today, and his son, who is a West Point graduate and a veteran, at 17, Jack Lucas became the youngest marine in history and the youngest soldier in this century to win the Congressional Medal of Honor. All these years later, yesterday, here's what he said about that day: Didn't matter where you were from or who you were. You relied on one another. You did it for your country. We all gain when we give and we reap what we sow. That's at the heart of this New Covenant. Responsibility, opportunity and citizenship.

More than stale chapters in some remote civic book they're still the virtue by which we can fulfill ourselves and reach our God-given potential and be like them. And also to fulfill the eternal promise of this country, the enduring dream from that first and most-sacred covenant. I believe every person in this country still believes that we are created equal and given by our creator the right to life, liberty and the pursuit of happiness.

This is a very, very great country and our best days are still to come. Thank you and God bless you all.

***

State of the Union Address
William J. Clinton
January 23, 1996

Mr. Speaker, Mr. Vice President, members of the 104th Congress, distinguished guests, my fellow Americans all across our land:

Let me begin tonight by saying to our men and women in uniform around the world, and especially those helping peace take root in Bosnia and to their families, I thank you. America is very, very proud of you.

My duty tonight is to report on the state of the Union—not the state of our government, but of our American community; and to set forth our responsibilities, in the words of our Founders, to form a more perfect union.

The state of the Union is strong. Our economy is the healthiest it has been in three decades. We have the lowest combined rates of unemployment and inflation in 27 years. We have created nearly 8 million new jobs, over a million of them in basic

industries, like construction and automobiles. America is selling more cars than Japan for the first time since the 1970s. And for three years in a row, we have had a record number of new businesses started in our country.

Our leadership in the world is also strong, bringing hope for new peace. And perhaps most important, we are gaining ground in restoring our fundamental values. The crime rate, the welfare and food stamp rolls, the poverty rate and the teen pregnancy rate are all down. And as they go down, prospects for America's future go up.

Page 3140

We live in an age of possibility. A hundred years ago we moved from farm to factory. Now we move to an age of technology, information, and global competition. These changes have opened vast new opportunities for our people, but they have also presented them with stiff challenges. While more Americans are living better, too many of our fellow citizens are working harder just to keep up, and they are rightly concerned about the security of their families.

The Role Of Government

We must answer here three fundamental questions: First, how do we make the American Dream of opportunity for all a reality for all Americans who are willing to work for it? Second, how do we preserve our old and enduring values as we move into the future? And, third, how do we meet these challenges together, as one America?

We know big government does not have all the answers. We know there's not a program for every problem. We have worked to give the American people a smaller, less bureaucratic government in Washington. And we have to give the American people one that lives within its means.

The era of big government is over. But we cannot go back to the time when our citizens were left to fend for themselves. Instead, we must go forward as one America, one nation working together to meet the challenges we face together. Self-reliance and teamwork are not opposing virtues; we must have both.

I believe our new, smaller government must work in an old-fashioned American way, together with all of our citizens through state and local governments, in the workplace, in religious, charitable and civic associations. Our goal must be to enable all our people to make the most of their own lives—with stronger families, more educational opportunity, economic security, safer streets, a cleaner environment in a safer world.

To improve the state of our Union, we must ask more of ourselves, we must expect more of each other, and we must face our challenges together.

Here, in this place, our responsibility begins with balancing the budget in a way that is fair to all Americans. There is now broad bipartisan agreement that permanent deficit spending must come to an end.

I compliment the Republican leadership and the membership for the energy and determination you have brought to this task of balancing the budget. And I thank the Democrats for passing the largest deficit reduction plan in history in 1993, which has already cut the deficit nearly in half in three years.

Deficit

Since 1993, we have all begun to see the benefits of deficit reduction. Lower interest rates have made it easier for businesses to borrow and to invest and to create new jobs. Lower interest rates have brought down the cost of home mortgages, car payments and credit card rates to ordinary citizens. Now, it is time to finish the job and balance the budget.

Though differences remain among us which are significant, the combined total of the proposed savings that are common to both plans is more than enough, using the numbers from your Congressional Budget Office to balance the budget in seven years and to provide a modest tax cut.

Page 3141

These cuts are real. They will require sacrifice from everyone. But these cuts do not undermine our fundamental obligations to our parents, our children, and our future, by endangering Medicare, or Medicaid, or education, or the environment, or by raising taxes on working families.

I have said before, and let me say again, many good ideas have come out of our negotiations. I have learned a lot about the way both Republicans and Democrats view the debate before us. I have learned a lot about the good ideas that we could all embrace.

We ought to resolve our remaining differences. I am willing to work to resolve them. I am ready to meet tomorrow. But I ask you to consider that we should at least enact these savings that both plans have in common and give the American people their balanced budget, a tax cut, lower interest rates, and a brighter future. We should do that now, and make permanent deficits yesterday's legacy.

Now it is time for us to look also to the challenges of today and tomorrow, beyond the burdens of yesterday. The challenges are significant. But America was built on challenges, not promises. And when we work together to meet them, we never fail. That is the key to a more perfect Union. Our individual dreams must be realized by our common efforts.

Tonight I want to speak to you about the challenges we all face as a people.

Strengthening Families

Our first challenge is to cherish our children and strengthen America's families. Family is the foundation of American life. If we have stronger families, we will have a stronger America.

Before I go on, I would like to take just a moment to thank my own family, and to thank the person who has taught me more than anyone else over 25 years about the importance of families and children—a wonderful wife, a magnificent mother and a great First Lady. Thank you, Hillary.

All strong families begin with taking more responsibility for our children. I have heard Mrs. Gore say that it's hard to be a parent today, but it's even harder to be a child. So all of us, not just as parents, but all of us in our other roles—our media, our schools, our teachers, our communities, our churches and synagogues, our businesses, our governments—all of us have a responsibility to help our children to make it and to make the most of their lives and their God-given capacities.

To the media, I say you should create movies and CDs and television shows you'd want your own children and grandchildren to enjoy.

I call on Congress to pass the requirement for a V-chip in TV sets so that parents can screen out programs they believe are inappropriate for their children. When parents control what their young children see, that is not censorship; that is enabling parents to assume more personal responsibility for their children's upbringing. And I urge them to do it. The V-chip requirement is part of the important telecommunications bill now pending in this Congress. It has bipartisan support, and I urge you to pass it now.

Page 3142

To make the V-chip work, I challenge the broadcast industry to do what movies have done—to identify your programming in ways that help parents to protect their children. And I invite the leaders of major media corporations in the entertainment industry to come to the White House next month to work with us in a positive way on concrete ways to improve what our children see on television. I am ready to work with you.

I say to those who make and market cigarettes: every year a million children take up smoking, even though it is against the law. Three hundred thousand of them will have their lives shortened as a result. Our administration has taken steps to stop the massive marketing campaigns that appeal to our children. We are simply saying: Market your products to adults, if you wish, but draw the line on children.

I say to those who are on welfare, and especially to those who have been trapped on welfare for a long time: For too long our welfare system has undermined the values of family and work, instead of supporting them. The Congress and I are near agreement on sweeping welfare reform. We agree on time limits, tough work requirements, and the toughest possible child support enforcement. But I believe we must also provide child care so that mothers who are required to go to work can do so without worrying about what is happening to their children.

I challenge this Congress to send me a bipartisan welfare reform bill that will really move people from welfare to work and do the right thing by our children. I will sign it immediately.

Let us be candid about this difficult problem. Passing a law, even the best possible law, is only a first step. The next step is to make it work. I challenge people on welfare to make the most of this opportunity for independence. I challenge American businesses to give people on welfare the chance to move into the work force. I applaud the work of religious groups and others who care for the poor. More than anyone else in our society, they know the true difficulty of the task before us, and they are in a position to help. Every one of us should join them. That is the only way we can make real welfare reform a reality in the lives of the American people.

To strengthen the family we must do everything we can to keep the teen pregnancy rate going down. I am gratified, as I'm sure all Americans are, that it has dropped for two years in a row. But we all know it is still far too high.

Tonight I am pleased to announce that a group of prominent Americans is responding to that challenge by forming an organization that will support grass-roots community efforts all across our country in a national campaign against teen pregnancy. And I challenge all of us and every American to join their efforts.

I call on American men and women in families to give greater respect to one another. We must end the deadly scourge of domestic violence in our country. And I challenge

America's families to work harder to stay together. For families who stay together not only do better economically, their children do better as well.

Page 3143

In particular, I challenge the fathers of this country to love and care for their children. If your family has separated, you must pay your child support. We're doing more than ever to make sure you do, and we're going to do more, but let's all admit something about that, too: A check will not substitute for a parent's love and guidance. And only you—only you can make the decision to help raise your children. No matter who you are, how low or high your station in life, it is the most basic human duty of every American to do that job to the best of his or her ability.

Education

Our second challenge is to provide Americans with the educational opportunities we will all need for this new century. In our schools, every classroom in America must be connected to the information superhighway, with computers and good software, and well-trained teachers. We are working with the telecommunications industry, educators and parents to connect 20 percent of California's classrooms by this spring, and every classroom and every library in the entire United States by the year 2000. I ask Congress to support this education technology initiative so that we can make sure this national partnership succeeds.

Every diploma ought to mean something. I challenge every community, every school and every state to adopt national standards of excellence; to measure whether schools are meeting those standards; to cut bureaucratic red tape so that schools and teachers have more flexibility for grass-roots reform; and to hold them accountable for results. That's what our Goals 2000 initiative is all about.

I challenge every state to give all parents the right to choose which public school their children will attend; and to let teachers form new schools with a charter they can keep only if they do a good job.

I challenge all our schools to teach character education, to teach good values and good citizenship. And if it means that teenagers will stop killing each other over designer jackets, then our public schools should be able to require their students to wear school uniforms.

I challenge our parents to become their children's first teachers. Turn off the TV. See that the homework is done. And visit your children's classroom. No program, no teacher, no one else can do that for you.

My fellow Americans, higher education is more important today than ever before. We've created a new student loan program that's made it easier to borrow and repay those loans, and we have dramatically cut the student loan default rate. That's something we should all be proud of, because it was unconscionably high just a few years ago. Through AmeriCorps, our national service program, this year 25,000 young people will earn college money by serving their local communities to improve the lives of their

friends and neighbors. These initiatives are right for America and we should keep them going.

Page 3144

And we should also work hard to open the doors of college even wider. I challenge Congress to expand work-study and help one million young Americans work their way through college by the year 2000; to provide a $1000 merit scholarship for the top five percent of graduates in every high school in the United States; to expand Pell Grant scholarships for deserving and needy students; and to make up to $10,000 a year of college tuition tax deductible. It's a good idea for America.

Our third challenge is to help every American who is willing to work for it, achieve economic security in this new age. People who work hard still need support to get ahead in the new economy. They need education and training for a lifetime. They need more support for families raising children. They need retirement security. They need access to health care. More and more Americans are finding that the education of their childhood simply doesn't last a lifetime.

G.I. Bill For Workers

So I challenge Congress to consolidate 70 overlapping, antiquated job-training programs into a simple voucher worth $2,600 for unemployed or underemployed workers to use as they please for community college tuition or other training. This is a G.I. Bill for America's workers we should all be able to agree on.

More and more Americans are working hard without a raise. Congress sets the minimum wage. Within a year, the minimum wage will fall to a 40-year low in purchasing power. Four dollars and 25 cents an hour is no longer a living wage, but millions of Americans and their children are trying to live on it. I challenge you to raise their minimum wage.

In 1993, Congress cut the taxes of 15 million hard-pressed working families to make sure that no parents who work full-time would have to raise their children in poverty, and to encourage people to move from welfare to work. This expanded earned income tax credit is now worth about $1,800 a year to a family of four living on $20,000. The budget bill I vetoed would have reversed this achievement and raised taxes on nearly 8 million of these people. We should not do that.

I also agree that the people who are helped under this initiative are not all those in our country who are working hard to do a good job raising their children and at work. I agree that we need a tax credit for working families with children. That's one of the things most of us in this Chamber, I hope, can agree on. I know it is strongly supported by the Republican majority. And it should be part of any final budget agreement.

I want to challenge every business that can possibly afford it to provide pensions for your employees. And I challenge Congress to pass a proposal recommended by the White House Conference on Small Business that would make it easier for small

businesses and farmers to establish their own pension plans. That is something we should all agree on.

Page 3145

We should also protect existing pension plans. Two years ago, with bipartisan support that was almost unanimous on both sides of the aisle, we moved to protect the pensions of 8 million working people and to stabilize the pensions of 32 million more. Congress should not now let companies endanger those workers' pension funds. I know the proposal to liberalize the ability of employers to take money out of pension funds for other purposes would raise money for the treasury. But I believe it is false economy. I vetoed that proposal last year, and I would have to do so again.

Health Care

Finally, if our working families are going to succeed in the new economy, they must be able to buy health insurance policies that they do not lose when they change jobs or when someone in their family gets sick. Over the past two years, over one million Americans in working families have lost their health insurance. We have to do more to make health care available to every American. And Congress should start by passing the bipartisan bill sponsored by Senator Kennedy and Senator Kassebaum that would require insurance companies to stop dropping people when they switch jobs, and stop denying coverage for preexisting conditions. Let's all do that.

And even as we enact savings in these programs, we must have a common commitment to preserve the basic protections of Medicare and Medicaid—not just to the poor, but to people in working families, including children, people with disabilities, people with *aids*, and senior citizens in nursing homes.

In the past three years, we've saved $15 billion just by fighting health care fraud and abuse. We have all agreed to save much more. We have all agreed to stabilize the Medicare Trust Fund. But we must not abandon our fundamental obligations to the people who need Medicare and Medicaid. America cannot become stronger if they become weaker.

The G.I. Bill for workers, tax relief for education and child rearing, pension availability and protection, access to health care, preservation of Medicare and Medicaid—these things, along with the Family and Medical Leave Act passed in 1993—these things will help responsible, hard-working American families to make the most of their own lives.

But employers and employees must do their part, as well, as they are doing in so many of our finest companies—working together, putting the long-term prosperity ahead of the short-term gain. As workers increase their hours and their productivity, employers should make sure they get the skills they need and share the benefits of the good years, as well as the burdens of the bad ones. When companies and workers work as a team they do better, and so does America.

Crime

Our fourth great challenge is to take our streets back from crime and gangs and drugs. At last we have begun to find a way to reduce crime, forming community partnerships with local police forces to catch criminals and prevent crime. This strategy, called community policing, is clearly working. Violent crime is coming down all across America. In New York City murders are down 25 percent; in St. Louis, 18 percent; in Seattle, 32 percent. But we still have a long way to go before our streets are safe and our people are free from fear.

Page 3146

The Crime Bill of 1994 is critical to the success of community policing. It provides funds for 100,000 new police in communities of all sizes. We're already a third of the way there. And I challenge the Congress to finish the job. Let us stick with a strategy that's working and keep the crime rate coming down.

Community policing also requires bonds of trust between citizens and police. I ask all Americans to respect and support our law enforcement officers. And to our police, I say, our children need you as role models and heroes. Don't let them down.

The Brady Bill has already stopped 44,000 people with criminal records from buying guns. The assault weapons ban is keeping 19 kinds of assault weapons out of the hands of violent gangs. I challenge the Congress to keep those laws on the books.

Our next step in the fight against crime is to take on gangs the way we once took on the mob. I'm directing the FBI and other investigative agencies to target gangs that involve juveniles in violent crime, and to seek authority to prosecute as adults teenagers who maim and kill like adults.

And I challenge local housing authorities and tenant associations: Criminal gang members and drug dealers are destroying the lives of decent tenants. From now on, the rule for residents who commit crime and peddle drugs should be one strike and you're out.

I challenge every state to match federal policy to assure that serious violent criminals serve at least 85 percent of their sentence.

More police and punishment are important, but they're not enough. We have got to keep more of our young people out of trouble, with prevention strategies not dictated by Washington, but developed in communities. I challenge all of our communities, all of our adults, to give our children futures to say yes to. And I challenge Congress not to abandon the Crime Bill's support of these grass-roots prevention efforts.

Finally, to reduce crime and violence we have to reduce the drug problem. The challenge begins in our homes, with parents talking to their children openly and firmly. It embraces our churches and synagogues, our youth groups and our schools.

I challenge Congress not to cut our support for drug-free schools. People like the D.A.R.E. officers are making a real impression on grade schoolchildren that will give them the strength to say no when the time comes.

Meanwhile, we continue our efforts to cut the flow of drugs into America. For the last two years, one man in particular has been on the front lines of that effort. Tonight I am nominating him—a hero of the Persian Gulf War and the Commander in Chief of the

United States Military Southern Command—General Barry McCaffrey, as America's new Drug Czar.

General McCaffrey has earned three Purple Hearts and two Silver Stars fighting for this country. Tonight I ask that he lead our nation's battle against drugs at home and abroad. To succeed, he needs a force far larger than he has ever commanded before. He needs all of us. Every one of us has a role to play on this team.

Page 3147

Thank you, General McCaffrey, for agreeing to serve your country one more time.

Environment

Our fifth challenge: to leave our environment safe and clean for the next generation. Because of a generation of bipartisan effort we do have cleaner water and air, lead levels in children's blood has been cut by 70 percent, toxic emissions from factories cut in half. Lake Erie was dead, and now it's a thriving resource. But 10 million children under 12 still live within four miles of a toxic waste dump. A third of us breathe air that endangers our health. And in too many communities, the water is not safe to drink. We still have much to do.

Yet Congress has voted to cut environmental enforcement by 25 percent. That means more toxic chemicals in our water, more smog in our air, more pesticides in our food. Lobbyists for polluters have been allowed to write their own loopholes into bills to weaken laws that protect the health and safety of our children. Some say that the taxpayer should pick up the tab for toxic waste and let polluters who can afford to fix it off the hook. I challenge Congress to reexamine those policies and to reverse them.

This issue has not been a partisan issue. The most significant environmental gains in the last 30 years were made under a Democratic Congress and President Richard Nixon. We can work together. We have to believe some basic things. Do you believe we can expand the economy without hurting the environment? I do. Do you believe we can create more jobs over the long run by cleaning the environment up? I know we can. That should be our commitment.

We must challenge businesses and communities to take more initiative in protecting the environment, and we have to make it easier for them to do it. To businesses this administration is saying: If you can find a cheaper, more efficient way than government regulations require to meet tough pollution standards, do it—as long as you do it right. To communities we say: We must strengthen community right-to-know laws requiring polluters to disclose their emissions, but you have to use the information to work with business to cut pollution. People do have a right to know that their air and their water are safe.

Foreign Policy

Our sixth challenge is to maintain America's leadership in the fight for freedom and peace throughout the world. Because of American leadership, more people than ever before live free and at peace. And Americans have known 50 years of prosperity and security.

We owe thanks especially to our veterans of World War II. I would like to say to Senator Bob Dole and to all others in this Chamber who fought in World War II, and to all others

on both sides of the aisle who have fought bravely in all our conflicts since: I salute your service, and so do the American people.

All over the world, even after the Cold War, people still look to us and trust us to help them seek the blessings of peace and freedom. But as the Cold War fades into memory, voices of isolation say America should retreat from its responsibilities. I say they are wrong.

Page 3148

The threats we face today as Americans respect no nation's borders. Think of them: terrorism, the spread of weapons of mass destruction, organized crime, drug trafficking, ethnic and religious hatred, aggression by rogue states, environmental degradation. If we fail to address these threats today, we will suffer the consequences in all our tomorrows.

Of course, we can't be everywhere. Of course, we can't do everything. But where our interests and our values are at stake, and where we can make a difference, America must lead. We must not be isolationist.

We must not be the world's policeman. But we can and should be the world's very best peacemaker. By keeping our military strong, by using diplomacy where we can and force where we must, by working with others to share the risk and the cost of our efforts, America is making a difference for people here and around the world. For the first time since the dawn of the nuclear age, there is not a single Russian missile pointed at America's children.

North Korea

North Korea has now frozen its dangerous nuclear weapons program. In Haiti, the dictators are gone, democracy has a new day, the flow of desperate refugees to our shores has subsided. Through tougher trade deals for America—over 80 of them—we have opened markets abroad, and now exports are at an all-time high, growing faster than imports and creating good American jobs.

Northern Ireland

We stood with those taking risks for peace: In Northern Ireland, where Catholic and Protestant children now tell their parents, violence must never return. In the Middle East, where Arabs and Jews who once seemed destined to fight forever now share knowledge and resources, and even dreams.

Bosnia

And we stood up for peace in Bosnia. Remember the skeletal prisoners, the mass graves, the campaign to rape and torture, the endless lines of refugees, the threat of a spreading war. All these threats, all these horrors have now begun to give way to the promise of peace. Now, our troops and a strong NATO, together with our new partners from Central Europe and elsewhere, are helping that peace to take hold.

As all of you know, I was just there with a bipartisan congressional group, and I was so proud not only of what our troops were doing, but of the pride they evidenced in what they were doing. They knew what America's mission in this world is, and they were proud to be carrying it out.

Through these efforts, we have enhanced the security of the American people. But make no mistake about it: important challenges remain.

Russia

The *start* II Treaty with Russia will cut our nuclear stockpiles by another 25 percent. I urge the Senate to ratify it—now. We must end the race to create new nuclear weapons by signing a truly comprehensive nuclear test ban treaty—this year.

Page 3149

As we remember what happened in the Japanese subway, we can outlaw poison gas forever if the Senate ratifies the Chemical Weapons Convention—this year. We can intensify the fight against terrorists and organized criminals at home and abroad if Congress passes the anti-terrorism legislation I proposed after the Oklahoma City bombing—now. We can help more people move from hatred to hope all across the world in our own interest if Congress gives us the means to remain the world's leader for peace.

My fellow Americans, the six challenges I have just discussed are for all of us. Our seventh challenge is really America's challenge to those of us in this hallowed hall tonight: to reinvent our government and make our democracy work for them.

Reform

Last year this Congress applied to itself the laws it applies to everyone else. This Congress banned gifts and meals from lobbyists. This Congress forced lobbyists to disclose who pays them and what legislation they are trying to pass or kill. This Congress did that, and I applaud you for it.

Now I challenge Congress to go further—to curb special interest influence in politics by passing the first truly bipartisan campaign reform bill in a generation. You, Republicans and Democrats alike, can show the American people that we can limit spending and open the airwaves to all candidates.

I also appeal to Congress to pass the line-item veto you promised the American people.

Our administration is working hard to give the American people a government that works better and costs less. Thanks to the work of Vice President Gore, we are eliminating 16,000 pages of unnecessary rules and regulations, shifting more decision-making out of Washington, back to states and local communities.

As we move into the era of balanced budgets and smaller government, we must work in new ways to enable people to make the most of their own lives. We are helping America's communities, not with more bureaucracy, but with more opportunities. Through our successful Empowerment Zones and Community Development Banks, we are helping people to find jobs, to start businesses. And with tax incentives for companies that clean up abandoned industrial property, we can bring jobs back to places that desperately, desperately need them.

But there are some areas that the federal government should not leave and should address and address strongly. One of these areas is the problem of illegal immigration. After years of neglect, this administration has taken a strong stand to stiffen the protection of our borders. We are increasing border controls by 50 percent. We are increasing inspections to prevent the hiring of illegal immigrants. And tonight, I

announce I will sign an executive order to deny federal contracts to businesses that hire illegal immigrants.

Let me be very clear about this: We are still a nation of immigrants; we should be proud of it. We should honor every legal immigrant here, working hard to become a new citizen. But we are also a nation of laws.

Page 3150

I want to say a special word now to those who work for our federal government. Today our federal government is 200,000 employees smaller than it was the day I took office as President.

Our federal government today is the smallest it has been in 30 years, and it's getting smaller every day. Most of our fellow Americans probably don't know that. And there is a good reason: The remaining federal work force is composed of Americans who are now working harder and working smarter than ever before, to make sure the quality of our services does not decline.

I'd like to give you one example. His name is Richard Dean. He is a 49 year-old Vietnam veteran who's worked for the Social Security Administration for 22 years now. Last year he was hard at work in the Federal Building in Oklahoma City when the blast killed 169 people and brought the rubble down all around him. He reentered that building four times. He saved the lives of three women. He's here with us this evening, and I want to recognize Richard and applaud both his public service and his extraordinary personal heroism.

But Richard Dean's story doesn't end there. This last November, he was forced out of his office when the government shut down. And the second time the government shut down he continued helping Social Security recipients, but he was working without pay.

On behalf of Richard Dean and his family, and all the other people who are out there working every day doing a good job for the American people, I challenge all of you in this Chamber: Never, ever shut the federal government down again.

On behalf of all Americans, especially those who need their Social Security payments at the beginning of March, I also challenge the Congress to preserve the full faith and credit of the United States—to honor the obligations of this great nation as we have for 220 years; to rise above partisanship and pass a straightforward extension of the debt limit and show people America keeps its word.

I know that this evening I have asked a lot of Congress, and even more from America. But I am confident: When Americans work together in their homes, their schools, their churches, their synagogues, their civic groups, their workplace, they can meet any challenge.

I say again, the era of big government is over. But we can't go back to the era of fending for yourself. We have to go forward to the era of working together as a community, as a team, as one America, with all of us reaching across these lines that divide us—the division, the discrimination, the rancor—we have to reach across it to find common ground. We have got to work together if we want America to work.

I want you to meet two more people tonight who do just that. Lucius Wright is a teacher in the Jackson, Mississippi, public school system. A Vietnam veteran, he has created groups to help inner-city children turn away from gangs and build futures they can believe in. Sergeant Jennifer Rodgers is a police officer in Oklahoma City. Like Richard Dean, she helped to pull her fellow citizens out of the rubble and deal with that awful tragedy. She reminds us that in their response to that atrocity the people of Oklahoma City lifted all of us with their basic sense of decency and community.

Page 3151

Lucius Wright and Jennifer Rodgers are special Americans. And I have the honor to announce tonight that they are the very first of several thousand Americans who will be chosen to carry the Olympic torch on its long journey from Los Angeles to the centennial of the modern Olympics in Atlanta this summer—not because they are star athletes, but because they are star citizens, community heroes meeting America's challenges. They are our real champions.

Now, each of us must hold high the torch of citizenship in our own lives. None of us can finish the race alone. We can only achieve our destiny together—one hand, one generation, one American connecting to another.

There have always been things we could do together—dreams we could make real—-which we could never have done on our own. We Americans have forged our identity, our very union, from every point of view and every point on the planet, every different opinion. But we must be bound together by a faith more powerful than any doctrine that divides us—by our belief in progress, our love of liberty, and our relentless search for common ground.

America has always sought and always risen to every challenge. Who would say that, having come so far together, we will not go forward from here? Who would say that this age of possibility is not for all Americans?

Our country is and always has been a great and good nation. But the best is yet to come, if we all do our part.

Thank you, God bless you and God bless the United States of America. Thank you.

***

State of the Union Address
William J. Clinton
February 4, 1997

Mr. Speaker, Mr. Vice President, members of the 105th Congress, distinguished guests, my fellow Americans:

I think I should start by saying thanks for inviting me back.

I come before you tonight with a challenge as great as any in our peacetime history—-and a plan of action to meet that challenge, to prepare our people for the bold new world of the 21st century.

We have much to be thankful for. With four years of growth, we have won back the basic strength of our economy. With crime and welfare rolls declining, we are winning back our optimism, the enduring faith that we can master any difficulty. With the Cold

War receding and global commerce at record levels, we are helping to win an unrivaled peace and prosperity all across the world.

My fellow Americans, the state of our union is strong, but now we must rise to the decisive moment, to make a nation and a world better than any we have ever known.

The new promise of the global economy, the Information Age, unimagined new work, life-enhancing technology—all these are ours to seize. That is our honor and our challenge. We must be shapers of events, not observers, for if we do not act, the moment will pass and we will lose the best possibilities of our future.

Page 3152

We face no imminent threat, but we do have an enemy. The enemy of our time is inaction.

So tonight I issue a call to action—action by this Congress, action by our states, by our people to prepare America for the 21st century; action to keep our economy and our democracy strong and working for all our people; action to strengthen education and harness the forces of technology and science; action to build stronger families and stronger communities and a safer environment; action to keep America the world's strongest force for peace, freedom and prosperity; and above all, action to build a more perfect union here at home.

The spirit we bring to our work will make all the difference.

We must be committed to the pursuit of opportunity for all Americans, responsibility from all Americans in a community of all Americans. And we must be committed to a new kind of government: not to solve all our problems for us, but to give our people—all our people—the tools they need to make the most of their own lives. And we must work together.

The people of this nation elected us all. They want us to be partners, not partisans. They put us all right here in the same boat. They gave us all oars, and they told us to row. Now, here is the direction I believe we should take.

First, we must move quickly to complete the unfinished business of our country: to balance the budget, renew our democracy, and finish the job of welfare reform.

Over the last four years we have brought new economic growth by investing in our people, expanding our exports, cutting our deficits, creating over 11 million new jobs, a four-year record.

Now we must keep our economy the strongest in the world. We here tonight have an historic opportunity. Let this Congress be the Congress that finally balances the budget. Thank you.

In two days I will propose a detailed plan to balance the budget by 2002. This plan will balance the budget and invest in our people while protecting Medicare, Medicaid, education and the environment. It will balance the budget and build on the vice president's efforts to make our government work better—even as it costs less.

It will balance the budget and provide middle-class tax relief to pay for education and health care, to help to raise a child, to buy and sell a home.

Balancing the budget requires only your vote and my signature. It does not require us to rewrite our Constitution. I believe, I believe it is both unnecessary, unwise to adopt a balanced budget amendment that could cripple our country in time of economic crisis

and force unwanted results such as judges halting Social Security checks or increasing taxes.

Let us at least agree we should not pass any measure, no measure should be passed that threatens Social Security. We don't need, whatever your view on that, we all must concede we don't need a constitutional amendment, we need action. Whatever our differences, we should balance the budget now, and then, for the long-term health of our society, we must agree to a bipartisan process to preserve Social Security and reform Medicare for the long run, so that these fundamental programs will be as strong for our children as they are for our parents.

Page 3153

And let me say something that's not in my script tonight. I know this is not going to be easy. But I really believe one of the reasons the American people gave me a second term was to take the tough decisions in the next four years that will carry our country through the next 50 years. I know it is easier for me than for you to say or do. But another reason I was elected is to support all of you, without regard to party, to give you what is necessary to join in these decisions. We owe it to our country and to our future.

Our second piece of unfinished business requires us to commit ourselves tonight, before the eyes of America, to finally enacting bipartisan campaign finance reform.

Now, Senators McCain and Feingold, Representatives Shays and Meehan have reached across party lines here to craft tough and fair reform. Their proposal would curb spending, reduce the role of special interests, create a level playing field between challengers and incumbents, and ban contributions from non-citizens, all corporate sources, and the other large soft-money contributions that both parties receive.

You know and I know that this can be delayed, and you know and I know that delay will mean the death of reform.

So let's set our own deadline. Let's work together to write bipartisan campaign finance reform into law and pass McCain-Feingold by the day we celebrate the birth of our democracy, July the 4th.

There is a third piece of unfinished business. Over the last four years we moved a record two and a quarter million people off the welfare roles. Then last year Congress enacted landmark welfare reform legislation demanding that all able-bodied recipients assume the responsibility of moving from welfare to work. Now each and every one of us has to fulfill our responsibility, indeed our moral obligation, to make sure that people who now must work can work. And now we must act to meet a new goal: two million more people off the welfare rolls by the year 2000.

Here is my plan: Tax credits and other incentives for businesses that hire people off welfare; Incentives for job placement firms in states to create more jobs for welfare recipients; Training, transportation and child care to help people go to work. Now I challenge every state—turn those welfare checks into private sector paychecks. I challenge every religious congregation, every community nonprofit, every business to hire someone off welfare. And I'd like to say especially to every employer in our country who ever criticized the old welfare system, you can't blame that old system anymore; we have torn it down. Now, do your part. Give someone on welfare the chance to go to work.

Tonight I am pleased to announce that five major corporations—Sprint, Monsanto, *ups*, Burger King and United Airlines—will be the first to join in a new national effort to

marshal America's businesses large and small to create jobs so that people can move from welfare to work.

Page 3154

We passed welfare reform. All of you know I believe we were right to do it. But no one can walk out of this chamber with a clear conscience unless you are prepared to finish the job.

And we must join together to do something else, too, something both Republican and Democratic governors have asked us to do: to restore basic health and disability benefits when misfortune strikes immigrants who came to this country legally, who work hard, pay taxes, and obey the law. To do otherwise is simply unworthy of a great nation of immigrants.

Now, looking ahead, the greatest step of all, the high threshold to the future we must now cross, and my number one priority for the next four years, is to ensure that all Americans have the best education in the world. Thank you.

Let's work together to meet these three goals: every eight-year-old must be able to read, every 12-year-old must be able to log on to the Internet, every 18-year-old must be able to go to college, and every adult American must be able to keep on learning for a lifetime.

My balanced budget makes an unprecedented commitment to these goals—$51 billion next year—but far more than money is required. I have a plan, a call to action for American education based on these 10 principles:

First, a national crusade for education standards—not federal government standards, but national standards, representing what all our students must know to succeed in the knowledge economy of the 21st century. Every state and school must shape the curriculum to reflect these standards and train teachers to lift students up to them. To help schools meet the standards and measure their progress, we will lead an effort over the next two years to develop national tests of student achievement in reading and math.

Tonight I issue a challenge to the nation. Every state should adopt high national standards, and by 1999, every state should test every 4th grader in reading and every 8th grader in math to make sure these standards are met.

Raising standards will not be easy, and some of our children will not be able to meet them at first. The point is not to put our children down, but to lift them up. Good tests will show us who needs help, what changes in teaching to make, and which schools need to improve. They can help us end social promotion, for no child should move from grade school to junior high or junior high to high school until he or she is ready.

Last month our secretary of education, Dick Riley, and I visited northern Illinois, where 8th grade students from 20 school districts, in a project aptly called First in the World, took the third International Math and Science Study.

That's a test that reflects the world-class standards our children must meet for the new era. And those students in Illinois tied for first in the world in science and came in second in math. Two of them, Kristen Tanner and Chris Getsla, are here tonight along with their teacher, Sue Winski. They're up there with the first lady, and they prove that when we aim high and challenge our students, they will be the best in the world. Let's give them a hand. Stand up, please.

Page 3155

Second, to have the best schools, we must have the best teachers. Most of us in this chamber would not be here tonight without the help of those teachers. I know that I wouldn't be here.

For years many of our educators, led by North Carolina's governor, Jim Hunt, and the National Board for Professional Teaching Standards, have worked very hard to establish nationally accepted credentials for excellence in teaching.

Just 500 of these teachers have been certified since 1995. My budget will enable 100,000 more to seek national certification as master teachers. We should reward and recognize our best teachers. And as we reward them, we should quickly and fairly remove those few who don't measure up, and we should challenge more of our finest young people to consider teaching as a career.

Third, we must do more to help all our children read. Forty percent—40 percent—of our 8-year-olds cannot read on their own. That's why we have just launched the America Reads initiative, to build a citizen army of one million volunteer tutors to make sure every child can read independently by the end of the 3rd grade. We will use thousands of AmeriCorps volunteers to mobilize this citizen army. We want at least 100,000 college students to help.

And tonight I'm pleased that 60 college presidents have answered my call, pledging that thousands of their work-study students will serve for one year as reading tutors.

This is also a challenge to every teacher and every principal.

You must use these tutors to help your students read. And it is especially a challenge to our parents. You must read with your children every night.

This leads to the fourth principle: Learning begins in the first days of life. Scientists are now discovering how young children develop emotionally and intellectually from their very first days and how important it is for parents to begin immediately talking, singing, even reading to their infants. The first lady has spent years writing about this issue, studying it. And she and I are going to convene a White House conference on early learning and the brain this spring to explore how parents and educators can best use these startling new findings.

We already know we should start teaching children before they start school. That's why this balanced budget expands Head Start to one million children by 2002. And that is why the vice president and Mrs. Gore will host their annual family conference this June on what we can do to make sure that parents are an active part of their children's learning all the way through school.

They've done a great deal to highlight the importance of family in our life, and now they're turning their attention to getting more parents involved in their children's learning all the way through school. I thank you, Mr. Vice President, and I thank you especially, Tipper, for what you're doing.

Fifth, every state should give parents the power to choose the right public school for their children. Their right to choose will foster competition and innovation that can make public schools better. We should also make it possible for more parents and teachers to start charter schools, schools that set and meet the highest standards and exist only as long as they do.

Page 3156

Our plan will help America to create 3,000 of these charter schools by the next century, nearly seven times as there are in the country today, so that parents will have even more choices in sending their children to the best schools.

Sixth, character education must be taught in our schools. We must teach our children to be good citizens. And we must continue to promote order and discipline; supporting communities that introduce school uniforms, impose curfews, enforce truancy laws, remove disruptive students from the classroom, and have zero tolerance for guns and drugs in schools.

Seventh, we cannot expect our children to raise themselves up in schools that are literally falling down. With the student population at an all-time high, and record numbers of school buildings falling into disrepair, this has now become a serious national concern. Therefore, my budget includes a new initiative: $5 billion to help communities finance $20 billion in school construction over the next four years.

Eighth, we must make the 13th and 14th years of education—at least two years of college—just as universal in America by the 21st century as a high school education is today, and we must open the doors of college to all Americans.

To do that, I propose America's Hope Scholarship, based on Georgia's pioneering program—two years of a $1,500 tax credit for college tuition, enough to pay for the typical community college. I also propose a tax deduction of up to $10,000 a year for all tuition after high school, an expanded *Ira* you can withdraw from tax free for education, and the largest increase in Pell Grant scholarship in 20 years.

Now this plan will give most families the ability to pay no taxes on money they save for college tuition. I ask you to pass it and give every American who works hard the chance to go to college.

Ninth, in the 21st century we must expand the frontiers of learning across a lifetime. All our people, of whatever age, must have the chance to learn new skills.

Most Americans live near a community college. The roads that take them there can be paths to a better future. My GI bill for America's workers will transform the confusing tangle of federal training programs into a simple skill grant to go directly into eligible workers' hands.

For too long this bill has been sitting on that desk there, without action. I ask you to pass it now. Let's give more of our workers the ability to learn and to earn for a lifetime.

Tenth, we must bring the power of the Information Age into all our schools.

Last year I challenged America to connect every classroom and library to the Internet by the year 2000, so that for the first time in our history, children in the most isolated rural

town, the most comfortable suburbs, the poorest inner-city schools will have the same access to the same universe of knowledge.

That is my plan—a call to action for American education. Some may say that it is unusual for a president to pay this kind of attention to education. Some may say it is simply because the president and his wonderful wife have been obsessed with this subject for more years than they can recall. That is not what is driving these proposals. We must understand the significance of this endeavor.

Page 3157

One of the greatest sources of our strength throughout the Cold War was a bipartisan foreign policy. Because our future was at stake, politics stopped at the water's edge. Now I ask you, and I ask all our nation's governors, I ask parents, teachers and citizens all across America, for a new nonpartisan commitment to education, because education is a critical national security issue for our future and politics must stop at the schoolhouse door.

To prepare America for the 21st century, we must harness the powerful forces of science and technology to benefit all Americans. This is the first State of the Union carried live in video over the Internet, but we've only begun to spread the benefits of a technology revolution that should become the modern birthright of every citizen.

Our effort to connect every classroom is just the beginning. Now we should connect every hospital to the Internet so that doctors can instantly share data about their patients with the best specialists in the field.

And I challenge the private sector tonight to start by connecting every children's hospital as soon as possible so that a child in bed can stay in touch with school, family and friends. A sick child need no longer be a child alone.

We must build the second generation of the Internet so that our leading universities and national laboratories can communicate in speeds a thousand times faster than today to develop new medical treatments, new sources of energy, new ways of working together. But we cannot stop there.

As the Internet becomes our new town square, a computer in every home: a teacher of all subjects, a connection to all cultures. This will no longer be a dream, but a necessity. And over the next decade, that must be our goal.

We must continue to explore the heavens, pressing on with the Mars probes and the International Space Station, both of which will have practical applications for our everyday living.

We must speed the remarkable advances in medical science. The human genome project is now decoding the genetic mysteries of life. American scientists have discovered genes linked to breast cancer and ovarian cancer and medication that stops a stroke in progress and begins to reverse its effects, and treatments that dramatically lengthen the lives of people with HIV and *aids*.

Since I took office, funding for *aids* research at the National Institutes of Health has increased dramatically to $1.5 billion. With new resources, NIH will now become the most powerful discovery engine for an *aids* vaccine, working with other scientists, to finally end the threat of *aids*. Thank you. Remember that every year, every year we

move up the discovery of an *aids* vaccine we'll save millions of lives around the world. We must reinforce our commitment to medical science.

To prepare America for the 21st century we must build stronger families. Over the past four years the Family and Medical Leave Law has helped millions of Americans to take time off to be with their families.

Page 3158

With new pressures on people and the way they work and live, I believe we must expand family leave so that workers can take time off for teacher conferences and a child's medical checkup. We should pass flex time so workers can choose to be paid for overtime in income or trade it in for time off to be with their families.

We must continue—we must continue, step by step, to give more families access to affordable quality health care. Forty million Americans still lack health insurance. Ten million children still lack health insurance. Eighty percent of them have working parents who pay taxes. That is wrong.

My—my balanced budget will extend health coverage to up to 5 million of those children. Since nearly half of all children who lose their insurance do so because their parents lose or change a job, my budget will also ensure that people who temporarily lose their jobs can still afford to keep their health insurance. No child should be without a doctor just because a parent is without a job.

My Medicare plan modernizes Medicare, increases the life of the trust fund to 10 years, provides support for respite care for the many families with loved ones afflicted with Alzheimer's, and, for the first time, it would fully pay for annual mammograms.

Just as we ended drive-through deliveries of babies last year, we must now end the dangerous and demeaning practice of forcing women home from the hospital only hours after a mastectomy.

I ask your support for bipartisan legislation to guarantee that a woman can stay in the hospital for 48 hours after a mastectomy. With us tonight is Dr. Kristen Zarfos, a Connecticut surgeon whose outrage at this practice spurred a national movement and inspired this legislation. I'd like her to stand so we can thank her for her efforts. Dr. Zarfos, thank you.

In the last four years, we have increased child support collections by 50 percent. Now we should go further and do better by making it a felony for any parent to cross a state line in an attempt to flee from this, his or her most sacred obligation.

Finally, we must also protect our children by standing firm in our determination to ban the advertising and marketing of cigarettes that endanger their lives.

To prepare America for the 21st century, we must build stronger communities. We should start with safe streets. Serious crime has dropped five years in a row. The key has been community policing. We must finish the job of putting 100,000 community police on the streets of the United States.

We should pass the Victims' Rights Amendment to the Constitution, and I ask you to mount a full-scale assault on juvenile crime, with legislation that declares war on gangs

with new prosecutors and tougher penalties, extends the Brady bill so violent teen criminals will not be able to buy handguns, requires child safety locks on handguns to prevent unauthorized use, and helps to keep our schools open after hours, on weekends and in the summer so our young people will have someplace to go and something to say yes to.

Page 3159

This balanced budget includes the largest anti-drug effort ever—to stop drugs at their source; punish those who push them; and teach our young people that drugs are wrong, drugs are illegal, and drugs will kill them. I hope you will support it.

Our growing economy has helped to revive poor urban and rural neighborhoods, but we must do more to empower them to create the conditions in which all families can flourish and to create jobs through investment by business and loans by banks.

We should double the number of empowerment zones. They've already brought so much hope to communities like Detroit, where the unemployment rate has been cut in half in four years. We should restore contaminated urban land and buildings to constructive use. We should expand the network of community development banks.

And together, we must pledge tonight that we will use this empowerment approach, including private sector tax incentives, to renew our capital city so that Washington is a great place to work and live—and once again the proud face America shows the world!

We must protect our environment in every community. In the last four years, we cleaned up 250 toxic waste sites, as many as in the previous 12. Now we should clean up 500 more so that our children grow up next to parks, not poison. I urge to pass my proposal to make big polluters live by a simple rule: If you pollute our environment, you should pay to clean it up.

In the last four years, we strengthened our nation's safe food and clean drinking water laws; we protected some of America's rarest, most beautiful land in Utah's Red Rocks region; created three new national parks in the California desert; and began to restore the Florida Everglades.

Now we must be as vigilant with our rivers as we are with our lands. Tonight I announce that this year I will designate 10 American Heritage Rivers to help communities alongside them revitalize their waterfronts and clean up pollution in the rivers, proving once again that we can grow the economy as we protect the environment.

We must also protect our global environment, working to ban the worst toxic chemicals and to reduce the greenhouse gases that challenge our health even as they change our climate.

Now, we all know that in all of our communities some of our children simply don't have what they need to grow and learn in their own homes or schools or neighborhoods. And that means the rest of us must do more, for they are our children, too. That's why President Bush, General Colin Powell, former Housing Secretary Henry Cisneros will join the vice president and me to lead the President's Summit of Service in Philadelphia in April.

Our national service program, AmeriCorps, has already helped 70,000 young people to work their way through college as they serve America. Now we intend to mobilize millions of Americans to serve in thousands of ways. Citizen service is an American responsibility which all Americans should embrace. And I ask your support for that endeavor.

Page 3160

I'd like to make just one last point about our national community. Our economy is measured in numbers and statistics. And it's very important. But the enduring worth of our nation lies in our shared values and our soaring spirit. So instead of cutting back on our modest efforts to support the arts and humanities I believe we should stand by them and challenge our artists, musicians, and writers, challenge our museums, libraries, and theaters.

We should challenge all Americans in the arts and humanities to join with their fellow citizens to make the year 2000 a national celebration of the American spirit in every community, a celebration of our common culture in the century that is past and in the new one to come in a new millennium so that we can remain the world's beacon not only of liberty but of creativity long after the fireworks have faded.

To prepare America for the 21st century we must master the forces of change in the world and keep American leadership strong and sure for an uncharted time.

Fifty years ago, a farsighted America led in creating the institutions that secured victory in the Cold War and built a growing world economy. As a result, today more people than ever embrace our ideals and share our interests. Already we have dismantled many of the blocks and barriers that divided our parents' world. For the first time, more people live under democracy than dictatorship including every nation in our own hemisphere but one, and its day, too, will come.

Now we stand at another moment of change and choice, and another time to be farsighted, to bring America 50 more years of security and prosperity.

In this endeavor, our first task is to help to build for the very first time an undivided, democratic Europe. When Europe is stable, prosperous, and at peace, America is more secure.

To that end, we must expand NATO by 1999, so that countries that were once our adversaries can become our allies. At the special NATO summit this summer, that is what we will begin to do. We must strengthen NATO's Partnership for Peace with non-member allies. And we must build a stable partnership between NATO and a democratic Russia.

An expanded NATO is good for America, and a Europe in which all democracies define their future not in terms of what they can do to each other, but in terms of what they can do together for the good of all—that kind of Europe is good for America.

Second, America must look to the East no less than to the West.

Our security demands it. Americans fought three wars in Asia in this century.

Our prosperity requires it. More than 2 million American jobs depend upon trade with Asia. There, too, we are helping to shape an Asia Pacific community of cooperation, not conflict.

Let our—let our progress there not mask the peril that remains. Together with South Korea, we must advance peace talks with North Korea and bridge the Cold War's last divide. And I call on Congress to fund our share of the agreement under which North Korea must continue to freeze and then dismantle its nuclear weapons program.

Page 3161

We must pursue a deeper dialogue with China for the sake of our interests and our ideals. An isolated China is not good for America. A China playing its proper role in the world is. I will go to China, and I have invited China's president to come here, not because we agree on everything, but because engaging China is the best way to work on our common challenges, like ending nuclear testing, and to deal frankly with our fundamental differences, like human rights.

The American people must prosper in the global economy. We've worked hard to tear down trade barriers abroad so that we can create good jobs at home. I'm proud to say that today America is once again the most competitive nation and the No. 1 exporter in the world.

Now we must act to expand our exports, especially to Asia and Latin America, two of the fastest-growing regions on earth, or be left behind as these emerging economies forge new ties with other nations. That is why we need the authority now to conclude new trade agreements that open markets to our goods and services even as we preserve our values.

We need not shrink from the challenge of the global economy. After all, we have the best workers and the best products. In a truly open market, we can out-compete anyone, anywhere on earth.

But this is about more than economics. By expanding trade, we can advance the cause of freedom and democracy around the world. There is no better example of this truth than Latin America where democracy and open markets are on the march together. That is why I will visit there in the spring to reinforce our important ties.

We should all be proud that America led the effort to rescue our neighbor, Mexico, from its economic crisis. And we should all be proud that last month Mexico repaid the United States, three full years ahead of schedule, with half a billion dollar profit to us.

America must continue to be an unrelenting force for peace. From the Middle East to Haiti, from Northern Ireland to Africa, taking reasonable risks for peace keeps us from being drawn into far more costly conflicts later. With American leadership, the killing has stopped in Bosnia. Now the habits of peace must take hold.

The new NATO force will allow reconstruction and reconciliation to accelerate. Tonight I ask Congress to continue its strong support of our troops. They are doing a remarkable job there for America, and America must do right by them.

Fifth, we must move strongly against new threats to our security. In the past four years, we agreed to ban—we led the way to a worldwide agreement to ban nuclear testing.

With Russia, we dramatically cut nuclear arsenals and we stopped targeting each other's citizens. We are acting to prevent nuclear materials from falling into the wrong hands, and to rid the world of land mines.

We are working with other nations with renewed intensity to fight drug traffickers and to stop terrorists before they act and hold them fully accountable if they do.

Page 3162

Now we must rise to a new test of leadership—ratifying the Chemical Weapons Convention. Make no mistake about it, it will make our troops safer from chemical attack. It will help us to fight terrorism. We have no more important obligations, especially in the wake of what we now know about the Gulf War.

This treaty has been bipartisan from the beginning, supported by Republican and Democratic administrations, and Republican and Democratic members of Congress, and already approved by 68 nations. But if we do not act by April the 29th, when this convention goes into force—with or without us—we will lose the chance to have Americans leading and enforcing this effort. Together we must make the Chemical Weapons Convention law so that at last we can begin to outlaw poisoned gas from the earth.

Finally, we must have the tools to meet all these challenges. We must maintain a strong and ready military. We must increase funding for weapons modernization by the year 2000. And we must take good care of our men and women in uniform. They are the world's finest.

We must also renew our commitment to America's diplomacy and pay our debts and dues to international financial institutions like the World Bank—and to a reforming United Nations. Every dollar—every dollar we devote to preventing conflicts, to promoting democracy, to stopping the spread of disease and starvation brings a sure return in security and savings. Yet international affairs spending today is just 1 percent of the federal budget, a small fraction of what America invested in diplomacy to choose leadership over escapism at the start of the cold war.

If America is to continue to lead the world, we here who lead America simply must find the will to pay our way. A farsighted America moved the world to a better place over these last 50 years. And so it can be for another 50 years. But a shortsighted America will soon find its words falling on deaf ears all around the world.

Almost exactly 50 years ago in the first winter of the Cold War President Truman stood before a Republican Congress and called upon our country to meet its responsibilities of leadership. This was his warning. He said, "If we falter, we may endanger the peace of the world, and we shall surely endanger the welfare of this nation."

That Congress, led by Republicans like Senator Arthur Vandenburg, answered President Truman's call. Together, they made the commitments that strengthened our country for 50 years. Now let us do the same. Let us do what it takes to remain the indispensable nation, to keep America strong, secure and prosperous for another 50 years.

In the end, more than anything else, our world leadership grows out of the power of our example here at home, out of our ability to remain strong as one America.

All over the world people are being torn asunder by racial, ethnic and religious conflicts that fuel fanaticism and terror. We are the world's most diverse democracy, and the world looks to us to show that it is possible to live and advance together across those kinds of differences. America has always been a nation of immigrants.

Page 3163

From the start, a steady stream of people in search of freedom and opportunity have left their own lands to make this land their home. We started as an experiment in democracy fueled by Europeans. We have grown into an experiment in democratic diversity fueled by openness and promise.

My fellow Americans, we must never, ever believe that our diversity is a weakness; it is our greatest strength.

Americans speak every language, know every country. People on every continent can look to us and see the reflection of their own great potential, and they always will, as long as we strive to give all our citizens, whatever their background, an opportunity to achieve their own greatness.

We're not there yet. We still see evidence of a biting bigotry and intolerance in ugly words and awful violence, in burned churches and bombed buildings. We must fight against this in our country and in our hearts.

Just a few days before my second inauguration, one of our country's best-known pastors, Reverend Robert Schuller, suggested that I read Isaiah 58:12. Here's what it says: "Thou shalt raise up the foundations of many generations, and thou shalt be called the repairer of the breach, the restorer of paths to dwell in."

I placed my hand on that verse when I took the oath of office, on behalf of all Americans, for no matter what our differences in our faiths, our backgrounds, our politics, we must all be repairers of the breach.

I want to say a word about two other Americans who show us how. Congressman Frank Tejeda was buried yesterday, a proud American whose family came from Mexico. He was only 51 years old. He was awarded the Silver Star, the Bronze Star and the Purple Heart fighting for his country in Vietnam. And he went on to serve Texas and America fighting for our future here in this chamber.

We are grateful for his service and honored that his mother, Lillie Tejeda, and his sister, Mary Alice, have come from Texas to be with us here tonight. And we welcome you. Thank you.

Gary Locke, the newly-elected governor of Washington state, is the first Chinese-American governor in the history of our country. He's the proud son of two of the millions of Asian American immigrants who strengthened America with their hard work, family values and good citizenship.

He represents the future we can all achieve. Thank you, governor, for being here. Please stand up.

Reverend Schuller, Congressman Tejeda, Governor Locke, along with Kristen Tanner and Chris Getsla, Sue Winski and Dr. Kristen Zarfos—they're all Americans from different roots whose lives reflect the best of what we can become when we are one America.

We may not share a common past, but we surely do share a common future. Building one America is our most important mission, the foundation for many generations of every other strength we must build for this new century. Money cannot buy it, power cannot compel it, technology cannot create it. It can only come from the human spirit.

Page 3164

America is far more than a place; it is an idea—the most powerful idea in the history of nations, and all of us in this chamber, we are now the bearers of that idea, leading a great people into a new world.

A child born tonight will have almost no memory of the 20th century. Everything that child will know about America will be because of what we do now to build a new century. We don't have a moment to waste.

Tomorrow there will be just over 1,000 days until the year 2000. One thousand days to prepare our people. One thousand days to work together. One thousand days to build a bridge to a land of new promise.

My fellow Americans, we have work to do. Let us seize those days and the century.

Thank you. God bless you. And God bless America.

***

State of the Union Address
William J. Clinton
January 27, 1998

Mr. Speaker, Mr. Vice President, members of the 105th Congress, distinguished guests, my fellow Americans:

Since the last time we met in this chamber, America has lost two patriots and fine public servants. Though they sat on opposite sides of the aisle, Representatives Walter Capps and Sonny Bono shared a deep love for this House and an unshakable commitment to improving the lives of all our people.

In the past few weeks, they have both been eulogized. Tonight, I think we should begin by sending a message to their families and their friends that we celebrate their lives, and give thanks for their service to our nation.

For 209 years, it has been the president's duty to report to you on the state of the union. Because of the hard work and high purpose of the American people, these are good times for America. We have more than 14 million new jobs, the lowest unemployment in 24 years, the lowest core inflation in 30 years, incomes are rising and we have the highest home ownership in history. Crime has dropped for a record five years in a row, and the welfare rolls are at their lowest levels in 27 years. Our leadership in the world is unrivaled. Ladies and gentlemen, the state of our union is strong.

But with barely 700 days left in the 20th century, this is not a time to rest. It is a time to build—to build the America within reach, an America where everybody has a chance to

get ahead, with hard work; where every citizen can live in a safe community; where families are strong, schools are good, and all our young people can go on to college; an America where scientists find cures for diseases from diabetes to Alzheimer's to *aids*; an America where every child can stretch a hand across a keyboard and reach every book ever written, every painting ever painted, every symphony ever composed; where government provides opportunity and citizens honor the responsibility to give something back to their communities; an America which leads the world to new heights of peace and prosperity.

Page 3165

This is the America we have begun to build. This is the America we can leave to our children—if we join together to finish the work at hand. Let us strengthen our nation for the 21st century.

Rarely have Americans lived through so much change in so many ways in so short a time. Quietly, but with gathering force, the ground has shifted beneath our feet as we have moved into an information age, a global economy, a truly new world.

For five years now, we have met the challenge of these changes as Americans have at every turning point in our history, by renewing the very idea of America, widening the circle of opportunity, deepening the meaning of our freedom, forging a more perfect union. We shaped a new kind of government for the information age. I thank the vice president for his leadership, and the Congress for its support, in building a government that is leaner, more flexible, a catalyst for new ideas, and most of all, a government that gives the American people the tools they need to make the most of their own lives.

We have moved past the sterile debate between those who say government is the enemy and those who say government is the answer. My fellow Americans, we have found a third way. We have the smallest government in 35 years, but a more progressive one. We have a smaller government but a stronger nation.

We are moving steadily toward a an even stronger America in the 21st century—an economy that offers opportunity, a society rooted in responsibility, and a nation that lives as a community.

First, Americans in this chamber and across this nation have pursued a new strategy for prosperity: fiscal discipline to cut interest rates and spur growth; investments in education and skills, in science and technology and transportation, to prepare our people for the new economy; new markets for American products and American workers.

When I took office, the deficit for 1998 was projected to be $357 billion, and heading higher. This year, our deficit is projected to be $10 billion, and heading lower.

For three decades, six presidents have come before you to warn of the damage deficits pose to our nation. Tonight, I come before you to announce that the federal deficit, once so incomprehensively large that it had 11 zeros, will be simply zero.

I will submit to Congress, for 1999, the first balanced budget in 30 years.

And if we hold fast to fiscal discipline, we may balance the budget this year—four years ahead of schedule.

You can all be proud of that, because turning a sea of red ink into black is no miracle. It is the product of hard work by the American people, and of two visionary actions in

Congress: The courageous vote in 1993 that led to a cut in the deficit of 90 percent and the truly historic bipartisan balanced budget agreement passed by this Congress.

Here's the really good news: If we maintain our resolve, we will produce balanced budgets as far as the eye can see.

Page 3166

We must not go back to unwise spending or untargeted tax cuts that risk reopening the deficit. Last year, together, we enacted targeted tax cuts so that the typical middle class family will now have the lowest tax rates in 20 years.

My plan to balance the budget next year includes both new investments and new tax cuts targeted to the needs of working families: for education, for child care, for the environment.

But whether the issue is tax cuts or spending, I ask all of you to meet this test: approve only those priorities that can actually be accomplished without adding a dime to the deficit.

Now, if we balance the budget for next year, it is projected that we'll then have a sizeable surplus in the years that immediately follow. What should we do with this projected surplus?

I have a simple four-word answer: Save Social Security first.

Tonight, I propose that we reserve 100 percent of the surplus—that's every penny of any surplus—until we have taken all the necessary measures to strengthen the Social Security system for the 21st century.

Let us say—let us say to all Americans watching tonight, whether you're 70 or 50, or whether you just started paying into the system, Social Security will be there when you need it. Let us make this commitment: Social Security first. Let's do that—together.

I also want to say that all the American people who are watching us tonight should be invited to join in this discussion, in facing these issues squarely and forming a true consensus on how we should proceed. We'll start by conducting nonpartisan forums in every region of the country, and I hope that lawmakers of both parties will participate. We'll hold a White House conference on Social Security in December. And one year from now, I will convene the leaders of Congress to craft historic bipartisan legislation to achieve a landmark for our generation, a Social Security system that is strong in the 21st century.

In an economy that honors opportunity, all Americans must be able to reap the rewards of prosperity. Because these times are good, we can afford to take one simple, sensible step to help millions of workers struggling to provide for their families. We should raise the minimum wage.

The information age is first and foremost an education age, in which education will start at birth and continue throughout a lifetime. Last year, from this podium, I said that education has to be our highest priority. I laid out a 10-point plan to move us forward, and urged all of us to let politics stop at the schoolhouse door.

Since then, this Congress—across party lines—and the American people have responded, in the most important year for education in a generation— expanding public school choice, opening the way to 3,000 charter schools, working to connect every classroom in the country to the information superhighway, committing to expand Head Start to a million children, launching America Reads, sending literally thousands of college students into our elementary schools to make sure all our 8-year-olds can read.

Page 3167

Last year I proposed—and you passed—220,000 new Pell Grant scholarships for deserving students. Student loans, already less expensive and easier to repay—now you get to deduct the interest. Families all over America now can put their savings into new, tax-free education IRAs.

And this year, for the first two years of college, families will get a $1500 tax credit—a Hope Scholarship that will cover the cost of most community college tuition. And for junior and senior year, graduate school, and job training, there is a lifetime learning credit. You did that, and you should be very proud of it.

And because of these actions, I have something to say to every family listening to us tonight: your children can go on to college. If you know a child from a poor family, tell her not to give up, she can go on to college. If you know a young couple struggling with bills, worried they won't be able to send their children to college, tell them not to give up, their children can go on to college. If you know somebody who's caught in a dead-end job and afraid he can't afford the classes necessary to get better jobs for the rest of his life, tell him not to give up, he can go on to college.

Because of the things that have been done, we can make college as universal in the 21st century as high school is today. And, my friends, that will change the face and future of America.

We have opened wide the doors of the world's best system of higher education. Now we must make our public elementary and secondary schools the world's best as well—-by raising standards, raising expectations and raising accountability.

Thanks to the actions of this Congress last year, we will soon have, for the very first time, a voluntary national test based on national standards in fourth grade reading and eighth grade math.

Parents have a right to know whether their children are mastering the basics. And every parent already knows the key; good teachers and small classes.

Tonight, I propose the first ever national effort to reduce class size in the early grades. My balanced budget will help to hire a hundred thousand new teachers who have passed the state competency tests. Now with these teachers—listen—with these teachers, we will actually be able to reduce class size in the first, second and third grades to an average of 18 students a class all across America.

Now, if I've got the math right, more teachers teaching smaller classes requires more classrooms. So I also propose a school construction tax cut to help communities modernize or build 5,000 schools.

We must also demand greater accountability. When we promote a child from grade to grade who hasn't mastered the work, we don't do that child any favors. It is time to end social promotion in America's schools.

Last year, in Chicago, they made that decision—not to hold our children back, but to lift them up. Chicago stopped social promotion and started mandatory summer school to help students who are behind to catch up.

Page 3168

I propose to help other communities follow Chicago's lead. Let's say to them stop promoting children who don't learn, and we will give you the tools to make sure they do.

I also ask this Congress to support our efforts to enlist colleges and universities to reach out to disadvantaged children starting in the sixth grade so that they can get the guidance and hope they need so they can know that they, too, will be able to go on to college.

As we enter the 21st century, the global economy requires us to seek opportunity not just at home, but in all the markets of the world. We must shape this global economy, not shrink from it.

In the last five years, we have led the way in opening new markets, with 240 trade agreements that remove foreign barriers to products bearing the proud stamp, "Made in the USA." Today, record high exports account for fully one-third of our economic growth. I want to keep them going, because that's the way to keep America growing and to advance a safer, more stable world.

Now, all of you know, whatever your views are, that I think this is a great opportunity for America. I know there is opposition to more comprehensive trade agreements. I have listened carefully, and I believe that the opposition is rooted in two fears: first, that our trading partners will have lower environmental and labor standards, which will give them an unfair advantage in our market and do their own people no favors, even if there's more business; and second, that if we have more trade, more of our workers will lose their jobs and have to start over.

I think we should seek to advance worker and environmental standards around the world. It should—I have made it abundantly clear that it should be a part of our trade agenda, but we cannot influence other countries' decisions if we send them a message that we're backing away from trade with them.

This year I will send legislation to Congress, and ask other nations to join us, to fight the most intolerable labor practice of all-abusive child labor.

We should also offer help and hope to those Americans temporarily left behind with the global marketplace or by the march of technology, which may have nothing to do with trade. That's why we have more than doubled funding for training dislocated workers since 1993. And if my new budget is adopted, we will triple funding. That's why we must do more, and more quickly, to help workers who lose their jobs for whatever reason.

You know, we help communities in a special way when their military base closes. We ought to help them in the same way if their factory closes. Again, I ask the Congress to continue its bipartisan work to consolidate the tangle of training programs we have

today into one single GI Bill for Workers, a simple skills grant so people can, on their own, move quickly to new jobs, to higher incomes and brighter futures.

Page 3169

Now, we all know in every way in life change is not always easy, but we have to decide whether we're going to try to hold it back and hide from it, or reap its benefits. And remember the big picture here: while we've been entering into hundreds of new trade agreements, we've been creating millions of new jobs. So this year we will forge new partnerships with Latin America, Asia and Europe, and we should pass the new African Trade Act. It has bipartisan support.

I will also renew my request for the fast-track negotiating authority necessary to open more new markets, created more new jobs, which every president has had for two decades.

You know, whether we like it or not, in ways that are mostly positive, the world's economies are more and more interconnected and interdependent. Today, an economic crisis anywhere can affect economies everywhere. Recent months have brought serious financial problems to Thailand, Indonesia, South Korea and beyond.

Now why should Americans be concerned about this?

First, these countries are our customers. If they sink into recession, they won't be able to buy the goods we'd like to sell them.

Second, they're also our competitors, so if their currencies lose their value and go down, then the price of their goods will drop, flooding our market and others with much cheaper goods, which makes it a lot tougher for our people to compete.

And finally, they are our strategic partners. Their stability bolsters our security.

The American economy remains sound and strong, and I want to keep it that way. But because the turmoil in Asia will have an impact on all the world's economies, including ours, making that negative impact as small as possible is the right thing to do for America, and the right thing to do for a safer world.

Our policy is clear: no nation can recover if it does not reform itself, but when nations are willing to undertake serious economic reform, we should help them do it. So I call on Congress to renew America's commitment to the International Monetary Fund.

And I think we should say to all the people we're trying to represent here, that preparing for a far off storm that may reach our shores is far wiser than ignoring the thunder 'til the clouds are just overhead.

A strong nation rests on the rock of responsibility. A society rooted in responsibility must first promote the value of work, not welfare. We could be proud that after decades of finger-pointing and failure, together we ended the old welfare system. And we're now replacing welfare checks with paychecks.

Last year, after a record four-year decline in welfare rolls I challenged our nation to move two million more Americans off welfare by the year 2000. I'm pleased to report we have also met that goal two full years ahead of schedule.

This is a grand achievement, the sum of many acts of individual courage, persistence and hope.

Page 3170

For 13 years, Elaine Kinslow of Indianapolis, Indiana was on and off welfare. Today she's a dispatcher with a van company. She's saved enough money to move her family into a good neighborhood. And she's helping other welfare recipients go to work.

Elaine Kinslow and all those like her are the real heroes of the welfare revolution. There are millions like her all across America, and I am happy she could join the first lady tonight. Elaine, we're very proud of you. Please stand up.

We still have a lot more to do, all of us, to make welfare reform a success; providing child care, helping families move closer to available jobs, challenging more companies to join our Welfare to Work Partnership, increasing child-support collections from deadbeat parents who have a duty to support their own children. I also want to thank Congress for restoring some of the benefits to immigrants who are here legally and working hard. And I hope you will finish that job this year.

We have to make it possible for all hard-working families to meet their most important responsibilities. Two years ago, we helped guarantee that Americans can keep their health insurance when they changed jobs. Last year, we extended health care to up to 5 million children. This year, I challenge Congress to take the next historic steps. A hundred and sixty million of our fellow citizens are in managed care plans. These plans save money, and they can improve care. But medical decisions ought to be made by medical doctors, not insurance company accountants.

I urge this Congress to reach across the aisle and write into law a consumer bill of rights that says this: You have the right to know all your medical options, not just the cheapest. You have the right to choose the doctor you want for the care you need. You have the right to emergency room care wherever and whenever you need it. You have the right to keep your medical records confidential.

Now, traditional care or managed care, every American deserves quality care. Millions of Americans between the ages of 55 and 65 have lost their health insurance. Some are retired. Some are laid off. Some lose their coverage when their spouses retire. After a lifetime of work, they're left with nowhere to turn.

So I ask the Congress, let these hard-working Americans buy into the Medicare system. It won't add a dime to the deficit, but the peace of mind it will provide will be priceless.

Next, we must help parents protect their children from the gravest health threat that they face: an epidemic of teen smoking spread by multimillion dollar marketing campaigns. I challenge Congress. Let's pass bipartisan, comprehensive legislation that will improve public health, protect our tobacco farmers, and change the way tobacco companies do business forever.

Let’s do what it takes to bring teen smoking down. Let’s raise the price of cigarettes by up to $1.50 a pack over the next 10 years, with penalties on the tobacco industry if it keeps marketing to our children.

Page 3171

Now tomorrow, like every day, 3,000 children will start smoking, and a thousand will die early as a result. Let this Congress be remembered as the Congress that saved their lives.

In the new economy, most parents work harder than ever. They face a constant struggle to balance their obligations to be good workers, and their even more important obligations to be good parents.

The Family and Medical Leave Act was the very first bill I was privileged to sign into law as president in 1993. Since then, about 15 million people have taken advantage of it, and I've met a lot of them all across this country. I ask you to extend the law to cover 10 million more workers, and to give parents time off when they have to go see their children's teachers or take them to the doctor.

Child care is the next frontier we must face to enable people to succeed at home and at work. Last year, I co-hosted the very first White House conference on child care with one of our foremost experts, America's first lady. From all corners of America, we heard the same message—without regard to region or income or political affiliation—we've got to raise the quality of child care, we've got to make it safer, we've got to make it more affordable.

So here's my plan: Help families to pay for child care for a million more children; scholarships and background checks for child-care workers, and a new emphasis on early learning; tax credits for businesses that provide child care for their employees; and a larger child-care tax credit for working families.

Now, if you pass my plan, what this means is that a family of four with an income of $35,000 and high child-care costs will no longer pay a single penny of federal income tax.

You know, I think this is such a big issue with me because of my own personal experience. I have often wondered how my mother, when she was a young widow, would have been able to go away to school and get an education and come back and support me, if my grandparents hadn't been able to take care of me. She and I were really very lucky.

How many other families have never had that same opportunity? The truth is, we don't know the answer to that question, but we do know what the answer should be. Not a single American family should ever have to choose between the job they need and the child they love.

A society rooted in responsibility must provide safe streets, safe schools, and safe neighborhoods. We pursued a strategy of more police, tougher punishment, smarter

prevention with crime-fighting partnerships, with local law enforcement and citizen groups, where the rubber hits the road.

I can report to you tonight that it's working. Violent crime is down, robbery is down, assault is down, burglary is down for five years in a row all across America. Now, we need to finish the job of putting 100,000 more police on our streets.

Page 3172

Again, I ask Congress to pass a juvenile crime bill that provides more prosecutors and probation officers to crack down on gangs and guns and drugs and bar violent juveniles from buying guns for life. And I ask you to dramatically expand our support for after-school programs. I think every American should know that most juvenile crime is committed between the hours of 3:00 in the afternoon and 8:00 at night. We can keep so many of our children out of trouble in the first place if we give them some place to go other than the streets, and we ought to do it.

Drug use is on the decline. I thank General McCaffrey for his leadership, and I thank this Congress for passing the largest anti-drug budget in history. Now I ask you to join me in a ground-breaking effort to hire a thousand new Border Patrol agents and to deploy the most sophisticated available new technologies to help close the door on drugs at our borders.

Police, prosecutors, and prevention programs, good as they are, they can't work if our court system doesn't work. Today, there are large numbers of vacancies in our federal courts. Here is what the chief justice of the United States wrote: "Judicial vacancies cannot remain at such high levels indefinitely without eroding the quality of justice."

I simply ask the United States Senate to heed this plea and vote on the highly qualified nominees before you, up or down.

We must exercise responsibility not just at home but around the world. On the eve of a new century, we have the power and the duty to build a new era of peace and security. But make no mistake about it; today's possibilities are not tomorrow's guarantees. America must stand against the poisoned appeals of extreme nationalism. We must combat an unholy access of new threats from terrorists, international criminals and drug traffickers.

These 21st century predators feed on technology and the free flow of information and ideas and people, and they will be all the more lethal if weapons of mass destruction fall into their hands. To meet these challenges, we are helping to write international rules of the road for the 21st century, protecting those who join the family of nations and isolating those who do not.

Within days, I will ask the Senate for its advice and consent to make Hungary, Poland and the Czech Republic the newest members of NATO. For 50 years, NATO contained communism and kept America and Europe secure. Now these three formerly communist countries have said yes to democracy. I ask the Senate to say yes to them, our new allies.

By taking in new members and working closely with new partners, including Russia and Ukraine, NATO can help to assure that Europe is a stronghold for peace in the 21st century.

Next, I will ask Congress to continue its support for our troops and their mission in Bosnia. This Christmas, Hillary and I traveled to Sarajevo with Senator and Mrs. Dole and a bipartisan congressional delegation. We saw children playing in the streets where, two years ago, they were hiding from snipers and shells. The shops were filled with food. The cafes were alive with conversation. The progress there is unmistakable; but it is not yet irreversible.

Page 3173

To take firm root, Bosnia's fragile peace still needs the support of American and allied troops when the current NATO mission ends in June. I think Senator Dole actually said it best. He said: "This is like being ahead in the fourth quarter of a football game; now is not the time to walk off the field and forfeit the victory."

I wish all of you could have seen our troops in Tuzla. They're very proud of what they are doing in Bosnia, and we're all very proud of them. One of those—one of those brave soldiers is sitting with the first lady tonight: Army Sergeant Michael Tolbert. His father was a decorated Vietnam vet. After college in Colorado, he joined the Army. Last year he led an infantry unit that stopped a mob of extremists from taking over a radio station that is a voice of democracy and tolerance in Bosnia. Thank you very much, Sergeant, for what you represent.

In Bosnia and around the world, our men and women in uniform always do their mission well. Our mission must be to keep them well-trained and ready, to improve their quality of life, and to provide the 21st century weapons they need to defeat any enemy.

I ask Congress to join me in pursuing an ambitious agenda to reduce the serious threat of weapons of mass destruction. This year, four decades after it was first proposed by President Eisenhower, a Comprehensive Nuclear Test Ban is within reach. By ending nuclear testing, we can help to prevent the development of new and more dangerous weapons, and make it more difficult for non-nuclear states to build them.

I am pleased to announce that four former chairmen of the Joint Chiefs of Staff—-Generals John Shalikashvili, Colin Powell and David Jones, and Admiral William Crowe—have endorsed this treaty, and I ask the Senate to approve it this year.

Together we must also confront the new hazards of chemical and biological weapons, and the outlaw states, terrorists and organized criminals seeking to acquire them.

Saddam Hussein has spent the better part of this decade, and much of his nation's wealth, not on providing for the Iraqi people, but on developing nuclear, chemical and biological weapons and the missiles to deliver them.

The United Nations weapons inspectors have done a truly remarkable job, finding and destroying more of Iraq's arsenal than was destroyed during the entire gulf war. Now, Saddam Hussein wants to stop them from completing their mission.

I know I speak for everyone in this chamber, Republicans and Democrats, when I say to Saddam Hussein, "You cannot defy the will of the world," and when I say to him, "You have used weapons of mass destruction before; we are determined to deny you the capacity to use them again."

Page 3174

Last year, the Senate ratified the Chemical Weapons Convention to protect our soldiers and citizens from poison gas. Now we must act to prevent the use of disease as a weapon of war and terror. The Biological Weapons Convention has been in effect for 23 years now. The rules are good, but the enforcement is weak. We must strengthen it with a new international inspection system to detect and deter cheating. In the months ahead, I will pursue our security strategy with old allies in Asia and Europe, and new partners from Africa to India and Pakistan, from South America to China. And from Belfast to Korea to the Middle East, America will continue to stand with those who stand for peace.

Finally, it's long past time to make good on our debt to the United Nations.

More and more we are working with other nations to achieve common goals. If we want America to lead, we've got to set a good example. As we see—as we see so clearly in Bosnia, allies who share our goals can also share our burdens. In this new era, our freedom and independence are actually enriched, not weakened, by our increasing interdependence with other nations. But we have to do our part.

Our founders set America on a permanent course toward a more perfect union. To all of you, I say, it is a journey we can only make together, living as one community.

First, we have to continue to reform our government, the instrument of our national community. Everyone knows elections have become too expensive, fueling a fund-raising arms race.

This year, by March the 6th, at long last the Senate will actually vote on bipartisan campaign finance reform proposed by senators McCain and Feingold. Let's be clear; a vote against McCain-Feingold is a vote for soft money and for the status quo. I ask you to strengthen our democracy and pass campaign finance reform this year.

But at least equally important, we have to address the real reason for the explosion in campaign costs: the high cost of media advertising. I will— for the folks watching at home, those were the groans of pain in the audience—I will formally request that the Federal Communications Commission act to provide free or reduced-cost television time—for candidates who observe spending limits voluntarily. The airwaves are a public trust, and broadcasters also have to help us in this effort to strengthen our democracy.

Under the leadership of Vice President Gore, we have reduced the federal payroll by 300,000 workers, cut 16,000 pages of regulation, eliminated hundreds of programs and improved the operations of virtually every government agency. But we can do more.

Like every taxpayer, I'm outraged by the reports of abuses by the IRS. We need some changes there: new citizen advocacy panels, a stronger taxpayer advocate, phone lines open 24 hours a day, relief for innocent taxpayers.

Last year, by an overwhelming bipartisan margin, the House of Representatives passed sweeping IRS reforms. This bill must not now languish in the Senate. Tonight, I ask the Senate: Follow the House; pass the bipartisan package as your first order of business. I hope to goodness before I finish I can think of something to say ‘Follow the Senate’ on so I’ll be out of trouble!

Page 3175

A nation that lives as a community must value all its communities. For the past five years, we have worked to bring the spark of private enterprise to inner city and poor rural areas with community development banks, more commercial loans into poor neighborhoods, cleanup of polluted sites for development.

Under the continued leadership of the vice president, we propose to triple the number of empowerment zones to give business incentives to invest in those areas. We should. We should also give poor families more help to move into homes of their own, and we should use tax cuts to spur the construction of more low-income housing.

Last year, this Congress took strong action to help the District of Columbia. Let us renew our resolve to make our capital city a great city for all who live and visit here.

Our cities are the vibrant hubs of great metropolitan areas. They are still the gateway for new immigrants from every continent who come here to work for their own American dreams. Let's keep our cities going strong into the 21st Century. They're a very important part of our future.

Our communities are only as healthy as the air our children breathe, the water they drink, the Earth they will inherit. Last year we put in place the toughest-ever controls on smog and soot. We moved to protect Yellowstone, the Everglades, Lake Tahoe. We expanded every community's right to know about toxics that threaten their children.

Just yesterday, our food safety plan took effect, using new science to protect consumers from dangers like e. coli and salmonella.

Tonight, I ask you to join me in launching a new Clean Water initiative, a far-reaching effort to clean our rivers, our lakes and our coastal waters for our children.

Our overriding environmental challenge tonight is the worldwide problem of climate change, global warming, the gathering crisis that requires worldwide action. The vast majority of scientists have concluded unequivocally that if we don't reduce the emission of greenhouse gases at some point in the next century, we'll disrupt our climate and put our children and grandchildren at risk.

This past December, America led the world to reach a historic agreement committing our nation to reduce greenhouse gas emissions through market forces, new technologies, energy efficiency.

We have it in our power to act right here, right now. I propose $6 billion in tax cuts, in research and development, to encourage innovation, renewable energy, fuel-efficient cars, energy-efficient homes. Every time we have acted to heal our environment, pessimists have told us it would hurt the economy. Well, today our economy is the strongest in a generation, and our environment is the cleanest in a generation. We

have always found a way to clean the environment and grow the economy at the same time. And when it comes to global warming, we'll do it again.

Page 3176

Finally, community means living by the defining American value, the ideal heard 'round the world: that we're all created equal. Throughout our history, we haven't always honored that ideal, and we've never fully lived up to it. Often it's easier to believe that our differences matter more than what we have in common. It may be easier, but it's wrong.

What we have to do in our day and generation to make sure that America truly becomes one nation, what do we have to do? We're becoming more and more and more diverse. Do you believe we can become one nation? The answer cannot be to dwell on our differences, but to build on our shared values.

And we all cherish family and faith, freedom and responsibility. We all want our children to grow up in the world where their talents are matched by their opportunities.

I've launched this national initiative on race to help us recognize our common interests and to bridge the opportunity gaps that are keeping us from becoming one America. Let us begin by recognizing what we still must overcome.

Discrimination against any American is un-American. We must vigorously enforce the laws that make it illegal. I ask your help to end the backlog at the Equal Employment Opportunity Commission. Sixty thousand of our fellow citizens are waiting in line for justice, and we should act now to end their wait.

We should also recognize that the greatest progress we can make toward building one America lies in the progress we make for all Americans, without regard to race. When we open the doors of college to all Americans, when we rid all our streets of crime, when there are jobs available to people from all our neighborhoods, when we make sure all parents have the child care they need, we're helping to build one nation.

We in this chamber and in this government must do all we can to address the continuing American challenge to build one America. But we'll only move forward if all our fellow citizens, including every one of you at home watching tonight, is also committed to this cause.

We must work together, learn together, live together, serve together. On the forge of common enterprise, Americans of all backgrounds can hammer out a common identity.

We see it today in the United States military, in the Peace Corps, in AmeriCorps. Wherever people of all races and backgrounds come together in a shared endeavor and get a fair chance, we do just fine. With shared values and meaningful opportunities and honest communications and citizen service, we can unite a diverse people in freedom and mutual respect. We are many. We must be one.

In that spirit, let us lift our eyes to the new millennium. How will we mark that passage? It just happens once every thousand years. This year, Hillary and I launched the White House Millennium Program to promote America's creativity and innovation and to preserve our heritage and culture into the 21st century. Our culture lives in every community, and every community has places of historic value that tell our stories as Americans. We should protect them.

Page 3177

I am proposing a public-private partnership to advance our arts and humanities and to celebrate the millennium by saving America's treasures great and small. And while we honor the past, let us imagine the future.

Now, think about this. The entire store of human knowledge now doubles every five years. In the 1980s, scientists identified the gene causing cystic fibrosis; it took nine years. Last year, scientists located the gene that causes Parkinson's disease—in only nine days! Within a decade, gene chips will offer a road map for prevention of illnesses throughout a lifetime. Soon, we'll be able to carry all the phone calls on Mother's Day on a single strand of fiber the width of a human hair. A child born in 1998 may well live to see the 22nd century.

Tonight, as part of our gift to the millennium, I propose a 21st Century research fund for pathbreaking scientific inquiry, the largest funding increase in history for the National Institutes of Health, the National Science Foundation, and the National Cancer Institute. We have already discovered we have already discovered genes for breast cancer and diabetes. I ask you to support this initiative so ours will be the generation that finally wins the war against cancer and begins a revolution in our fight against all deadly diseases.

As important as all this scientific progress is, we must continue to see that science serves humanity, not the other way around. We must prevent the misuse of genetic tests to discriminate against any American, and we must ratify the ethical consensus of the scientific and religious communities, and ban the cloning of human beings.

We should enable all the world's people to explore the far reaches of cyberspace. Think of this: the first time I made a State of the Union speech to you, only a handful of physicists used the World Wide Web— literally just a handful of people.

Now in schools and libraries, homes and businesses, millions and millions of Americans surf the Net every day.

We must give parents the tools they need to help protect their children from inappropriate material on the Net, but we also must make sure that we protect the exploding, global commercial potential of the Internet. We can do the kinds of things that we need to do and still protect our kids. For one thing, I ask Congress to step up support for building the next generation Internet. It's getting kind of clogged, you know. And the next generation Internet will operate at speeds up to a thousand times faster than today.

Even as we explore this inner space, in the new millennium we're going to open new frontiers in outer space.

Throughout all history, human kind has had only one place to call home: our planet Earth. Beginning this year, 1998, men and women from 16 countries will build a foothold in the heavens—the International Space Station. With its vast expanses, scientists and engineers will actually set sail on an uncharted sea of limitless mystery and unlimited potential.

Page 3178

And this October, a true American hero, a veteran pilot of 149 combat missions and one five-hour space flight that changed the world, will return to the heavens. Godspeed, John Glenn!

John, you will carry with you America's hopes, and on your uniform once again you will carry America's flag, marking the unbroken connection between the deeds of America's past and the daring of America's future.

Nearly 200 years ago, a tattered flag, its broad stripes and bright stars still gleaming through the smoke of a fierce battle, moved Francis Scott Key to scribble a few words on the back of an envelope, the words that became our National Anthem. Today, that Star-Spangled Banner, along with the Declaration of Independence, the Constitution and the Bill of Rights, are on display just a short walk from here. They are America's treasures. And we must also save them for the ages.

I ask all Americans to support our project to restore all our treasures so that the generations of the 21st century can see for themselves the images and the words that are the old and continuing glory of America, an America that has continued to rise through every age against every challenge, a people of great works and greater possibilities, who have always, always found the wisdom and strength to come together as one nation, to widen the circle of opportunity, to deepen the meaning of our freedom, to form that more perfect union.

Let that be our gift to the 21st century.

God bless you, and God bless the United States.

***

State of the Union Address
William J. Clinton
January 19, 1999

Mr. Speaker, Mr. Vice President, members of Congress, honored guests, my fellow Americans:

Tonight I have the honor of reporting to you on the State of the Union.

Let me begin by saluting the new speaker of the House and thanking him especially tonight for extending an invitation to two guests sitting in the gallery with Mrs. Hastert. Lyn Gibson and Wei Ling Chestnut are the widows of the two brave Capitol Hill police officers who gave their lives to defend freedom's house.

Mr. Speaker, at your swearing in you asked us all to work together in a spirit of civility and bipartisanship. Mr. Speaker, let's do exactly that.

Tonight, I stand before you to report that America has created the longest peacetime economic expansion in our history. With nearly 18 million new jobs, wages rising at more than twice the rate of inflation, the highest homeownership in history, the smallest welfare roles in 30 years, and the lowest peacetime unemployment since 1957.

For the first time in three decades, the budget is balanced. From a deficit of $290 billion in 1992, we had a surplus of $70 billion last year. And now, we are on course for budget surpluses for the next 25 years.

Thanks to the pioneering leadership of all of you, we have the lowest violent crime rate in a quarter century and the cleanest environment in a quarter century.

Page 3179

America is a strong force for peace—from Northern Ireland to Bosnia to the Middle East.

Thanks to the leadership of Vice President Gore, we have a government for the Information Age, once again a government that is a progressive instrument of the common good, rooted in our oldest values of opportunity, responsibility and community, devoted to fiscal responsibility, determined to give our people the tools they need to make the most of their own lives in the 21st century, a 21st century government for 21st century America.

My fellow Americans, I stand before you tonight to report that the state of our union is strong. Now, America is working again. The promise of our future is limitless. But we cannot realize that promise if we allow the hum of our prosperity to lull us into complacency. How we fare as a nation far into the 21st century depends upon what we do as a nation today.

So, with our budget surplus growing, our economy expanding, our confidence rising, now is the moment for this generation to meet our historic responsibility to the 21st century.

Our fiscal discipline gives us an unsurpassed opportunity to address a remarkable new challenge, the aging of America. With the number of elderly Americans set to double by 2030, the baby boom will become a senior boom.

So first and above all, we must save Social Security for the 21st century.

Early in this century, being old meant being poor. When President Roosevelt created Social Security, thousands wrote to thank him for eliminating what one woman called "the stark terror of penniless, helpless old age." Even today, without Social Security, half our nation's elderly would be forced into poverty.

Today, Social Security is strong, but by 2013, payroll taxes will no longer be sufficient to cover monthly payments. By 2032, the trust fund will be exhausted and Social Security will be unable to pay the full benefits older Americans have been promised.

The best way to keep Social Security a rock solid guarantee is not to make drastic cuts in benefits; not to raise payroll tax rates; not to drain resources from Social Security in the name of saving it. Instead, I propose that we make the historic decision to invest the surplus to save Social Security.

Specifically, I propose that we commit 60 percent of the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector just as any private or state government pension would do. This will earn a higher return and keep Social Security sound for 55 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. We should reduce poverty among elderly women, who are nearly twice as likely to be poor as are other seniors. And we should eliminate the limits on what seniors on Social Security can earn.

Now, these changes will require difficult, but fully achievable choices over and above the dedication of the surplus. They must be made on a bipartisan basis. They should be made this year. So let me say to you tonight, I reach out my hand to all of you in both houses in both parties and ask that we join together in saying to the American people, we will save Social Security now.

Page 3180

Now, last year, we wisely reserved all of the surplus until we knew what it would take to save Social Security. Again, I say, we shouldn't spend any of it, not any of it, until after Social Security is truly saved. First thing's first.

Second, once we have saved Social Security, we must fulfill our obligation to save and improve Medicare. Already we have extended the life of the Medicare trust fund by 10 years, but we should extend it for at least another decade. Tonight, I propose that we use one out of every six dollars in the surplus for the next 15 years to guarantee the soundness of Medicare until the year 2020.

But, again—but, again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the Bipartisan Medicare Commission. If we work together, we can secure Medicare for the next two decades and cover the greatest growing need of seniors—affordable prescription drugs.

Third, we must help all Americans from their first day on the job to save, to invest, to create wealth.

From its beginnings, Americans have supplemented Social Security with private pensions and savings. Yet today millions of people retire with little to live on other than Social Security. Americans living longer than ever simply must save more than ever.

Therefore, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st century. I propose that we use a little over 11 percent of the surplus to establish universal savings accounts—USA accounts—to give all Americans the means to save.

With these new accounts, Americans can invest as they choose and receive funds to match a portion of their savings with extra help for those least able to save. USA accounts will help all Americans to share in our nation's wealth and to enjoy a more secure retirement. I ask you to support them.

Fourth, we must invest in long-term care.

I propose a tax credit of $1,000 for the aged, ailing or disabled and the families who care for them. Long-term care will become a bigger and bigger challenge with the aging of America—and we must do more to help our families deal with it.

I was born in 1946, the first year of the baby boom. I can tell you that one of the greatest concerns of our generation is our absolute determination not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren.

Our economic success and our fiscal discipline now give us the opportunity to lift that burden from their shoulders, and we should take it.

Saving Social Security, Medicare, creating U.S. accounts, this is the right way to use the surplus. If we do so, if we do so, we will still have resources to meet critical needs and education and defense.

And I want to point out that this proposal is fiscally sound. Listen to this, if we set aside 60 percent of the surplus for Social Security and 16 percent for Medicare over the next 15 years, that savings will achieve the lowest level of publicly-held debt since right before World War I in 1917.

Page 3181

So with these four measures; saving Social Security, strengthening Medicare, establishing the USA accounts, supporting long-term care, we can begin to meet our generation's historic responsibility to establish true security for 21st century seniors.

Now, there are more children, from more diverse backgrounds, in our public schools that any time in our history. Their education must provide the knowledge and nurture the creativity that will allow our entire nation to thrive in the new economy.

Today we can say something we couldn't say six years ago. With tax credits and more affordable student loans, with more work-study grants and more Pell Grants, with education IRAs, the new *hope* Scholarship tax cut that more than five million Americans will receive this year, we have finally opened the doors of college to all Americans.

With our support, nearly every state has set higher academic standards for public schools and a voluntary national test is being developed to measure the progress of our students. With over $1 billion in discounts available this year, we are well on our way to our goal of connecting every classroom and library to the Internet.

Last fall, you passed our proposal to start hiring 100,000 new teachers to reduce class size in the early grades. Now I ask you to finish the job.

You know our children are doing better. *Sat* scores are up. Math scores have risen in nearly all grades. But there's a problem. While our fourth-graders out performed their peers in other countries in math and science, our eighth-graders are around average, and our 12th-graders rank near the bottom. We must do better.

Now each year the national government invests more than $15 billion in our public schools. I believe we must change the way we invest that money to support what works and to stop supporting what does not work.

First, later this year I will send to Congress a plan that for the first time holds states and school districts accountable for progress and rewards them for results. My Education Accountability Act will require every school district receiving federal help to take the following five steps:

First, all schools must end social promotion.

Now, no child, no child should graduate from high school with a diploma he or she can't read. We do our children no favors when we allow them to pass from grade to grade without mastering the material. But we can't just hold students back because the system fails them.

So my balanced budget triples the funding for summer school and after-school programs to keep a million children learning. Now, if—if you doubt this will work, just look at Chicago, which ended social promotion and made summer school mandatory for

those who don’t master the basics. Math and reading scores are up three years running with some of the biggest gains in some of the poorest neighborhoods. It will work, and we should do it.

Page 3182

Second, all states and school districts must turn around their worst performing schools or shut them down. That's the policy established in North Carolina by Governor Jim Hunt. North Carolina made the biggest gains in test scores in the nation last year. Our budget includes $200 million to help states turn around their own failing schools.

Third, all states and school districts must be held responsible for the quality of their teachers. The great majority of our teachers do a fine job, but in too many schools teachers don't have college majors or even minors in the subjects they teach. New teachers should be required to pass performance exams, and all teachers should know the subject their teaching.

This year's balanced budget contains resources to help them reach higher standards. And to attract talented young teachers to the toughest assignments, I recommend a six-fold increase in our program for college scholarships for students who commit to teach in the inner-cities and isolated rural areas and in Indian communities. Let us bring excellence to every part of America.

Fourth, we must empower parents with more information and more choices. In too many communities it's easier to get information on the quality of the local restaurants than on the quality of the local schools.

Every school district should issue report cards on every school. And parents should be given more choices in selecting their public schools.

When I became president, there was just one independent public charter school in all America. With our support on a bipartisan basis, today there are 1,100. My budget assures that early in the next century, there will be 3,000.

Fifth, to assure that our classrooms are truly places of learning, and to respond to what teachers have been asking us to do for years, we should say that all states and school districts must both adopt and implement sensible discipline policies.

Now let's do one more thing for our children. Today, too many schools are so old they're falling apart, or so overcrowded students are learning in trailers. Last fall, Congress missed the opportunity to change that. This year, with 53 million children in our schools, Congress must not miss that opportunity again. I ask you to help our communities build or modernize 5,000 schools.

If we do these things—end social promotion, turn around failing schools, build modern ones, support qualified teachers, promote innovation, competition and discipline—then we will begin to meet our generation's historic responsibility to create to 21st century schools.

Now, we also have to do more to support the millions of parents who give their all every day at home and at work.

The most basic tool of all is a decent income. So let's raise the minimum wage by a dollar an hour over the next two years.

And let's make sure that women and men get equal pay for equal work by strengthening enforcement of the equal pay laws.

Page 3183

That was encouraging, you know? There was more balance on the seesaw. I like that. Let's give them a hand. That's great.

Working parents also need quality child care. So, again this year, I ask Congress to support our plan for tax credits and subsidies for working families, for improved safety and quality, for expanded after-school program. And our plan also includes a new tax credit for stay-at-home parents, too. They need support as well.

Parents should never have to worry about choosing between their children and their work. Now, the Family and Medical Leave Act, the very first bill I signed into law, has now, since 1993, helped millions and millions of Americans to care for a newborn baby or an ailing relative without risking their jobs. I think it's time, with all of the evidence that it has been so little burdensome to employers, to extend family leave to 10 million more Americans working for smaller companies, and I hope you will support it.

Finally, on the matter of work, parents should never have to face discrimination in the workplace. So I want to ask Congress to prohibit companies from refusing to hire or promote workers simply because they have children. That is not right.

America's families deserve the world's best medical care. Thanks to bipartisan federal support for medical research, we are not on the verge of new treatments to prevent or delay diseases from Parkinson's to Alzheimer's to arthritis to cancer. But as we continue our advances in medical science, we can't let our medical system lag behind.

Managed care has literally transformed medicine in America, driving down costs, but threatening to drive down quality as well.

I think we ought to say to every American, you should have the right to know all you medical options, not just the cheapest. If you need a specialist, you should have a right to see one. You have a right to the nearest emergency care if you're in an accident. These are things that we ought to say. And I think we ought to say you should have a right to keep your doctor during a period of treatment whether it's a pregnancy or a chemotherapy treatment or anything else. I believe this.

Now I've ordered these rights to be extended to the 85 million Americans served by Medicare, Medicaid and other federal health programs. But only Congress can pass a Patients' Bill of Rights for all Americans.

Last year, Congress missed that opportunity, and we must not miss that opportunity again. For the sake of our families, I ask us to join together across party lines and pass a strong enforceable Patients' Bill of Rights.

As more of our medical records are stored electronically, the threats to all of our privacy increase. Because Congress has given me the authority to act if it does not do so by

August, one way or another, we can all say to the American people, we will protect the privacy of medical records this year.

Page 3184

Now, two years ago, we acted to extend health coverage to up to five million children. Now we should go beyond that. We should make it easier for small businesses to offer health insurance. We should give people between the ages of 55 and 65 who lose their health insurance the chance to buy into Medicare.

And we should continue to ensure access to family planning. No one should have to choose between keeping health care and taking a job. And therefore, I especially ask you tonight to join hands to pass the landmark bipartisan legislation proposed by Sens. Kennedy and Jeffords, Roth and Moynihan, to allow people with disabilities to keep their health insurance when they go to work.

We need to enable our public hospitals, our community, our university health centers to provide basic, affordable care for all the millions of working families who don't have any insurance. They do a lot of that today, but much more can be done. And my balanced budget makes a good down payment toward that goal. I hope you will think about them and support that provision.

Let me say we must step up our efforts to treat and prevent mental illness. No American should ever be able—afraid ever to address this disease. This year we will host a White House Conference on Mental Health. With sensitivity, commitment and passion, Tipper Gore is leading our efforts here, and I'd like to thank her for what she's done. Thank you. Thank you.

As everyone knows, our children are targets of a massive media campaign to hook them on cigarettes. Now, I ask this Congress to resist the tobacco lobby, to reaffirm the FDA's authority to protect our children from tobacco and to hold tobacco companies accountable, while protecting tobacco farmers.

Smoking has cost taxpayers hundreds of billions of dollars under Medicare and other programs. You know, the states have been right about this. Taxpayers shouldn't pay for the cost of lung cancer, emphysema, and other smoking-related illnesses, the tobacco companies should.

So tonight I announce that the Justice Department is preparing a litigation plan to take the tobacco companies to court and with the funds we recover to strengthen Medicare.

Now, if we act in these areas—minimum wage, family leave, child care, health care, the safety of our children—then we will begin to meet our generation's historic responsibilities to strengthen our families for the 21st century.

Today, America is the most dynamic, competitive, job-creating economy in history, but we can do even better in building a 21st century economy that embraces all Americans.

Today's income gap is largely a skills gap. Last year, the Congress passed a law enabling workers to get a skills grant to choose the training they need. And I applaud all of you here who were part of that.

This year, I recommend a five-year commitment to the new system, so that we can provide over the next five years appropriate training opportunities for all Americans who lose their jobs and expand rapid response teams to help all towns which have been really hurt when businesses close. I hope you will support this.

Page 3185

Also, I ask your support for a dramatic increase in federal support for adult literacy to mount a national campaign aimed at helping the millions and millions of working people who still read at less than a fifth-grade level. We need to do this.

Here's some good news. In the past six years, we have cut the welfare rolls nearly in half.

Two years ago, from this podium, I asked five companies to lead a national effort to hire people off welfare. Tonight our welfare-to-work partnership includes 10,000 companies who have hired hundreds of thousands of people, and our balanced budget will help another 200,000 people move to the dignity and pride of work. I hope you will support it.

We must bring the spark of private enterprise to every corner of America, to build a bridge from Wall Street to Appalachia to the Mississippi Delta, to our Native American communities, with more support for community development banks for empowerment zones, for 100,000 more vouchers for affordable housing.

And I ask Congress to support our bold new plan to help businesses raise up to $15 billion in private sector capital, to bring jobs and opportunities and inner cities, rural areas, with tax credits, loan guarantees, including the new American Private Investment Companies, modeled on the Overseas Private Investment Companies.

Now, for years and years we've had this OPIC, this Overseas Private Investment Corporation, because we knew we had untapped markets overseas. But our greatest untapped markets are not overseas—they are right here at home. And we should go after them.

We must work hard to help bring prosperity back to the family farm.

As this Congress knows very well, dropping prices and the loss of foreign markets have devastated too many family farmers. Last year, the Congress provided substantial assistance to help stave off a disaster in American agriculture, and I am ready to work with lawmakers of both parties to create a farm safety net that will include crop insurance reform and farm income assistance.

I ask you to join with me and do this. This should not be a political issue. Everyone knows what an economic problem is going on out there in rural America today, and we need an appropriate means to address it.

We must strengthen our lead in technology. It was government investment that led to the creation of the Internet. I propose a 28-percent increase in long-term computing research.

We also must be ready for the 21st century from its very first moment by solving the so-called Y2K computer problem. We had one member of Congress stand up and applaud. And we may have about that ration out there applauding at home in front of their television sets. But remember, this is a big, big problem, and we've been working hard on it. Already we've made sure that the Social Security checks will come on time.

But I want all the folks at home listening to this to know that we need every state and local government, every business large and small to work with us to make sure that this Y2K computer bug will be remembered as the last headache of the 20th century, not the first crisis of the 21st.

Page 3186

For our own prosperity, we must support economic growth abroad. You know, until recently a third of our economic growth came from exports. But over the past year and a half, financial turmoil has put that growth at risk. Today, much of the world is in recession, with Asia hit especially hard. This is the most serious financial crisis in half a century.

To meet it, the U.S. and other nations have reduced interest rates and strengthened the International Monetary Fund and while the turmoil is not over, we have worked very hard with other nations to contain it.

At the same time, we will continue to work on the long-term project: building a global financial system for the 21st century that promotes prosperity and tames the cycle of boom and bust that has engulfed so much of Asia. This June, I will meet with other world leaders to advance this historic purpose and I ask all of you to support our endeavors. I also ask you to support creating a freer and fairer trading system for 21st century America.

You know, I'd like to say something really serious to everyone in this chamber in both parties. I think trade has divided us and divided Americans outside this chamber for too long. Somehow, we have to find a common ground on which business and workers and environmentalists and farmers and government can stand together. I believe these are the things we ought to all agree on. So, let me try.

First, we ought to tear down barriers, open markets and expand trade, but at the same time, we must ensure that ordinary citizens in all countries actually benefit from trade; a trade that promotes the dignity of work and the rights of workers and protects the environment.

We must insist that international trade organizations be open to public scrutiny instead of mysterious, secret things subject to wild criticism.

When you come right down to it, now that the world economy is becoming more and more integrated, we have to do in the world what we spent the better part of this century doing here at home. We have got to put a human face on the global economy.

Now, we must enforce our trade laws when imports unlawfully flood our nation. I have already informed the government of Japan if that nation's sudden surge of steel imports into our country is not reversed, America will respond.

We must help all manufacturers hit hard by the present crisis with loan guarantees, and other incentives to increase American exports by nearly $2 billion. I'd like to believe we can achieve a new consensus on trade based on these principles. And I ask the Congress to join me again in this common approach and to give the president the trade

authority long used and now overdue and necessary to advance our prosperity in the 21st century.

Tonight, I issue a call to the nations of the world to join the United States in a new round of global trade negotiation to expand exports of services, manufactures and farm products.

Page 3187

Tonight, I say, we will work with the International Labor Organization on a new initiative to raise labor standards around the world. And this year, we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world.

If we do these things—invest in our people, our communities, our technology—and lead in the global economy, then we will begin to meet our historic responsibility to build a 21st century prosperity for America.

You know, no nation in history has had the opportunity and the responsibility we now have to shape a world that is more peaceful, more secure, more free.

All Americans can be proud that our leadership helped to bring peace in Northern Ireland.

All Americans can be proud that our leadership has put Bosnia on the path to peace. And with our NATO allies we are pressing the Serbian government to stop its brutal repression in Kosovo—to bring those responsible to justice and to give the people of Kosovo the self-government they deserve.

All Americans can be proud that our leadership renewed hope for lasting peace in the Middle East. Some of you were with me last December as we watched the Palestinian National Council completely renounce its call for the destruction of Israel.

Now, I ask Congress to provide resources so that all parties can implement the Wye Agreement, to protect Israel's security, to stimulate the Palestinian economy, to support our friends in Jordan. We must not, we dare not, let them down. I hope you will help me.

As we work for peace, we must also meet threats to our nation's security, including increased danger from outlaw nations and terrorism.

We will defend our security wherever we are threatened, as we did this summer when we struck at Osama bin Laden's network of terror. The bombing of our embassies in Kenya and Tanzania reminds us again of the risks faced every day by those who represent America to the world. So let's give them the support they need, the safest possible workplaces, and the resources they must have so America can continue to lead.

We must work to keep terrorists from disrupting computer networks. We must work to prepare local communities for biological and chemical emergencies, to support research into vaccines and treatments. We must increase our efforts to restrain the spread of nuclear weapons and missiles, from Korea to India and Pakistan. We must expand our work with Russia, Ukraine and other former Soviet nations to safeguard nuclear materials and technology so they never fall into the wrong hands. Our balanced budget

will increase funding for these critical efforts by almost two-thirds over the next five years.

With Russia we must continue to reduce our nuclear arsenals. The *start* II Treaty and the framework we have already agreed to for *start* III could cut them by 80 percent from their Cold War height.

Page 3188

It's been two years since I signed the Comprehensive Test Ban Treaty. If we don't do the right thing, other nations won't either. I ask the Senate to take this vital step, approve the treaty now to make it harder for other nations to develop nuclear arms, and to make sure we can end nuclear testing for ever.

For nearly a decade, Iraq has defied its obligations to destroy its weapons of terror and the missiles to deliver them.

America will continue to contain [Iraqi President] Saddam [Hussein] and we will work for the day when Iraq has a government worthy of its people. Now, last month, in our action over Iraq, our troops were superb. Their mission was so flawlessly executed, that we risk taking for granted the bravery and skill it required. Captain Jeff Taliaferro, a 10-year Air Force veteran of the Air Force, flew a B-1B bomber over Iraq as we attacked Saddam's war machine. He is here with us tonight. I would like to ask you to honor him and all the 33,000 men and women of Operation Desert Fox.

It is time to reverse the decline in defense spending that began in 1985.

Since April, together we have added nearly $6 billion to maintain our military readiness. My balanced budget calls for a sustained increase over the next six years for readiness, for modernization, and for pay and benefits for our troops and their families.

You know, we are the heirs of a legacy of bravery represented in every community in America by millions of our veterans. America's defenders today still stand ready at a moments notice to go where comforts are few and dangers are many, to do what needs to be done as no one else can. They always come through for America. We must come through for them.

The new century demands new partnerships for peace and security. The United Nations plays a crucial role, with allies sharing burdens America might otherwise bear alone. America needs a strong and effective U.N. I want to work with this new Congress to pay our dues and our debts.

We must continue to support security and stability in Europe and Asia— expanding NATO and defining its new missions, maintaining our alliance with Japan, with Korea, with our other Asian allies, and engaging China.

In China last year, I said to the leaders and the people what I'd like to say again tonight: Stability can no longer be bought at the expense of liberty.

But I'd also like to say again to the American people, it's important not to isolate China. The more we bring China into the world, the more the world will bring change and freedom to China.

Last spring, with some of you, I traveled to Africa, where I saw democracy and reform rising, but still held back by violence and disease. We must fortify African democracy and peace by launching radio democracy for Africa, supporting the transition to democracy now beginning to take place in Nigeria, and passing the African Trade and Development Act.

Page 3189

We must continue to deepen our ties to the Americas and the Caribbean, our common work to educate children, fight drugs, strengthen democracy and increase trade. In this hemisphere, every government but one is freely chosen by its people. We are determined that Cuba, too, will know the blessings of liberty.

The American people have opened their arms and their hearts and their arms to our Central American and Caribbean neighbors who have been so devastated by the recent hurricanes. Working with Congress, I am committed to help them rebuild.

When the first lady and Tipper Gore visited the region, they saw thousands of our troops and thousands of American volunteers. In the Dominican Republic, Hillary helped to rededicate a hospital that had been rebuilt by Dominicans and Americans working side by side. With her was some one else who has been very important to the relief efforts. You know sports records are made and sooner or later, they're broken. But making other people's lives better and showing our children the true meaning of brotherhood, that lasts forever. So for far more than baseball, Sammy Sosa, you're a hero in two countries tonight. Thank you.

So I say to all of you, if we do these things, if we pursue peace, fight terrorism, increase our strength, renew our alliances, we will begin to meet our generation's historic responsibility to build a stronger 21st century America in a freer, more peaceful world.

As the world has changed, so have our own communities. We must make the safer, more livable, and more united. This year, we will reach our goal of 100,000 community police officers ahead of schedule and under budget.

The Brady Bill has stopped a quarter million felons, fugitives, and stalkers from buying handguns and now, the murder rate is the lowest in 30 years, and the crime rate has dropped for six straight years.

Tonight, I propose a 21st Century Crime Bill to deploy the latest technologies and tactics to make our communities even safer. Our balanced budget will help put up to 50,000 more police on the street in the areas hardest hit by crime, and then to equip them with new tools from crime-mapping computers to digital mug shots. We must break the deadly cycle of drugs and crime.

Our budget expands support for drug testing and treatment, saying to prisoners, "If you stay on drugs, you have to stay behind bars." And to those on parole, "If you want to keep your freedom, you must stay free of drugs."

I ask Congress to restore the five-day waiting period for buying a handgun and extend the Brady Bill to prevent juveniles who commit violent crimes from buying a gun.

We must do more to keep our schools the safest places in our communities. Last year, every American was horrified and heartbroken by the tragic killings in Jonesboro, Paducah, Pearl, Edinboro, Springfield. We were deeply moved by the courageous parents now working to keep guns out of the hands of children and to make other efforts so that other parents don't have to live through their loss.

Page 3190

After she lost her daughter, Suzann Wilson of Jonesboro, Arkansas, came here to the White House with a powerful plea. She said “Please, please for the sake of your children, lock up your guns. Don’t let what happened in Jonesboro, happen in your town.”

It’s a message she is passionately advocating every day. Suzann is here with us tonight, with the first lady. I would like to thank her for her courage and her commitment.

In memory of all the children who lost their lives to school violence, I ask you to strengthen the Safe And Drug Free School Act, to pass legislation to require child trigger locks, to do everything possible to keep our children safe.

Today, we’re—excuse me—a century ago, President Theodore Roosevelt defined our great central task as leaving this land even a better land for our descendants than it is for us. Today, we’re restoring the Florida Everglades, saving Yellowstone, preserving the red rock canyons of Utah, protecting California’s redwoods, and our precious coasts.

But our most fateful new challenge is the threat of global warming. Nineteen ninety-eight was the warmest year ever recorded. Last year’s heat waves, floods and storm are but a hint of what future generations may endure if we do not act now.

Tonight, I propose a new clean air fund to help communities reduce greenhouse and other pollutions, and tax incentives and investment to spur clean energy technologies. And I want to work with members of Congress in both parties to reward companies that take early, voluntary action to reduce greenhouse gases.

Now, all our communities face a preservation challenge as they grow, and green space shrinks. Seven thousand acres of farmland and open space are lost every day. In response, I propose two major initiatives. First, a $1 billion livability agenda to help communities save open space, ease traffic congestion, and grow in ways that enhance every citizen’s quality of life. And second, a $1 billion lands legacy initiative to preserve places of natural beauty all across America, from the most remote wilderness to the nearest city park.

These are truly landmark initiatives, which could not have been developed without the visionary leadership of the vice president and I want to thank him very much for his commitment here. Thank you.

Now, to get the most out of your community, you have to give something back. That’s why we created AmeriCorps, our national service program that gives today’s generation a chance to serve their communities and earn money for college.

So far, in just four years, 100,000 young Americans have built low-income homes with Habitat for Humanity, helped tutor children with churches, work with FEMA to ease the burden of natural disasters and performed countless other acts of service that has made America better. I ask Congress to give more young Americans the chance to follow their lead and serve America in AmeriCorps.

Page 3191

Now, we must work to renew our national community as well for the 21st century. Last year, the House passed the bipartisan campaign finance reform legislation sponsored by Representatives [Christopher] Shays (R-Conn.) and [Martin T.] Meehan (D-Mass.) and Sens. [John] McCain (R-Ariz.) and [Russell] Feingold (D-Wis.). But a partisan minority in the Senate blocked reform. So I would like to say to the House, pass it again —quickly.

And I'd like to say to the Senate, I hope you will say yes to a stronger American democracy in the year 2000.

Since 1997, our Initiative on Race has sought to bridge the divides between and among our people. In its report last fall, the Initiatives Advisory Board found that Americans really do want to bring our people together across racial lines.

We know it's been a long journey. For some it goes back to before the beginning of our republic. For others, back since the Civil War; for others, throughout the 21st century. But for most of us alive today, in a very real sense this journey began 43 years ago, when a woman named Rosa Parks sat down on a bus in Alabama and wouldn't get up.

She's sitting down with the first lady tonight, and she may get up or not as she chooses.

We know that our continuing racial problems are aggravated, as the presidential initiative said, by opportunity gaps.

The initiative I've outlined tonight will help to close them. But we know that the discrimination gap has not been fully closed either. Discrimination or violence because of race or religion, ancestry or gender, disability or sexual orientation, is wrong and it ought to be illegal. Therefore, I ask Congress to make the Employment Non-Discrimination Act and the Hate Crimes Prevention Act the law of the land.

You know, now since every person in America counts, every American ought to be counted. We need a census that uses modern scientific methods to do that.

Our new immigrants must be part of our one America. After all, they're revitalizing our cities, they're energizing our culture, they're building up our economy. We have a responsibility to make them welcome here, and they have a responsibility to enter the mainstream of American life.

That means learning English and learning about our democratic system of government. There are now long waiting lines of immigrants that are trying to do just that.

Therefore, our budget significantly expands our efforts to help them meet their responsibility. I hope you will support it.

Whether our ancestors came here on the Mayflower, on slave ships; whether they came to Ellis Island or *lax* in Los Angeles; whether they came yesterday or walked this land 1,000 years ago, our great challenge for the 21st century is to find a way to be one America. We can meet all the other challenges if we can go forward as one America.

You know, barely more than 300 days from now we will cross that bridge into the new millennium. This is a moment, as the first lady has said, to honor the past and imagine the future.

Page 3192

I'd like to take just a minute to honor her, for leading our Millennium Project, for all she's done for our children. For all she has done in her historic role to serve our nation and our best ideals at home and abroad, I honor her.

Last year—last year I called on Congress and every citizen to mark the millennium by saving America's treasures. Hillary's traveled all across the country to inspire recognition and support for saving places like Thomas Edison's invention factory or Harriet Tubman's home.

Now we have to preserve our treasures in every community. And tonight, before I close, I want to invite every town, every city, every community to become a nationally recognized millennium community by launching projects that save our history, promote our arts and humanities, prepare our children for the 21st century.

Already the response has been remarkable. And I want to say a special word of thanks to our private sector partners and to members in Congress of both parties for their support. Just one example. Because of you, the Star Spangled Banner will be preserved for the ages.

In ways large and small, as we look to the millennium, we are keeping alive what George Washington called the "sacred fire of liberty."

Six years ago, I came to office in a time of doubt for America, with our economy troubled, our deficit high, our people divided. Some even wondered whether our best days were behind us. But across this nation, in a thousand neighborhoods, I have seen, even amidst the pain and uncertainty of recession, the real heart and character of America.

I knew then we Americans could renew this country.

Tonight, as I deliver the last State of the Union Address for the 20th century, no one anywhere in the world can doubt the enduring resolve and boundless capacity of the American people to work toward that "more perfect union" of our founders' dreams.

We are now, at the end of a century, when generation after generation of Americans answered the call to greatness, overcoming Depression, lifting up the dispossessed, bringing down barriers to racial prejudice, building the largest middle class in history, winning two world wars and the "long twilight struggle" of the Cold War.

We must all be profoundly grateful for the magnificent achievements of our forbearers in this century.

Yet perhaps in the daily press of events, in the clash of controversy, we don't see our own time for what it truly is—a new dawn for America.

A hundred years from tonight, another American president will stand in this place and report on the State of the Union. He—or she—will look back on the 21st century shaped in so many ways by the decisions we make here and now.

So let it be said of us then that we were thinking not only of our time, but of their time; that we reached as high as our ideals; that we put aside our divisions and found a new hour of healing and hopefulness; that we joined together to serve and strengthen the land we love.

Page 3193

My fellow Americans, this is our moment. Let us lift our eyes as one nation, and from the mountaintop of this American century, look ahead to the next one—asking God's blessing on our endeavors and on our beloved country.

Thank you, and good evening.

***

State of the Union Address
William J. Clinton
January 27, 2000

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

We are fortunate to be alive at this moment in history. Never before has our nation enjoyed, at once, so much prosperity and social progress with so little internal crisis or so few external threats. Never before have we had such a blessed opportunity—and, therefore, such a profound obligation— to build the more perfect union of our founders' dreams.

We begin the new century with over 20 million new jobs. The fastest economic growth in more than 30 years; the lowest unemployment rates in 30 years; the lowest poverty rates in 20 years; the lowest African-American and Hispanic unemployment rates on record; the first back-to-back budget surpluses in 42 years.

Next month, America will achieve the longest period of economic growth in our entire history.

We have built a new economy.

Our economic revolution has been matched by a revival of the American spirit: Crime down by 20 percent, to its lowest level in 25 years. Teen births down seven years in a row and adoptions up by 30 percent. Welfare rolls cut in half to their lowest levels in 30 years.

My fellow Americans, the state of our union is the strongest it has ever been.

As always, the credit belongs to the American people.

My gratitude also goes to those of you in this chamber who have worked with us to put progress above partisanship.

Eight years ago, it was not so clear to most Americans there would be much to celebrate in the year 2000. Then our nation was gripped by economic distress, social

decline, political gridlock. The title of a best-selling book asked: “America: What went wrong?”

In the best traditions of our nation, Americans determined to set things right. We restored the vital center, replacing outdated ideologies with a new vision anchored in basic, enduring values: opportunity for all, responsibility from all, and a community of all Americans.

We reinvented government, transforming it into a catalyst for new ideas that stress both opportunity and responsibility, and give our people the tools to solve their own problems.

With the smallest federal workforce in 40 years, we turned record deficits into record surpluses, and doubled our investment in education. We cut crime: with 100,000 community police and the Brady Law, which has kept guns out of the hands of half a million criminals.

We ended welfare as we knew it—requiring work while protecting health care and nutrition for children, and investing more in child care, transportation, and housing to help their parents go to work. We have helped parents to succeed at work and at home—with family leave, which 20 million Americans have used to care for a newborn child or a sick loved one. We have engaged 150,000 young Americans in citizen service through AmeriCorps—while also helping them earn their way through college.

Page 3194

In 1992, we had a roadmap. Today, we have results. More important, America again has the confidence to dream big dreams. But we must not let our renewed confidence grow into complacency. We will be judged by the dreams and deeds we pass on to our children. And on that score, we will be held to a high standard, indeed. Because our chance to do good is so great.

My fellow Americans, we have crossed the bridge we built to the 21st Century. Now, we must shape a 21st-Century American revolution—of opportunity, responsibility, and community. We must be, as we were in the beginning, a new nation.

At the dawn of the last century, Theodore Roosevelt said, “the one characteristic more essential than any other is foresight. . . It should be the growing nation with a future which takes the long look ahead.”

Tonight let us take our look long ahead—and set great goals for our nation.

To 21st Century America, let us pledge that:

Every child will begin school ready to learn and graduate ready to succeed. Every family will be able to succeed at home and at work—and no child will be raised in poverty. We will meet the challenge of the aging of America. We will assure quality, affordable healthcare for all Americans. We will make America the safest big country on earth. We will bring prosperity to every American community. We will reverse the course of climate change and leave a cleaner, safer planet. America will lead the world toward shared peace and prosperity, and the far frontiers of science and technology. And we will become at last what our founders pledged us to be so long ago—one nation, under God, indivisible, with liberty and justice for all.

These are great goals, worthy of a great nation. We will not reach them all this year. Not even in this decade. But we will reach them. Let us remember that the first American revolution was not won with a single shot. The continent was not settled in a single year. The lesson of our history—and the lesson of the last seven years—is that great goals are reached step by step: always building on our progress, always gaining ground.

Of course, you can’t gain ground if you’re standing still. For too long this Congress has been standing still on some of our most pressing national priorities. Let’s begin with them.

I ask you again to pass a real patient’s bill of rights. Pass common-sense gun-safety legislation. Pass campaign finance reform. Vote on long overdue judicial nominations and other important appointees. And, again, I ask you to raise the minimum wage.

Two years ago, as we reached our first balanced budget, I asked that we meet our responsibility to the next generation by maintaining our fiscal discipline. Because we refused to stray from that path, we are doing something that would have seemed unimaginable seven years ago: We are actually paying down the national debt. If we stay on this path, we can pay down the debt entirely in 13 years and make America debt-free for the first time since Andrew Jackson was president in 1835.

Page 3195

In 1993, we began to put our fiscal house in order with the Deficit Reduction Act, winning passage in both houses by just one vote. Your former colleague, my first Secretary of the Treasury, led that effort. He is here tonight. Lloyd Bentsen, you have served America well.

Beyond paying off the debt, we must ensure that the benefits of debt reduction go to preserving two of the most important guarantees we make to every American—Social Security and Medicare. I ask you tonight to work with me to make a bipartisan down payment on Social Security reform by crediting the interest savings from debt reduction to the Social Security Trust Fund to ensure that it is strong and sound for the next 50 years.

But this is just the start of our journey. Now we must take the right steps toward reaching our great goals.

Opportunity and Responsibility in Education

First and foremost, we need a 21st Century revolution in education, guided by our faith that every child can learn. Because education is more than ever the key to our children's future, we must make sure all our children have that key. That means quality preschool and afterschool, the best trained teachers in every classroom, and college opportunities for all our children.

For seven years, we have worked hard to improve our schools, with opportunity and responsibility: Investing more, but demanding more in return.

Reading, math, and college entrance scores are up. And some of the most impressive gains are in schools in poor neighborhoods.

All successful schools have followed the same proven formula: higher standards, more accountability, so all children can reach those standards. I have sent Congress a reform plan based on that formula. It holds states and school districts accountable for progress, and rewards them for results. Each year, the national government invests more than $15 billion in our schools. It's time to support what works and stop supporting what doesn't.

As we demand more than ever from our schools, we should invest more than ever in our schools.

Let's double our investment to help states and districts turn around their worst-performing schools—or shut them down.

Let's double our investment in afterschool and summer school programs— boosting achievement, and keeping children off the street and out of trouble. If we do, we can give every child in every failing school in America the chance to meet high standards.

Since 1993, we've nearly doubled our investment in Head Start and improved its quality. Tonight, I ask for another $1 billion to Head Start, the largest increase in the program's history.

We know that children learn best in smaller classes with good teachers. For two years in a row, Congress has supported my plan to hire 100,000 new, qualified teachers, to lower class sizes in the early grades. This year, I ask you to make it three in a row.

Page 3196

And to make sure all teachers know the subjects they teach, tonight I propose a new teacher quality initiative—to recruit more talented people into the classroom, reward good teachers for staying there, and give all teachers the training they need.

We know charter schools provide real public school choice. When I became President, there was just one independent public charter school in all America. Today there are 1,700. I ask you to help us meet our goal of 3,000 by next year.

We know we must connect all our classrooms to the Internet. We're getting there. In 1994, only three percent of our classrooms were connected. Today, with the help of the Vice President's E-rate program, more than half of them are; and 90 percent of our schools have at least one connection to the Internet.

But we can't finish the job when a third of all schools are in serious disrepair, many with walls and wires too old for the Internet. Tonight, I propose to help 5,000 schools a year make immediate, urgent repairs. And again, to help build or modernize 6,000 schools, to get students out of trailers and into high-tech classrooms.

We should double our bipartisan *gear up* program to mentor 1.4 million disadvantaged young people for college. And let's offer these students a chance to take the same college test-prep courses wealthier students use to boost their test scores.

To make the American Dream achievable for all, we must make college affordable for all. For seven years, on a bipartisan basis, we have taken action toward that goal: larger Pell grants, more-affordable student loans, education IRAs, and our *hope* scholarships, which have already benefited 5 million young people. 67 percent of high school graduates now go on to college, up almost 10 percent since 1993. Yet millions of families still strain to pay college tuition. They need help.

I propose a landmark $30-billion college opportunity tax cut—a middle-class tax deduction for up to $10,000 in college tuition costs. We've already made two years of college affordable for all. Now let's make four years of college affordable for all.

If we take all these steps, we will move a long way toward making sure every child starts school ready to learn and graduates ready to succeed.

Rewarding Work and Strengthening Families

We need a 21st Century revolution to reward work and strengthen families— by giving every parent the tools to succeed at work and at the most important work of all—raising their children. That means making sure that every family has health care and the support to care for aging parents, the tools to bring their children up right, and that no child grows up in poverty.

From my first days as President, we have worked to give families better access to better health care. In 1997, we passed the Children's Health Insurance Program—*chip*—so that workers who don't have health care coverage through their employers at least can get it for their children. So far, we've enrolled 2 million children, and we're well on our way to our goal of 5 million.

Page 3197

But there are still more than 40 million Americans without health insurance, more than there were in 1993. Tonight I propose that we follow Vice President Gore's suggestion to make low income parents eligible for the insurance that covers their kids. Together with our children's initiative, we can cover nearly one quarter of the uninsured in America.

Again, I ask you to let people between 55 and 65—the fastest growing group of uninsured—buy into Medicare. And let's give them a tax credit to make that choice an affordable one.

When the Baby Boomers retire, Medicare will be faced with caring for twice as many of our citizens—and yet it is far from ready to do so. My generation must not ask our children's generation to shoulder our burden. We must strengthen and modernize Medicare now.

My budget includes a comprehensive plan to reform Medicare, to make it more efficient and competitive. And it dedicates nearly $400 billion of our budget surplus to keep Medicare solvent past 2025; and, at long last, to give every senior a voluntary choice of affordable coverage for prescription drugs.

Lifesaving drugs are an indispensable part of modern medicine. No one creating a Medicare program today would even consider excluding coverage for prescription drugs. Yet more than three in five seniors now lack dependable drug coverage which can lengthen and enrich their lives. Millions of older Americans who need prescription drugs the most pay the highest prices for them.

In good conscience, we cannot let another year pass without extending to all seniors the lifeline of affordable prescription drugs.

Record numbers of Americans are providing for aging or ailing loved ones at home. Last year, I proposed a $1,000 tax credit for long-term care. Frankly, that wasn't enough. This year, let's triple it to $3,000—and this year, let's pass it.

And we must make needed investments to expand access to mental health care. I want to thank the person who has led our efforts to break down the barriers to the decent treatment of mental illness: Tipper Gore.

Taken together, these proposals would mark the largest investment in health care in the 35 years since the creation of Medicare—a big step toward assuring health care for all Americans, young and old.

We must also make investments that reward work and support families. Nothing does that better than the Earned Income Tax Credit, the EITC. The "E" in "EITC" is about earning; working; taking responsibility and being rewarded for it. In my first Address to

you, I asked Congress to greatly expand this tax credit; and you did. As a result, in 1998 alone, the EITC helped more than 4.3 million Americans work their way out of poverty and toward the middle class—double the number in 1993.

Tonight, I propose another major expansion. We should reduce the marriage penalty for the EITC, making sure it rewards marriage just as it rewards work. And we should expand the tax credit for families with more than two children to provide up to $1,100 more in tax relief.

Page 3198

We can't reward work and family unless men and women get equal pay for equal work. The female unemployment rate is the lowest in 46 years. Yet women still earn only about 75 cents for every dollar men earn. We must do better by providing the resources to enforce present equal pay laws, training more women for high-paying, high-tech jobs, and passing the Paycheck Fairness Act.

Two-thirds of new jobs are in the suburbs, far away from many low-income families. In the past two years, I have proposed and Congress has approved 110,000 new housing vouchers—rent subsidies to help working families live closer to the workplace. This year, let us more than double that number. If we want people to go to work, they have to be able to get to work.

Many working parents spend up to a quarter of their income on child care. Last year, we helped parents provide child care for about two million children. My child care initiative, along with funds already secured in welfare reform, would make child care better, safer, and more affordable for another 400,000 children.

For hard-pressed middle-income families, we should also expand the child care tax credit. And we should take the next big step. We should make that tax credit refundable for low-income families. For those making under $30,000 a year, that could mean up to $2,400 for child-care costs. We all say we're pro-work and pro-family. Passing this proposal would prove it.

Tens of millions of Americans live from paycheck to paycheck. As hard as they work, they still don't have the opportunity to save. Too few can make use of IRAs and 401-K retirement plans. We should do more to help working families save and accumulate wealth. That's the idea behind so-called Individual Development Accounts. Let's take that idea to a new level, with Retirement Savings Accounts that enable every low- and moderate-income family in America to save for retirement, a first home, a medical emergency, or a college education. I propose to match their contributions, however small, dollar for dollar, every year they save. And to give a major new tax credit for any small business that provides a meaningful pension to its workers.

Nearly one in three American children grows up in a home without a father. These children are five times more likely to live in poverty than children with both parents at home. Clearly, demanding and supporting responsible fatherhood is critical to lifting all children out of poverty.

We have doubled child support collections since 1992, and I am proposing tough new measures to hold still more fathers responsible. But we should recognize that a lot of fathers want to do right by their children—and need help to do it. Carlos Rosas of St. Paul, Minnesota, got that help. Now he has a good job and he supports his son Ricardo. My budget will help 40,000 fathers make the choices Carlos did. And I thank him for being here.

Page 3199

If there is any issue on which we can reach across party lines it is in our common commitment to reward work and strengthen families. Thanks to overwhelming bipartisan support from this Congress, we have improved foster care, supported those who leave it when they turn eighteen, and dramatically increased the number of foster children going to adoptive homes. I thank you for that. Of course, I am especially grateful to the person who has led our efforts from the beginning, and who has worked tirelessly for children and families for thirty years now: my wife, Hillary.

If we take all these steps, we will move a long way toward empowering parents to succeed at home and at work and ensuring that no child is raised in poverty. We can make these vital investments in health care, education and support for working families—and still offer tax cuts to help pay for college, for retirement, to care for aging parents and reduce the marriage penalty—without forsaking the path of fiscal discipline that got us here. Indeed, we must make these investments and tax cuts in the context of a balanced budget that strengthens and extends the life of Social Security and Medicare and pays down the national debt.

Responsibility and Crime

Crime in America has dropped for the past seven years—the longest decline on record, thanks to a national consensus we helped to forge on community police, sensible gun safety laws, and effective prevention. But nobody believes America is safe enough. So let's set a higher goal: let's make America the safest big country in the world.

Last fall, Congress supported my plan to hire—in addition to the 100,000 community police we have already funded—50,000 more, concentrated in high-crime neighborhoods. I ask your continued support.

Soon after the Columbine tragedy, Congress considered common-sense gun safety legislation to require Brady background checks at gun shows, child safety locks for all new handguns, and a ban on the importation of large-capacity ammunition clips. With courage—and a tie-breaking vote by the Vice President—the Senate faced down the gun lobby, stood up for the American people, and passed this legislation. But the House failed to follow suit.

We've all seen what happens when guns fall into the wrong hands. Daniel Mauser was only 15 years old when he was gunned down at Columbine. He was an amazing kid, a straight-A student, a good skier. Like all parents who lose their children, his father Tom has borne unimaginable grief. Somehow Tom has found the strength to honor his son by transforming his grief into action. Earlier this month, he took a leave of absence from his job to fight for tougher gun safety laws. I pray that his courage and wisdom will move this Congress to make common-sense gun safety legislation the very next order of business. Tom, thank you for being here tonight.

We must strengthen gun laws and better enforce laws already on the books. Federal gun crime prosecutions are up 16 percent since I took office. But again, we must do more. I propose to hire more federal and local gun prosecutors, and more ATF agents to crack down on illegal gun traffickers and bad-apple dealers. And we must give law enforcement the tools to trace every gun—and every bullet—used in a crime in America.

Page 3200

Listen to this: the accidental gun death rate of children under 15 in the United States is nine times higher than in the other 25 industrialized nations—combined. Technologies now exist that could lead to guns that can only be fired by the adults who own them. I ask Congress to fund research in Smart Gun technology. I also call on responsible leaders in the gun industry to work with us on smart guns and other steps to keep guns out of the wrong hands and keep our children safe.

Every parent I know worries about the impact of violence in the media on their children. I thank the entertainment industry for accepting my challenge to put voluntary ratings on TV programs and video and Internet games. But the ratings are too numerous, diverse, and confusing to be really useful to parents. Therefore, I now ask the industry to accept the First Lady's challenge—to develop a single, voluntary rating system for all children's entertainment, one that is easier for parents to understand and enforce.

If we take all these steps, we will be well on our way to making America the safest big country in the world.

Opening New Markets

To keep our historic economic expansion going, we need a 21st Century revolution to open new markets, start new businesses, and hire new workers right here in America—-in our inner cities, poor rural areas, and on Indian reservations.

Our nation's prosperity has not yet reached these places. Over the last six months, I have traveled to many of them—joined by many of you, and many far-sighted business people—to shine a spotlight on the enormous potential in communities from Appalachia to the Mississippi Delta, from Watts to the Pine Ridge Indian Reservation. Everywhere I've gone, I've met talented people eager for opportunity, and able to work. Let's put them to work.

For business, it's the smart thing to do. For America, it's the right thing to do. And if we don't do it now, when will we ever get around to it?

I ask Congress to give businesses the same incentives to invest in America's new markets that they now have to invest in foreign markets. Tonight, I propose a large New Markets Tax Credit and other incentives to spur $22 billion in private-sector capital—to create new businesses and new investments in inner cities and rural areas.

Empowerment Zones have been creating these opportunities for five years now. We should also increase incentives to invest in them and create more of them.

This is not a Democratic or a Republican issue. It is an American issue. Mr. Speaker, it was a powerful moment last November when you joined me and the Reverend Jesse Jackson in your home state of Illinois, and committed to working toward our common

goal, by combining the best ideas from both sides of the aisle. Mr. Speaker, I look forward to working with you.

We must maintain our commitment to community development banks and keep the community reinvestment act strong so all Americans have access to the capital they need to buy homes and build businesses.

Page 3201

We need to make special efforts to address the areas with the highest rates of poverty. My budget includes a special $110 million initiative to promote economic development in the Mississippi Delta; and $1 billion to increase economic opportunity, health care, education and law enforcement for Native American communities. In this new century, we should honor our historic responsibility to empower the first Americans. I thank leaders and members from both parties who have already expressed an interest in working with us on these efforts.

There's another part of our American community in trouble today—our family farmers. When I signed the Farm Bill in 1996, I said there was a great danger it would work well in good times but not in bad. Well, droughts, floods, and historically low prices have made times very bad for our farmers. We must work together to strengthen the farm safety net, invest in land conservation, and create new markets by expanding our program for bio-based fuels and products.

Today, opportunity for all requires something new: having access to a computer and knowing how to use it. That means we must close the digital divide between those who have these tools and those who don't.

Connecting classrooms and libraries to the Internet is crucial, but it's just a start. My budget ensures that all new teachers are trained to teach 21st Century skills and creates technology centers in 1,000 communities to serve adults. This spring, I will invite high-tech leaders to join me on another New Markets tour—to close the digital divide and open opportunity for all our people. I thank the high-tech companies that are already doing so much in this area—and I hope the new tax incentives I have proposed will encourage others to join us.

If we take these steps, we will go a long way toward our goal of bringing opportunity to every community.

Global Change and American Leadership

To realize the full possibilities of the new economy, we must reach beyond our own borders, to shape the revolution that is tearing down barriers and building new networks among nations and individuals, economies and cultures: globalization.

It is the central reality of our time. Change this profound is both liberating and threatening. But there is no turning back. And our open, creative society stands to benefit more than any other—if we understand, and act on, the new realities of interdependence. We must be at the center of every vital global network, as a good neighbor and partner. We cannot build our future without helping others to build theirs.

First, we must forge a new consensus on trade. Those of us who believe passionately in the power of open trade must ensure that it lifts both our living standards and our

values, never tolerating abusive child labor or a race to the bottom on the environment and worker protection. Still, open markets and rules-based trade are the best engines we know for raising living standards, reducing global poverty and environmental destruction, and assuring the free flow of ideas. There is only one direction for America on trade: we must go forward.

Page 3202

And we must make developing economies our partners in prosperity—which is why I ask Congress to finalize our groundbreaking African and Caribbean Basin trade initiatives.

Globalization is about more than economics. Our purpose must be to bring the world together around democracy, freedom, and peace, and to oppose those who would tear it apart.

Here are the fundamental challenges I believe America must meet to shape the 21st Century world.

First, we must continue to encourage our former adversaries, Russia and China, to emerge as stable, prosperous, democratic nations. Both are being held back from reaching their full potential: Russia by the legacy of communism, economic turmoil, a cruel and self-defeating war in Chechnya; China by the illusion that it can buy stability at the expense of freedom. But think how much has changed in the past decade: thousands of former Soviet nuclear weapons eliminated; Russian soldiers serving with ours in the Balkans; Russian people electing their leaders for the first time in a thousand years. And in China, an economy more open to the world than ever before. No one can know for sure what direction these great countries will choose. But we must do everything in our power to increase the chance they will choose wisely, to be constructive members of the global community.

That is why we must support those Russians struggling for a democratic, prosperous future; continue to reduce both our nuclear arsenals; and help Russia safeguard weapons and materials that remain.

That is why Congress should support the agreement we negotiated to bring China into the WTO, by passing Permanent Normal Trade Relations as soon as possible this year. Our markets are already open to China. This agreement will open China's markets to us. And it will advance the cause of peace in Asia and promote the cause of change in China.

A second challenge is to protect our security from conflicts that pose the risk of wider war and threaten our common humanity. America cannot prevent every conflict or stop every outrage. But where our interests are at stake and we can make a difference, we must be peacemakers.

We should be proud of America's role in bringing the Middle East closer than ever to a comprehensive peace; building peace in Northern Ireland; working for peace in East Timor and Africa; promoting reconciliation between Greece and Turkey and in Cyprus; working to defuse crises between India and Pakistan; defending human rights and religious freedom.

And we should be proud of the men and women of our armed forces and those of our allies who stopped the ethnic cleansing in Kosovo—enabling a million innocent people to return to their homes.

When Slobodan Milosevic unleashed his terror on Kosovo, Captain John Cherrey was one of the brave airmen who turned the tide. And when another American plane went down over Serbia, he flew into the teeth of enemy air defenses to bring his fellow pilot home. Thanks to our armed forces' skill and bravery, we prevailed without losing a single American in combat. Captain Cherrey, we honor you, and promise to finish the job you began.

Page 3203

A third challenge is to keep the inexorable march of technology from giving terrorists and potentially hostile nations the means to undermine our defenses. The same advances that have shrunk cell phones to fit in the palms of our hands can also make weapons of terror easier to conceal and easier to use.

We must meet this threat: by making effective agreements to restrain nuclear and missile programs in North Korea, curbing the flow of lethal technology to Iran; preventing Iraq from threatening its neighbors; increasing our preparedness against chemical and biological attack; protecting our vital computer systems from hackers and criminals; and developing a system to defend against new missile threats—while working to preserve our Anti-Ballistic Missile Treaty with Russia.

I hope we can have a constructive bipartisan dialogue this year to build a consensus which will lead eventually to the ratification of the Comprehensive Nuclear Test Ban Treaty.

A fourth challenge is to ensure that the stability of our planet is not threatened by the huge gulf between rich and poor. We cannot accept a world in which part of humanity lives on the cutting edge of a new economy, while the rest live on the bare edge of survival. We must do our part, with expanded trade, expanded aid, and the expansion of freedom.

From Nigeria to Indonesia, more people won the right to choose their leaders in 1999 than in 1989, the year the Berlin Wall fell. We must stand by democracies—like Colombia, fighting narco-traffickers for its people's lives, and our children's lives. I have proposed a strong two-year package to help Colombia win this fight; and I ask for your support. And I will propose tough new legislation to go after what drug barons value most— their money.

In a world where 1.2 billion people live on less than a dollar a day, we must do our part in the global endeavor to reduce the debts of the poorest countries so they can invest in education, health and economic growth—as the Pope and other religious leaders have urged. Last year, Congress made a down payment on America's share. And I ask for your continued support.

And America must help more nations break the bonds of disease. Last year in Africa, *aids* killed ten times as many people as war did. My budget invests $150 million more in the fight against this and other infectious killers. Today, I propose a tax credit to speed the development of vaccines for diseases like malaria, TB and *aids*. I ask the private sector and our partners around the world to join us in embracing this cause. Together, we can save millions of lives.

Page 3204

Our final challenge is the most important: to pass a national security budget that keeps our military the best trained and best equipped in the world, with heightened readiness and 21st Century weapons; raises salaries for our service men and women; protects our veterans; fully funds the diplomacy that keeps our soldiers out of war; and makes good on our commitment to pay our *un* dues and arrears. I ask you to pass this budget and I thank you for the extraordinary support you have given—Republicans and Democrats alike—to our men and women in uniform. I especially want to thank Secretary Cohen for symbolizing our bipartisan commitment to our national security—and Janet Cohen, I thank you for tirelessly traveling the world to show our support for the troops.

If we meet all these challenges, America can lead the world toward peace and freedom in an era of globalization.

Responsibility, Opportunity, and the Environment

I am grateful for the opportunities the Vice President and I have had to work hard to protect the environment and finally to put to rest the notion that you can't expand the economy while protecting the environment. As our economy has grown, we have rid more than 500 neighborhoods of toxic waste and ensured cleaner air and water for millions of families. In the past three months alone, we have acted to preserve more than 40 million acres of roadless lands in our National Forests and created three new National Monuments.

But as our communities grow, our commitment to conservation must grow as well. Tonight, I propose creating a permanent conservation fund to restore wildlife, protect coastlines, and save natural treasures from California redwoods to the Everglades. This Lands Legacy endowment represents by far the most enduring investment in land preservation ever proposed.

Last year, the Vice President launched a new effort to help make communities more livable—so children will grow up next to parks, not parking lots, and parents can be home with their children instead of stuck in traffic. Tonight, we propose new funding for advanced transit systems— for saving precious open spaces—for helping major cities around the Great Lakes protect their waterways and enhance their quality of life.

The greatest environmental challenge of the new century is global warming. Scientists tell us that the 1990s were the hottest decade of the entire millennium. If we fail to reduce emissions of greenhouse gases, deadly heat waves and droughts will become more frequent, coastal areas will be flooded, economies disrupted.

Many people in the United States and around the world still believe we can't cut greenhouse gas pollution without slowing economic growth. In the Industrial Age that may have been true. In the digital economy, it isn't. New technologies make it possible to cut harmful emissions and provide even more growth. For example, just last week,

automakers unveiled cars that get 70 to 80 miles a gallon—the fruits of a unique research partnership between government and industry. Before you know it, efficient production of biofuels will give us the equivalent of hundreds of miles from a gallon of gas.

Page 3205

To speed innovations in environmental technologies, I propose giving major tax incentives to businesses for the production of clean energy—and to families for buying energy-saving homes and appliances and the next generation of super-efficient cars when they hit the showroom floor. I also call on the auto industry to use available technologies to make all new cars more fuel efficient right away. And on Congress to make more of our clean-energy technologies available to the developing world—-creating cleaner growth abroad and new jobs at home.

The Opportunity and Responsibility of Science and Technology

In the new century, innovations in science and technology will be the key not only to the health of the environment but to miraculous improvements in the quality of our lives and advances in the economy.

Later this year, researchers will complete the first draft of the entire human genome—-the very blueprint of life. It is important for all Americans to recognize that your tax dollars have fueled this research— and that this and other wise investments in science are leading to a revolution in our ability to detect, treat, and prevent disease.

For example, researchers have identified genes that cause Parkinson's Disease, diabetes, and certain types of cancer—and they are designing precision therapies that will block the harmful effects of these faulty genes for good. Researchers are already using this new technique to target and destroy cells that cause breast cancer. Soon, we may be able to use it to prevent the onset of Alzheimer's Disease. Scientists are also working on an artificial retina to help many blind people to see and microchips that would directly stimulate damaged spinal cords and allow people who are now paralyzed to stand up and walk.

Science and engineering innovations are also propelling our remarkable prosperity. Information technology alone now accounts for a third of our economic growth, with jobs that pay almost 80 percent above the private sector average. Again, we should keep in mind: government-funded research brought supercomputers, the Internet, and communications satellites into being. Soon researchers will bring us devices that can translate foreign languages as fast as you can speak; materials 10 times stronger than steel at a fraction of the weight; and molecular computers the size of a teardrop with the power of today's fastest supercomputers.

To accelerate the march of discovery across all disciplines of science and technology, my budget includes an unprecedented $3 billion increase in the 21st Century Research Fund, the largest increase in civilian research in a generation.

These new breakthroughs must be used in ways that reflect our most cherished values. First and foremost, we must safeguard our citizens' privacy. Last year, we proposed rules to protect every citizen's medical records. This year, we will finalize those rules.

We have also taken the first steps to protect the privacy of bank and credit card statements and other financial records. Soon I will send legislation to the Congress to finish that job. We must also act to prevent any genetic discrimination by employers or insurers.

Page 3206

These steps will allow America to lead toward the far frontiers of science and technology—enhancing our health, environment, and economy in ways we cannot even imagine today.

Community

At a time when science, technology and the forces of globalization are bringing so many changes into our lives, it is more important than ever that we strengthen the bonds that root us in our local communities and in our national communities.

No tie binds different people together like citizen service. There is a new spirit of service in America—a movement we have supported with AmeriCorps, an expanded Peace Corps, and unprecedented new partnerships with businesses, foundations, and community groups. Partnerships to enlist 12,000 companies in moving 650,000 of our fellow citizens from welfare to work. To battle drug abuse and *aids*. To teach young people to read. To Save America's Treasures. To strengthen the arts. To fight teen pregnancy. To prevent youth violence. To promote racial healing.

We can do even more to help Americans help each other. We should help faith-based organizations do more to fight poverty and drug abuse and help young people get back on the right track with initiatives like Second Chance Homes to help unwed teen mothers. We should support Americans who tithe and contribute to charities, but don't earn enough to claim a tax deduction for it. Tonight, I propose new tax incentives to allow low- and middle-income citizens to get that deduction.

We should do more to help new immigrants fully participate in the American community—investing more to teach them civics and English. And since everyone in our community counts, we must make sure everyone is counted in this year's census.

Within ten years there will be no majority race in our largest state, California. In a little more than 50 years, there will be no majority race in America. In a more interconnected world, this diversity can be our greatest strength. Just look around this chamber. We have members from virtually every racial, ethnic, and religious background. And America is stronger for it. But as we have seen, these differences all too often spark hatred and division, even here at home.

We have seen a man dragged to death in Texas simply because he was black. A young man murdered in Wyoming simply because he was gay. In the last year alone, we've seen the shootings of African Americans, Asian Americans, and Jewish children simply because of who they were. This is not the American way. We must draw the line. Without delay, we must pass the Hate Crimes Prevention Act and the Employment Non-Discrimination Act. And we should reauthorize the Violence Against Women Act.

No American should be subjected to discrimination in finding a home, getting a job, going to school, or securing a loan. Tonight, I propose the largest ever investment to enforce America's civil rights laws. Protections in law must be protections in fact.

Page 3207

Last February, I created the White House Office of One America to promote racial reconciliation. That's what Hank Aaron, has done all his life. From his days as baseball's all-time homerun king to his recent acts of healing, he has always brought Americans together. We're pleased he's with us tonight.

This fall, at the White House, one of America's leading scientists said something we should all remember. He said all human beings, genetically, are 99.9 percent the same. So modern science affirms what ancient faith has always taught: the most important fact of life is our common humanity.

Therefore, we must do more than tolerate diversity—we must honor it and celebrate it.

My fellow Americans, each time I prepare for the State of the Union, I approach it with great hope and expectations for our nation. But tonight is special—because we stand on the mountaintop of a new millennium. Behind us we see the great expanse of American achievement; before us, even grander frontiers of possibility.

We should be filled with gratitude and humility for our prosperity and progress; with awe and joy at what lies ahead; and with absolute determination to make the most of it.

When the framers finished crafting our Constitution, Benjamin Franklin stood in Independence Hall and reflected on a painting of the sun, low on the horizon. He said, "I have often wondered whether that sun was rising or setting. Today," Franklin said, "I have the happiness to know it is a rising sun." Well, today, because each generation of Americans has kept the fire of freedom burning brightly, lighting those frontiers of possibility, we still bask in the warmth of Mr. Franklin's rising sun.

After 224 years, the American Revolution continues. We remain a new nation. As long as our dreams outweigh our memories, America will be forever young. That is our destiny. And this is our moment.

Thank you, God bless you, and God bless America.

***

State of the Union Address
George W. Bush
January 29, 2002

Thank you very much. Mr. Speaker, Vice President Cheney, members of Congress, distinguished guests, fellow citizens: As we gather tonight, our nation is at war, our economy is in recession, and the civilized world faces unprecedented dangers. Yet the state of our Union has never been stronger. (Applause.)

We last met in an hour of shock and suffering. In four short months, our nation has comforted the victims, begun to rebuild New York and the Pentagon, rallied a great coalition, captured, arrested, and rid the world of thousands of terrorists, destroyed Afghanistan's terrorist training camps, saved a people from starvation, and freed a country from brutal oppression. (Applause.)

The American flag flies again over our embassy in Kabul. Terrorists who once occupied Afghanistan now occupy cells at Guantanamo Bay. (Applause.) And terrorist leaders who urged followers to sacrifice their lives are running for their own. (Applause.)

Page 3208

America and Afghanistan are now allies against terror. We'll be partners in rebuilding that country. And this evening we welcome the distinguished interim leader of a liberated Afghanistan: Chairman Hamid Karzai. (Applause.)

The last time we met in this chamber, the mothers and daughters of Afghanistan were captives in their own homes, forbidden from working or going to school. Today women are free, and are part of Afghanistan's new government. And we welcome the new Minister of Women's Affairs, Doctor Sima Samar. (Applause.)

Our progress is a tribute to the spirit of the Afghan people, to the resolve of our coalition, and to the might of the United States military. (Applause.) When I called our troops into action, I did so with complete confidence in their courage and skill. And tonight, thanks to them, we are winning the war on terror. (Applause.) The men and women of our Armed Forces have delivered a message now clear to every enemy of the United States: Even 7,000 miles away, across oceans and continents, on mountaintops and in caves—you will not escape the justice of this nation. (Applause.)

For many Americans, these four months have brought sorrow, and pain that will never completely go away. Every day a retired firefighter returns to Ground Zero, to feel closer to his two sons who died there. At a memorial in New York, a little boy left his football with a note for his lost father: Dear Daddy, please take this to heaven. I don't want to play football until I can play with you again some day.

Last month, at the grave of her husband, Michael, a CIA officer and Marine who died in Mazur-e-Sharif, Shannon Spann said these words of farewell: "Semper Fi, my love." Shannon is with us tonight. (Applause.)

Shannon, I assure you and all who have lost a loved one that our cause is just, and our country will never forget the debt we owe Michael and all who gave their lives for freedom.

Our cause is just, and it continues. Our discoveries in Afghanistan confirmed our worst fears, and showed us the true scope of the task ahead. We have seen the depth of our enemies' hatred in videos, where they laugh about the loss of innocent life. And the depth of their hatred is equaled by the madness of the destruction they design. We have found diagrams of American nuclear power plants and public water facilities, detailed instructions for making chemical weapons, surveillance maps of American cities, and thorough descriptions of landmarks in America and throughout the world.

What we have found in Afghanistan confirms that, far from ending there, our war against terror is only beginning. Most of the 19 men who hijacked planes on September the 11th were trained in Afghanistan's camps, and so were tens of thousands of others. Thousands of dangerous killers, schooled in the methods of murder, often supported by

outlaw regimes, are now spread throughout the world like ticking time bombs, set to go off without warning.

Page 3209

Thanks to the work of our law enforcement officials and coalition partners, hundreds of terrorists have been arrested. Yet, tens of thousands of trained terrorists are still at large. These enemies view the entire world as a battlefield, and we must pursue them wherever they are. (Applause.) So long as training camps operate, so long as nations harbor terrorists, freedom is at risk. And America and our allies must not, and will not, allow it. (Applause.)

Our nation will continue to be steadfast and patient and persistent in the pursuit of two great objectives. First, we will shut down terrorist camps, disrupt terrorist plans, and bring terrorists to justice. And, second, we must prevent the terrorists and regimes who seek chemical, biological or nuclear weapons from threatening the United States and the world. (Applause.)

Our military has put the terror training camps of Afghanistan out of business, yet camps still exist in at least a dozen countries. A terrorist underworld—including groups like Hamas, Hezbollah, Islamic Jihad, Jaish-i-Mohammed—operates in remote jungles and deserts, and hides in the centers of large cities.

While the most visible military action is in Afghanistan, America is acting elsewhere. We now have troops in the Philippines, helping to train that country's armed forces to go after terrorist cells that have executed an American, and still hold hostages. Our soldiers, working with the Bosnian government, seized terrorists who were plotting to bomb our embassy. Our Navy is patrolling the coast of Africa to block the shipment of weapons and the establishment of terrorist camps in Somalia.

My hope is that all nations will heed our call, and eliminate the terrorist parasites who threaten their countries and our own. Many nations are acting forcefully. Pakistan is now cracking down on terror, and I admire the strong leadership of President Musharraf. (Applause.)

But some governments will be timid in the face of terror. And make no mistake about it: If they do not act, America will. (Applause.)

Our second goal is to prevent regimes that sponsor terror from threatening America or our friends and allies with weapons of mass destruction. Some of these regimes have been pretty quiet since September the 11th. But we know their true nature. North Korea is a regime arming with missiles and weapons of mass destruction, while starving its citizens.

Iran aggressively pursues these weapons and exports terror, while an unelected few repress the Iranian people's hope for freedom.

Iraq continues to flaunt its hostility toward America and to support terror. The Iraqi regime has plotted to develop anthrax, and nerve gas, and nuclear weapons for over a

decade. This is a regime that has already used poison gas to murder thousands of its own citizens—leaving the bodies of mothers huddled over their dead children. This is a regime that agreed to international inspections—then kicked out the inspectors. This is a regime that has something to hide from the civilized world.

Page 3210

States like these, and their terrorist allies, constitute an axis of evil, arming to threaten the peace of the world. By seeking weapons of mass destruction, these regimes pose a grave and growing danger. They could provide these arms to terrorists, giving them the means to match their hatred. They could attack our allies or attempt to blackmail the United States. In any of these cases, the price of indifference would be catastrophic.

We will work closely with our coalition to deny terrorists and their state sponsors the materials, technology, and expertise to make and deliver weapons of mass destruction. We will develop and deploy effective missile defenses to protect America and our allies from sudden attack. (Applause.) And all nations should know: America will do what is necessary to ensure our nation's security.

We'll be deliberate, yet time is not on our side. I will not wait on events, while dangers gather. I will not stand by, as peril draws closer and closer. The United States of America will not permit the world's most dangerous regimes to threaten us with the world's most destructive weapons. (Applause.)

Our war on terror is well begun, but it is only begun. This campaign may not be finished on our watch—yet it must be and it will be waged on our watch.

We can't stop short. If we stop now—leaving terror camps intact and terror states unchecked—our sense of security would be false and temporary. History has called America and our allies to action, and it is both our responsibility and our privilege to fight freedom's fight. (Applause.)

Our first priority must always be the security of our nation, and that will be reflected in the budget I send to Congress. My budget supports three great goals for America: We will win this war; we'll protect our homeland; and we will revive our economy.

September the 11th brought out the best in America, and the best in this Congress. And I join the American people in applauding your unity and resolve. (Applause.) Now Americans deserve to have this same spirit directed toward addressing problems here at home. I'm a proud member of my party—yet as we act to win the war, protect our people, and create jobs in America, we must act, first and foremost, not as Republicans, not as Democrats, but as Americans. (Applause.)

It costs a lot to fight this war. We have spent more than a billion dollars a month—over $30 million a day—and we must be prepared for future operations. Afghanistan proved that expensive precision weapons defeat the enemy and spare innocent lives, and we need more of them. We need to replace aging aircraft and make our military more agile, to put our troops anywhere in the world quickly and safely. Our men and women in uniform deserve the best weapons, the best equipment, the best training—and they also deserve another pay raise. (Applause.)

My budget includes the largest increase in defense spending in two decades —because while the price of freedom and security is high, it is never too high. Whatever it costs to defend our country, we will pay. (Applause.)

Page 3211

The next priority of my budget is to do everything possible to protect our citizens and strengthen our nation against the ongoing threat of another attack. Time and distance from the events of September the 11th will not make us safer unless we act on its lessons. America is no longer protected by vast oceans. We are protected from attack only by vigorous action abroad, and increased vigilance at home.

My budget nearly doubles funding for a sustained strategy of homeland security, focused on four key areas: bioterrorism, emergency response, airport and border security, and improved intelligence. We will develop vaccines to fight anthrax and other deadly diseases. We'll increase funding to help states and communities train and equip our heroic police and firefighters. (Applause.) We will improve intelligence collection and sharing, expand patrols at our borders, strengthen the security of air travel, and use technology to track the arrivals and departures of visitors to the United States. (Applause.)

Homeland security will make America not only stronger, but, in many ways, better. Knowledge gained from bioterrorism research will improve public health. Stronger police and fire departments will mean safer neighborhoods. Stricter border enforcement will help combat illegal drugs. (Applause.) And as government works to better secure our homeland, America will continue to depend on the eyes and ears of alert citizens.

A few days before Christmas, an airline flight attendant spotted a passenger lighting a match. The crew and passengers quickly subdued the man, who had been trained by al Qaeda and was armed with explosives. The people on that plane were alert and, as a result, likely saved nearly 200 lives. And tonight we welcome and thank flight attendants Hermis Moutardier and Christina Jones. (Applause.)

Once we have funded our national security and our homeland security, the final great priority of my budget is economic security for the American people. (Applause.) To achieve these great national objectives—to win the war, protect the homeland, and revitalize our economy—our budget will run a deficit that will be small and short-term, so long as Congress restrains spending and acts in a fiscally responsible manner. (Applause.) We have clear priorities and we must act at home with the same purpose and resolve we have shown overseas: We'll prevail in the war, and we will defeat this recession. (Applause.)

Americans who have lost their jobs need our help and I support extending unemployment benefits and direct assistance for health care coverage. (Applause.) Yet, American workers want more than unemployment checks— they want a steady paycheck. (Applause.) When America works, America prospers, so my economic security plan can be summed up in one word: jobs. (Applause.)

Page 3212

Good jobs begin with good schools, and here we've made a fine start. (Applause.) Republicans and Democrats worked together to achieve historic education reform so that no child is left behind. I was proud to work with members of both parties: Chairman John Boehner and Congressman George Miller. (Applause.) Senator Judd Gregg. (Applause.) And I was so proud of our work, I even had nice things to say about my friend, Ted Kennedy. (Laughter and applause.) I know the folks at the Crawford coffee shop couldn't believe I'd say such a thing—(laughter)—but our work on this bill shows what is possible if we set aside posturing and focus on results. (Applause.)

There is more to do. We need to prepare our children to read and succeed in school with improved Head Start and early childhood development programs. (Applause.) We must upgrade our teacher colleges and teacher training and launch a major recruiting drive with a great goal for America: a quality teacher in every classroom. (Applause.)

Good jobs also depend on reliable and affordable energy. This Congress must act to encourage conservation, promote technology, build infrastructure, and it must act to increase energy production at home so America is less dependent on foreign oil. (Applause.)

Good jobs depend on expanded trade. Selling into new markets creates new jobs, so I ask Congress to finally approve trade promotion authority. (Applause.) On these two key issues, trade and energy, the House of Representatives has acted to create jobs, and I urge the Senate to pass this legislation. (Applause.)

Good jobs depend on sound tax policy. (Applause.) Last year, some in this hall thought my tax relief plan was too small; some thought it was too big. (Applause.) But when the checks arrived in the mail, most Americans thought tax relief was just about right. (Applause.) Congress listened to the people and responded by reducing tax rates, doubling the child credit, and ending the death tax. For the sake of long-term growth and to help Americans plan for the future, let's make these tax cuts permanent. (Applause.)

The way out of this recession, the way to create jobs, is to grow the economy by encouraging investment in factories and equipment, and by speeding up tax relief so people have more money to spend. For the sake of American workers, let's pass a stimulus package. (Applause.)

Good jobs must be the aim of welfare reform. As we reauthorize these important reforms, we must always remember the goal is to reduce dependency on government and offer every American the dignity of a job. (Applause.)

Americans know economic security can vanish in an instant without health security. I ask Congress to join me this year to enact a patients' bill of rights—(applause)—to give uninsured workers credits to help buy health coverage—(applause)—to approve an

historic increase in the spending for veterans' health—(applause)—and to give seniors a sound and modern Medicare system that includes coverage for prescription drugs. (Applause.)

Page 3213

A good job should lead to security in retirement. I ask Congress to enact new safeguards for 401K and pension plans. (Applause.) Employees who have worked hard and saved all their lives should not have to risk losing everything if their company fails. (Applause.) Through stricter accounting standards and tougher disclosure requirements, corporate America must be made more accountable to employees and shareholders and held to the highest standards of conduct. (Applause.)

Retirement security also depends upon keeping the commitments of Social Security, and we will. We must make Social Security financially stable and allow personal retirement accounts for younger workers who choose them. (Applause.)

Members, you and I will work together in the months ahead on other issues: productive farm policy—(applause)—a cleaner environment—(applause) —broader home ownership, especially among minorities—(applause)—and ways to encourage the good work of charities and faith-based groups. (Applause.) I ask you to join me on these important domestic issues in the same spirit of cooperation we've applied to our war against terrorism. (Applause.)

During these last few months, I've been humbled and privileged to see the true character of this country in a time of testing. Our enemies believed America was weak and materialistic, that we would splinter in fear and selfishness. They were as wrong as they are evil. (Applause.)

The American people have responded magnificently, with courage and compassion, strength and resolve. As I have met the heroes, hugged the families, and looked into the tired faces of rescuers, I have stood in awe of the American people.

And I hope you will join me—I hope you will join me in expressing thanks to one American for the strength and calm and comfort she brings to our nation in crisis, our First Lady, Laura Bush. (Applause.)

None of us would ever wish the evil that was done on September the 11th. Yet after America was attacked, it was as if our entire country looked into a mirror and saw our better selves. We were reminded that we are citizens, with obligations to each other, to our country, and to history. We began to think less of the goods we can accumulate, and more about the good we can do.

For too long our culture has said, "If it feels good, do it." Now America is embracing a new ethic and a new creed: "Let's roll." (Applause.) In the sacrifice of soldiers, the fierce brotherhood of firefighters, and the bravery and generosity of ordinary citizens, we have glimpsed what a new culture of responsibility could look like. We want to be a nation that serves goals larger than self. We've been offered a unique opportunity, and we must not let this moment pass. (Applause.)

My call tonight is for every American to commit at least two years—4,000 hours over the rest of your lifetime—to the service of your neighbors and your nation. (Applause.) Many are already serving, and I thank you. If you aren't sure how to help, I've got a good place to start. To sustain and extend the best that has emerged in America, I invite you to join the new USA Freedom Corps. The Freedom Corps will focus on three areas of need: responding in case of crisis at home; rebuilding our communities; and extending American compassion throughout the world.

Page 3214

One purpose of the USA Freedom Corps will be homeland security. America needs retired doctors and nurses who can be mobilized in major emergencies; volunteers to help police and fire departments; transportation and utility workers well-trained in spotting danger.

Our country also needs citizens working to rebuild our communities. We need mentors to love children, especially children whose parents are in prison. And we need more talented teachers in troubled schools. USA Freedom Corps will expand and improve the good efforts of AmeriCorps and Senior Corps to recruit more than 200,000 new volunteers.

And America needs citizens to extend the compassion of our country to every part of the world. So we will renew the promise of the Peace Corps, double its volunteers over the next five years—(applause)—and ask it to join a new effort to encourage development and education and opportunity in the Islamic world. (Applause.)

This time of adversity offers a unique moment of opportunity—a moment we must seize to change our culture. Through the gathering momentum of millions of acts of service and decency and kindness, I know we can overcome evil with greater good. (Applause.) And we have a great opportunity during this time of war to lead the world toward the values that will bring lasting peace.

All fathers and mothers, in all societies, want their children to be educated, and live free from poverty and violence. No people on Earth yearn to be oppressed, or aspire to servitude, or eagerly await the midnight knock of the secret police.

If anyone doubts this, let them look to Afghanistan, where the Islamic “street” greeted the fall of tyranny with song and celebration. Let the skeptics look to Islam’s own rich history, with its centuries of learning, and tolerance and progress. America will lead by defending liberty and justice because they are right and true and unchanging for all people everywhere. (Applause.)

No nation owns these aspirations, and no nation is exempt from them. We have no intention of imposing our culture. But America will always stand firm for the non-negotiable demands of human dignity: the rule of law; limits on the power of the state; respect for women; private property; free speech; equal justice; and religious tolerance. (Applause.)

America will take the side of brave men and women who advocate these values around the world, including the Islamic world, because we have a greater objective than eliminating threats and containing resentment. We seek a just and peaceful world beyond the war on terror.

In this moment of opportunity, a common danger is erasing old rivalries. America is working with Russia and China and India, in ways we have never before, to achieve peace and prosperity. In every region, free markets and free trade and free societies are proving their power to lift lives. Together with friends and allies from Europe to Asia, and Africa to Latin America, we will demonstrate that the forces of terror cannot stop the momentum of freedom. (Applause.)

Page 3215

The last time I spoke here, I expressed the hope that life would return to normal. In some ways, it has. In others, it never will. Those of us who have lived through these challenging times have been changed by them. We've come to know truths that we will never question: evil is real, and it must be opposed. (Applause.) Beyond all differences of race or creed, we are one country, mourning together and facing danger together. Deep in the American character, there is honor, and it is stronger than cynicism. And many have discovered again that even in tragedy—especially in tragedy—God is near. (Applause.)

In a single instant, we realized that this will be a decisive decade in the history of liberty, that we've been called to a unique role in human events. Rarely has the world faced a choice more clear or consequential.

Our enemies send other people's children on missions of suicide and murder. They embrace tyranny and death as a cause and a creed. We stand for a different choice, made long ago, on the day of our founding. We affirm it again today. We choose freedom and the dignity of every life. (Applause.)

Steadfast in our purpose, we now press on. We have known freedom's price. We have shown freedom's power. And in this great conflict, my fellow Americans, we will see freedom's victory.

Thank you all. May God bless. (Applause.)

*** *End of the project gutenberg* EBOOK *of complete addresses* ***

This file should be named suall11.txt or suall11.zip Corrected *editions* of our eBooks get a new *number*, suall12.txt *versions* based on separate sources get new *letter*, suall10a.txt

Project Gutenberg eBooks are often created from several printed editions, all of which are confirmed as Public Domain in the *us* unless a copyright notice is included. Thus, we usually do not keep eBooks in compliance with any particular paper edition.

We are now trying to release all our eBooks one year in advance of the official release dates, leaving time for better editing. Please be encouraged to tell us about any error or corrections, even years after the official publication date.

Please note neither this listing nor its contents are final til midnight of the last day of the month of any such announcement. The official release date of all Project Gutenberg eBooks is at Midnight, Central Time, of the last day of the stated month. A preliminary version may often be posted for suggestion, comment and editing by those who wish to do so.

Most people start at our Web sites at: http://gutenberg.net or http://promo.net/pg

BOOKRAGS

These Web sites include award-winning information about Project Gutenberg, including how to donate, how to help produce our new eBooks, and how to subscribe to our email newsletter (free!).

Those of you who want to download any eBook before announcement can get to them as follows, and just download by date. This is also a good way to get them instantly upon announcement, as the indexes our cataloguers produce obviously take a while after an announcement goes out in the Project Gutenberg Newsletter.

Page 3216

http://www.ibiblio.org/gutenberg/etext04 or ftp://ftp.ibi
blio.org/pub/docs/books/gutenberg/etext04

Or *etext03, 02, 01, 00, 99, 98, 97, 96, 95, 94, 93, 92, 92, 91 or 90*

Just search by the first five letters of the filename you want, as it appears in our Newsletters.

Information about Project Gutenberg (one page)

We produce about two million dollars for each hour we work. The time it takes us, a rather conservative estimate, is fifty hours to get any eBook selected, entered, proofread, edited, copyright searched and analyzed, the copyright letters written, *etc*. Our projected audience is one hundred million readers. If the value per text is nominally estimated at one dollar then we produce $2 million dollars per hour in 2002 as we release over 100 new text files per month: 1240 more eBooks in 2001 for a total of 4000+ We are already on our way to trying for 2000 more eBooks in 2002 If they reach just 1-2% of the world's population then the total will reach over half a trillion eBooks given away by year's end.

The Goal of Project Gutenberg is to Give Away 1 Trillion eBooks! This is ten thousand titles each to one hundred million readers, which is only about 4% of the present number of computer users.

Here is the briefest record of our progress (* means estimated):

eBooks	Year	Month
1	1971	July
10	1991	January
100	1994	January
1000	1997	August
1500	1998	October
2000	1999	December
2500	2000	December
3000	2001	November
4000	2001	October/November
6000	2002	December*
9000	2003	November*
10000	2004	January*

The Project Gutenberg Literary Archive Foundation has been created to secure a future for Project Gutenberg into the next millennium.

We need your donations more than ever!

As of February, 2002, contributions are being solicited from people and organizations in: Alabama, Alaska, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

We have filed in all 50 states now, but these are the only ones that have responded.

As the requirements for other states are met, additions to this list will be made and fund raising will begin in the additional states. Please feel free to ask to check the status of your state.

In answer to various questions we have received on this:

We are constantly working on finishing the paperwork to legally request donations in all 50 states. If your state is not listed and you would like to know if we have added it since the list you have, just ask.

Page 3217

While we cannot solicit donations from people in states where we are not yet registered, we know of no prohibition against accepting donations from donors in these states who approach us with an offer to donate.

International donations are accepted, but we don't know *anything* about how to make them tax-deductible, or even if they *can* be made deductible, and don't have the staff to handle it even if there are ways.

Donations by check or money order may be sent to:

Project Gutenberg Literary Archive Foundation
PMB 113
1739 University Ave.
Oxford, *Ms* 38655-4109

Contact us if you want to arrange for a wire transfer or payment method other than by check or money order.

The Project Gutenberg Literary Archive Foundation has been approved by the *us* Internal Revenue Service as a 501(c)(3) organization with *ein* [Employee Identification Number] 64-622154. Donations are tax-deductible to the maximum extent permitted by law. As fund-raising requirements for other states are met, additions to this list will be made and fund-raising will begin in the additional states.

We need your donations more than ever!

You can get up to date donation information online at:

http://www.gutenberg.net/donation.html

***

If you can't reach Project Gutenberg,
you can always email directly to:

Michael S. Hart *hart@pobox.com*

Prof. Hart will answer or forward your message.

We would prefer to send you information by email.

The Legal Small Print

BOOKRAGS

(Three Pages)

Start**the small print*!For public domain* EBOOKS***start**** Why is this “Small Print!” statement here? You know: lawyers. They tell us you might sue us if there is something wrong with your copy of this eBook, even if you got it for free from someone other than us, and even if what’s wrong is not our fault. So, among other things, this “Small Print!” statement disclaims most of our liability to you. It also tells you how you may distribute copies of this eBook if you want to.

BEFORE! You use or read this EBOOK By using or reading any part of this *project gutenberg*-tm eBook, you indicate that you understand, agree to and accept this “Small Print!” statement. If you do not, you can receive a refund of the money (if any) you paid for this eBook by sending a request within 30 days of receiving it to the person you got it from. If you received this eBook on a physical medium (such as a disk), you must return it with your request.

Page 3218

About project gutenberg-tm EBOOKS This *project gutenberg*-tm eBook, like most *project gutenberg*-tm eBooks, is a “public domain” work distributed by Professor Michael S. Hart through the Project Gutenberg Association (the “Project"). Among other things, this means that no one owns a United States copyright on or for this work, so the Project (and you!) can copy and distribute it in the United States without permission and without paying copyright royalties. Special rules, set forth below, apply if you wish to copy and distribute this eBook under the “*Project gutenberg*” trademark.

Please do not use the “*Project gutenberg*” trademark to market any commercial products without permission.

To create these eBooks, the Project expends considerable efforts to identify, transcribe and proofread public domain works. Despite these efforts, the Project’s eBooks and any medium they may be on may contain “Defects”. Among other things, Defects may take the form of incomplete, inaccurate or corrupt data, transcription errors, a copyright or other intellectual property infringement, a defective or damaged disk or other eBook medium, a computer virus, or computer codes that damage or cannot be read by your equipment.

Limited warranty; *disclaimer of damages* But for the “Right of Replacement or Refund” described below, [1] Michael Hart and the Foundation (and any other party you may receive this eBook from as a *project gutenberg*-tm eBook) disclaims all liability to you for damages, costs and expenses, including legal fees, and [2] *you have no remedies for negligence or under strict liability*, *or for breach of warranty or contract*, *including but not limited to indirect*, *consequential*, *punitive or incidental damages*, *even if you give notice of the possibility of such damages*.

If you discover a Defect in this eBook within 90 days of receiving it, you can receive a refund of the money (if any) you paid for it by sending an explanatory note within that time to the person you received it from. If you received it on a physical medium, you must return it with your note, and such person may choose to alternatively give you a replacement copy. If you received it electronically, such person may choose to alternatively give you a second opportunity to receive it electronically.

This EBOOK *is otherwise provided to you* “*As-is*”. *No other warranties of any kind*, *express or implied*, *are made to you as to the* EBOOK *or any medium it may be on*, *including but not limited to warranties of merchantability or fitness for* A *particular purpose*.

Page 3219

Some states do not allow disclaimers of implied warranties or the exclusion or limitation of consequential damages, so the above disclaimers and exclusions may not apply to you, and you may have other legal rights.

Indemnity You will indemnify and hold Michael Hart, the Foundation, and its trustees and agents, and any volunteers associated with the production and distribution of Project Gutenberg-tm texts harmless, from all liability, cost and expense, including legal fees, that arise directly or indirectly from any of the following that you do or cause: [1] distribution of this eBook, [2] alteration, modification, or addition to the eBook, or [3] any Defect.

Distribution under "*Project gutenberg*-tm" You may distribute copies of this eBook electronically, or by disk, book or any other medium if you either delete this "Small Print!" and all other references to Project Gutenberg, or:

[1] Only give exact copies of it. Among other things, this requires that you do not remove, alter or modify the eBook or this "small print!" statement. You may however, if you wish, distribute this eBook in machine readable binary, compressed, mark-up, or proprietary form, including any form resulting from conversion by word processing or hypertext software, but only so long as *EITHER*:

[*] The eBook, when displayed, is clearly readable, and does *not* contain characters other than those intended by the author of the work, although tilde (~), asterisk (*) and underline (_) characters may be used to convey punctuation intended by the author, and additional characters may be used to indicate hypertext links; *or*

[*] The eBook may be readily converted by the reader at no expense into plain ASCII, EBCDIC or equivalent form by the program that displays the eBook (as is the case, for instance, with most word processors); *or*

[*] You provide, or agree to also provide on request at no additional cost, fee or expense, a copy of the eBook in its original plain ASCII form (or in EBCDIC or other equivalent proprietary form).

[2] Honor the eBook refund and replacement provisions of this "Small Print!" statement.

[3] Pay a trademark license fee to the Foundation of 20% of the gross profits you derive calculated using the method you already use to calculate your applicable taxes. If you don't derive profits, no royalty is due. Royalties are payable to "Project Gutenberg Literary Archive Foundation" the 60 days following each date you prepare (or were legally required to prepare) your annual (or equivalent periodic) tax return. Please contact us beforehand to let us know your plans and to work out the details.

Page 3220

What if you WANT to send money even if you don't have to? Project Gutenberg is dedicated to increasing the number of public domain and licensed works that can be freely distributed in machine readable form.

The Project gratefully accepts contributions of money, time,
public domain materials, or royalty free copyright licenses.
Money should be paid to the:
"Project Gutenberg Literary Archive Foundation."

If you are interested in contributing scanning equipment or software or other items, please contact Michael Hart at: hart@pobox.com

[Portions of this eBook's header and trailer may be reprinted only when distributed free of all fees. Copyright (C) 2001, 2002 by Michael S. Hart. Project Gutenberg is a TradeMark and may not be used in any sales of Project Gutenberg eBooks or other materials be they hardware or software or any other related product without express permission.]

*END THE SMALL PRINT! FOR PUBLIC DOMAIN EBOOKS*Ver.02/11/02**End**